

Essentials of Marketing, 16e (Perreault)
Chapter 2 Marketing Strategy Planning

1) Planning, implementation, and control are basic jobs of all managers.

Answer: TRUE

Explanation: In the marketing management process, planning, implementation, and control are basic jobs of all marketing managers.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

2) Controlling the marketing plan is the first step of the marketing management process.

Answer: FALSE

Explanation: Controlling marketing plans is the final step of the marketing management process. It involves measuring results and evaluating progress of plans after they have been devised and implemented.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

3) The three basic jobs in the marketing management process are planning, implementation, and control.

Answer: TRUE

Explanation: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

4) The marketing management process consists of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Answer: TRUE

Explanation: The marketing management process is the process of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) Strategic planning is a top management job that includes planning only for marketing.

Answer: FALSE

Explanation: Strategic planning includes planning not only for marketing but also for production, finance, human resources, and other areas.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

6) Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Answer: TRUE

Explanation: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities. It includes planning not only for marketing but also for production, finance, human resources, and other areas.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) Strategic (management) planning is a managerial process of developing and maintaining a match between the resources of the production department and its product opportunities.

Answer: FALSE

Explanation: Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

8) Finding attractive opportunities and developing profitable marketing strategies are tasks included in the marketing manager's marketing strategy planning job.

Answer: TRUE

Explanation: The marketing manager's marketing strategy planning job involves finding attractive opportunities and developing profitable marketing strategies.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

9) Marketing strategy planning is the process of deciding how best to sell the products the firm produces.

Answer: FALSE

Explanation: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

10) A marketing strategy specifies a target market and a related marketing mix.

Answer: TRUE

Explanation: A marketing strategy specifies a target market and a related marketing mix. It is a broad view of what a firm will do in some market.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

11) A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

Answer: TRUE

Explanation: The two interrelated parts that make up a marketing mix are (1) target market, and (2) marketing mix.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

12) A marketing strategy is composed of two interrelated parts—planning and implementation.

Answer: FALSE

Explanation: A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

13) The two parts of a marketing strategy are an attractive opportunity and a target market.

Answer: FALSE

Explanation: A marketing strategy is composed of two interrelated parts—a target market and a marketing mix.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

14) A target market consists of a group of consumers who are usually quite different.

Answer: FALSE

Explanation: A target market consists of a fairly homogeneous group of customers.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

15) A marketing mix consists of the uncontrollable variables that a company puts together to satisfy a target market.

Answer: FALSE

Explanation: A marketing mix is the set of controllable variables that a company puts together to satisfy a target group.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

16) Target marketing aims a marketing mix at some specific target customers.

Answer: TRUE

Explanation: Target marketing aims a marketing mix at some specific target customers.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

17) Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.

Answer: FALSE

Explanation: Mass marketing vaguely aims at everyone with the same marketing mix. It assumes that everyone is the same—and it considers everyone a potential customer.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) The mass marketing approach is more production-oriented than marketing-oriented.

Answer: TRUE

Explanation: Mass marketing is the typical production-oriented approach that vaguely aims at everyone with the same marketing mix.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

19) The terms mass marketing and mass marketers mean the same thing.

Answer: FALSE

Explanation: Mass marketing means trying to sell to everyone, whereas mass marketers aim at clearly defined target markets.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

20) "Mass marketers" like Target usually try to aim at clearly defined target markets.

Answer: TRUE

Explanation: Unlike mass marketing, which aims at trying to sell to everyone, mass marketers aim at clearly defined target markets.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

21) The problem with target marketing is that it limits the firm to small market segments.

Answer: FALSE

Explanation: Target marketing is not limited to small market segments, only to fairly homogeneous ones.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

22) Potential customers are all alike.

Answer: FALSE

Explanation: Mass marketing assumes that everyone is the same and considers everyone a potential customer.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing; Marketing Strategy Planning Highlights Opportunities

Learning Objective: 02-03 understand target marketing.; 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

23) The basic reason to focus on some specific target customers instead of all possible customers is so that managers can develop a marketing mix that satisfies those customers' specific needs better than they are satisfied by some other firm.

Answer: TRUE

Explanation: Since everyone is different, marketers need to focus efforts on some specific target customers instead of all customers. Target marketing allows marketers to develop a marketing mix that satisfies the needs of select consumers.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

24) The "Four Ps" are Product, Promotion, Price, and Personnel.

Answer: FALSE

Explanation: The "Four Ps" in a firm's marketing mix are Product, Price, Place, and Promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

25) The "Four Ps" of the marketing mix are Product, Position, Promotion, and Price.

Answer: FALSE

Explanation: The "Four Ps" in a firm's marketing mix are Product, Price, Place, and Promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

26) The "Four Ps" of the marketing mix are People, Products, Price, and Promotion.

Answer: FALSE

Explanation: The "Four Ps" in a firm's marketing mix are Product, Price, Place, and Promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

27) Product, Place, Promotion, and Price are the four major variables (decision areas) in a firm's marketing mix.

Answer: TRUE

Explanation: Product, Place, Promotion, and Price are the four important variables in a firm's marketing mix.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) The customer is a part of the marketing mix and should be the target of all marketing efforts.

Answer: FALSE

Explanation: The customer is the target of all marketing efforts and is not part of the marketing mix.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

Answer: TRUE

Explanation: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) The customer should not be considered part of a "marketing mix."

Answer: TRUE

Explanation: The customer is not part of the marketing mix, but instead the focus of all marketing efforts.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

31) The Product area is concerned with developing the right physical good, service, or blend of both for the target market.

Answer: TRUE

Explanation: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

32) According to the text, a firm that sells a service rather than a physical good does not have a product.

Answer: FALSE

Explanation: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

33) The Product area of the marketing mix may involve a service and/or a physical good, which satisfies some customers' needs.

Answer: TRUE

Explanation: The Product area is concerned with developing the right product, which may involve a physical good, a service, or both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

34) The Place decisions are concerned with getting the right product to the target market at the right time.

Answer: TRUE

Explanation: Place is concerned with all the decisions involved in getting the right product to the target market at the right time. A product isn't much good to a customer if it isn't available when and where it's wanted.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

35) Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

Answer: TRUE

Explanation: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

36) A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

Answer: TRUE

Explanation: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

37) A channel of distribution must include an intermediary.

Answer: FALSE

Explanation: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary, depending on the industry and type of products offered.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

38) A channel of distribution must include several kinds of intermediaries and collaborators.

Answer: FALSE

Explanation: A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. It may or may not include an intermediary, depending on the industry and type of products offered.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

Answer: TRUE

Explanation: Promotion includes personal selling, mass selling, and sales promotion. It is the marketing manager's job to blend these methods of communication.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

40) Promotion is composed of personal selling, advertising, publicity, and sales promotion.

Answer: TRUE

Explanation: Promotion includes personal selling, mass selling (advertising, and publicity), and sales promotion. It is the marketing manager's job to blend these methods of communication.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

41) Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

Answer: FALSE

Explanation: Personal selling involves direct spoken communication between sellers and potential customers. Such sales often require personal attention even after the sale is made.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

42) Customer service is needed when a customer wants the seller to resolve a problem with a purchase.

Answer: TRUE

Explanation: Customer service is personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

Answer: TRUE

Explanation: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

44) Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

Answer: TRUE

Explanation: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This includes use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

45) Sales promotion refers to those promotion activities—other than advertising, publicity, and personal selling—that stimulate interest, trial, or purchase by final customers or others in the channel.

Answer: TRUE

Explanation: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling that stimulate interest, trial, or purchase by final customers or others in the channel.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

46) Personal selling and advertising are both forms of sales promotion.

Answer: FALSE

Explanation: Sales promotion refers to those promotion activities other than advertising, publicity, and personal selling those stimulate interest, trial, or purchase. Therefore, neither personal selling nor advertising is a form of sales promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) The "Four Ps" are used by marketing managers to deliver customer value to a target market.

Answer: TRUE

Explanation: Customer value increases when customers perceive more benefits or lower costs. Marketing managers use the "Four Ps" to deliver customer value to a target market.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

48) According to the text, Promotion is the most important of the "Four Ps."

Answer: FALSE

Explanation: No single element of the marketing mix is more important another. All four are equally important.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

49) Price is the most important of the "Four Ps."

Answer: FALSE

Explanation: No single element of the marketing mix is more important than another. All four are equally important.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

50) In general, no single element of the "Four Ps" is more important than the others.

Answer: TRUE

Explanation: No single element of the marketing mix is more important than the other. All four are equally important.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Create

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) The marketing mix should be set before the best target market is selected.

Answer: FALSE

Explanation: Selecting a target market and developing a marketing mix are interrelated. Both parts of a marketing strategy must be decided together.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

52) As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

Answer: TRUE

Explanation: The Toddler University case shows how the needs of a target market, in this case the attentive parents target market, determine the nature of an appropriate marketing mix.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

53) Marketing plan and marketing strategy mean the same thing.

Answer: FALSE

Explanation: A marketing strategy is a big picture of what a firm will do in some market. A marketing plan is a written statement of a marketing strategy.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

54) A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

Answer: TRUE

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

55) A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Answer: TRUE

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

56) Implementation means putting the marketing plan into operation.

Answer: TRUE

Explanation: Implementation refers to putting marketing plans into operation.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

57) Short-run decisions that stay within the overall guidelines set during strategy planning are called implementation decisions.

Answer: FALSE

Explanation: Operational decisions refers to short-run decisions that stay within the guidelines set down during strategy planning made to help implement strategies.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

58) Marketing strategy planning should specify all the operational decisions to implement the plan.

Answer: FALSE

Explanation: Operational decisions should stay within the guidelines set down during strategy planning, but operational decisions are made regularly, sometimes daily, and should not be confused with planning strategy.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

59) Companies such as Campbell's can only implement one marketing strategy at a time.

Answer: FALSE

Explanation: Campbell's has developed different soups that are targeted to the specific needs of different target markets. The marketing plan for each type of soup is different and fits into its overall marketing program.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

60) Marketing analytics is used to evaluate marketing performance in order to maximize efficiency and effectiveness.

Answer: TRUE

Explanation: Marketing analytics is the practice of measuring, managing, and analyzing marketing performance to maximize its efficiency and effectiveness.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

61) Most companies implement only one marketing strategy at a time.

Answer: FALSE

Explanation: Most companies implement more than one marketing strategy, and related marketing plan, at the same time. One such company is Procter & Gamble.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

62) A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.

Answer: TRUE

Explanation: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

63) A marketing program blends all of a firm's marketing plans into one "big" plan.

Answer: TRUE

Explanation: A marketing program blends all of the firm's marketing plans into one "big" plan. Its success is based on the care that goes into planning individual strategies.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

64) A marketing program may consist of several marketing plans.

Answer: TRUE

Explanation: A marketing program blends a firm's various marketing plans into one combined plan.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

65) A successful marketing program benefits the firm by increasing customer equity.

