

Exam

Name _____

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

- 1) The Four Ps are _____. 1) _____
- A) price, product, place, and promotion
 - B) the four classifications of consumer goods
 - C) the steps used to identify target markets
 - D) product, production, possession, and promotion
 - E) the tactics used to connect customers and products

Answer: A

- Explanation: A)
B)
C)
D)
E)

- 2) Friends connect regularly and enthusiastically into _____ online to catch up on friends and exchange photos. 2) _____
- A) differential benefits
 - B) open source models
 - C) social marketing
 - D) social networks
 - E) distinctive competencies

Answer: D

- Explanation: A)
B)
C)
D)
E)

- 3) When Tony rented a loft apartment, he acted as a(n) _____. 3) _____
- A) audience
 - B) benefit
 - C) value
 - D) consumer
 - E) stakeholder

Answer: D

- Explanation: A)
B)
C)
D)
E)

- 4) Coca-Cola's unique and skillful marketing communications represent Coke's _____. 4) _____
- A) corporate culture
 - B) return on investments
 - C) production orientation
 - D) customer relationship management
 - E) distinctive competency

Answer: E

Explanation: A)
B)
C)
D)
E)

- 5) A _____ is the outcome sought by a customer that motivates buying behavior that satisfies a need or want. 5) _____
- A) desire B) demand C) value D) benefit E) wish

Answer: D

Explanation: A)
B)
C)
D)
E)

- 6) One of the problems associated with the creation of a value proposition is _____. 6) _____
- A) how a need and a want are differentiated
 - B) the size of the marketplace
 - C) the balance of supply and demand
 - D) demonstrating that the proposition is superior to others
 - E) the result of the price-value paradigm

Answer: D

Explanation: A)
B)
C)
D)
E)

- 7) When companies calculate the lifetime value of a customer they look at _____. 7) _____
- A) how much profit they expect to make from a particular customer, including each and every purchase s/he will make from them now and in the future
 - B) the career path of the customer to see if s/he may move to a different geographic area and no longer purchase from this company
 - C) the commission amount the company must pay the sales representative who worked with the customer
 - D) the age of the customer to see if s/he may live long enough to utilize the product being sold
 - E) the lifetime expectancy of the product the customer purchased

Answer: A

Explanation: A)
B)
C)
D)
E)

8) The impact on society of TV shows and movies reflects how _____ can influence what we consume. 8) _____

- A) the social marketing concept
- B) popular culture
- C) ethical boundaries
- D) subcultures
- E) market convergence

Answer: B

Explanation: A)
B)
C)
D)
E)

9) _____ is an organizational function and process for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. 9) _____

- A) Popular culture manipulation
- B) Value chain management
- C) Demand satisfaction
- D) Competitive advantage building
- E) Marketing

Answer: E

Explanation: A)
B)
C)
D)
E)

10) Marketers first identify consumer needs and then provide products that satisfy those needs, ensuring the firm's long-term profitability. This practice is referred to as _____. 10) _____

- A) consumer orientation
- B) production orientation
- C) the marketing mix
- D) total quality management
- E) the marketing concept

Answer: E

Explanation: A)
B)
C)
D)
E)

11) The phenomenon of _____ includes consumers creating their own ads and buying and selling products on eBay. 11) _____

- A) perception
- B) production orientation
- C) socially responsible marketing
- D) the marketing concept
- E) consumer-generated value

Answer: E

Explanation: A)
B)
C)
D)
E)

12) Women who rent their wedding gowns instead of buying them or wearing them only once are practicing _____ utility. 12) _____

- A) time
- B) form
- C) price
- D) place
- E) possession

Answer: A

Explanation: A)
B)
C)
D)
E)

13) Conveniently-located vending machines around your college or university campus make it easy for you to buy a soda and a snack between classes. This is an example of the _____ element of the marketing mix. 13) _____

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

Answer: E

Explanation: A)
B)
C)
D)
E)

14) _____ refer(s) to the benefits a customer receives from buying a product or service. 14) _____
A) Needs
B) Value
C) Exchange
D) Surprise
E) Consumer orientation

Answer: B

Explanation: A)
B)
C)
D)
E)

15) Chris landed her dream job and she realizes that her college wardrobe is not going to work for her new marketing position. Chris has a _____. 15) _____
A) value B) need C) want D) benefit E) demand

Answer: B

Explanation: A)
B)
C)
D)
E)

16) More goods and services are sold in the _____ market than in the consumer market. 16) _____
A) travel
B) target
C) distribution
D) customer
E) business-to-business

Answer: E

Explanation: A)
B)
C)
D)
E)

17) Which of the following is the best example of a service? 17) _____
A) the sheet music purchased by the piano teacher
B) the cleaning supplies purchased for the veterinarian's office
C) the medical examination Jonathon had yesterday
D) the software Monica purchased from the website
E) the t-shirt you got for running in a 5K race

Answer: C

Explanation: A)
B)
C)
D)
E)

18) The second step in developing a competitive advantage is to turn a distinctive competency into a _____ --one that is important to customers. 18) _____

- A) culture
- B) service
- C) differential benefit
- D) demand
- E) need

Answer: C

Explanation: A)
B)
C)
D)
E)

19) The _____ of the firm is a decision process in which marketing managers determine the strategies that will help the firm meet its long-term objectives and then execute those strategies using the tools they have at their disposal. 19) _____

- A) marketing
- B) sales orientation
- C) product orientation
- D) differential benefit
- E) popular culture

Answer: A

Explanation: A)
B)
C)
D)
E)

20) _____ marketing is the marketing of goods and services from one organization to another. 20) _____

- A) Business-to-business
- B) Target
- C) Consumer
- D) Distributive
- E) Customer

Answer: A

Explanation: A)
B)
C)
D)
E)

21) Alex paid for a _____ when he took his car in to have the oil changed. 21) _____
A) product
B) service
C) business product
D) commercial
E) consumer good

Answer: B

Explanation: A)
B)
C)
D)
E)

22) A(n) _____ occurs when Rhonda Albers trades Max Lynch three hours of child care for his three-year-old daughter for fixing the hole in her porch roof. 22) _____
A) monetary trade
B) virtual trade
C) reciprocal loss
D) exchange
E) buying center

Answer: D

Explanation: A)
B)
C)
D)
E)

