Chapter 02 Marketing Strategy Planning

This chapter has 166 questions.

Multiple Choice Questions - (112) LearnObj: 6 - (8)
True/False Questions - (54) LearnObj: 7 - (32)
Odd Numbered - (83) LearnObj: 8 - (40)
Even Numbered - (83) LearnObj: 9 - (2)
Difficulty: Easy - (108) Question Type: Self-Test - (20)
LearnObj: 1 - (5) Difficulty: Medium - (51)
Question Type: Definition - (91) Question Type: Comprehension - (21)
LearnObj: 2 - (8) Difficulty: Hard - (7)
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LearnObj: 4 - (46) Question Type: Integrating - (1)
LearnObj: 5 - (18) Question Type: Comprehension; Definition - (1)

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 1
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 1
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

4. A marketing strategy is composed of two interrelated parts--a target market and a marketing mix.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

5. A marketing strategy is composed of two interrelated parts--planning and implementation.

True
→ False

True / False Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

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

True
→ False

True / False Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

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

True
→ False

True / False Question Difficulty: Easy
LearnObj: 3
Question Type: Definition

8. "Mass marketers" like Target usually try to aim at clearly defined target markets.
→ True
False

True / False Question Difficulty: Easy
LearnObj: 3
Question Type: Definition

9. The "four Ps" of the marketing mix are People, Products, Price, and Promotion.
True
→ False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

12. According to the text, a firm that sells a service rather than a physical good does not have a product.
True
→ False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

13. The Product area of the marketing mix may involve a service and/or a physical good which satisfies some customers' needs.
→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

14. The Place decisions are concerned with getting the right product to the target market at the right time.
→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

16. A channel of distribution must include a middleman.

True
→ False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

18. Personal selling is relatively inexpensive, but using it means a firm can't adapt its marketing mix to different potential customers.

True
→ False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

21. According to the text, Promotion is the most important of the "four Ps."

True
→ False

True / False Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 5

Question Type: Definition

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

→ True

False

True / False Question Difficulty: Easy

LearnObj: 5

Question Type: Definition

24. Marketing strategy planning should specify all of the operational decisions to implement the plan.

True

→ False

True / False Question Difficulty: Easy

LearnObj: 5

Question Type: Definition

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

→ True

False

True / False Question Difficulty: Easy

LearnObj: 5

Question Type: Definition

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

→ True

False

True / False Question Difficulty: Easy

LearnObj: 6

Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 6
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 6
Question Type: Definition

29. Many of the conventional watchmakers failed because they were not marketing oriented.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

30. "Death-wish" marketing refers to the idea that some firms do such a good job satisfying customers that customers say they'd, "almost rather die than switch to some other firm's product."

True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

31. "Death-wish" marketing refers to the idea that too many managers do a poor job planning and implementing marketing strategies and programs.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True

False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

35. Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

38. Differentiation emphasizes uniqueness rather than similarity.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

39. Differentiation emphasizes similarity rather than uniqueness.
True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

40. 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.
True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

41. 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.
True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

42. 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.

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

True
→ False

True / False Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy

LearnObj: 8
Question Type: Definition

46. 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."

True

→ False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

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

True

→ False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

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

True

→ False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

49. A firm which tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

True

→ False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

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

→ True
False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

52. The least risky--but most challenging--marketing opportunities are diversification opportunities.

True
→ False

True / False Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

53. Marketing managers almost always find that opportunities in international

markets are less profitable than in domestic markets.

True

→ False

True / False Question Difficulty: Easy

LearnObj: 9

Question Type: Definition

54. Unfavorable trends in the domestic marketing environment may make the international marketing environment very attractive.

→ True

False

True / False Question Difficulty: Easy

LearnObj: 9

Question Type: Definition

55. The three basic tasks of ALL managers, according to the text, are:

planning, staffing, and evaluating.

marketing, production, and finance.

execution, feedback, and control.

hiring, training, and compensating.

→ planning, implementation, and control.

Multiple Choice Question Difficulty: Easy

LearnObj: 1

Question Type: Definition

56. The marketing management process:

→ includes the on-going job of planning marketing activities.

is mainly concerned with obtaining continuous customer feedback.

involves finding opportunities and planning marketing strategies, but does not include the management tasks of implementing and control.

is called "strategic planning."