Answer: TRUE

Explanation: Customer equity is the expected earnings stream of a firm's current and prospective customers over a period of time. A successful marketing program is expected to identify opportunities that will lead to an increase in a firm's customer equity.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

66) Customer lifetime value (CLV) represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

Answer: TRUE

Explanation: Customer lifetime value (CLV) represents the total stream of purchase a customer could contribute to the company over the life of the relationship.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

67) One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.

Answer: TRUE

Explanation: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This includes finding cost-effective ways to serve current customers so they buy more in the future.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

68) One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.

Answer: TRUE

Explanation: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. This means that marketing strategies can focus on attracting new customers using cost-effective methods.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

69) The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.

Answer: TRUE

Explanation: Increasing customer equity requires marketing managers to place an emphasis on long-term profits. To achieve this, marketing strategies can focus on attracting new customers as well as retaining and growing current customers.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

70) The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's short-term profits—just for the next quarter or year.

Answer: FALSE

Explanation: The customer equity approach guides the marketing manager to make marketing decisions that enhance the firm's long-term profits—not just for the next quarter or year. By estimating the impacts that different marketing strategies and marketing programs have on customer equity, a firm can make marketing decisions with long-run financial implications in mind.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

71) Enhancing customer value by increasing their purchases is a potential source of new revenue.

Answer: TRUE

Explanation: Acquiring new customers, retaining current customers, and enhancing the customer value by increasing their purchases are potential sources of new revenue.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

72) The retention rate is the amount it costs to attract a new customer compared to the amount it costs to retain customers.

Answer: FALSE

Explanation: Retention rate is the percentage of customers retained as compared to the total number of customers.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

73) If a firm spent \$5,000 in advertising to obtain 50 new customers, its acquisition cost would be \$100 per customer.

Answer: TRUE

Explanation: Acquisition cost is the expense required to acquire a new customer. If a firm spent \$5,000 in advertising to attract 50 new customers, the acquisition cost would be \$100 per customer ($\$5,000/50 = \100).

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

74) The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

Answer: FALSE

Explanation: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives. An opportunity that is attractive for one firm may not be attractive for another.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

75) Attractive opportunities for a particular firm are those that the firm has some chance of doing something about—given its resources and objectives.

Answer: TRUE

Explanation: Attractive opportunities for a given firm are those that the firm has some chance of exploiting given its resources and objectives.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

76) A breakthrough opportunity is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.

Answer: TRUE

Explanation: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

77) Breakthrough opportunities are those that help innovators develop hard-to-copy marketing strategies that will be profitable for a long time.

Answer: TRUE

Explanation: Breakthrough opportunities are opportunities that help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

78) A firm with a "competitive advantage" has a marketing mix that the target market sees as better than a competitor's mix.

Answer: TRUE

Explanation: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

79) Finding competitive advantages is important because they are needed for survival in increasingly competitive markets.

Answer: TRUE

Explanation: Even if a firm can't find a breakthrough opportunity, it should try to obtain a competitive advantage to increase its chances for profit or survival.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

80) It is useful to think of the marketing strategy planning process as a narrowing-down process.

Answer: TRUE

Explanation: The marketing strategy planning process narrows down from broad opportunities to specific strategy.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

81) The marketing strategy planning process starts with a narrow look at a market and becomes broader the closer the firm comes to developing a marketing mix.

Answer: FALSE

Explanation: The marketing strategy planning process starts with a broad look at a market and narrows down towards specific strategy such as marketing mixes.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

82) There are usually more different strategy possibilities than a firm can pursue.

Answer: TRUE

Explanation: There are usually more different opportunities and strategy possibilities than a firm can pursue—each with its own advantages and disadvantages.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

83) Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

Answer: TRUE

Explanation: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete. This can be derived from an analysis of the company's objectives and resources.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

84) A S.W.O.T. analysis is one way to zero in on a marketing strategy that is well-suited to the firm.

Answer: TRUE

Explanation: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

85) A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product market that has the most profitable marketing mix.

Answer: FALSE

Explanation: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

86) S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

Answer: FALSE

Explanation: S.W.O.T. analysis is one that identifies and lists the firm's strengths, weaknesses, opportunities, and threats. A marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

87) A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

Answer: TRUE

Explanation: S.W.O.T. analysis helps a marketing manager identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

88) The letters in "S.W.O.T." analysis are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities, and threats."

Answer: TRUE

Explanation: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

89) The letters in "S.W.O.T." analysis are an abbreviation for the first letters of the words "special weapons or tactics."

Answer: FALSE

Explanation: The name S.W.O.T. is simply an abbreviation for the first letters in the words strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

90) Segmentation is the process a manager goes through to decide which subgroups of customers to select.

Answer: TRUE

Explanation: Segmentation is the reason why a manager may decide to serve some subgroups of customers and not others.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

91) Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

Answer: TRUE

Explanation: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

92) Differentiation means that the firm's marketing mix is similar to its competitors' mixes.

Answer: FALSE

Explanation: Differentiation means that the marketing mix of a firm is distinct from what is available with a competitor.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

93) Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

Answer: TRUE

Explanation: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

94) Differentiation emphasizes uniqueness rather than similarity.

Answer: TRUE

Explanation: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

95) Differentiation emphasizes similarity rather than uniqueness.

Answer: FALSE

Explanation: Differentiation should emphasize the differences so target customers will think of the firm as being in a unique position to meet their needs.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

96) The external market environment doesn't play a role in the marketing strategy planning process because it exists outside of the company.

Answer: FALSE

Explanation: While the external market environment is outside of the company, it is comprised of trends and forces that can make a potential marketing opportunity more or less attractive or likely to succeed.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

97) It is useful to think of the marketing strategy planning process as a process that begins with a narrow focus but then broadens to embrace unlimited opportunities and options.

Answer: FALSE

Explanation: It is useful to think of the marketing strategy planning process as a narrowing-down process. The process begins with a broad look at a market but then narrows as marketers evaluate specific qualitative and quantitative screening criteria that help zero in on the best target market and marketing mix.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

98) The first two letters in "S.W.O.T." analysis help managers examine customers, competition, and the external marketing environment.

Answer: FALSE

Explanation: The first two letters of S.W.O.T. analysis stand for "strengths and weaknesses" and guide managers to look inward to assess a company's internal capabilities and resources.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

99) The last two letters in "S.W.O.T." refer to "opportunities" and "threats" related to factors outside the company, including customers, competition, and the external marketing environment.

Answer: TRUE

Explanation: Whereas the first two letters of S.W.O.T. analysis focus on strengths and weaknesses related to a company's internal resources and capabilities, the last two letters examine "opportunities and threats" outside the firm related to customers, competition, and the external marketing environment.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

100) Marketing opportunities involving present products and present markets are called "market penetration" opportunities.

Answer: TRUE

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

101) Market penetration means trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.

Answer: TRUE

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets through a more aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

102) A firm that tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

Answer: FALSE

Explanation: Market development means trying to increase sales by selling present products in new markets.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

103) A market development opportunity would involve a firm offering new or improved products to its present markets.

Answer: FALSE

Explanation: Market development means trying to increase sales by selling present products in new markets.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

104) When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

Answer: TRUE

Explanation: Product development means offering new or improved products for present markets.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

105) Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

Answer: FALSE

Explanation: This is an example of product development, which means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

106) The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

Answer: FALSE

Explanation: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

107) When Cadillac added a new sports utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

Answer: FALSE

Explanation: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

108) If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

Answer: FALSE

Explanation: Product development means offering new or improved products for present markets. By knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

109) Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.

Answer: TRUE

Explanation: Diversification means moving into totally different lines of business. It could be entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

110) The least risky—but most challenging—marketing opportunities are diversification opportunities.

Answer: FALSE

Explanation: Products and customers that are very different from a firm's current base may look attractive, but these opportunities are usually hard to evaluate. That's why diversification usually involves the biggest risk.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

111) Often, attractive opportunities are fairly close to markets the firm already knows.

Answer: TRUE

Explanation: Most firms think first of greater market penetration and usually find the most attractive opportunities in markets they already know.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

112) When it comes to choosing among different types of opportunities, most firms tend to be production-oriented and usually think first of diversification.

Answer: FALSE

Explanation: Most firms tend to think first of greater market penetration when they think of diversification.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

113) Of the four types of opportunities firms can pursue, diversification is the easiest to evaluate and involves the least risk.

Answer: FALSE

Explanation: Since diversification opportunities require moving into totally different lines of business—perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system—such opportunities are hard to evaluate and involve the greatest risk.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

114) Advances in e-commerce, transportation, and communications have had little impact on creating international opportunities.

Answer: FALSE

Explanation: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information—and easy ways to order—at very little expense.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

115) If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.

Answer: TRUE

Explanation: If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale. Lower costs and prices may give a firm a competitive advantage both in its home markets and abroad.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Understand

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

116) Unfavorable trends in the domestic market environment may make the international marketing environment very attractive.

Answer: TRUE

Explanation: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

117) International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.

Answer: TRUE

Explanation: Marketing managers should consider international opportunities, but risks are often higher in foreign markets. Many firms fail because they don't know the foreign country's culture.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

118) Marketing managers usually find that opportunities in international markets are less profitable than in domestic markets.

Answer: FALSE

Explanation: Unfavorable trends in the market environment at home—or favorable trends in other countries—may make international marketing particularly attractive. However, managers must assess both the risks and opportunities.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

119) When a firm's domestic market is prosperous, marketing managers are less likely to pursue opportunities in international markets.

Answer: TRUE

Explanation: Marketers who are attaining success in domestic markets often fall into the trap of ignoring opportunities in international markets.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

120) The three basic tasks of all managers, according to the text, are

A) planning, staffing, and evaluating.

B) marketing, production, and finance.

C) execution, feedback, and control.

D) hiring, training, and compensating.

E) planning, implementation, and control.

Answer: E

Explanation: Planning, implementation, and control are basic jobs of all managers.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 121) Controlling is vital to the marketing management process because
- A) marketing managers need to control their subordinates.
 - B) controlling examines a firm's strengths, weaknesses, opportunities, and threats.
 - C) gathering feedback on a plan's results may lead to beneficial adjustments or entirely new plans.
 - D) controlling involves identifying a target market.
 - E) controlling is part of the marketing mix.

Answer: C

Explanation: Controlling is vital to the marketing management process because gathering feedback on a plan's results may lead to beneficial adjustments or entirely new plans.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 122) Which of the following duties would NOT be performed by a firm's marketing managers?
- A) planning activities
 - B) directing the implementation of plans
 - C) controlling plans
 - D) overseeing the firm's financial statements
 - E) developing marketing mixes for target markets

Answer: D

Explanation: Marketing managers oversee all aspects of the marketing management process, including planning marketing, directing the implementation of the plans, and controlling these plans. Overseeing a firm's financial statements is a duty for financial officers and accountants.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

123) Which of the following is one of three basic marketing management jobs?

- A) directing the implementation of plans
- B) controlling the plans in actual operation
- C) planning marketing activities
- D) All these answers are correct.

Answer: D

Explanation: The marketing management process is (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

124) The marketing management process is the process of

- A) planning marketing activities.
- B) implementing marketing plans.
- C) controlling marketing plans.
- D) All these answers are correct.