23) When Jeff Taylor started the company Monster.com, he helped job seekers find jobs that they desired. In doing so, he helped them fulfill their _____. 23) _____
A) demands B) benefits C) values D) wants E) needs

Answer: E

Explanation: A)
B)
C)
D)
E)

24) When you are able to buy a funnel cake to eat and enjoy as you stroll through the park looking at arts and crafts, it is through the creation of _____ utility. 24) _____
A) fabrication
B) form
C) place
D) possession
E) location

Answer: D

Explanation: A)
B)
C)
D)
E)

25) The _____ element of the marketing mix is used to communicate the value proposition using forms such as personal selling, advertising, coupons, and publicity. 25) _____

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

Answer: C

Explanation: A)
B)
C)
D)
E)

26) A _____ is a good, service, idea, place, or person, whatever is offered for sale in the exchange. 26) _____

- A) place
- B) benefit
- C) product
- D) utility
- E) demand

Answer: C

Explanation: A)
B)
C)
D)
E)

27) All of the following could be consumer goods that individual consumers purchase for personal or family use EXCEPT _____. 27) _____

- A) competitive advantage products
- B) value products
- C) popular culture products
- D) tangible products
- E) intangible products

Answer: E

Explanation: A)
B)
C)
D)
E)

28) _____ involves systematically tracking consumers' preferences and behaviors over time in order to tailor the value proposition as closely as possible to each individual's unique wants and needs. 28) _____

- A) Differential benefit development
- B) Customer relationship management (CRM)
- C) Value chain management
- D) Value propositioning
- E) Sales orientation

Answer: B

Explanation: A)
B)
C)
D)
E)

29) The billboard with the message about The World's Most Famous Surf Shop is an example of the _____ element of the marketing mix. 29) _____

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

Answer: B

Explanation: A)
B)
C)
D)
E)

30) There are several different sports watches for cyclists. When compared to its competitors, the Bike Nashbar watch is the least expensive. The Acumen Basic is the only one designed for older cyclists who prefer a larger display. Sports Instrument is the most comfortable of all the available watches. This describes the _____ of the three sports watches. 30) _____

- A) promotion mixes
- B) marketing mixes
- C) mass marketing strategies
- D) market positions
- E) transactional aptitudes

Answer: D

Explanation: A)
B)
C)
D)
E)

31) Two teachers purchased art supplies for their classes. One paid \$103.45 for eight large boxes of crayons. The other teacher purchased ten identical boxes for \$105.55. The second teacher got more for her money because she took advantage of a quantity discount, a reduced price for buying ten or more boxes. Which element of the marketing mix most directly relates to these purchases? 31) _____

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

Answer: D

Explanation: A)
B)
C)
D)
E)

- 32) Which of the following is the best example of a consumer good? 32) _____
- A) the cookies purchased for the daycare center
 - B) the disposable diapers purchased by the new mother for her baby
 - C) the paint purchased by the contractor
 - D) the riding lawn mower purchased by the landscape company
 - E) the art supplies purchased for the elementary school art center

Answer: B

- Explanation:
- A)
 - B)
 - C)
 - D)
 - E)

- 33) In addition to marketing activities, the _____ includes business functions such as human resource management and technology development. 33) _____
- A) e-commerce process
 - B) value chain
 - C) marketing mix
 - D) customer relationship management
 - E) utility function

Answer: B

- Explanation:
- A)
 - B)
 - C)
 - D)
 - E)

- 34) Which of these statements about mass marketing is true? 34) _____
- A) Mass marketing can be cost-effective.
 - B) A mass marketing strategy is preferable to a target marketing strategy.
 - C) Mass marketing allows marketers to develop products to satisfy the specific needs and wants of specific groups of customers.
 - D) Movie production and distribution companies typically use a mass marketing strategy.
 - E) The success of any organization's marketing efforts depends on its ability to engage in mass marketing.

Answer: A

- Explanation:
- A)
 - B)
 - C)
 - D)
 - E)

35) Which of the following is part of the product element of the marketing mix? 35) _____
A) a quality discount
B) a store coupon
C) the packaging
D) public releases
E) a newspaper advertisement

Answer: C

Explanation: A)
B)
C)
D)
E)

36) A glitzy shopping mall, a mail-order catalog, a television shopping network, an eBay auction, or an e-commerce website could all be examples of a _____. 36) _____
A) SWOT analysis
B) portfolio analysis
C) marketplace
D) strategic business unit
E) monopoly

Answer: C

Explanation: A)
B)
C)
D)
E)

37) Erin and Michael went to the department store to register for wedding gifts for their upcoming wedding. The gifts for Erin and Michael are _____. 37) _____
A) consumer goods
B) returns on investments
C) industrial goods
D) myths
E) e-commerce goods

Answer: A

Explanation: A)
B)
C)
D)
E)

38) It appeared to the middle school teacher that she could never obtain the art supplies, craft materials, and science experiments she wanted to use with her class. Then she discovered a retail store that allowed her to use and enjoy all the school related supplies she wanted. The store created _____ utility.

38) _____

- A) marketing
- B) fabrication
- C) location
- D) possession
- E) form

Answer: D

Explanation: A)
B)
C)
D)
E)

39) Amazon.com where Marta can order books online and Waldenbooks, a store at the mall where she can purchase the same books, are both examples of _____.

39) _____

- A) market convergences
- B) demand centers
- C) buying centers
- D) marketplaces
- E) virtual reality malls

Answer: D

Explanation: A)
B)
C)
D)
E)

40) Which of the following is an example of a need?

