

Chapter 1—Introduction to Global Marketing

TRUE/FALSE

1. When practicing international marketing, a company becomes more involved in local marketing environments than it does in export marketing.

ANS: T PTS: 1 DIF: Easy REF: p. 7
NAT: Analytic

2. Regional and political integration favor a pan-regional marketing strategy.

ANS: T PTS: 1 DIF: Easy REF: p. 7-8
NAT: Analytic | Diversity

3. The formation of NAFTA encourages more multinational companies to adopt multidomestic strategies.

ANS: F PTS: 1 DIF: Difficult REF: p. 8
NAT: Analytic | Diversity

4. The volume of international trade is decreasing due to globalization.

ANS: F PTS: 1 DIF: Easy REF: p. 9-10
NAT: Analytic | Diversity

5. Companies pursue foreign markets to increase sales and profits.

ANS: T PTS: 1 DIF: Easy REF: p. 5
NAT: Analytic

6. Competition is becoming increasingly domestic.

ANS: F PTS: 1 DIF: Easy REF: p. 2
NAT: Analytic

7. Ebay discovered that entering Asian markets was relatively difficult.

ANS: T PTS: 1 DIF: Moderate REF: p. 2
NAT: Analytic

8. Coca-Cola offering life insurance to small retailers in Mexico is an example of adapting to local markets.

ANS: T PTS: 1 DIF: Difficult REF: p. 10
NAT: Analytic

9. Coca-Cola offering life insurance to small retailers in Mexico is an example of standardizing services across markets.

ANS: F PTS: 1 DIF: Difficult REF: p. 10
NAT: Analytic

10. Coca-Cola offering life insurance to small retailers in Mexico is an example of product globalization.

ANS: F PTS: 1 DIF: Difficult REF: p. 10
NAT: Analytic

MULTIPLE CHOICE

1. Marketing aimed at a firm's home market is known as ____ marketing.
- international
 - global
 - domestic
 - introductory

ANS: C PTS: 1 DIF: Easy REF: p. 7
NAT: Analytic

2. When multinational firms use different strategies, each one tailored to a particular local market, they are said to adopt a
- foreign policy.
 - local strategy.
 - domestic strategy.
 - multidomestic strategy.

ANS: D PTS: 1 DIF: Easy REF: p. 7
NAT: Analytic

3. A pan-regional marketing strategy can be used for which of the following pairs of countries?
- Britain and China
 - Japan and India
 - United States and Canada
 - South Africa and Germany

ANS: C PTS: 1 DIF: Moderate REF: p. 8-9
NAT: Analytic

4. A global marketing strategy involves a
- single strategy for the global market with minor adaptations.
 - different strategy for each market.
 - significant product adaptation across markets.
 - None of the above.

ANS: A PTS: 1 DIF: Easy REF: p. 9-10
NAT: Analytic

5. Vakko, a Turkish apparel producer, makes silk scarves in Istanbul. The scarves are sold to clothing distributors in Germany and the United Arab Emirates who, in turn, sell the scarves to clothing retailers in their respective countries. This is an example of
- domestic marketing.
 - export marketing.
 - joint venture marketing.
 - international marketing.

ANS: B PTS: 1 DIF: Easy REF: p. 6
NAT: Reflective KEY: Application Questions

6. The J. M. Smuckers Company produces a wide variety of baking and other food products in the United States. The company maintains a large sales subsidiary in Canada and has developed brands and other marketing strategies for the Canadian market. This is an example of
- domestic marketing.
 - export marketing.
 - international marketing.
 - joint venture marketing.

ANS: C PTS: 1 DIF: Easy REF: p. 7
NAT: Reflective KEY: Application Questions

7. Mediterranean Cellars, located in Warrenton, Virginia, produces wine. This wine is sold in grocery stores in Northern Virginia. This is an example of
- domestic marketing.
 - export marketing.
 - international marketing.
 - joint venture marketing.

ANS: A PTS: 1 DIF: Easy REF: p. 7
NAT: Reflective KEY: Application Questions

8. ItaliaNow!, an Italian apparel producer, makes silk clothing in their production facilities in Hungary, Austria, Germany, and Switzerland and sells this clothing in retail stores in these countries. ItaliaNow! is a(n)
- intranational enterprise.
 - domestic corporation.
 - multinational corporation.
 - interdependent enterprise.

ANS: C PTS: 1 DIF: Easy REF: p. 8
NAT: Reflective KEY: Application Questions

9. Proctor & Gamble focuses its marketing efforts in the detergent category on brands such as Tide that are sold with a similar market strategy across its subsidiaries in foreign markets. Henkel KGaA differentiates itself from P&G by focusing its marketing efforts on brands such as Dixan in Italy and Wipp in Spain that are tailored to local preferences and needs. Proctor & Gamble's strategy can be described as a ____ strategy.
- global marketing
 - pan-regional marketing
 - multidomestic marketing
 - None of the above

ANS: A PTS: 1 DIF: Easy REF: p. 9-10
NAT: Reflective KEY: Application Questions

10. Proctor & Gamble focuses its marketing efforts in the detergent category on brands such as Tide that are sold with a similar market strategy across its subsidiaries in foreign markets. Henkel KGaA differentiates itself from P&G by focusing its marketing efforts on brands such as Dixan in Italy and Wipp in Spain that are tailored to local preferences and needs. Henkel's strategy can be described as a ____ strategy.
- global marketing
 - pan-regional marketing
 - multidomestic marketing
 - None of the above

ANS: C PTS: 1 DIF: Moderate REF: p. 7-8
NAT: Reflective KEY: Application Questions

11. Avon no longer creates a tailored marketing strategy for each of the national markets in which it sells its products. Instead, Avon creates marketing strategies for four major geographic areas: (1) Asia-Pacific, (2) Europe/Middle East/Africa, (3) Latin America, and (4) North America. Avon's strategy can be described as a ____ strategy.
- global marketing
 - pan-regional marketing
 - multidomestic marketing
 - None of the above

ANS: B PTS: 1 DIF: Easy REF: p. 8-9
NAT: Reflective KEY: Application Questions

12. During Kate Riddle's annual job performance review, she was told that one of her greatest contributions to her firm was her ability to pull together a vast array of information concerning global markets and competitors. Kate Riddle was recognized for her ____ competence.
- analytic
 - functional
 - environmental
 - strategic

ANS: A PTS: 1 DIF: Moderate REF: p. 10-11
NAT: Reflective KEY: Application Questions

13. After completing the first part of his global marketing course, Kristofer Renner learned how to assess the political, social, and cultural characteristics of a foreign market. His global marketing course had strengthened his ____ competence.
- analytic
 - functional
 - environmental
 - strategic

ANS: C PTS: 1 DIF: Moderate REF: p. 10-11
NAT: Reflective KEY: Application Questions