Answer: D

Explanation: The marketing management process refers to (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

125) Which of the following refers to the managerial process of developing and maintaining a match between an organization's resources and its market opportunities?

- A) marketing mix decisions
- B) strategic (management) planning
- C) advertising and promotional activities
- D) marketing management process
- E) effective marketing strategy

Answer: B

Explanation: The job of planning strategies to guide a whole company is called strategic (management) planning—the managerial process of developing and maintaining match between an organization's resources and its market opportunities. This is a top-management job.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

126) What sets the tone and direction for the whole company?

- A) expansion plan
- B) manager's qualification
- C) marketing plan
- D) management process
- E) sales and promotion

Answer: C

Explanation: Although marketing strategies are not whole-company plans, company plans should be market-oriented. The marketing plan often sets the tone and direction for the whole company.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

127) Marketing strategies

- A) are not whole-company plans.
- B) ensure that every opportunity is good for every company.
- C) do not specify target markets and related marketing mixes.
- D) ensure sales and profit for the company.
- E) provide a limited picture of what a firm will do in some market.

Answer: A

Explanation: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

128) Why can't marketing managers be satisfied just planning present activities?

- A) Markets are dynamic.
- B) Consumers' needs keep changing.
- C) The environment keeps changing.
- D) Competitors often change.
- E) All of these are reasons that marketing managers can't be satisfied just planning present activities.

Answer: E

Explanation: Marketing managers are not satisfied just planning present activities, since markets are usually dynamic and consumers' needs, competition, and the environment keep changing.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

129) The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called

- A) management by objective.
- B) marketing programming.
- C) marketing strategy planning.
- D) strategic (management) planning.
- E) market planning.

Answer: D

Explanation: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-01 understand what a marketing manager does.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

130) _____ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

- A) Strategic (management) planning
- B) Target marketing
- C) Mass marketing
- D) Resource allocation
- E) Marketing control

Answer: A

Explanation: Strategic (management) planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

Difficulty: 1 Easy

Topic: The Management Job in Marketing

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

131) "Marketing strategy planning" means

- A) finding attractive opportunities and developing profitable marketing strategies.
- B) finding attractive opportunities and selecting a target market.
- C) selecting an attractive target market.
- D) selecting an attractive marketing mix.
- E) selecting a target market and developing a marketing strategy.

Answer: A

Explanation: Marketing strategy planning means finding attractive opportunities and developing profitable marketing strategies.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

132) Marketing strategies

- A) enable marketing managers to be satisfied just planning present activities.
- B) ensure that every opportunity is good for every company.
- C) do not specify target markets and related marketing mixes.
- D) provide a limited picture of what a firm will do in some market.
- E) are not whole-company plans.

Answer: E

Explanation: Marketing strategies are not whole-company plans, but company plans should be market-oriented.

Difficulty: 2 Medium

Topic: What is a Marketing Strategy?; The Management Job in Marketing

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

133) A marketing strategy

- A) specifies a target market and a related marketing mix.
- B) provides a focused but narrow picture of what a firm will do in some market.
- C) is a market-oriented, whole-company plan.
- D) includes two interrelated parts: product mix and product development.
- E) includes the marketing mix, but does not specify customers.

Answer: A

Explanation: A marketing strategy has two interrelated parts (1) a target market, (2) a marketing mix.

Difficulty: 2 Medium

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

134) A marketing strategy specifies

- A) a target market and a related marketing mix.
- B) all the company's resources.
- C) a target market.
- D) a target market and the company's objectives.
- E) a marketing mix.

Answer: A

Explanation: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 135) A marketing strategy specifies
- A) a marketing mix.
 - B) a target market and a related marketing mix.
 - C) a target market.
 - D) the resources needed to implement a marketing mix.

Answer: B

Explanation: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 136) A target market and a related marketing mix make up a
- A) marketing plan.
 - B) marketing strategy.
 - C) marketing program.
 - D) marketing analysis.
 - E) marketing proposal.

Answer: B

Explanation: A marketing strategy specifies a target market and a related marketing mix. It is a big picture of what a firm will do in some market.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

137) Which of the following refers to a fairly homogeneous (similar) group of customers to whom a company wishes to appeal?

- A) related market
- B) target market
- C) typical market
- D) mix market
- E) trial market

Answer: B

Explanation: A target market is a fairly homogeneous (similar) group of customers to whom a company wishes to appeal.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

138) Herbal Essences tries to sell its hair shampoos and conditioners to young women in their late teens and early 20s. These women represent Herbal Essences' primary

- A) marketing strategy.
- B) "Four Ps."
- C) target market.
- D) marketing mix.
- E) channel of distribution.

Answer: C

Explanation: A target market is a fairly homogeneous group of customers to whom a company wishes to appeal.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

139) What term refers to the controllable variables the company puts together to satisfy a target group?

- A) target marketing
- B) marketing strategy
- C) direct marketing
- D) mass marketing
- E) marketing mix

Answer: E

Explanation: A marketing mix consists of the controllable variables the company puts together to satisfy a target group.

Difficulty: 1 Easy

Topic: What is a Marketing Strategy?

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

140) In contrast to mass marketing, target marketing

- A) assumes all customers have the same needs.
- B) assumes everyone is a potential customer.
- C) focuses only on small market segments.
- D) tailors a marketing mix to fit some specific group of customers.
- E) makes it more likely that a firm will face direct competition.

Answer: D

Explanation: Target marketing says that a marketing mix is tailored to fit some specific target customers.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Create

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 141) Which of the following statements about target marketing is NOT correct?
- A) Target marketing is not mass marketing.
 - B) Mass marketers like Kraft and Walmart may conduct target marketing.
 - C) Target marketing is not limited to small market segments.
 - D) Target marketing assumes that everyone is different and specifies some particular target customers.
 - E) Target marketing is associated with the typical production-oriented approach that aims at everyone with the same marketing mix.

Answer: E

Explanation: Mass marketing is a typical production-oriented approach that aims generally at everyone using the same marketing mix. In contrast, target marketing sees everyone as different and says that a marketing mix is tailored to fit some specific target customers.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 142) The difference between target marketing and mass marketing is that target marketing
- A) means focusing on a small market.
 - B) focuses on short-run objectives, while mass marketing focuses on long-run objectives.
 - C) focuses on specific customers, while mass marketing aims at an entire market.
 - D) does not rely on e-commerce, but mass marketing does.
 - E) aims at increased sales, while mass marketing focuses on increased profits.

Answer: C

Explanation: Target marketing involves a marketing mix tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 143) In contrast to mass marketing, target marketing
- A) ignores the need for the firm to obtain a competitive advantage.
 - B) ignores markets that are large and spread out.
 - C) is limited to small market segments.
 - D) assumes that all customers are basically the same.
 - E) None of these answers is correct.

Answer: E

Explanation: Target marketing involves a marketing mix tailored to fit some specific target customers. In contrast, mass marketing vaguely aims at "everyone" with the same marketing mix. Mass marketing assumes that everyone is the same and considers everyone a potential customer.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 144) Target marketing
- A) is a production-oriented approach to marketing.
 - B) is essentially the same as mass marketing.
 - C) considers everyone a potential customer.
 - D) assumes that everyone is the same.
 - E) specifies some particular group of customers.

Answer: E

Explanation: Target marketing involves a marketing mix tailored to fit some specific target customers.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

145) _____ assume(s) that everyone is the same and consider(s) everyone to be a potential customer.

- A) Mass marketers
- B) Target marketing
- C) Mass marketing
- D) Target marketers
- E) Objective marketing

Answer: C

Explanation: Mass marketing, with its typical production-oriented approach, assumes that everyone is the same and considers everyone a potential customer.

Difficulty: 1 Easy

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

146) Which type of marketing aims to sell to everyone?

- A) controlled marketing
- B) target marketing
- C) oriented marketing
- D) direct marketing
- E) mass marketing

Answer: E

Explanation: Mass marketing is the typical production-oriented approach, which vaguely aims at “everyone” with the same marketing mix. Mass marketing assumes that everyone is the same—and it considers everyone to be a potential customer.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 147) Marketing managers should view potential customers as
- A) all alike.
 - B) all having the same needs.
 - C) always wanting to meet needs in the same way.
 - D) grouped into segments of similar consumers.
 - E) being of different types, but all having the same characteristics.

Answer: D

Explanation: Not all potential customers have the same needs, nor do they always want their needs met in the same way. In spite of the many possible differences, there often are segments of consumers who are similar and could be satisfied with the same marketing mix.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing; Marketing Strategy Planning Highlights Opportunities

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.; 02-03 understand target marketing.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 148) Good marketing strategy planners know that
- A) firms like Nabisco and Walmart are too large to aim at clearly defined target markets.
 - B) target marketing does not limit one to small market segments.
 - C) mass marketing is often very desirable and effective.
 - D) the terms "mass marketing" and "mass marketer" mean basically the same thing.
 - E) target markets cannot be large and spread out.

Answer: E

Explanation: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market," may be fairly homogeneous, and a target marketer will deliberately aim at it.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 149) In contrast to mass marketing, target marketing
- A) is limited to small market segments.
 - B) assumes that all customers are basically the same.
 - C) ignores markets that are large and spread out.
 - D) assumes that what they give is what customers want.
 - E) focuses on fairly homogeneous market segments.

Answer: E

Explanation: Target marketing is not limited to small market segments, only to fairly homogeneous ones. A very large market, sometimes called the "mass market," may be fairly homogeneous, and a target marketer will deliberately aim at it.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 150) Which of the following statements about target marketing is NOT correct?
- A) Target marketing is not mass marketing.
 - B) Mass marketers cannot do target marketing.
 - C) Target marketing can mean big markets and profits.
 - D) Marketing-oriented managers practice "target marketing."
 - E) Target marketing aims at a marketing mix that is tailored to fit specific target customers.

Answer: B

Explanation: Target marketing says that a marketing mix is tailored to fit some specific target customers. However, mass marketers like Kraft Foods and Walmart aim at clearly defined target markets. The confusion with mass marketing occurs because their target markets usually are large and spread out.

Difficulty: 2 Medium

Topic: Selecting a Market-Oriented Strategy is Target Marketing

Learning Objective: 02-03 understand target marketing.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

151) The marketing mix

- A) includes four variables: People, Place, Promotion, and Price.
- B) includes the target market.
- C) helps to organize the marketing strategy decision areas.
- D) includes four variables: advertising, personal selling, customer service, and sales promotion.
- E) does not focus on target customers.

Answer: C

Explanation: The variables of the marketing mix help organize marketing related decisions and simplify the selection of marketing mixes.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

152) The "Four Ps" of a marketing mix are

- A) Production, Personnel, Price, and Physical Distribution.
- B) Promotion, Production, Price, and People.
- C) Potential Customers, Product, Price, and Personal Selling.
- D) Product, Price, Promotion, and Profit.
- E) Product, Place, Promotion, and Price.