40) _____

- A) Sports cars that are red
- B) Adam realizes he is hungry
- C) Social norms enforced in a group
- D) Myths used in advertising
- E) Perception as an internal influence

Answer: B

Explanation: A)
B)
C)
D)
E)

41) When a sign manufacturer takes plastic, metal, and neon tubing and creates a motel sign, it is an example of _____ utility. 41) _____
A) place
B) form
C) creation
D) possession
E) time

Answer: B

Explanation: A)
B)
C)
D)
E)

42) The main activities of value chain members include all of the following EXCEPT _____. 42) _____
A) converting the materials into the final product
B) bringing in materials to make the product
C) setting the price of the product
D) shipping out the final product
E) servicing the product/customer

Answer: C

Explanation: A)
B)
C)
D)
E)

43) Adult children with elderly parents often find it difficult to convince their parents they would be better off in an assisted-living facility. Children often enlist the services of people who operate these facilities to persuade their parents that moving is in their best interest. These facility operators with the help of the children sometimes have to be relentless in their use of persuasive techniques to make the sale. They must adopt a _____ orientation. 43) _____
A) consumer
B) production
C) selling
D) marketing
E) new era

Answer: C

Explanation: A)
B)
C)
D)
E)

- 44) One important part of marketing is to _____. 44) _____
- A) change prices every month based upon the rise or fall of the stock market
 - B) help keep people employed
 - C) teach people ways to spend their money
 - D) meet the needs of diverse stakeholders
 - E) understand why a consumer's demand for a product is not something that is important

Answer: D

- Explanation: A)
B)
C)
D)
E)

- 45) For an exchange to occur, _____. 45) _____
- A) at least two people or organizations must be willing to make a trade, and each must have something the other wants
 - B) there must be one winner and one loser
 - C) the item must be tangible
 - D) someone must make a financial profit
 - E) a time utility factor will occur

Answer: A

- Explanation: A)
B)
C)
D)
E)

- 46) A _____ consists of all possible customers in a market regardless of the differences in their specific needs and wants. 46) _____
- A) value chain
 - B) mass market
 - C) popular culture
 - D) marketing mix
 - E) marketing concept

Answer: B

- Explanation: A)
B)
C)
D)
E)

47) All of the following are forms of utility created by marketing processes EXCEPT _____. 47) _____
A) time utility
B) price utility
C) form utility
D) place utility
E) possession utility

Answer: B

Explanation: A)
B)
C)
D)
E)

48) A catalog retailer has identified African-American professionals between the ages of thirty-five and forty-five as the group of customers within its larger market as a potential market for its products. The retailer has identified a _____. 48) _____
A) market aggregation
B) marketing segment
C) mass market
D) marketing mix
E) product mix

Answer: B

Explanation: A)
B)
C)
D)
E)

49) When marketers connect peanut products to the current diet craze they are reflecting _____. 49) _____
A) the marketing mix
B) popular culture
C) a value proposition
D) a new era orientation
E) an exchange

Answer: B

Explanation: A)
B)
C)
D)
E)

50) Marketing messages often communicate _____, stories containing symbolic elements that express the shared emotions and ideals of a culture. 50) _____

- A) marketing concepts
- B) value
- C) myths
- D) total quality management
- E) utility

Answer: C

Explanation: A)
B)
C)
D)
E)

51) _____ utility occurs when you reach the service station just as your fuel gauge drops below empty. 51) _____

- A) Possession
- B) Place
- C) Marketing
- D) Creation
- E) Form

Answer: B

Explanation: A)
B)
C)
D)
E)

52) _____ is the buying and selling of products on the Internet. 52) _____

- A) social network marketing
- B) E-commerce
- C) consumer relationship management
- D) Business-to-business
- E) Consumer relationship management

Answer: B

Explanation: A)
B)
C)
D)
E)

53) A flour producer that identified its mission as "the milling of fine flour in the most efficient manner possible" would more than likely have a _____ orientation. 53) _____

- A) customer
- B) production
- C) new era
- D) marketing
- E) selling

Answer: B

Explanation: A)
B)
C)
D)
E)

54) When Bill at Ron Jon planned changes to the advertising, Bill was practicing _____. 54) _____

- A) need satisfaction
- B) marketing
- C) demand measurement
- D) benefit delivery
- E) value management

Answer: B

Explanation: A)
B)
C)
D)
E)

55) An organic farmer has identified three distinct groups for his products--vegetarians, people who are concerned about chemicals in their foods, and people who consider themselves innovators and trendsetters. These three groups identified within a larger group are examples of _____. 55) _____

- A) mass markets
- B) market segments
- C) market aggregations
- D) product mixes
- E) marketing mixes

Answer: B

Explanation: A)
B)
C)
D)
E)

56) When comparing itself to its competitors, Hidden Valley describes its Ranch dressing as the original one. This is the _____ its manufacturer has selected for the product. 56) _____

- A) transactional aptitude
- B) market position
- C) marketing mix
- D) promotion mix
- E) mass marketing strategy

Answer: B

Explanation: A)
B)
C)
D)
E)

57) The challenge to the marketer is to create an attractive _____, a marketplace offering that fairly and accurately sums up the value that will be realized if the good or service is purchased. 57) _____

- A) mass market
- B) market segment
- C) target market
- D) product position
- E) value proposition

Answer: E

Explanation: A)
B)
C)
D)
E)

58) The _____ consists of the products and the prices that are used to create a desired response among a set of predefined consumers. 58) _____

- A) the perception
- B) the culture
- C) marketing mix
- D) the strategic plan
- E) the myths

Answer: C

Explanation: A)
B)
C)
D)
E)

59) A product delivers a benefit when it satisfies a _____. 59) _____
A) probability sample
B) research study
C) business portfolio
D) need or want
E) operational plan

Answer: D

Explanation: A)
B)
C)
D)
E)

60) _____ is the benefit marketing provides by transforming raw materials into finished products, 60) _____
as when a dress manufacturer combines silk, thread, and a zipper to create a bridesmaid's gown.
A) Price utility
B) Possession utility
C) Time utility
D) Form utility
E) Place utility

Answer: D

Explanation: A)
B)
C)
D)
E)

61) Marketers ask hard questions about the true value of their efforts and their impact on the bottom 61) _____
line. They are discussing the _____.
A) return on investment (ROI)
B) utility function
C) value chain
D) differential benefit
E) popular culture

Answer: A

Explanation: A)
B)
C)
D)
E)

62) The _____ is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.

62) _____

- A) marketing plan
- B) marketing mix
- C) value proposition
- D) value chain
- E) new era orientation

Answer: A

Explanation: A)
B)
C)
D)
E)

63) A market position refers to _____.

63) _____

- A) the strategic planning and execution of the marketing mix
- B) the location where the organization sells its products
- C) the organization's decision to use no more than two elements of the marketing mix
- D) the specific means the organization uses to distribute its products
- E) how the organization wants its products perceived in relation to the competition's products

Answer: E

Explanation: A)
B)
C)
D)
E)

64) When a firm's capability is superior to that of its competition, the firm has a _____.