Both A and D are true statements.

Multiple Choice Question Difficulty: Easy
LearnObj: 1
Question Type: Self-Test

57. The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called:

management by objective.
marketing programming.
marketing strategy planning.
→ strategic (management) planning.
market planning.

Multiple Choice Question Difficulty: Easy
LearnObj: 1
Question Type: Definition

58. "Marketing strategy planning" means:

→ finding attractive opportunities and developing profitable marketing strategies.
finding attractive opportunities and selecting a target market.
selecting an attractive target market.
selecting an attractive marketing mix.
selecting a target market and developing a marketing strategy.

Multiple Choice Question Difficulty: Easy
LearnObj: 2
Question Type: Self-Test

59. A marketing strategy specifies:

→ a target market and a related marketing mix.
all the company's resources.
a target market.
a target market and the company's objectives.
a marketing mix.

Multiple Choice Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

60. A marketing strategy specifies:
a marketing mix.
→ a target market and a related marketing mix.
a target market.
the resources needed to implement a marketing mix.
both A and D.

Multiple Choice Question Difficulty: Easy
LearnObj: 2
Question Type: Definition

61. A marketing strategy consists of two interrelated parts. These are:
selection of a target market and implementing the plan.
→ selection of a target market and development of a marketing mix.
selection and development of a marketing mix.
finding attractive opportunities and developing a marketing mix.
finding attractive opportunities and selecting a target market.

Multiple Choice Question Difficulty: Easy
LearnObj: 2
Question Type: Self-Test

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

Multiple Choice Question Difficulty: Easy
LearnObj: 3
Question Type: Self-Test

63. Good marketing strategy planners know that:
firms like Nabisco and Wal-Mart are too large to aim at clearly defined target markets.
→ target marketing does not limit one to small market segments.
mass marketing is often very desirable and effective.
the terms "mass marketing" and "mass marketer" mean basically the same thing.
target markets cannot be large and spread out.

Multiple Choice Question Difficulty: Medium
LearnObj: 3
Question Type: Comprehension

64. Marketing strategy planners should recognize that:
target markets should not be large and spread out.
mass marketing is often very effective and desirable.
large firms like General Electric, Sears, and Procter & Gamble are too large to aim at clearly defined markets.
→ target marketing is not limited to small market segments.
the terms "mass marketing" and "mass marketers" mean essentially the same thing.

Multiple Choice Question Difficulty: Easy
LearnObj: 3
Question Type: Self-Test

65. "Target marketing," in contrast to "mass marketing,"
is limited to small market segments.
assumes that all customers are basically the same.
ignores markets that are large and spread out.
→ focuses on fairly homogeneous market segments.
All of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 3
Question Type: Definition

66. "Target marketing," in contrast to "mass marketing,"
ignores the need for the firm to obtain a competitive advantage.
ignores markets that are large and spread out.
is limited to small market segments.
assumes that all customers are basically the same.
→ None of the above is correct.

Multiple Choice Question Difficulty: Medium
LearnObj: 3
Question Type: Definition

67. The "four Ps" of a marketing mix are:
Production, Personnel, Price, and Physical Distribution
Promotion, Production, Price, and People
Potential customers, Product, Price, and Personal Selling
Product, Price, Promotion, and Profit
→ Product, Place, Promotion, and Price

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Definition

68. A firm's "marketing mix" decision areas would NOT include:
Promotion.
→ People.
Price.
Product.
Place.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

69. A firm's "marketing mix" decision areas would NOT include:
Price.
Promotion.
Product.
Place.
→ Profit.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

70. Which of the following is NOT one of the four variables in a marketing mix?
Price
Product
Promotion
→ Payment
Place

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

71. When one considers the strategy decisions organized by the four Ps, branding is related to packaging as:
branding is to pricing.
production is to marketing.
store location is to sales force selection.
→ personal selling is to mass selling.
pricing is to promotion.

Multiple Choice Question Difficulty: Hard

LearnObj: 4
Question Type: Comprehension

72. "Product" is concerned with:
    branding.
    packaging and warranty.
    physical goods.
    services.
→ all of the above might be involved.