Answer: E

Explanation: The different variables of the marketing mix are Product, Place, Promotion, and Price.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 153) A marketing mix consists of
- A) Policies, Procedures, Plans, and Personnel.
 - B) the customer and the "Four Ps."
 - C) all variables, controllable and uncontrollable.
 - D) Product, Price, Promotion, and Place.

Answer: D

Explanation: The different variables of the marketing mix are Product, Place, Promotion, and Price.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 154) A firm's "marketing mix" decision areas do NOT include
- A) Promotion.
 - B) People.
 - C) Price.
 - D) Product.
 - E) Place.

Answer: B

Explanation: The different variables of the marketing mix are Product, Place, Promotion, and Price.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

155) A firm's marketing mix decision areas do NOT include

- A) Price.
- B) Promotion.
- C) Product.
- D) Place.
- E) Profit.

Answer: E

Explanation: The different variables of the marketing mix are Product, Place, Promotion, and Price.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

156) Which of the following is NOT one of the four variables in a marketing mix?

- A) Price
- B) Product
- C) Promotion
- D) Payment
- E) Place

Answer: D

Explanation: The different variables of the marketing mix are Product, Place, Promotion, and Price.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

157) Which of the following is true?

- A) The Product "P" in the marketing mix stands only for physical goods.
- B) The Product "P" in the marketing mix stands for both physical goods and services.
- C) The Product "P" in the marketing mix stands only for tangible merchandise.
- D) The Product "P" in the marketing mix stands only for physical merchandise.
- E) The Product "P" in the marketing mix stands strictly for physical goods and tangible merchandise.

Answer: B

Explanation: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

158) What is important to remember when developing the "right" product?

- A) The product must be competitive in the market.
- B) The product must bring in good profit.
- C) The product must be unique to the market.
- D) The product must be easily available in the market.
- E) The product must satisfy the customer's needs.

Answer: E

Explanation: The important thing to remember is that your good or service should satisfy some customers' needs.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 159) "Product" is concerned with
- A) branding.
 - B) packaging and warranty.
 - C) physical goods.
 - D) services.
 - E) all of these might be involved with Product.

Answer: E

Explanation: Products include physical goods and/or services and product-related decisions include branding, packaging, and warranties.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 160) "Product" is concerned with
- A) branding and warranties.
 - B) physical goods and/or services.
 - C) packaging.
 - D) developing the right new product for a market.
 - E) All of these might be involved with "Product."

Answer: E

Explanation: Products include physical goods and/or services and product-related decisions include branding, warranties, and packaging. Developing the right new product is also included in "Product."

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

161) "Product" is concerned with

- A) services.
- B) developing products that will satisfy some customers' needs.
- C) designing, packaging, and branding new products.
- D) physical goods.
- E) All of these might be involved with "Product."

Answer: E

Explanation: Apart from the physical product, a service, or a blend of both, product-related decisions include developing, designing, packaging, and branding.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

162) "Product" is NOT concerned with

- A) quality level.
- B) branding.
- C) wholesale price.
- D) packaging.
- E) warranty.

Answer: C

Explanation: Price, whether a wholesale price or a consumer price, is not part of Product.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

163) Which of the following is NOT a Product-area decision?

- A) quality level
- B) market exposure
- C) instructions
- D) packaging
- E) branding

Answer: B

Explanation: "Market exposure" is part of Place, not Product.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

164) Which of the following is considered a product?

- A) tax advice from a financial consultant
- B) a computer
- C) a haircut
- D) a chair
- E) All of these are considered products.

Answer: E

Explanation: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

165) Henry Ford told prospective customers of his Model T car, "You can have any color as long as it is black." Which aspect of the marketing mix was he stressing?

- A) Promotion
- B) Product
- C) Place
- D) Price
- E) People

Answer: B

Explanation: The Product area is concerned with developing the right product for the target market. This offering may involve a physical good, a service, or a blend of both.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets; The Importance of Marketing Strategy Planning

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.; 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

166) The packaging design for a new flavor of Ben and Jerry's ice cream is an aspect of which component of the marketing mix?

- A) Place
- B) Price
- C) Product
- D) Promotion
- E) People

Answer: C

Explanation: "Packaging design" is part of Product.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

167) Suzuki's 3-year/36,000-mile new car warranty is part of which marketing mix decision area?

- A) Price
- B) Target Market
- C) Place
- D) Product
- E) Promotion

Answer: D

Explanation: "Warranty" is part of Product.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

168) Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in its _____ strategy.

- A) Pricing
- B) Promotion
- C) Personnel
- D) Product
- E) Placement

Answer: D

Explanation: The Product area is concerned with developing the right product for the target market. Dell offers its customers various products.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

169) Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

- A) Product
- B) Place
- C) Promotion
- D) Price
- E) Personal Selling

Answer: A

Explanation: Packaging and branding are part of Product.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

170) When one considers the strategy decisions organized by the "Four Ps," branding is related to packaging as

- A) branding is to pricing.
- B) production is to marketing.
- C) store location is to sales force selection.
- D) personal selling is to mass selling.
- E) pricing is to promotion.

Answer: D

Explanation: Branding and packaging are important elements of Product-area decisions, while personal selling and mass selling are important elements of Promotion-area decisions.

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

171) A firm's decisions regarding channel type, market exposure, and kinds of intermediaries would fall under the marketing mix variable of

- A) Product.
- B) Place.
- C) Promotion.
- D) Price.
- E) People.

Answer: B

Explanation: Place is concerned with all the decisions involved in getting the right product to the target market's place. A product reaches customers through a channel of distribution. Other important decisions include channel type, market exposure, kinds of intermediaries, etc.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

172) The _____ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

- A) Product
- B) People
- C) Promotion
- D) Price
- E) Place

Answer: E

Explanation: Place is concerned with all the decisions involved in getting the right product to the target market's place.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

173) "Place" is concerned with

- A) intermediaries.
- B) transporting.
- C) channel members.
- D) storing.
- E) All of these might be involved with Place.

Answer: E

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

174) "Place" is concerned with

- A) getting the product to its intended market.
- B) intermediaries located between producers and consumers.
- C) where, when, and by whom goods are offered for sale.
- D) when and where products are wanted.
- E) All of these might be involved with Place.

Answer: E

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

175) "Place" is NOT concerned with

- A) storing.
- B) intermediaries.
- C) transporting.
- D) channels of distribution.
- E) sales reps.

Answer: E

Explanation: Sales reps are a part of the Promotion variable of the marketing mix.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

176) "Place" is NOT concerned with ...

- A) who handles storing and transporting.
- B) when and where products are wanted.
- C) kinds of intermediaries needed to reach customers.
- D) telling the target market what products are available and where.
- E) channels of distribution.

Answer: D

Explanation: Telling the target market what products are available and where is part of Promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

177) Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is

- A) Price.
- B) Promotion.
- C) Personnel.
- D) Product.
- E) Place.

Answer: E

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

178) Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

- A) Penetration
- B) Product
- C) Promotion
- D) Place
- E) Price

Answer: D

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

179) Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as

- A) customer service.
- B) a packaging line.
- C) a production line.
- D) a channel of distribution.
- E) mass marketing.

Answer: D

Explanation: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

180) A channel of distribution

- A) usually has three members—a manufacturer, a distributor, and a retailer.
- B) is any series of firms (or individuals) from producer to final user or consumer.
- C) should be as short as possible.
- D) is not involved if a firm sells directly from its own website to final customers.

Answer: B

Explanation: A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

181) Herbal Essences tries to get shelf space in Target and Walmart because young women frequently shop there for hair care products. This is an example of which of the "Four Ps"?

- A) Price
- B) Product
- C) Promotion
- D) Place
- E) People

Answer: D

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

182) A detailed plan for handling transportation and storage of a new product that is now being distributed to wholesalers nationwide is an aspect of which part of the "Four Ps"?

- A) Place
- B) Product
- C) Promotion
- D) Price

Answer: A

Explanation: Place is concerned with decisions involving channel type, market exposure, kinds of intermediaries, kinds and locations of stores, how to handle transporting and storing, service levels, etc.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

183) An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

- A) there is no channel of distribution.
- B) there is no opportunity to apply target marketing.
- C) no promotion is involved.
- D) a production orientation is just as effective as a marketing orientation.
- E) None of these of these answers is correct.

Answer: E

Explanation: There is a channel of distribution, albeit short; there is target marketing; there is promotion; and a marketing orientation is always more effective.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

184) The _____ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

- A) Product
- B) Place
- C) Promotion
- D) Price
- E) Communication

Answer: C

Explanation: Promotion is that element of the marketing mix that is concerned with telling the target market or others in the channel of distribution about the "right" product.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 185) "Promotion" may include
- A) personal selling to channel members.
 - B) point-of-purchase materials.
 - C) mail-order selling.
 - D) advertising on the Internet.
 - E) All of these may be included in Promotion.

Answer: E

Explanation: Promotion is concerned with telling the target market or others in the channel of distribution about the "right" product. Promotion includes personal selling, mass selling, and sales promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 186) "Promotion" includes
- A) advertising.
 - B) personal selling.
 - C) sales promotion.
 - D) publicity.
 - E) All of these may be included in Promotion.

Answer: E

Explanation: Promotion includes personal selling, mass selling (advertising and publicity), and sales promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

187) Marketing strategy decisions concerning Promotion include decisions about

- A) packaging and branding.
- B) the kinds of intermediaries to use.
- C) training for salespeople.
- D) transporting and storing.
- E) discounts and allowances.

Answer: C

Explanation: Promotion includes "training for salespeople." "Packaging and branding" are part of Product. "Kinds of intermediaries" is part of Place. "Discounts and allowances" are part of Price.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

188) "Promotion" is NOT concerned with

- A) creating billboard ads.
- B) designing new products.
- C) publicity.
- D) television commercials.
- E) personal selling.

Answer: B

Explanation: Designing new products is a function of the Product variable of the marketing mix. Promotion deals with mass selling, personal selling, advertising, publicity, and sales promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

189) Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

- A) Price
- B) Place
- C) Promotion
- D) Product

Answer: C

Explanation: Personal selling is part of Promotion.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

190) _____ is direct spoken communication between sellers and potential customers.

- A) Personal selling
- B) Sales promotion
- C) Advertising
- D) Publicity
- E) Mass selling

Answer: A

Explanation: Personal selling involves direct spoken communication between sellers and potential customers. It may happen face-to-face, over the telephone, or even via a videoconference over the Internet.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 191) From the perspective of the "Four Ps," personal selling is to advertising as
- A) mass selling is to branding.
 - B) Place is to Product.
 - C) sales promotion is to pricing.
 - D) warranties are to channel type.
 - E) geographic terms are to price allowances.

Answer: E

Explanation: Personal selling and advertising are important components of Promotion, while geographic terms and price allowances are important components of Price.

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

192) _____ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

- A) Advertising
- B) Sales promotion
- C) Publicity
- D) Personal selling
- E) Customer service

Answer: E

Explanation: Customer service refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase. This is often a key to building repeat business.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

193) Advertising is

- A) the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
- B) direct communication between sellers and potential customers.
- C) any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
- D) the main form of publicity.
- E) All of these are included in Advertising.