64) _____

- A) want but not a need
- B) distinctive competency
- C) social benefit
- D) service exchange
- E) limited sales volume

Answer: B

Explanation: A)
B)
C)
D)
E)

65) Shoppers at The World's Most Famous Surf Shop are _____. 65) _____
A) producers
B) marketers
C) consumers
D) distributors
E) service providers

Answer: C

Explanation: A)
B)
C)
D)
E)

66) When asked to discuss the _____ element of his marketing mix, the artisan said, "My average total cost for making a small leaded glass window is \$200, and I typically haggle with my customers. I feel that I have done well if I can earn \$150 on each window I sell." 66) _____
A) distribution
B) price
C) promotion
D) production
E) cost

Answer: B

Explanation: A)
B)
C)
D)
E)

67) A _____ is a desire for a particular product we the consumer uses to satisfy him in a specific way that is culturally and socially influenced. 67) _____
A) demand B) benefit C) value D) want E) need

Answer: D

Explanation: A)
B)
C)
D)
E)

68) Which of the following is an example of a not-for-profit organization that would use marketing principles? 68) _____
A) a manufacturer of bicycles
B) a software developer
C) a fast-food restaurant
D) an amusement park
E) the Red Cross

Answer: E

Explanation: A)
B)
C)
D)
E)

69) Josh found the perfect gift for his girlfriend for Christmas. He ordered the gift from a catalog retailer, and the gift arrived safely at Josh's apartment on Christmas Eve. The catalog retailer created _____ utility. 69) _____

- A) fabrication
- B) place
- C) marketing
- D) form
- E) possession

Answer: B

Explanation: A)
B)
C)
D)
E)

70) In 1993, Jeff Taylor, founder of Monster.com, was head of his own recruitment agency. One day a client said to him, "No more big ideas, I want a monster idea!" The client saw that his current pool of applicants was not as strong as he desired it to be. Therefore, this client was seeking to fulfill a _____ 70) _____

- A) utility
- B) demand
- C) service
- D) need
- E) want

Answer: D

Explanation: A)
B)
C)
D)
E)

71) Apple relied on its inventive product designers to create a _____, a futuristic looking computer in a multitude of colors. 71) _____

- A) service
- B) promotion
- C) marketing concept
- D) value chain
- E) differential benefit

Answer: E

Explanation: A)
B)
C)
D)
E)

72) Michelle wants to buy a car. If she does not have the money to buy a car she is not part of the _____ for cars. 72) _____

- A) exchange location
- B) audience
- C) market
- D) marketplace
- E) demand center

Answer: C

Explanation: A)
B)
C)
D)
E)

73) When you couple desire with the buying power or resources to satisfy a want, the result is a _____ 73) _____

- A) benefit
- B) differential benefit
- C) demand
- D) service
- E) need

Answer: C

Explanation: A)
B)
C)
D)
E)

74) To be part of the _____ the consumers must want to own the product and also have the means to obtain it. 74) _____

- A) demand center
- B) market
- C) audience
- D) exchange location
- E) marketplace

Answer: B

Explanation: A)
B)
C)
D)
E)

75) Ruth Terry is a realtor. In her ads, Terry offers the free use of a moving truck to every customer she helps either buy or sell a house. This free use of a moving truck is an example of a(n) _____. 75) _____

- A) demand
- B) need
- C) benefit
- D) production orientation
- E) homogeneous product

Answer: C

Explanation: A)
B)
C)
D)
E)

76) In which kind of market would a production orientation be most successful? 76) _____

- A) no market
- B) a buyer's market when supply exceeds demand
- C) a market that sells only intangible products
- D) a seller's market when demand is greater than supply
- E) a market where there are more sellers than buyers

Answer: D

Explanation: A)
B)
C)
D)
E)

77) _____ provides reasons for customers to pay a premium for a firm's products and exhibit a strong brand preference. 77) _____

- A) A myth
- B) An exchange
- C) a differential benefit
- D) The cost mix
- E) An industrial good

Answer: C

Explanation: A)
B)
C)
D)
E)

78) Kao Corp., which makes Ban deodorant, invited teenage girls to make an ad that would encourage other girls to buy the product. This ad is an example of _____ 78) _____

- A) myths
- B) consumer-generated value
- C) the selling orientation
- D) utility
- E) the production concept

Answer: B

Explanation: A)
B)
C)
D)
E)

79) Which of the following is an example of a transaction that might occur in business-to-business marketing? 79) _____

- A) The retailer buys athletic shoes to sell in its store.
- B) Robyn's mother hires a math tutor to help Robyn pass algebra.
- C) The amateur gardener buys a new wheelbarrow.
- D) The professional chef bakes a birthday cake for her son.
- E) Maurice buys a new razor on his way home from work.

Answer: A

Explanation: A)
B)
C)
D)
E)

80) The dioramas in the airport that Ron Jon could use to advertise The World's Most Famous Surf is an example of the _____ element of the marketing mix. 80) _____

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

Answer: B

Explanation: A)
B)
C)
D)
E)

81) _____ is the assignment of value, or the amount the consumer must exchange to receive the offering. 81) _____

- A) Price
- B) Benefit
- C) Need
- D) Utility
- E) Product

Answer: A

Explanation: A)
B)
C)
D)
E)

82) Jack sells _____; he provides heating and air conditioning equipment for office buildings. 82) _____
A) homogeneous products
B) industrial goods
C) distributive goods
D) intangible goods
E) consumer goods

Answer: B

Explanation: A)
B)
C)
D)
E)

83) A major marketing decision for most organizations is _____. 83) _____
A) how many people to employ
B) the accounting method used to measure performance
C) the geographic layout of the factory making the product
D) the location of their company headquarters
E) which products to market to which consumers without turning off other consumers at the same time

Answer: E

Explanation: A)
B)
C)
D)
E)

84) Jocelyn and Will are moving tomorrow. They decided to rent a truck to haul their belongings from their current apartment to their new house. They look up a list of companies that rent trucks in their local Yellow Pages and are calling each one to see if it has an available truck. They started by calling AAA-Rents. The reason why Jocelyn and Will searched for a rental truck for moving is an example of a(n) _____. 84) _____
A) heterogeneous product
B) need
C) industrial product
D) want
E) benefit

Answer: B

Explanation: A)
B)
C)
D)
E)