Multiple Choice Question   Difficulty: Easy
LearnObj: 4
Question Type: Definition

73. "Product" is concerned with:
    branding and warranties.
    physical goods and/or services.
    packaging.
    developing the right new product for a market.
→ all of the above might be involved.

Multiple Choice Question   Difficulty: Medium
LearnObj: 4
Question Type: Definition

74. "Product" is concerned with:
    services.
    developing products which will satisfy some customers' needs.
    designing, packaging, and branding new products.
    physical goods.
→ All of the above might be involved.

Multiple Choice Question   Difficulty: Medium
LearnObj: 4
Question Type: Definition

75. "Product" is NOT concerned with:

quality level.

branding.

→ wholesale price.

packaging.

warranty.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

76. Which of the following is NOT considered a product?

tax advice from a financial consultant.

a computer.

a haircut.

a chair.

→ All of the above are considered products.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Application

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

price

target market

place

→ product

promotion

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Application

78. "Place" is concerned with:
middlemen.
transporting.
channel members.
storing.
→ all of the above might be involved.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

79. "Place" is concerned with:
getting the product to its intended market.
middlemen located between producers and consumers.
where, when, and by whom goods are offered for sale.
when and where products are wanted.
→ all of the above might be involved.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Self-Test

80. "Place" is NOT concerned with:
storing.
middlemen.
transporting.
channels of distribution.
→ sales reps.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Definition

81. "Place" is NOT concerned with:
who handles storing and transporting.

when and where products are wanted.
kinds of middlemen needed to reach customers.
→ telling the target market what products are available--and where.
channels of distribution.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

82. Scott Paper uses many middlemen to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?
penetration
product
promotion
→ place
price

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Application

83. A "channel of distribution":
usually has three members--a manufacturer, a distributor, and a retailer.
→ is any series of firms (or individuals) from producer to final user or consumer.
should be as short as possible.
is not involved if a firm sells directly from its own website to final customers.
All of the above are true.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Definition

84. "Promotion" may include:
personal selling to middlemen.
point-of-purchase materials.

mail-order selling.
advertising on the Internet.
→ all of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

85. "Promotion" includes:
advertising.
personal selling.
sales promotion.
publicity.
→ All of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

86. ______________ is direct spoken communication between sellers and potential customers.
→ Personal selling
Sales promotion
Advertising
Publicity
Mass selling

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

87. "Promotion" is NOT concerned with:
creating billboard ads.
→ designing new products.
publicity.

television commercials.
personal selling.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

88. Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?
price
place
→ promotion
product
all of the above

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

89. From the perspective of the four Ps, personal selling is to advertising as
mass selling is to branding.
Place is to Product.
sales promotion is to pricing.
warranties are to channel type.
→ geographic terms are to price allowances.

Multiple Choice Question Difficulty: Hard
LearnObj: 4
Question Type: Comprehension

90. Advertising is:
the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
direct communication between sellers and potential customers.
→ any paid form of nonpersonal presentation of ideas, goods, or services by an

identified sponsor.
the main form of publicity.
All of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Definition

91. Sales promotion:
lets the salesperson adapt the firm's marketing mix to each potential customer.
is the main form of advertising.
→ tries to help the personal selling and mass selling people.
is free.
consists of both advertising and personal selling.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Comprehension

92. Catalogs, point-of-purchase materials, and free samples are all examples of:
publicity.
personal selling.
→ sales promotion.
advertising.
none of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Self-Test

93. "Price":
→ is affected by the kind of competition in the target market.
includes markups and discounts, but not allowances and freight charges.
is not affected by customer reactions.
is the most important part of a marketing mix.