Answer: C

Explanation: Advertising refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

194) A popular television show, *The Unexpected*, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through

- A) advertising.
- B) publicity.
- C) unethical means.
- D) personal selling.
- E) media hype.

Answer: B

Explanation: Publicity is any unpaid form of nonpersonal presentation of ideas, goods, or services, which includes getting favorable coverage in newspaper stories or on television as well as creating and placing content on the web for customers to find or pass along to others.

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

195) Sales promotion ...

- A) lets the salesperson adapt the firm's marketing mix to each potential customer.
- B) is the main form of advertising.
- C) tries to help the personal selling and mass selling people.
- D) is free.
- E) consists of both advertising and personal selling.

Answer: C

Explanation: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. It aids the efforts of personal selling and mass selling.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

196) Catalogs, point-of-purchase materials, and free samples are all examples of

- A) publicity.
- B) personal selling.
- C) sales promotion.
- D) advertising.
- E) marketing.

Answer: C

Explanation: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

- 197) Coupons, samples, and point-of-purchase materials are examples of
- A) advertising.
 - B) publicity.
 - C) specialty services.
 - D) personal selling.
 - E) sales promotion.

Answer: E

Explanation: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 198) When Herbal Essences offers "dollar-off coupons" to adult women to try to get them to try its shampoos and conditioners, it is an example of
- A) publicity.
 - B) sales promotion.
 - C) product development.
 - D) market penetration.
 - E) distribution.

Answer: B

Explanation: Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

199) Ford Motor Co. "loaned" new Fiestas to social trendsetters who drove the cars as part of their Meals on Wheels responsibilities. When Ford asked them to write about their driving experiences on Facebook and Twitter, it was emphasizing which aspect of the "Four Ps"?

- A) Product
- B) Place
- C) Price
- D) Promotion
- E) People

Answer: D

Explanation: Promotion tells the target customers and others in the channel about the product that has been designed for them.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

200) The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and offer a trial of her new hair salon. The coupons are an example of

- A) advertising.
- B) publicity.
- C) sales promotion.
- D) a channel of distribution.
- E) media.

Answer: C

Explanation: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

201) To help cosmetic company RedRain Inc. launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity is best classified as

- A) advertising.
- B) publicity.
- C) sales promotion.
- D) personal selling.
- E) mass marketing.

Answer: C

Explanation: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

202) The company 3M sent samples of Breathe Right Nasal Strips to NFL trainers. This was an example of a _____ strategy.

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

Answer: B

Explanation: Sales promotion refers to those promotional activities that stimulate interest, trial, or purchase by final customers or others in the channel. This can involve use of coupons, point-of-purchase materials, samples, signs, contests, events, catalogs, novelties, and circulars.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

203) "Price"

- A) is affected by the kind of competition in the target market.
- B) includes markups and discounts, but not allowances and freight charges.
- C) is not affected by customer reactions.
- D) is the most important part of a marketing mix.

Answer: A

Explanation: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

204) While setting the price of a product, what must managers consider?

- A) cost of the whole marketing mix
- B) buying capacity of the customers
- C) profit it should bring the company
- D) transportation cost
- E) personnel cost to the company

Answer: A

Explanation: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

205) The Price area of the marketing mix

- A) requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
- B) does not involve estimating consumer reaction to possible prices.
- C) refers to any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
- D) does not include the consideration of geographic terms in price setting.
- E) None of these answers is correct.

Answer: A

Explanation: Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix. A manager must also try to estimate customer reaction to possible prices.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

206) When developing a marketing mix, a marketing manager should remember that

- A) "Promotion" includes only personal selling and publicity.
- B) a channel of distribution includes at least one intermediary.
- C) "Price" includes markups, discounts, allowances, and geographic terms.
- D) "Product" includes physical goods but not services.
- E) customers' needs are all the same.

Answer: C

Explanation: A manager must know current practices as to markups, allowances, discounts, and other terms of sale while developing a marketing mix. These practices are part of Price.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Create

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

207) When Ford Motor Co. introduced its Escape hybrid SUV, it offered a \$1,000 rebate as an incentive to attract new buyers. This was an example of which aspect of the marketing mix?

- A) Price
- B) Promotion
- C) Place
- D) Product
- E) People

Answer: A

Explanation: Current practices such as markups, discounts (including rebates), and other terms of sale are part of Price.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

208) In which of the following ways would a marketing manager seek to deliver customer value to a target market?

- A) increased product features
- B) lower price
- C) more convenient buying options
- D) effective communication about product value
- E) All these answers are correct.

Answer: E

Explanation: Marketing managers use the "Four Ps" to deliver customer value to the target market. Customers may perceive more value with increased product features (Product), a lower price (Price), more convenient buying options (Place), and effective communication about the product's value (Promotion).

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 209) The most important variable in a firm's marketing mix is
- A) Product.
 - B) Price.
 - C) Promotion.
 - D) Place.
 - E) None of these answers is correct, since all contribute to one whole.

Answer: E

Explanation: All the "Four Ps" are needed in a marketing mix. No single variable of the marketing mix is more important than another; they all contribute to one whole. When a marketing mix is being developed, final decisions about the Ps should be made at the same time.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 210) An appropriate marketing mix should be determined primarily by
- A) what has worked for the company in the past.
 - B) the needs of a target market.
 - C) the budget available to spend.
 - D) the past experiences of the marketing manager.
 - E) what product the firm can produce with economies of scale.

Answer: B

Explanation: The needs of a target market often virtually determine the nature of an appropriate marketing mix. Therefore, marketers must analyze their potential target markets with great care.

Difficulty: 2 Medium

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

211) Ideally, a good marketing mix should

- A) be very similar to the marketing mix typically used by key competitors.
- B) be determined by which marketing mix costs the least.
- C) not include much advertising, because it's expensive and usually isn't very effective.
- D) flow logically from all the relevant dimensions of a target market.
- E) bring big profits to the company.

Answer: D

Explanation: A good marketing mix should ideally flow logically from all the relevant dimensions of a target market.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

212) The text's Toddler University example shows that

- A) parents are not price sensitive when it comes to assuring that their kids will get a good college education.
- B) the needs of a target market determine the nature of the appropriate marketing mix.
- C) a small producer can't compete effectively against large competitors.
- D) in the long run, a firm cannot make a profit without its own production facilities.
- E) All of these answers are correct.

Answer: B

Explanation: In order to serve the "Attentive Parents" target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did this by combining "fit and function with fun and fashion."

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 213) The text's Toddler University example shows that
- A) no mass market exists for general-purpose baby shoes.
 - B) the needs of a target market determine the nature of the appropriate marketing mix.
 - C) a small producer can't compete effectively against large competitors.
 - D) no target market exists for high-quality baby shoes.
 - E) All these answers are correct.

Answer: B

Explanation: In order to serve the "Attentive Parents" target market, the owner of Toddler University came up with an appropriate marketing mix that met this target market's needs. It did this by combining "fit and function with fun and fashion."

Difficulty: 3 Hard

Topic: Developing Marketing Mixes for Target Markets

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 214) In the text's Toddler University (TU) example, TU's marketing plan included
- A) a detailed description of the marketing mix to be offered.
 - B) a description of the resources required to carry out the plan.
 - C) expected results of the plan.
 - D) control procedures.
 - E) All these answers are correct.

Answer: E

Explanation: TU's marketing plan spelled out the following details: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

Difficulty: 1 Easy

Topic: Developing Marketing Mixes for Target Markets; The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-04 be familiar with the Four Ps in a marketing mix.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 215) The main difference between a "marketing strategy" and a "marketing plan" is that
- A) time-related details are included in a marketing plan.
 - B) a marketing plan includes several marketing strategies.
 - C) a marketing strategy provides more detail.
 - D) a marketing strategy omits pricing plans.
 - E) a marketing plan does not include a target market.

Answer: A

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 216) Which of the following refers to a written statement of a marketing strategy and the time-related details for carrying out the strategy?
- A) marketing mix
 - B) marketing program
 - C) marketing plan
 - D) marketing design
 - E) marketing direction

Answer: C

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy. It should spell out the following in detail: (1) what marketing mix will be offered, to whom (that is, the target market), and for how long; (2) what company resources (shown as costs) will be needed at what rate (month by month perhaps); and (3) what results are expected (sales and profits perhaps monthly or quarterly, customer satisfaction levels, and the like).

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 217) A marketing plan is
- A) a marketing program.
 - B) a marketing strategy.
 - C) a marketing strategy plus the time-related details for carrying it out.
 - D) a target market and a related marketing mix.
 - E) a plan that contains the necessary operational decisions.

Answer: C

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 218) A marketing plan
- A) is just another term for "marketing strategy."
 - B) consists of several "marketing programs."
 - C) includes the time-related details for carrying out a marketing strategy.
 - D) is a strategy without all the operational decisions.
 - E) ignores implementation and control details.

Answer: C

Explanation: A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 219) A marketing plan should include
- A) some control procedures.
 - B) what company resources will be needed, and at what rate.
 - C) what marketing mix is to be offered to whom, and for how long.
 - D) what sales and profit results are expected.
 - E) All of these are included in a marketing plan.

Answer: E

Explanation: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 220) Which of the following is part of a complete marketing plan?
- A) competitors' marketing strategies
 - B) what company resources (costs) are required and at what rate
 - C) how different marketing mixes (for different target markets) relate to each other
 - D) All of these are parts of a complete marketing plan.

Answer: B

Explanation: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

221) Which of the following would probably NOT be in a proposed marketing plan?

- A) a list of what company resources (costs) would be required
- B) a statement of how frequently the design of the website will be changed
- C) expected sales and profit results
- D) a description of the target market and marketing mix

Answer: B

Explanation: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected. "How frequently the design of the website is changed" does not fall under one of these three questions.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

222) Which of the following is included in a marketing plan?

- A) the control procedures to be used
- B) the costs involved
- C) the results expected
- D) what marketing mix is to be offered
- E) All of these should be included in a marketing plan.

Answer: E

Explanation: An ideal marketing plan should answer the following questions: (1) what marketing mix will be offered, to whom and for how long; (2) what company resources will be needed at what rate; and (3) what results are expected.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

223) _____ refers to putting marketing plans into operation.

- A) Delivery
- B) Implementation
- C) Operational planning
- D) Strategy planning
- E) Control

Answer: B

Explanation: Implementation refers to the manager's job of putting marketing plans into operation.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

224) Short-run decisions to help implement strategies are best known as

- A) actionable items.
- B) strategic decisions.
- C) marketing plans.
- D) operational decisions.
- E) dependencies.

Answer: D

Explanation: Short-run decisions that help implement strategies are known as operational decisions.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 225) Managers should make operational decisions
- A) within the guidelines set down during strategy planning.
 - B) with great care, as these decisions are the same as strategic decisions.
 - C) for the long-run, to help formulate strategic plans.
 - D) while keeping in mind that these decisions should always lead to changes in the basic strategy.
 - E) on a month-to-month basis, never daily or weekly.