85) Ronald McDonald confounds the Hamburglar in the basic struggle of good versus evil as played out in a McDonald's commercial. This is an example of a marketing message communicated in the form of _____ 85) _____

- A) social marketing
- B) value management
- C) e-commerce
- D) return on investments
- E) a myth

Answer: E

Explanation: A)
B)
C)
D)
E)

86) A(n) _____ consists of all the consumers who share a common need that can be satisfied by a specific good or service and who have the resources, willingness, and authority to make the exchange. 86) _____

- A) buying center
- B) mass market segment
- C) market
- D) exchange location
- E) demand center

Answer: C

Explanation: A)
B)
C)
D)
E)

87) _____ maintains that marketers must satisfy customers' needs in ways that also benefit society and are profitable to the firm. 87) _____

- A) Customer relationship management (CRM)
- B) The social marketing concept
- C) Value propositioning
- D) A sales orientation
- E) Value chain management

Answer: B

Explanation: A)
B)
C)
D)
E)

88) A _____ is a distinctive group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. 88) _____
A) stakeholder
B) market segment
C) value chain
D) popular culture
E) mass market

Answer: B

Explanation: A)
B)
C)
D)
E)

89) When a gap exists between a consumer's actual state and some ideal or desired state, the consumer has a _____. 89) _____
A) demand B) need C) want D) benefit E) value

Answer: B

Explanation: A)
B)
C)
D)
E)

90) _____ is about delivering value to everyone who is affected by a transaction. 90) _____
A) Demand
B) Marketing
C) Popular culture
D) Competitive advantage
E) The value chain

Answer: B

Explanation: A)
B)
C)
D)
E)

91) A new shampoo advertisement on television names a specific product and then tells all of the wonderful benefits the consumer will enjoy when using this product opposed to another shampoo. What is this company seeking to achieve in the communication message of this television advertisement? 91) _____
A) competitive advantage
B) form utility
C) marketing segmentation
D) popular culture management
E) production orientation

Answer: A

Explanation: A)
B)
C)
D)
E)

92) Which of the following is an example of a want? 92) _____
A) Tomas decides a Big Mac would be nice for lunch.
B) Gerard has to buy some nails to finish roofing his house.
C) Before taking piano lessons, Michelle has to buy herself a piano.
D) Jane is looking for an umbrella because it is raining.
E) Marie needs some margarine so she can bake cookies.

Answer: A

Explanation: A)
B)
C)
D)
E)

93) Companies that have a _____ orientation tend to be more successful at making one-time sales than they are at building repeat business. 93) _____
A) selling
B) consumer
C) production
D) new era
E) marketing

Answer: A

Explanation: A)
B)
C)
D)
E)

94) Tony buys songs from a website and downloads them to his player. Tony's transaction is part of _____ 94) _____
A) the new era orientation
B) social marketing
C) returns on investments
D) e-commerce
E) consumer goods spending

Answer: D

Explanation: A)
B)
C)
D)
E)

95) A _____ is a series of activities involved in designing, producing, marketing, delivering, and supporting any product.

95) _____

- A) value chain
- B) marketing mix
- C) want
- D) utility
- E) production orientation

Answer: A

Explanation: A)
B)
C)
D)
E)

96) A _____ orientation is a management philosophy that focuses on ways to satisfy customers' needs and wants.

96) _____

- A) new era
- B) consumer
- C) production
- D) selling
- E) promotion

Answer: B

Explanation: A)
B)
C)
D)
E)

97) IBM manager Celia Moore coordinates IBM's long-standing "Reinventing Education" program that involves intensive research into how educational institutions can use the fruits of new technologies to transform what they do. In the process, the program is actually helping to shape a market of significant interest to IBM. "We see the program very much as an investment, rather than handing out money," says Moore. The existence of this program indicates that IBM has a _____ orientation.

97) _____

- A) selling
- B) environmental
- C) social bottom line
- D) financial bottom line
- E) production

Answer: C

Explanation: A)
B)
C)
D)
E)

98) _____ includes thinking about the big picture and where the firm and its products fit within it. 98) _____
A) Marketing planning
B) The production concept
C) The marketing mix
D) The selling concept
E) Popular culture

Answer: A

Explanation: A)
B)
C)
D)
E)

99) A bakery buys sugar, flour, and yeast to make donuts, and a retailer buys racks, a cash register, and display tables to sell merchandise. The sugar, flour, yeast, racks, cash register, and display tables are all examples of _____. 99) _____
A) distributive goods
B) intangible goods
C) industrial goods
D) homogeneous products
E) consumer goods

Answer: C

Explanation: A)
B)
C)
D)
E)

100) The mother didn't want to have a climbing wall as a permanent feature in her backyard, but it was certainly convenient to rent one from the company that catered her twelve-year-old son's birthday party. The catering company created both _____ utility when it rented her the climbing wall. 100) _____
A) creation and possession
B) possession and time
C) place and creation
D) form and place
E) time and place

Answer: E

Explanation: A)
B)
C)
D)
E)

101) A consumer shopping at The World's Most Famous Surf Shop is also a _____ of the company because he has an interest in the company. 101) _____
A) user
B) benefit
C) need
D) value
E) stakeholder

Answer: E

Explanation: A)
B)
C)
D)
E)

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

102) How has the Internet aided in the administration of the marketing concept of customer relationship management (CRM)? 102) _____

Answer: Customer relationship management involves systematically tracking consumers' preferences and behaviors over time in order to tailor the value proposition as closely as possible to each individual's unique wants and needs. The use of the Internet has enabled companies to maintain the database of information to implement this marketing practice. It allows a firm to personalize its messages and products to better meet the needs of each individual consumer.

Explanation:

103) Explain how groups of people watching a particular show on the Spanish language television network could be described as the mass market, the market segment, and the target market. Explain your answer. 103) _____

Answer: The mass market would be anyone who may watch television. The market segment would be the age group of television viewers between eighteen and forty-nine years old. The target market group would be the actual television viewers who are watching this show.

Explanation:

104) Select one real company located in your home state. How does the company address the stakeholders: buyers, sellers, and investors in the company; community residents; and citizens of the nation where the goods and/or services are made and/or sold? 104) _____

Answer: Each student should present different information in responding to this question. The learning rationale for this question is to bring to the students local attachment to understanding the marketing process.

Explanation:

105) Explain how addictive consumption is a dimension of the "dark side" of marketing. 105) _____

Answer: Consumer addiction is a physiological or psychological dependency on products or services. Many companies profit from addictive products or by selling solutions. Consumers can use any product or service to relieve some problem to the point that reliance on it becomes extreme.

Explanation:

- 106) Can a stakeholder for a tennis equipment company be a consumer of that company's goods. Can a consumer be a stakeholder? 106) _____
- Answer: Yes. A stakeholder can be a consumer just as a consumer can be a stakeholder. A stakeholder refers to buyers, sellers, and investors in a company, community resident, and even citizens of the nations where goods and services are made or sold. A consumer is the ultimate user of a good or service. Therefore, a consumer could be someone who falls within the groupings of a stakeholder and then be the stakeholder who is also the ultimate consumer using the product.
- Explanation:
- 107) Explain market segmentation. Automakers offer different automobiles for different market segments. Identify one car made by one automaker and one car made by another automaker. What customer segment would each car benefit and why? 107) _____
- Answer: Market segmentation is a distinct group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. The answer to this question will vary by the specific cars chosen by the student. The learning rationale for this question is to have students apply the concept of market segmentation.
- Explanation:
- 108) Why must a firm also be aware of its competitive advantage and distinctive competency regarding its competition? 108) _____
- Answer: A firm has a competitive advantage when it is able to outperform the competition, providing customers with a benefit the competition cannot. A competitive advantage gives consumers a reason to choose one product over another again and again. The distinctive competency relates to the company and its capabilities that are superior to that of its competition.
- Explanation:
- 109) The Ford Motor Company sponsored: "The Great American Pony Drive II" in honor of devotees of its legendary Mustang. How is the Ford Motor Company calculating the lifetime value of a customer of the Mustang? 109) _____
- Answer: Ford Motor Company would calculate how much lifetime profit they expect to make from a devoted Mustang customer minus the cost it will cost them to maintain this relationship. The cost of sponsoring "The Great American Pony Drive II" may be much less than the profits from current and future sales of the Mustang car.
- Explanation:
- 110) An engineer with a great idea wanted to start a company. Since he does not know much about business he needs an explanation of what marketing is. Give him an explanation? 110) _____
- Answer: Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
- Explanation:
- 111) Needs relate to either physical or psychological functions. How does Levi Strauss & Co. satisfy both of these needs with their jeans? 111) _____
- Answer: Levi Strauss & Co. jeans meets physical needs in that people need to wear clothes. The psychological needs are fulfilled in the way people may feel or think they look, or the image they portray when wearing these jeans.
- Explanation:

112) What are two competitive advantages a customer may receive in buying a bottle of soda in a local corner convenience store versus a chain grocery store? 112) _____

Answer: The customer may be able to park his/her car close to the door of the convenience store and make the purchase in only a few minutes. The parking lot of the chain store may require the customer to walk a distance before entering the store. The volume of customers in the chain grocery store may cause the purchase of this bottle of soda to take longer than the purchase at the convenience store.

Explanation:

113) Explain the concept of business-to-business marketing. Select one industry. What examples can you give of products that would fall within the guidelines of business-to-business transactions? 113) _____

Answer: Business-to-business marketing is the marketing of goods and services from one organization to another. Students may select different businesses to answer this question. The learning rationale for this question is the application of the marketing concept of business-to-business marketing.

Explanation:

114) Select one product you purchased within the last thirty days. Identify the marketplace of your purchase. Do you believe this product could or could not have been purchased from: a shopping mall, a mail-order catalog, a television shopping network, an eBay-auction, or an e-commerce website? 114) _____

Answer: Each student's answer will vary with this question. The learning rationale of this question is to have students relate to the marketplace concept.

Explanation:

115) How are companies adapting to the paradigm shift of the wired world? 115) _____

Answer: Companies promote their products in innovative and interesting ways while becoming part of the market segments' lives. In the attention economy, share of mind rather than share of market takes on greater importance. Product websites offer entertainment and high value information that keep the consumer coming back to the site.

Explanation:

116) What is a system developed by marketers to help measure the return on investment (ROI)? 116) _____

Answer: Marketers are developing scorecards that report how the company or brand is actually doing in achieving various goals. Scorecards tend to be short and to the point, and they often use charts and graphs to summarize information in an easy-to-read format.

Explanation:

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

117) A firm has a competitive advantage when it is able to out perform the competition, providing customers with a benefit the competition cannot. 117) _____

Answer: True False

Explanation:

- 118) Within the context of the marketing mix, *place* refers to the availability of the product to the customer at the desired time and location. 118) _____
 Answer: True False
 Explanation:
- 119) The elements of the marketing mix are the four Ps. 119) _____
 Answer: True False
 Explanation:
- 120) Automobiles, haircuts, tutoring, and lighting fixtures are all examples of consumer goods. 120) _____
 Answer: True False
 Explanation:
- 121) Many not-for-profit organizations practice the marketing concept. 121) _____
 Answer: True False
 Explanation:
- 122) The World's Most Famous Surf Shop could be referred to as either a *market* or a *marketplace* because the terms mean the same thing. 122) _____
 Answer: True False
 Explanation:
- 123) Much of the real online action in ecommerce is in business-to-business marketing. 123) _____
 Answer: True False
 Explanation:
- 124) A value proposition cannot be undersold. 124) _____
 Answer: True False
 Explanation:
- 125) Consumers often speak of "positioning" themselves for a job interview. 125) _____
 Answer: True False
 Explanation:
- 126) Differential benefits set products apart from competitors' products by providing something unique that customers want. 126) _____
 Answer: True False
 Explanation:
- 127) Marketers define a *need* as the difference between a consumer's actual state and some ideal or desired state. 127) _____
 Answer: True False
 Explanation:
- 128) Although a want may be something to eat or drink, the desire for a specific brand name is referred to as a need. 128) _____
 Answer: True False
 Explanation:

- 129) To calculate lifetime value, a company would estimate the amount the person would spend and then subtract what it will cost them to maintain this relationship. 129) _____
 Answer: True False
 Explanation:
- 130) An entertainer such as Garth Brooks, a television show and a magazine subscription are all examples of products. 130) _____
 Answer: True False
 Explanation:
- 131) The first phase of marketing planning is the development of an organizational mission. 131) _____
 Answer: True False
 Explanation:
- 132) The social marketing concept maintains that marketers must satisfy customers' needs in ways that also benefit society. 132) _____
 Answer: True False
 Explanation:
- 133) Consumers do not create their own ads and post them on websites. 133) _____
 Answer: True False
 Explanation:
- 134) The Internet has created a paradigm shift for business, meaning that companies must adhere to a new model or pattern of how to profit in a wired world. 134) _____
 Answer: True False
 Explanation:
- 135) The promotion element of the marketing mix includes the design of the product. 135) _____
 Answer: True False
 Explanation:
- 136) The pricing element of the marketing mix always involves monetary exchanges. 136) _____
 Answer: True False
 Explanation:
- 137) ROI is a marketing acronym for customers who are about to make a purchase to rely on instinct. 137) _____
 Answer: True False
 Explanation:
- 138) A marketer that wants to achieve a competitive advantage over its rivals cannot use the marketing mix to achieve this goal. 138) _____
 Answer: True False
 Explanation:
- 139) Servicing the product/customer is not an activity associated with the value chain. 139) _____
 Answer: True False
 Explanation:

- 140) Ideas, places and people cannot be marketed. 140) _____
Answer: True False
Explanation:
- 141) The marketing mix is the marketer's strategic toolbox. 141) _____
Answer: True False
Explanation:

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 142) What is the marketing rationale, and what are steps required for a company to adapt a consumer orientation philosophy?
Answer: The rationale for a company to adapt a consumer orientation philosophy is that the companies want to outdo their competition. Marketers research to understand the needs of different customers, assist in tailoring products to the needs of these various groups, and do a better job of designing marketing messages than were created in the days of selling orientation.
- 143) What are three categories of information an organization should include in its completion of a marketing plan document?
Answer: The marketing plan is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.
- 144) What is the difference between consumer goods and consumer services? Give an example of each.
Answer: Consumer goods are the tangible products that individual consumers purchase for personal or family use. Consumer services are intangible products that consumers pay for and use but never own. Students' examples will vary.
- 145) During World War II, the United States increased its industrial capacity to manufacture tanks, combat boots, parachutes, and countless other wartime goods. After the war this industrial capacity was converted to producing consumer goods. What style of marketing was implemented to meet the requirements of customers?
Answer: Selling orientation is a marketing practice of moving products out of warehouses so that inventories do not pile up. If the United States continued to manufacture wartime-needed supplies after the end of the war, these items would create a backlog of inventory. And, the products needed by customers in peace times would not be fulfilled.
- 146) Explain the target market Bill Bierberbach identified for Ron Jon and how he could market to this group.
Answer: The target market for Ron Jon was the 45 million tourists who visit central Florida each year. The target market could also be described as the tourists who arrived by air from midwestern and northeastern states. Because the tourists who were driving were already reached through billboards, Bill focused on the problem of communicating his brand message to the tourists who traveled by air. Ron chose to use dioramas in the Orlando airport concentrated at the gates serving flights from the target states. Bill also opened Ron Jon stores in the Orlando airport and in Orlando.
- 147) How would an ice cream vendor at the beach create the four types of utility?
Answer: Depending upon how *ice cream vendor* is defined, some students may not see the vendor creating form utility. If there were any form utility created, it would be in the creation of a milkshake or a sundae. Place utility would mean the ice cream is available where the customer wants it. Time utility would mean the ice cream is available when the customer wants it. Possession utility refers to the enjoyment consumers have eating the ice cream.

148) What are the four Ps in the following description: "Rosa Alvarez markets twenty-three different varieties of salsa in 8-ounce and 12-ounce bottles at supermarkets in the southwestern United States. The 8-ounce bottle sell for \$5.95, and the larger size sells for \$7.95. Periodically, she sets up a table in one of the markets that carries her salsa brand and offers customers a sample. She recently received considerable publicity for being the "Hispanic entrepreneur of the year."

Answer: Product: twenty-three different varieties of salsa in 8-ounce and 12-ounce bottles
Price: \$5.95 for smaller size and \$7.95 for larger size
Place: supermarkets in southwestern United States
Promotion: sampling and publicity

149) What does the phrase *exchange relationship* mean relating to marketing?

Answer: An exchange occurs when something is obtained for something else in return. The buyer receives an object, service, or idea that satisfies a need, and the seller receives something s/he feels is of equivalent value. For an exchange to occur, at least two people or organizations must be willing to make a trade, and each must have something the other wants. Both parties must agree on the value of the exchange and how it will be carried out. Each party also must be free to accept or reject the other's terms for the exchange.

150) Why does a company try to determine the lifetime value of a customer? What must a company do to be able to determine this information?

Answer: A company must look at how much profit they expect to make from a particular customer, including each and every purchase s/he will make from them now and in the future. To calculate lifetime value, they estimate the amount the person will spend and then subtract what it will cost them to maintain this relationship.

151) Explain how the marketers held accountable for the results of their work?

Answer: Marketers must do their best to prove to management that they are generating measurable value by aligning marketing activities with the firm's overall business objectives. Marketers are developing scorecards that report how the company or brand is actually doing in achieving various goals. The marketers assess the Return on Investment (ROI) by knowing how much they are spending and measuring the impact on the bottom line.

Answer Key
Testname: C1

- 1) A
- 2) D
- 3) D
- 4) E
- 5) D
- 6) D
- 7) A
- 8) B
- 9) E
- 10) E
- 11) E
- 12) A
- 13) E
- 14) B
- 15) B
- 16) E
- 17) C
- 18) C
- 19) A
- 20) A
- 21) B
- 22) D
- 23) E
- 24) D
- 25) C
- 26) C
- 27) E
- 28) B
- 29) B
- 30) D
- 31) D
- 32) B
- 33) B
- 34) A
- 35) C
- 36) C
- 37) A
- 38) D
- 39) D
- 40) B
- 41) B
- 42) C
- 43) C
- 44) D
- 45) A
- 46) B
- 47) B
- 48) B
- 49) B
- 50) C

Answer Key
Testname: C1

- 51) B
- 52) B
- 53) B
- 54) B
- 55) B
- 56) B
- 57) E
- 58) C
- 59) D
- 60) D
- 61) A
- 62) A
- 63) E
- 64) B
- 65) C
- 66) B
- 67) D
- 68) E
- 69) B
- 70) D
- 71) E
- 72) C
- 73) C
- 74) B
- 75) C
- 76) D
- 77) C
- 78) B
- 79) A
- 80) B
- 81) A
- 82) B
- 83) E
- 84) B
- 85) E
- 86) C
- 87) B
- 88) B
- 89) B
- 90) B
- 91) A
- 92) A
- 93) A
- 94) D
- 95) A
- 96) B
- 97) C
- 98) A
- 99) C
- 100) E