None of the above is true.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Definition

94. When developing a marketing mix, a marketing manager should remember that:
"Promotion" includes only personal selling and publicity.
A channel of distribution includes at least one middleman.
→ "Price" includes markups, discounts, allowances, and geographic terms.
"Product" includes physical goods but not services.
All of the above are true.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Integrating

95. The most important variable in a firm's marketing mix is:
Product.
Price.
Promotion.
Place.
→ None of the above--all contribute to one whole.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Definition

96. Which of the following statements about marketing mix variables is false?
"Promotion" includes personal selling, mass selling, and sales promotion.
The term "Product" refers to services as well as physical goods.
A channel of distribution does not have to include any middlemen.
→ Generally speaking, "Price" is more important than "Place."
The needs of a target market virtually determine the nature of an appropriate marketing mix.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Self-Test

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

there is no channel of distribution.
there is no opportunity to apply target marketing.
no promotion is involved.
a production orientation is just as effective as a marketing orientation.
→ None of the above is true.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Application

98. An appropriate marketing mix should be determined PRIMARILY by

what has worked for the company in the past.
→ the needs of a target market.
the budget available to spend.
the past experiences of the marketing manager.
what product the firm can produce with economies of scale.

Multiple Choice Question Difficulty: Medium
LearnObj: 4
Question Type: Comprehension

99. Ideally, a good marketing mix should:

be very similar to the marketing mix typically used by key competitors.
be determined by which marketing mix costs the least.
not include much advertising because it's expensive and usually isn't very effective.
→ flow logically from all the relevant dimensions of a target market.
All of the above are true.

Multiple Choice Question Difficulty: Easy
LearnObj: 4
Question Type: Self-Test

100. The text's "Toddler University" example shows that:
parents are not price sensitive when it comes to assuring that their kids will get a good college education.
→ the needs of a target market determine the nature of the appropriate marketing mix.
a small producer can't compete effectively against large competitors.
in the long run, a firm cannot make a profit without its own production facilities.
All of the above are true.

Multiple Choice Question Difficulty: Hard
LearnObj: 5
Question Type: Comprehension

101. The text's "Toddler University" example shows that:
no mass market exists for general-purpose baby shoes.
→ the needs of a target market determine the nature of the appropriate marketing mix.
a small producer can't compete effectively against large competitors.
no target market exists for high-quality baby shoes.
All of the above are true.

Multiple Choice Question Difficulty: Hard
LearnObj: 5
Question Type: Comprehension

102. The main difference between a "marketing strategy" and a "marketing plan" is that:
→ time-related details are included in a marketing plan.
a marketing plan includes several marketing strategies.
a marketing strategy provides more detail.

a marketing strategy omits pricing plans.
a marketing plan does not include a target market.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Comprehension

103. Which of the following is part of a complete marketing plan?
Competitors' marketing strategies.
→ What company resources (costs) are required and at what rate.
How different marketing mixes (for different target markets) relate to each other.
All of the above.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Comprehension

104. A "marketing plan" is:
a marketing program.
a marketing strategy.
→ a marketing strategy--plus the time-related details for carrying it out.
a target market and a related marketing mix.
a plan that contains the necessary operational decisions.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Definition

105. A "marketing plan" should include:
some control procedures.
what company resources will be needed--at what rate.
what marketing mix is to be offered to whom--and for how long.
what sales and profit results are expected.
→ all of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 5
Question Type: Comprehension

106. Which of the following would probably NOT be in a proposed marketing plan?
A list of what company resources (costs) would be required.
→ A statement of how frequently the design of the website will be changed.
Expected sales and profit results.
A description of the target market and marketing mix.
All of the above would normally be part of a marketing plan.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Comprehension

107. Which of the following is NOT included in a marketing plan?
the control procedures to be used
the costs involved
the results expected
what marketing mix is to be offered
→ All of the above should be included.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Definition

108. Which of the following statements about operational decisions is FALSE?
They help to carry out a marketing strategy.
They are made regularly, sometimes on a daily basis.
→ They usually require ongoing changes in the basic strategy to be effective.
They sometimes take up a good part of an advertising manager's time.
They sometimes take up a good part of a sales manager's time.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Definition

109. Which of the following statements by a marketing manager refer to operational decisions, rather than strategy decisions?

"Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."

→ "Newspaper ads will be more cost effective than 30 second radio ads--given the price increase for radio this month.

"We hope to earn a 15 percent return on investment with our plan."

All of the above.

None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Application

110. Which of the following is an operational decision--rather than a strategy decision?

a decision to seek distribution only through the best retailers.

selection of a specific target market.

a decision to maintain a "one price" policy.