Answer: A

Explanation: Managers should make operational decisions within the guidelines set down during strategy planning. But operational decisions are short-run decisions to help implement strategies. They do not change the basic strategy. They are made regularly, even daily or weekly.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

226) Which of the following statements about operational decisions is FALSE?

- A) They help to carry out a marketing strategy.
- B) They are short-run decisions.
- C) They are part of the implementation process.
- D) They usually require ongoing changes in the basic strategy to be effective.

Answer: D

Explanation: Operational decisions are short-run decisions that help implement strategies. They are part of the implementation process, but they do not require changes in the basic strategy.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

227) Which of the following statements is a strategy decision, rather than an operational decision?

- A) "We will change the colors of our selection of shirts at the end of the season."
- B) "We will cut prices as needed to in order to protect our market share."
- C) "We will increase the number of training sessions for new sales associates from two to three."
- D) "We will hire a merchandising specialist this month to help remodel our older stores."
- E) "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

Answer: B

Explanation: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the "Four Ps."

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Create

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

228) Which of the following statements by a marketing manager refers to an operational decision, rather than to a strategy decision?

- A) "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
- B) "Newspaper ads will be more cost effective than 30-second radio ads, given the price increase for radio this month."
- C) "We hope to earn a 15 percent return on investment with our plan."
- D) All of these statements refer to operational decisions.

Answer: B

Explanation: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the "Four Ps."

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

229) Which of the following is an operational decision rather than a strategy decision?

- A) a decision to seek distribution only through the best retailers
- B) selection of a specific target market
- C) a decision to maintain a "one price" policy
- D) selection of a specific cable TV channel on which to advertise
- E) selection of a niche market

Answer: D

Explanation: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the "Four Ps."

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

230) Which of the following is an example of an operational decision?

- A) Focus promotion on the economy of the product.
- B) Make the product available in every possible retail outlet.
- C) Have a salesperson visit the manager of a new hardware store that will open next week.
- D) Set a price that is no higher than competitors' prices.
- E) None of these is an example of an operational decision.

Answer: C

Explanation: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the "Four Ps."

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

231) Which of the following would NOT require an operational decision for a leading hair color manufacturer?

- A) Solicit orders from any new, financially attractive, salons.
- B) Drop colors that are losing appeal.
- C) Create a fresh ad for each Sunday newspaper.
- D) Set a competitive price if a primary competitor offers a special discount.
- E) Promote the fair price and satisfactory quality of the product.

Answer: E

Explanation: Operational decisions are short-run decisions that help implement strategies. Strategy decisions are long-term decisions that could contain one or more of the "Four Ps."

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

232) Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

- A) People
- B) Place
- C) Promotion
- D) Price
- E) Product

Answer: E

Explanation: "Carry as limited a line of colors, styles, and sizes as will satisfy the target market" is a strategic decision that pertains to the Product variable of the marketing mix.

Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

233) One of the strategic policies of camera maker Zoom Cameras states: "We will communicate the key benefits and value of our cameras' unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

- A) Product
- B) Place
- C) Promotion
- D) Price
- E) People

Answer: C

Explanation: Promoting the benefits and value of the special design and how it meets customer needs is a strategic decision that pertains to the Promotion variable of the marketing mix.

Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

234) A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of

- A) Product.
- B) Place.
- C) Promotion.
- D) Price.
- E) People.

Answer: C

Explanation: Hiring new salespeople is an operational decision that pertains to the Promotion variable of the marketing mix.

Difficulty: 2 Medium

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

235) When fast food restaurant Tommy's Tacos had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent

- A) operational decisions in the Product decision area.
- B) strategy policies in the Place area.
- C) strategy policies in the Product area.
- D) operational decisions in the Place area.
- E) strategy policies in the Promotion area.

Answer: D

Explanation: In market areas where sales potential is not achieved, adding new retail outlets and/or dropping retailers whose performance is poor are operational decisions that pertain to the Place variable of the marketing mix.

Difficulty: 3 Hard

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

236) The practice of measuring, managing, and analyzing market performance to maximize efficiency and effectiveness is known as

- A) marketing analytics.
- B) marketing metrics.
- C) a marketing plan.
- D) publicity.
- E) differentiation.

Answer: A

Explanation: Marketing analytics is the practice of measuring, managing, and analyzing market performance to maximize its efficiency and effectiveness. Marketing metrics are the numeric data that are used to perform marketing analytics.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

237) What is the best way for a marketing manager to measure a firm's marketing performance?

- A) compare the firm's marketing plans
- B) perform marketing analytics
- C) develop a marketing plan
- D) create a single marketing strategy
- E) initiate a marketing plan

Answer: B

Explanation: Marketing managers use marketing metrics to perform marketing analytics, which is the practice of measuring, managing, and analyzing marketing performance to maximize its efficiency and effectiveness.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

238) A marketing program

- A) blends all of a firm's marketing plans into one big plan.
- B) is a description of a firm's marketing mix.
- C) is a detailed plan of how to implement a strategy.
- D) is a marketing strategy plus the time-related details.
- E) None of these answers is correct.

Answer: A

Explanation: A marketing program blends all of the firm's marketing plans into one big plan.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

239) Which of the following blends all of a firm's marketing plans into one big plan?

- A) marketing program
- B) marketing mix
- C) marketing statement
- D) marketing overview
- E) marketing flow

Answer: A

Explanation: A marketing program blends all of the firm's marketing plans into one big plan.

Difficulty: 1 Easy

Topic: The Marketing Plan is a Guide to Implementation and Control

Learning Objective: 02-05 know the difference between a marketing strategy, a marketing plan, and a marketing program.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

240) _____ is the total stream of purchases that a customer could contribute to the company over the life of the relationship.

- A) Customer equity
- B) Profit
- C) Net worth
- D) Customer lifetime value
- E) A premium price

Answer: D

Explanation: Many firms measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

241) The total stream of purchases that a single customer could contribute to a company over the length of the relationship is called customer

- A) equity.
- B) lifetime value.
- C) service.
- D) satisfaction.
- E) feedback.

Answer: B

Explanation: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

242) Estimating a customer's lifetime purchasing potential is important because it helps marketers to

- A) make a quick sale on a product.
- B) decide whether to place ads online or in magazines.
- C) recognize that mass marketing is the best way to reach customers.
- D) select the right channel of distribution.
- E) devise long-range plans and strategies for building customer relationships.

Answer: E

Explanation: Calculating a customer's long-range purchasing potential can help marketers recognize the importance of devising plans that build and maintain customer relationships over a lifetime.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 243) When a customer who buys two Apple iPhones, an Apple iMac computer, and Apple TV over a period of several years, Apple's marketing managers should be thinking about
- A) diversification.
 - B) mass marketing.
 - C) differentiation.
 - D) customer lifetime value.
 - E) customer feedback loops.

Answer: D

Explanation: Over a period of years, a single customer is likely to purchase multiple products from a company. The total stream of purchases that a customer could contribute to the company over the length of the relationship is called customer lifetime value.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

244) Customer lifetime value

- A) emphasizes a short-run approach to marketing management.
- B) is basically a historical measure of how profitable a firm has been in the past.
- C) applies to firms that target final consumers but not to firms that target business customers.
- D) will increase if a firm increases its market share with a particular strategy.
- E) considers what a customer purchases from a company over the lifetime of the relationship.

Answer: E

Explanation: Many firms measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 245) When the manager of a Denny's Restaurant offers a customer a coupon for a free meal as compensation for slow service, the manager is focusing on
- A) differentiation.
 - B) product development.
 - C) short-term profits.
 - D) a diversification strategy.
 - E) customer lifetime value.

Answer: E

Explanation: Many firms measure the customer lifetime value or total stream of purchases that a customer could contribute to the company over the length of the relationship. In this situation, the restaurant manager is willing to lose money on a future meal to encourage return visits.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 246) _____ is the expected earnings stream of a firm's current and prospective customers over some period of time.
- A) Profit
 - B) Earnings
 - C) Operating profit
 - D) Customer equity
 - E) Net value

Answer: D

Explanation: Customer equity is the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 247) The difference between customer lifetime value and customer equity is that
- A) customer equity takes a financial approach where customer lifetime value does not.
 - B) customer lifetime value looks at specific target markets.
 - C) customer equity takes into account a firm's current and future customers and the costs associated with each.
 - D) customer equity reflects the total stream of purchases that a customer could contribute to a company over the length of the relationship.
 - E) customer lifetime value focuses on purchases over the next year, while customer equity takes into account a longer time horizon.

Answer: C

Explanation: We can take the idea of customer lifetime value a step further by taking into account all of a firm's current and future customers and the costs associated with each. Customer equity is the expected earnings stream (profitability) of a firm's current and prospective customers over some period of time.

Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

248) Which of the following is NOT a reason the marketing program should build customer equity?

- A) Marketing strategies do not contribute to customer equity.
- B) Expected profits depend on customer equity.
- C) Firms expect financial returns.
- D) Profit growth comes from customers.
- E) Customers are the source of revenue.

Answer: A

Explanation: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 249) Which of the following is most likely to increase a firm's customer equity?
- A) The firm offers a more costly marketing mix that attracts more customers.
 - B) The firm offers customer value that is at least as good as what competitors offer.
 - C) The lifetime value of the firm's individual customers increases.
 - D) The competition in the firm's market increases.
 - E) The firm cuts costs by reducing promotion efforts.

Answer: C

Explanation: A focus on customer equity allows a firm's marketing strategies for each of its products to work together to increase the lifetime value of that customer to the firm.

Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 250) The customer equity concept
- A) encourages a manager to consider both the costs and the revenue from a marketing strategy.
 - B) recognizes that customers are satisfied at a cost. It is basically an estimate of a firm's future earnings.
 - C) applies even to firms that pursue several different strategies.
 - D) focuses on earnings as well as sales.
 - E) All of these are part of the customer equity concept.

Answer: E

Explanation: Customer equity is the expected earnings stream of a firm's current and prospective customers over some period of time. Top management expects marketing strategy planners to help identify opportunities that will lead to an increase in a firm's customer equity.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

251) Which of the following statements about customer equity is FALSE?

- A) Expected losses depend on customer equity.
- B) If the parts of a firm's marketing program work well together, it should increase the firm's customer equity.
- C) Expected profits depend on customer equity.
- D) Customer equity benefits customers but not the company.

Answer: D

Explanation: Customer equity does benefit the company because it increases the lifetime value of the customer to the firm.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

252) Marketing strategies that focus on quick, short-term sales

- A) miss an opportunity to ensure repeat purchases in the future.
- B) do not generate revenue or profits.
- C) never involve personal selling.
- D) are known as breakthrough opportunities.
- E) are never used by reputable companies.

Answer: A

Explanation: While short-term sales approaches are common and can boost revenue immediately, marketing strategies that seek only a quick sale squander the opportunity to ensure repeat purchases in the future.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

253) What two marketing metrics are used to estimate both customer lifetime value and customer equity?

- A) retention rate and acquisition cost
- B) revenue and profit
- C) price and quantity
- D) revenue and retention rate
- E) acquisition cost and customer satisfaction

Answer: A

Explanation: The two marketing metrics that are usually used to estimate customer lifetime value and customer equity are retention rate and acquisition cost.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

254) How would a marketing manager determine a firm's retention rate?