Answer Key

Testname: C1

- 101) E
- 102) Customer relationship management involves systematically tracking consumers' preferences and behaviors over time in order to tailor the value proposition as closely as possible to each individual's unique wants and needs. The use of the Internet has enabled companies to maintain the database of information to implement this marketing practice. It allows a firm to personalize its messages and products to better meet the needs of each individual consumer.
- 103) The mass market would be anyone who may watch television. The market segment would be the age group of television viewers between eighteen and forty-nine years old. The target market group would be the actual television viewers who are watching this show.
- 104) Each student should present different information in responding to this question. The learning rationale for this question is to bring to the students local attachment to understanding the marketing process.
- 105) Consumer addiction is a physiological or psychological dependency on products or services. Many companies profit from addictive products or by selling solutions. Consumers can use any product or service to relieve some problem to the point that reliance on it becomes extreme.
- 106) Yes. A stakeholder can be a consumer just as a consumer can be a stakeholder. A stakeholder refers to buyers, sellers, and investors in a company, community resident, and even citizens of the nations where goods and services are made or sold. A consumer is the ultimate user of a good or service. Therefore, a consumer could be someone who falls within the groupings of a stakeholder and then be the stakeholder who is also the ultimate consumer using the product.
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- 109) Ford Motor Company would calculate how much lifetime profit they expect to make from a devoted Mustang customer minus the cost it will cost them to maintain this relationship. The cost of sponsoring "The Great American Pony Drive II" may be much less than the profits from current and future sales of the Mustang car.
- 110) Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.
- 111) Levi Strauss & Co. jeans meets physical needs in that people need to wear clothes. The psychological needs are fulfilled in the way people may feel or think they look, or the image they portray when wearing these jeans.
- 112) The customer may be able to park his/her car close to the door of the convenience store and make the purchase in only a few minutes. The parking lot of the chain store may require the customer to walk a distance before entering the store. The volume of customers in the chain grocery store may cause the purchase of this bottle of soda to take longer than the purchase at the convenience store.
- 113) Business-to-business marketing is the marketing of goods and services from one organization to another. Students may select different businesses to answer this question. The learning rationale for this question is the application of the marketing concept of business-to-business marketing.
- 114) Each student's answer will vary with this question. The learning rationale of this question is to have students relate to the marketplace concept.
- 115) Companies promote their products in innovative and interesting ways while becoming part of the market segments' lives. In the attention economy, share of mind rather than share of market takes on greater importance. Product websites offer entertainment and high value information that keep the consumer coming back to the site.
- 116) Marketers are developing scorecards that report how the company or brand is actually doing in achieving various goals. Scorecards tend to be short and to the point, and they often use charts and graphs to summarize information in an easy-to-read format.
- 117) TRUE
- 118) TRUE
- 119) TRUE

Answer Key

Testname: C1

- 120) FALSE
- 121) TRUE
- 122) FALSE
- 123) TRUE
- 124) FALSE
- 125) TRUE
- 126) TRUE
- 127) TRUE
- 128) FALSE
- 129) TRUE
- 130) TRUE
- 131) FALSE
- 132) TRUE
- 133) FALSE
- 134) TRUE
- 135) FALSE
- 136) FALSE
- 137) FALSE
- 138) FALSE
- 139) FALSE
- 140) FALSE
- 141) TRUE
- 142) The rationale for a company to adapt a consumer orientation philosophy is that the companies want to outdo their competition. Marketers research to understand the needs of different customers, assist in tailoring products to the needs of these various groups, and do a better job of designing marketing messages than were created in the days of selling orientation.
- 143) The marketing plan is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.
- 144) Consumer goods are the tangible products that individual consumers purchase for personal or family use. Consumer services are intangible products that consumers pay for and use but never own. Students' examples will vary.
- 145) Selling orientation is a marketing practice of moving products out of warehouses so that inventories do not pile up. If the United States continued to manufacture wartime-needed supplies after the end of the war, these items would create a backlog of inventory. And, the products needed by customers in peace times would not be fulfilled.
- 146) The target market for Ron Jon was the 45 million tourists who visit central Florida each year. The target market could also be described as the tourists who arrived by air from midwestern and northeastern states. Because the tourists who were driving were already reached through billboards, Bill focused on the problem of communicating his brand message to the tourists who traveled by air. Ron chose to use dioramas in the Orlando airport concentrated at the gates serving flights from the target states. Bill also opened Ron Jon stores in the Orlando airport and in Orlando.
- 147) Depending upon how *ice cream vendor* is defined, some students may not see the vendor creating form utility. If there were any form utility created, it would be in the creation of a milkshake or a sundae. Place utility would mean the ice cream is available where the customer wants it. Time utility would mean the ice cream is available when the customer wants it. Possession utility refers to the enjoyment consumers have eating the ice cream.
- 148) Product: twenty-three different varieties of salsa in 8-ounce and 12-ounce bottles
Price: \$5.95 for smaller size and \$7.95 for larger size
Place: supermarkets in southwestern United States
Promotion: sampling and publicity

Answer Key
Testname: C1

- 149) An exchange occurs when something is obtained for something else in return. The buyer receives an object, service, or idea that satisfies a need, and the seller receives something s/he feels is of equivalent value. For an exchange to occur, at least two people or organizations must be willing to make a trade, and each must have something the other wants. Both parties must agree on the value of the exchange and how it will be carried out. Each party also must be free to accept or reject the other's terms for the exchange.
- 150) A company must look at how much profit they expect to make from a particular customer, including each and every purchase s/he will make from them now and in the future. To calculate lifetime value, they estimate the amount the person will spend and then subtract what it will cost them to maintain this relationship.
- 151) Marketers must do their best to prove to management that they are generating measurable value by aligning marketing activities with the firm's overall business objectives. Marketers are developing scorecards that report how the company or brand is actually doing in achieving various goals. The marketers assess the Return on Investment (ROI) by knowing how much they are spending and measuring the impact on the bottom line.