→ selection of a specific cable TV channel on which to advertise.

All of the above are good examples of operational decisions.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Application

111. Which of the following is an example of an operational decision?

focus promotion on the economy of the product.

make the product available in every possible retail outlet.

→ have a salesperson visit the manager of a new hardware store that will open next week.

set a price that is no higher than competitors' prices.

None of the above is an operational decision.

Multiple Choice Question Difficulty: Medium
LearnObj: 5
Question Type: Application

112. A "marketing program":
→ blends all of a firm's marketing plans into one big plan.
is a description of a firm's marketing mix.
is a detailed plan of how to implement a strategy.
is a marketing strategy plus the time-related details.
None of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 5
Question Type: Definition

113. A "marketing program":
is another name for a particular marketing mix.
→ blends several different marketing plans.
consists of a target market and the marketing mix.
is primarily concerned with all of the details of implementing a marketing plan.
must be set before a target market can be selected.

Multiple Choice Question Difficulty: Easy
LearnObj: 5
Question Type: Self-Test

114. The customer equity concept
encourages a manager to consider both the costs and the revenue from a marketing strategy.
recognizes that customers are satisfied at a cost--and it is basically an estimate of a firm's future earnings.
applies even to firms that pursue several different strategies.
focuses on earnings as well as sales.

→ all of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 6
Question Type: Comprehension

115. Customer equity

focuses on the costs of acquiring new customers rather than on increasing revenues from current customers.

is basically a historical measure of how profitable a firm has been in the past.

is a concept that applies to firms that target final consumers but not to firms that target business customers.

will increase if a firm increases its market share with a particular strategy.

→ is the expected earnings stream of a firm's current and prospective customers over some time period.

Multiple Choice Question Difficulty: Easy
LearnObj: 6
Question Type: Comprehension; Definition

116. Customer equity

is of concern to top management, but not very relevant in planning a particular marketing strategy.

→ takes the perspective of the owners of (investors in) a firm.

always increases over time, at least as long as a firm can stay in business.

is important to marketing managers but of little interest to investors.

increases as long as the number of customers that a firm serves increases over time.

Multiple Choice Question Difficulty: Medium
LearnObj: 6
Question Type: Comprehension

117. Which of the following is most likely to increase a firm's customer equity?

the firm offers a more costly marketing mix that attracts more customers.

the firm offers customer value that is at least as good as what is offered by competitors.

→ the lifetime value of the firm's individual customers increases.

the competition in the firm's market increases.

the firm cuts costs by reducing promotion efforts.

Multiple Choice Question Difficulty: Hard

LearnObj: 6

Question Type: Comprehension

118. Customer equity is

simply the financial result achieved by a single marketing strategy.

the total difference between the benefits of a firm's whole marketing program and total costs of obtaining those benefits, as the group of target customers sees it.

→ increased when a firm is able to increase the earnings stream expected from current or prospective customers.

decreased whenever the firm's costs of offering a marketing mix increase.

the difference between the benefits of a firm's marketing mix and the cost of obtaining those benefits--as a particular customer sees it.

Multiple Choice Question Difficulty: Medium

LearnObj: 6

Question Type: Comprehension

119. The text's discussion of Timex's marketing strategy highlights the fact that:

→ it's not wise for managers to just define a business in terms of the products they currently produce or sell.

there is little alternative but to stick with the traditional distribution channels for a product.

most consumers see basic products--like watches--as close substitutes for each other.

once a firm establishes a position as the market leader, competitors are not likely to be a big problem.

all of the above.

Multiple Choice Question Difficulty: Hard
LearnObj: 7
Question Type: Comprehension

120. The text's discussion of Timex's marketing strategy highlights the fact that:
→ creative strategy planning is needed for survival.
there is little alternative but to stick with the traditional distribution channels for a product.
most consumers want only high-quality products.
once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
all of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

121. The watch industry example in the text serves to illustrate that:
good implementation and control is usually more important than good planning.
there are a limited number of potential target markets.
an effective marketing strategy guarantees future success.
consumers want only high-quality products.
→ a successful strategy often involves a marketing mix that is very different from what competitors have offered.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

122. Based on the discussion (and exhibit) in Chapter 2 that considers the effectiveness of different firms' marketing programs, you would conclude that in the majority of firms:
market share is growing rapidly.
most new product introductions are a success.
most marketing decisions are effective and only a very small percentage of customers are dissatisfied.