- A) by determining the percentage of existing customers that a firm keeps as compared to its total number of customers
- B) by figuring out the expense to the firm of attaining a new customer
- C) by considering the revenues and costs of retaining customers over the long term
- D) by analyzing the firm's customer base as compared to the forecast in the firm's marketing plan
- E) by determining the average profit margin for each of the firm's customers per year

Answer: A

Explanation: Retention rate refers to the percentage of customers retained as compared to the total number of customers.

Difficulty: 2 Medium

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

255) If the local sandwich shop had 1,000 customers last year, and this year 250 of those same customers are still going to the sandwich shop for lunch, what is the shop's retention rate?

- A) 10 percent
- B) 50 percent
- C) 20 percent
- D) 25 percent
- E) 75 percent

Answer: D

Explanation: If the sandwich shop had 1,000 customers last year and retained 250 of those customers, its retention rate is 25 percent ($250/1,000$).

Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

256) Which of the following refers to the expense required to obtain a new customer?

- A) retention cost
- B) acquisition cost
- C) customer equity
- D) CLV
- E) market development

Answer: B

Explanation: Acquisition cost is the expense that is required to acquire a new customer.

Difficulty: 1 Easy

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

257) If a firm spends \$5,000 per year on advertising and attracts 50 new customers, what is the acquisition cost for each customer?

- A) \$100 per customer
- B) \$50 per customer
- C) \$500 per customer
- D) \$10 per customer
- E) \$20 per customer

Answer: A

Explanation: If a firm spends \$5,000 a year on advertising and attracts 50 new customers, its acquisition cost per customer is \$100 ($\$5,000/50$).

Difficulty: 3 Hard

Topic: Recognizing Customer Lifetime Value and Customer Equity

Learning Objective: 02-06 understand what customer lifetime value and customer equity are and why marketing strategy planners seek to increase them.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

258) It's best to think of breakthrough opportunities as opportunities that

- A) appeal to the mass market.
- B) will quickly create a whole new industry of firms competing with similar marketing mixes.
- C) help innovators develop hard-to-copy marketing mixes.
- D) increase sales.
- E) will take profits to the highest level.

Answer: C

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

259) _____ help(s) innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

- A) Opportunity segments
- B) Competitive decisions
- C) Breakthrough opportunities
- D) Competitive marketing
- E) Operational decisions

Answer: C

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

260) Which of the following best illustrates a breakthrough opportunity?

- A) A recording company's new CD gets unexpected national publicity on MTV, and almost every teenager wants a copy for Christmas.
- B) A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
- C) A bank puts its credit card machines in convenient drive-up locations-so they will be more convenient for customers.
- D) A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.
- E) A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

Answer: B

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 261) Which of the following would be likely to help you develop a breakthrough opportunity?
- A) a two-month advantage over competitors in introducing a new product
 - B) an idea for a new website animation that will attract consumer attention
 - C) accurate marketing research information about how much of a planned product the target market is likely to buy
 - D) None of these would help you develop a breakthrough opportunity.

Answer: D

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. None of these options is significant enough to qualify as a breakthrough opportunity.

Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 262) Which of the following could be a breakthrough opportunity?
- A) a unique technical invention that competitors could not legally copy
 - B) a contract with the best intermediaries to reach your market, ensuring that they will handle your product and no competitors' offerings
 - C) a head start in a market, so you can win target customers who will be loyal to your firm and its offering
 - D) All of these could be breakthrough opportunities.

Answer: D

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. All of the options are significant enough to qualify as breakthrough opportunities.

Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 263) A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as
- A) diversification.
 - B) market development.
 - C) a breakthrough opportunity.
 - D) "hit-or-miss" marketing.
 - E) market penetration.

Answer: C

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 264) _____ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.
- A) Competitive advantage
 - B) Strategic policy
 - C) Customer equity
 - D) Comparative opportunity
 - E) Market development

Answer: A

Explanation: Competitive advantage means that a firm has a marketing mix that the target market sees as better than a competitor's mix. It may result from efforts in different areas of the firm, such as cost cutting in production, innovative research and development, etc.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

265) Breakthrough opportunities are opportunities that:

- A) help innovators develop hard-to-copy marketing strategies.
- B) may be turned into marketing strategies that will be profitable for a long time.
- C) help the firm develop a competitive advantage.
- D) help a firm satisfy customers better than some competitor.
- E) All of these apply to breakthrough opportunities.

Answer: E

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

Difficulty: 1 Easy

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

266) Breakthrough opportunities

- A) are so rare that they should be pursued even when they do not match the firm's resources and objectives.
- B) seldom occur within or close to a firm's present markets.
- C) are especially important in our increasingly competitive markets.
- D) are those that a firm's competitors can copy quickly.
- E) are best achieved by trying to hold onto a firm's current market share.

Answer: C

Explanation: Breakthrough opportunities help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time. Even if a manager can't find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chances for profit or survival.

Difficulty: 2 Medium

Topic: What are Attractive Opportunities?

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

- 267) Which of the following statements regarding marketing strategies is FALSE?
- A) It is useful to think of the marketing strategy planning process as a narrowing-down process.
 - B) These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
 - C) Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
 - D) These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
 - E) Most companies implement more than one marketing strategy and related marketing plan at the same time.

Answer: B

Explanation: An advantage only succeeds if it allows the firm to provide superior value and satisfy customers better than some competitor.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

- 268) Developing a set of specific qualitative and quantitative screening criteria
- A) increases the different opportunities—and strategy possibilities—in the market.
 - B) can make it difficult to zero in on the best target market and marketing mix.
 - C) cannot help eliminate the potential of strategies that are not well suited for the firm.
 - D) can help a manager define in which business and markets the firm wants to compete.
 - E) highlights advantages of a strategy but does not make it clear why you should select that strategy.

Answer: D

Explanation: Developing a set of specific qualitative and quantitative screening criteria can help a manager define in which business and markets the firm wants to compete.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

269) A S.W.O.T. analysis includes

- A) strengths.
- B) weaknesses.
- C) opportunities.
- D) threats.
- E) All of these are included in a S.W.O.T analysis.

Answer: E

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

270) Which of the following statements about S.W.O.T. analysis is true?

- A) It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
- B) S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
- C) It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
- D) It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
- E) All of these statements about S.W.O.T. analysis are true.

Answer: E

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. All these statements about S.W.O.T analysis are true.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

271) A S.W.O.T. analysis

- A) seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
- B) is not necessary if competitors have already entered the market.
- C) defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
- D) should help a manager develop a strategy that leads to a competitive advantage.
- E) limits the competitive edge of the company.

Answer: D

Explanation: With S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats. This should provide a competitive advantage.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

272) A S.W.O.T. analysis can help a marketing manager

- A) define in which business and markets the firm wants to compete.
- B) narrow down to a specific target market and marketing mix from the many alternatives available.
- C) see the pros and cons of different possible strategies.
- D) develop a competitive advantage.
- E) All of these can help a marketing manager who is using a S.W.O.T. analysis.

Answer: E

Explanation: With a S.W.O.T. analysis, a marketing manager can begin to identify strategies that take advantage of the firm's strengths and opportunities while avoiding weaknesses and threats.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

273) A S.W.O.T. analysis

- A) focuses on what a firm plans to do to "Satisfy Wishes of a Target" customer.
- B) summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
- C) helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
- D) identifies a firm's "strengths, weaknesses, opportunities, and threats."
- E) seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

Answer: D

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

274) "A firm has adequate resources." With which element of the S.W.O.T analysis tool does this statement fit?

- A) strengths
- B) weaknesses
- C) opportunities
- D) threats
- E) limitation

Answer: A

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Having adequate resources is a strength any firm would like to have.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

275) "A firm is in a fast-growing industry." With which element of the S.W.O.T. analysis tool does this statement fit?

- A) strengths
- B) weaknesses
- C) opportunities
- D) threats

Answer: C

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Being in a fast-growing industry is an opportunity on which a firm should try to capitalize.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

276) "A firm is vulnerable to recession." With which element of the S.W.O.T. analysis tool does this statement fit?

- A) strengths
- B) weaknesses
- C) opportunities
- D) threats
- E) limitation

Answer: D

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Recessionary conditions pose a threat to nearly every firm.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

277) "A firm is falling behind in research and development." With which element of the S.W.O.T. analysis tool does this statement fit?

- A) strengths
- B) weaknesses
- C) opportunities
- D) threats

Answer: B

Explanation: A S.W.O.T. analysis identifies and lists the firm's strengths, weaknesses, opportunities, and threats. Firms must quickly remedy the situation of lagging behind in one or more departments, which is a potential weakness.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

278) _____ means that the marketing mix is distinct from what is available from a competitor.

- A) Operational
- B) Visible
- C) Differentiation
- D) Competitive
- E) Diversification

Answer: C

Explanation: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

279) Differentiation of a firm's marketing mix

- A) means the firm's marketing mix is hard to distinguish from a competitor.
- B) may provide the firm with a competitive advantage in the marketplace.
- C) makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
- D) is usually not necessary in order for the firm to succeed.

Answer: B

Explanation: A marketing mix won't get a competitive advantage if it just meets needs in the same way as some other firm. Combining analyses of customers, competitors, and company help the marketing manager identify possible strategies that differentiate a marketing mix from the competition.

Difficulty: 1 Easy

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

280) Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market.

- A) similarity
- B) uniqueness
- C) unsuitability
- D) willingness
- E) adaptability

Answer: B

Explanation: Differentiation means that the marketing mix is distinct from and better than what is available from a competitor. This means its marketing mix is unique.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

281) Differentiation

- A) helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
- B) means that the marketing mix is similar to what is available from a competitor.
- C) often requires that the firm fine-tune all the elements of its marketing mix to the specific needs of a distinctive target market.
- D) is less obvious to target customers when there is a consistent theme integrated across the "Four Ps" decision areas.
- E) can only be based on one important element of the marketing mix.

Answer: C

Explanation: Differentiation often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.

Difficulty: 2 Medium

Topic: Marketing Strategy Planning Process Highlights Opportunities

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

282) The company iRobot got its start by developing high-tech robots for military uses, but it later started making futuristic robots that clean and wax floors in homes everywhere. Which of the four types of opportunity does this illustrate?

- A) market penetration
- B) market development
- C) diversification
- D) opportunity cost
- E) golden opportunity

Answer: C

Explanation: Since iRobot has started manufacturing new products for non-military uses and markets, the company is pursuing a product diversification opportunity—the type of opportunity in which businesses create new products for new markets different from the firm's current base.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

283) Of the four types of opportunities firms can pursue, market penetration often appeals to marketers because

- A) it requires the creation of new products.
- B) it involves selling current products in familiar markets.
- C) it involves selling current products in unfamiliar markets.
- D) it doesn't require a more effective use of the marketing mix.
- E) it is guaranteed to succeed.

Answer: B

Explanation: Since firms prefer opportunities close to markets they already know, most managers pursue greater market penetration, which involves selling current products in familiar markets. Market penetration is appealing because firms want to increase profits and grow customer equity where they already have experience and strengths.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

284) Which of the following firms is exploring a market development opportunity?