→ marketing programs are not producing great results.
customer retention and loyalty rates are very high.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

123. The text's discussion of "death-wish marketing" suggests that
firms that don't spend more on marketing than their competitors are likely to fail.
managers who seek big breakthroughs, rather than going after easier to achieve marketing opportunities, face big risks and are likely to fail.
→ it is fairly common for marketing efforts to turn out poorly, so to avoid that fate and get better than average results, a good manager needs to use a logical process for marketing strategy planning.
getting good marketing results is really quite easy as long as the marketing manager focuses on the 4Ps.
all of the above are good answers.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

124. "Breakthrough opportunities" are opportunities that:
help innovators develop hard-to-copy marketing strategies.
may be turned into marketing strategies that will be profitable for a long time.
help the firm develop a "competitive advantage."
help a firm satisfy customers better than some competitor.
→ All of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

125. It's best to think of "breakthrough opportunities" as opportunities which:
appeal to the mass market.

will quickly create a whole new industry of firms competing with similar marketing mixes
→ help innovators develop hard-to-copy marketing mixes.
increase sales.
All of the above.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Definition

126. A breakthrough opportunity
is an opportunity that gives a firm some sort of competitive advantage.
can usually be achieved by copying the "best practices" of other firms that sell similar products.
→ is one that helps an innovator develop a hard-to-copy marketing strategy that will be very profitable for a long time.
is one that requires the firm to "breakthrough" its current resource limitations to obtain a new type of competitive advantage.
is usually achieved by making better operational decisions.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

127. Which of the following best illustrates a "breakthrough opportunity?"
A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.
→ A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
A bank puts its credit card machines in convenient drive-up locations--so they will be more convenient for customers.
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.
A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Application

128. Which of the following would be likely to help you develop a "breakthrough opportunity?"

A two-month advantage over competitors in introducing a new product.

An idea for a new website animation that will attract consumer attention.

Accurate marketing research information about how much of a planned product the target market is likely to buy.

All of the above.

→ None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Application

129. Which of the following could be a "breakthrough opportunity?"

A unique technical invention that competitors could not legally copy.

A contract with the best middlemen to reach your market--ensuring that they will handle your product and no competitors' offerings.

A head start in a market so you can win target customers who will be really loyal to your firm and its offering.

→ All of the above.

None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Application

130. Differentiation refers to the ______________ of the firm's marketing mix to meet the needs of the target market.

similarity

→ uniqueness

unsuitability
willingness
none of the above

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Definition

131. Differentiation means that
the firm should aim its efforts at a target market that is different from a target market that a competitor would find attractive.
→ a firm's marketing mix is distinct from and better than what is available from a competitor.
a firm uses its resources in a different way than competitors use their resources.
a firm should screen out opportunities using different criteria than those used by other firms.
when a firm's marketing strategy is not going well it should change to a different set of operational decisions.

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

132. A S.W.O.T. analysis
seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
is not necessary if competitors have already entered the market.
defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
→ should help a manager develop a strategy that leads to a competitive advantage.
None of the above is a good answer.

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Comprehension

133. A S.W.O.T. analysis can help a marketing manager:

define what business and markets the firm wants to compete in.

narrow down to a specific target market and marketing mix from the many alternatives available.

see the pros and cons of different possible strategies.

develop a competitive advantage.

→ all of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 7
Question Type: Comprehension

134. A S.W.O.T. analysis

focuses on what a firm plans to do to "Satisfy Wishes Of a Target" customer.

summarizes a firm's "strategy, wishes (of its customers), outlook and tactics."

helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."

→ identifies a firm's "strengths, weaknesses, opportunities and threats."

seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

Multiple Choice Question Difficulty: Easy
LearnObj: 7
Question Type: Self-Test

135. ______________ means trying to increase sales of a firm's present products in its present markets.

Product development

→ Market penetration

Market development

Mass marketing

Diversification

Multiple Choice Question Difficulty: Easy

LearnObj: 8
Question Type: Definition

136. Lipton has increased sales by developing ads that encourage it current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

diversification.
→ market penetration.
product development.
mass marketing.
market development.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Application

137. 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?

→ market penetration
diversification
market development
product development
mass marketing

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Application

138. Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

→ Market penetration
Product development
Market development
Mass marketing
Diversification

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

139. If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a _______________ opportunity.

diversification
→ market penetration
product development
mass marketing
market development

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

140. When IBM realized that other companies were attracting its customers by advertising that their personal computers were "IBM compatible," IBM tried to promote the differences between its products and the "compatibles." It was pursuing a _______________ opportunity.

market development.
diversification.
→ market penetration.
product development.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

141. When a firm tries to increase sales by selling its present products in new markets, this is called:

product development.
diversification.

market penetration.
mass marketing.
→ market development.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

142. When a firm tries to increase sales by selling its present products in new markets, this is called:
market penetration.
→ market development.
product development.
diversification.
market integration.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Self-Test

143. 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
target marketing.
product development.
diversification.
market penetration.
→ market development.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Application

144. 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 week days. This effort to get new customers for the available facility is an example of

a production orientation.
product development.
→ market development.
diversification.
market penetration.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Application

145. 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 Coke pursuing?
→ market development
diversification
product development
market penetration
none of the above

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Application

146. 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 ordering from websites. Avon is pursuing a ______________ opportunity.
→ market development
market penetration
target marketing
product development
mass marketing

Multiple Choice Question Difficulty: Medium
LearnObj: 8

Question Type: Application

147. 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:

→ market development.
diversification.
market penetration.
product development.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

148. 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 the item in person. This is an example of:

→ market development.
diversification.
market penetration.
product development.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

149. 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

→ market development.
diversification.
market penetration.
product development.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

150. 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.

diversification
market penetration
product development
mass marketing
→ market development

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

151. When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

mass marketing.
→ product development.
market penetration.
diversification.
market development.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Definition

152. 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:

combination.
market penetration.
market development.

→ product development.
diversification.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

153. 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:

market development.
diversification.
market penetration.
→ product development.
None of the above.

Multiple Choice Question Difficulty: Hard
LearnObj: 8
Question Type: Application

154. Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing _______________.

marketing myopia.
mass marketing.
→ product development.
market development.
diversification.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

155. Wendy's continues to come out with new offerings like stuffed pitas. This

suggests that Wendy's is pursuing _______________.

marketing myopia.
mass marketing.
→ product development.
market development.
diversification.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

156. 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 which 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:

market development.
diversification.
market penetration.
→ product development.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

157. 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.

combiner
market development
→ product development
diversification
market penetration

Multiple Choice Question   Difficulty: Easy
LearnObj: 8
Question Type: Self-Test

158. 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

market penetration.
diversification.
market development.
→ product development.
They will look at all opportunities equally.

Multiple Choice Question   Difficulty: Easy
LearnObj: 8
Question Type: Self-Test

159. When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:

→ diversification.
product development.
market development.
market penetration.
All of the above.

Multiple Choice Question   Difficulty: Medium
LearnObj: 8
Question Type: Definition

160. 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

market development.
→ diversification.

product development.
market penetration.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

161. Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a ______________ opportunity.

combiner
product development
market development
market penetration
→ diversification

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

162. 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

market development.
→ diversification.
product development.
market penetration.
None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

163. 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.

market development.

→ diversification.

market penetration.

product development.

None of the above.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Application

164. The most risky and challenging opportunities usually involve:

market development.

product development.

→ diversification.

market penetration.

all of the above are similar in terms of risk.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Comprehension

165. The most risky types of marketing opportunity to pursue usually involve

market development.

market penetration.

→ diversification.

product development.

All of the above are equally risky.

Multiple Choice Question Difficulty: Easy
LearnObj: 8
Question Type: Comprehension

166. Because companies are likely to be most familiar with their own operations, _____________ opportunities are usually the easiest to pursue.

→ market penetration
product development
market development
diversification
All of the above are equally easy.

Multiple Choice Question Difficulty: Medium
LearnObj: 8
Question Type: Comprehension