- A) The Coleman camping gear company boosts sales of popular lanterns by setting up promotional displays at well-attended outdoor events.
- B) Campbell's targets health-conscious consumers with a new line of low-sodium soups.
- C) McDonald's opens two upscale hotels in Switzerland to serve families and business travelers.
- D) The E-Z-Go golf cart company begins selling golf carts for use in malls, factories, and airports.
- E) Mammoth Mountain Ski Resort offers horseback riding and a mountain bike park for summer visitors.

Answer: D

Explanation: A market development opportunity involves trying to increase sales by selling present products in new markets. The E-Z-Go golf cart company's push to sell golf carts for new non-golf settings is an example of market development.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 285) _____ means trying to increase sales of a firm's present products in its present markets.
- A) Differentiation
 - B) Product development
 - C) Market development
 - D) Diversification
 - E) Market penetration

Answer: E

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 286) When Colgate encourages its current customers to brush more often by taking their toothbrush and toothpaste to work with them, which market opportunity is Colgate pursuing?
- A) market development
 - B) product development
 - C) diversification
 - D) market penetration

Answer: D

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

287) Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

- A) diversification.
- B) market penetration.
- C) product development.
- D) mass marketing.
- E) market development.

Answer: B

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

288) Tropicana is trying to get its customers to drink orange juice more often with ads that say, "It's not just for breakfast anymore." What type of opportunity is the company pursuing?

- A) market penetration
- B) diversification
- C) market development
- D) product development
- E) mass marketing

Answer: A

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

289) Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

- A) market penetration
- B) product development
- C) market development
- D) mass marketing
- E) diversification

Answer: A

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

290) If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of its markets, it would be pursuing a _____ opportunity.

- A) diversification
- B) market penetration
- C) product development
- D) mass marketing
- E) market development

Answer: B

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

291) Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of

- A) market development.
- B) product development.
- C) diversification.
- D) market penetration.
- E) mass marketing.

Answer: D

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

292) Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of

- A) market penetration.
- B) differentiation.
- C) product development.
- D) diversification.
- E) market development.

Answer: A

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

293) When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of

- A) product development.
- B) screening opportunities.
- C) mass marketing.
- D) differentiation.
- E) market penetration.

Answer: E

Explanation: Market penetration means trying to increase sales of a firm's present products in its present markets, usually through an aggressive marketing mix.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

294) _____ means trying to increase sales by selling present products in new markets.

- A) Differentiation
- B) Market development
- C) Product development
- D) Diversification
- E) Market penetration

Answer: B

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

295) When a firm tries to increase sales by selling its present products in new markets, it is called

- A) product development.
- B) diversification.
- C) market penetration.
- D) mass marketing.
- E) market development.

Answer: E

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

296) A company expanding globally is an example of

- A) market development.
- B) product development.
- C) diversification.
- D) market penetration.
- E) mass marketing.

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

297) When AT&T advertises in *The Wall Street Journal* that smartphones using its technology can make calls from more than 200 countries in the world, which market opportunity is AT&T pursuing?

- A) market penetration
- B) product development
- C) diversification
- D) market development

Answer: D

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

298) *The Wall Street Journal* has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

- A) product development.
- B) diversification.
- C) market penetration.
- D) market development.

Answer: D

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

299) An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during weekdays. This effort to get new customers for the available facility is an example of

- A) a production orientation.
- B) product development.
- C) market development.
- D) diversification.
- E) market penetration.

Answer: C

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

300) Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coca-Cola pursuing?

- A) market development
- B) diversification
- C) product development
- D) market penetration
- E) product reorientation

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

301) Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a _____ opportunity.

- A) market development
- B) market penetration
- C) target marketing
- D) product development
- E) mass marketing

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

302) A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores, to reach nonhobbyists who might be interested in pretty flowers. This is an example of

- A) market development.
- B) diversification.
- C) market penetration.
- D) product development.

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

303) GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores to reach consumers who don't like to buy without first seeing an item in person. This is an example of

- A) market development.
- B) diversification.
- C) market penetration.
- D) product development.

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

304) An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

- A) market development.
- B) diversification.
- C) market penetration.
- D) product development.

Answer: A

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

305) E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

- A) market penetration.
- B) differentiation.
- C) product development.
- D) market development.
- E) diversification.

Answer: D

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

306) BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

- A) product development
- B) market development
- C) differentiation
- D) market penetration
- E) diversification

Answer: B

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

307) In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a _____ opportunity.

- A) diversification
- B) market penetration
- C) product development
- D) mass marketing
- E) market development

Answer: E

Explanation: Market development means trying to increase sales by selling present products in new markets. This may involve searching for new uses for a product.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

308) _____ refers to offering new or improved products for present markets.

- A) Diversification
- B) Market development
- C) Differentiation
- D) Market penetration
- E) Product development

Answer: E

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 309) When a firm tries to increase sales by offering new or improved products to its present markets, it is called
- A) mass marketing.
 - B) product development.
 - C) market penetration.
 - D) diversification.
 - E) market development.

Answer: B

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 310) If Wendy's decides to test-market a hot dog in several stores to determine if it can make more profit from this menu item than from a "Wendy's single," which market opportunity is Wendy's pursuing?
- A) diversification
 - B) market development
 - C) market penetration
 - D) product development

Answer: D

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

311) To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at

- A) combination.
- B) market penetration.
- C) market development.
- D) product development.
- E) diversification.

Answer: D

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

312) A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at

- A) market development.
- B) diversification.
- C) market penetration.
- D) product development.

Answer: D

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

313) Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing

- A) marketing myopia.
- B) mass marketing.
- C) product development.
- D) market development.
- E) diversification.

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

314) Wendy's continues to come out with new offerings, like stuffed pitas. This suggests that Wendy's is pursuing

- A) marketing myopia.
- B) mass marketing.
- C) product development.
- D) market development.
- E) diversification.

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

315) Converse started selling its high-top canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a _____ opportunity.

- A) market penetration
- B) market development
- C) product development
- D) diversification
- E) breakthrough

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

316) Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example of

- A) product development.
- B) market development.
- C) diversification.
- D) market penetration.

Answer: A

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

317) In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?

- A) channel penetration
- B) diversification
- C) product development
- D) market development
- E) market penetration

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

318) Zippo is pursuing _____ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.

- A) market penetration
- B) market development
- C) product development
- D) diversification
- E) channeling

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

319) Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features that no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at

- A) market development.
- B) diversification.
- C) market penetration.
- D) product development.

Answer: D

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

320) To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills—adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a _____ opportunity.

- A) combiner
- B) market development
- C) product development
- D) diversification
- E) market penetration

Answer: C

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

321) Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at

- A) market penetration.
- B) diversification.
- C) market development.
- D) product development.
- E) Professional Dental Supply will look at all opportunities equally.

Answer: D

Explanation: Product development means offering new or improved products for present markets. Knowing the present market's needs, a firm may see new ways to satisfy customers.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

322) _____ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

- A) Diversification
- B) Market development
- C) Product development
- D) Differentiation
- E) Market penetration

Answer: A

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

323) When a firm tries to increase its total sales by offering new products to new markets, it's pursuing

- A) diversification.
- B) product development.
- C) market development.
- D) market penetration.
- E) All these answers are correct.

Answer: A

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Remember

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

324) When Sony Corp., an electronics producer, purchased the Pebble Beach golf course in California, it was pursuing what type of opportunity?

- A) diversification
- B) market development
- C) market penetration
- D) product development

Answer: A

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

325) Cheese manufacturer Ashe Mountain Corp. started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of

- A) diversification.
- B) market development.
- C) product penetration.
- D) differentiation.
- E) market penetration.

Answer: A

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 3 Hard

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

326) A beer distributor concerned about increasing regulation of alcoholic beverages decides to start a new business distributing children's toys. This company seems to be pursuing

- A) market development.
- B) diversification.
- C) product development.
- D) market penetration.

Answer: B

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

327) Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a _____ opportunity.

- A) combiner
- B) product development
- C) market development
- D) market penetration
- E) diversification

Answer: E

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

328) A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of

- A) market development.
- B) diversification.
- C) product development.
- D) market penetration.

Answer: B

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 329) If a cola producer bought out a mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a _____ opportunity.
- A) market development
 - B) diversification
 - C) market penetration
 - D) product development

Answer: B

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Apply

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

- 330) The most risky and challenging opportunities usually involve
- A) market development.
 - B) product development.
 - C) diversification.
 - D) market penetration.
 - E) market modification.

Answer: C

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate. That's why diversification usually involves the biggest risk.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

331) The most risky types of marketing opportunity to pursue usually involve

- A) market development.
- B) market penetration.
- C) diversification.
- D) product development.
- E) All of these are equally risky.

Answer: C

Explanation: Diversification means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system. Products and customers that are very different from a firm's current base may look attractive but are usually hard to evaluate, making diversification very risky.

Difficulty: 1 Easy

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

332) Because companies are likely to be most familiar with their own operations, _____ opportunities are usually the easiest to pursue.

- A) market penetration
- B) product development
- C) market development
- D) diversification
- E) All of these are equally easy.

Answer: A

Explanation: Usually firms find attractive opportunities fairly close to markets they already know, making market penetration very attractive.

Difficulty: 2 Medium

Topic: Types of Opportunities to Pursue

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

333) Which of the following statements about international opportunities in marketing is true?

- A) There is no need to consider international opportunities when the domestic market is prosperous.
- B) International trade is decreasing worldwide.
- C) A product with slow sales growth in a domestic market may experience faster growth in another country.
- D) Only large firms can engage in international marketing.
- E) All of these statements about international opportunities in marketing are true.

Answer: C

Explanation: A company (of any size) facing tough competition, thin profit margins, and slow sales growth at home may get a fresh start in another country where demand for its product is just beginning to grow. International trade is increasing worldwide.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

334) Which of the following is NOT among the reasons international opportunities should be considered by managers?

- A) The world is getting smaller.
- B) Serving international markets may improve economies of scale.
- C) Favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
- D) Around the world, potential customers have needs and money to spend.
- E) It helps to develop a competitive advantage at home and abroad.

Answer: C

Explanation: Unfavorable trends in the market environment at home or favorable trends in other countries may make international marketing particularly attractive.

Difficulty: 2 Medium

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Understand

AACSB: Analytical Thinking; Reflective Thinking

Accessibility: Keyboard Navigation

- 335) Going global has become easier than ever for marketers, due to
- A) language differences between nations.
 - B) cultural differences among ethnic groups around the world.
 - C) advances in e-commerce, transportation, and communication.
 - D) political and social unrest in various parts of the world.
 - E) a worldwide economic recession.

Answer: C

Explanation: Advances in e-commerce, transportation, and communications are making it easier and cheaper to reach international customers. With a website and e-mail, even the smallest firm can provide international customers with a great deal of information—and easy ways to order—at very little expense.

Difficulty: 1 Easy

Topic: International Opportunities should be Considered

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Bloom's: Understand

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation