

Chapter 01

Marketing's Value to Consumers, Firms, and Society

True / False Questions

1. Marketing is basically selling and advertising.

True False
2. Marketing, in the literal sense, means "selling" or "advertising."

True False
3. Marketing means "promotion and selling."

True False
4. Actually making goods or performing services is called marketing.

True False
5. Estimating what price consumers are willing to pay for a product and if the firm can make a profit selling at that price, is an example of a production activity.

True False
6. Marketing can provide needed direction for production and help make sure that the right goods and services find their way to interested consumers.

True False
7. Marketing plays an essential role in creating customer satisfaction.

True False
8. Customer satisfaction is the extent to which a firm fulfills a consumer's needs, desires, and expectations.

True False

9. If a firm produces the right goods or services, marketing has little role to play in creating customer satisfaction.

True False

10. It is estimated that marketing costs about 50 percent of each consumer's dollar.

True False

11. In advanced economies, marketing costs only about 10 percent of each consumer's dollar.

True False

12. Marketing encourages the development and spread of new ideas, goods, and services.

True False

13. According to the text, marketing means "selling" or "advertising."

True False

14. Marketing discourages the development and spread of new ideas, goods, and services.

True False

15. Marketing is both a set of activities performed by organizations and a social process.

True False

16. Marketing can be viewed as a set of activities performed by organizations, but not as a social process.

True False

17. Marketing can be viewed as a social process, but not as a set of activities performed by organizations.

True False

18. The micro view of marketing sees it as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

True False

19. Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

True False

20. The micro view of marketing is mainly concerned with the activities performed by organizations.

True False

21. From a micro view, marketing activities are performed only by profit-oriented organizations.

True False

22. Marketing only applies to profit organizations.

True False

23. Marketing only applies to for-profit organizations.

True False

24. Marketing activities should be of no interest to a nonprofit organization.

True False

25. Marketing activities should begin with potential customer needs, not with the production process.

True False

26. Production, not marketing, should determine what products are to be made.

True False

27. Marketing should begin with the production process.

True False

28. Marketing does not occur unless there are two or more parties who want to exchange something for something else.

True False

29. Marketing does not occur unless two or more parties are willing to exchange something for something else.

True False

30. Marketing doesn't occur unless two or more parties are willing to exchange one item for another.

True False

31. In a pure subsistence economy—when each family unit produces everything it consumes—no marketing is involved.

True False

32. A marketing exchange is a single transaction between a firm and a customer, nothing more.

True False

33. Marketing is concerned with individual transactions rather than with building ongoing relationships with customers because that is the job of people in the public relations department.

True False

34. Macro-marketing emphasizes how the whole marketing system works.

True False

35. Micro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes society's objectives.

True False

36. Macro-marketing is a set of activities that direct an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society.

True False

37. Macro-marketing emphasizes how the whole system works, rather than the activities of individual organizations.

True False

38. Macro-marketing emphasizes the activities of individual organizations.

True False

39. Macro-marketing is concerned with examining the relationship of the entire production and distribution system.

True False

40. An effective macro-marketing system matches heterogeneous supply with heterogeneous demand.

True False

41. Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several levels.

True False

42. Achieving effective marketing in an advanced economy is simplified by the fact that producers are separated from consumers in only two ways: time and space.

True False

43. "Economies of scale" means that as a company produces larger numbers of a particular product, the cost for each unit of the product goes down.

True False

44. "Economies of scale" prevent a company from taking advantage of mass production.

True False

45. "Economies of scale" means that as a company produces more of a product, the total cost of production goes up.

True False

46. "Economies of scale" means that as a company produces more of a product, the cost of each unit produced goes down.

True False

47. In advanced societies, all goods and services can be produced with mass production and its economies of scale.

True False

48. Both mass production and effective marketing are needed to satisfy the economic needs of an advanced economy.

True False

49. An effective macro-marketing system overcomes discrepancies of quantity and discrepancies of assortment by using the universal functions of marketing.

True False

50. The universal functions of marketing include buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

True False

51. The "universal functions of marketing" consist only of buying, selling, transporting, and storing.

True False

52. Buying, selling, transporting and storing are all universal marketing functions.

True False

53. The universal functions of marketing are performed in the same way in all nations and economic systems.

True False

54. Marketing functions are performed by producers, consumers, and a variety of marketing specialists.

True False

55. Intermediaries specialize in trade and production.

True False

56. The advantages of working with intermediaries increase as the number of producers and customers, their distance apart, and the number and variety of competing products increase.

True False

57. While intermediaries facilitate exchange, their cost makes the whole macro-marketing system less efficient.

True False

58. Marketing collaborators are any firms that provide the marketing functions of buying and selling.

True False

59. Marketing specialists such as intermediaries and collaborators hinder the exchange process between producers and consumers.

True False

60. E-commerce refers to exchanges between individuals and organizations—and the activities that facilitate those exchanges—based on applications of information technology.

True False

61. E-commerce refers to exchanges between organizations (not individuals) and the activities that facilitate those exchanges.

True False

62. E-commerce refers to exchanges between organizations, but not exchanges between individuals.

True False

63. E-commerce refers to exchanges between individuals, but not exchanges between organizations.

True False

64. Compared to other innovations, firms have been relatively slow to adopt e-commerce.

True False

65. Marketing costs go down and customer satisfaction goes up in all exchanges handled by e-commerce.

True False

66. Responsibility for performing the marketing functions can be shifted and shared in a variety of ways, but no function can be completely eliminated.

True False

67. Not all societies need an economic system.

True False

68. An economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption among various people and groups in the society.

True False

69. Only industrial nations need an economic system to decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

70. In a command economy, producers generally have little choice about what goods and services to produce.

True False

71. In a command economy, the individual decisions of many producers and consumers make the macro-level decisions for the whole economy.

True False

72. A market-directed economy is one in which government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

73. In a market-directed economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

True False

74. In a market-directed economy, price is a rough measure of how society values particular goods and services.

True False

75. Market-directed economies tend to provide consumers with greater freedom of choice than command economies.

True False

76. In a market-directed economy, consumers enjoy complete freedom of choice.

True False

77. In a market-directed economy, profit is guaranteed.

True False

78. Most Western economies are completely market-directed.

True False

79. The American economy is entirely market-directed.

True False

80. The American economy and most other Western economies are completely market-directed.

True False

81. Whether a particular macro-marketing system is judged fair and effective depends on the objectives of the society.
- True False
82. The simple trade era was a time when families traded or sold their "surplus" output to local distributors who resold these goods to other consumers or distant distributors.
- True False
83. The marketing concept applies to nonprofit organizations as well as to businesses.
- True False
84. Because they don't try to earn a profit, the marketing concept is not very useful for nonprofit organizations.
- True False
85. The marketing concept cannot be applied to nonprofit organizations because they are not profit-oriented.
- True False
86. In nonprofit organizations, support may not come directly from satisfied customers.
- True False
87. As with any business, a nonprofit organization must take in as much money as it spends or it won't survive.
- True False
88. A nonprofit organization does not measure profit in the same way as a firm.
- True False
89. During the "production era" a company focuses on production—because few products are available in the market.
- True False
90. From the Industrial Revolution until the 1920s, most companies were in the production era.
- True False

91. During the "sales era," the firm tries to improve short-run marketing policy planning to tie together its activities.
- True False
92. Marketing departments are usually formed when firms go from the "production era" to the "sales era."
- True False
93. The "marketing department era" is a time when all marketing activities are brought under the control of one department.
- True False
94. During the "marketing company era," the total company effort is guided by the idea that customers exist to buy the firm's output.
- True False
95. A company has moved into the "marketing company era" when, in addition to short-run marketing planning, the total company effort is guided by the marketing concept.
- True False
96. The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.
- True False
97. The marketing concept says that a firm should aim all its efforts at satisfying customers, even if this proves to be unprofitable.
- True False
98. The "marketing concept" means that a firm emphasizes attracting new customers above all other objectives.
- True False
99. A firm that adopts the "marketing concept" will aim all its efforts at satisfying customers, while trying to make a profit.
- True False
100. A firm that makes products which are easy to produce and then tries to sell them has a production orientation.
- True False

101. The term "marketing orientation" means making products that are easy to produce and then trying to sell them.

True False

102. A marketing-oriented firm would try to produce what customers want, while a production-oriented firm would try to get customers to buy what the firm has produced.

True False

103. The three basic ideas in the marketing concept are 1) putting the marketing manager in charge of the whole firm, 2) a competitive orientation, and 3) an emphasis on profit.

True False

104. When a firm makes a total company effort to satisfy its customers, and profit—not just sales—is an objective of the firm, the company is practicing the "marketing concept."

True False

105. The three basic ideas included in the definition of the marketing concept are: customer satisfaction, a total company effort, and sales as an objective.

True False

106. The three basic ideas in the marketing concept are: 1) customer satisfaction; 2) confining marketing activities to marketing professionals; and 3) having profit as an objective.

True False

107. Adopting the marketing concept rarely requires any change in a firm's attitudes, organization structure, or management methods and procedures.

True False

108. Adopting the marketing concept requires that a business firm eliminate all functional departments.

True False

109. Companies that consider the triple bottom line measure economic, social, and political outcomes.

True False

110. Organizations guided by a triple bottom line consider economic, social, and environmental outcomes as measures of long-term success.

True False

111.The marketing concept was very quickly accepted, especially among producers of industrial commodities like steel and glass.

True False

112.Producers who operate in a competitive environment are more likely to adopt the marketing concept.

True False

113.Adoption of the marketing concept is now universal.

True False

114.A manager who follows a production concept views customer satisfaction as the path to profit.

True False

115.Customer value is the difference that a customer sees between the benefits of a firm's offering and the costs of obtaining those benefits.

True False

116.Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

True False

117.Customer value is just another term for customer satisfaction.

True False

118.A good or service that doesn't meet a consumer's needs results in low customer value.

True False

119.Setting a low price for a firm's offering is a sure way of creating high customer value.

True False

120.Low price and high customer value is one and the same thing.

True False

121.When it comes to customer value, it is the customer's view that matters, not the view of the marketing manager.

True False

122. In marketing, it is the manager's viewpoint that matters, not the customer's.

True False

123. Offering superior customer value is especially important when competition is intense.

True False

124. Often the best way for a firm to beat the competition is to be first to satisfy a need that others have not even considered.

True False

125. Firms that embrace the marketing concept seek ways to build a profitable long-term relationship with each customer.

True False

126. It is more costly for firms to try and attract new customers than it is to build a strong relationship with existing customers.

True False

127. To develop lasting relationships with customers, marketing-oriented firms need to focus on customer satisfaction both before and after each sale.

True False

128. When trying to build relationships with customers, salespeople must be particularly well-trained because they are usually the only employees whose actions influence customers directly.

True False

129. The text credits L.L. Bean's success to its focus on customer satisfaction and good customer value.

True False

130. The text credits L.L. Bean's marketing success to its great location.

True False

131. L.L. Bean has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

True False

132.The text credits Chipotle's marketing success to its great price.

True False

133.Chipotle has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

True False

134.The text credits Chipotle's success to its offering good customer value.

True False

135.Sometimes micro-macro dilemmas arise because what is "good" for some producers and consumers may not be "good" for society as a whole.

True False

136.Gun control is an example of a micro-macro dilemma.

True False

137.The micro-macro dilemma occurs when a firm focuses its efforts on satisfying some consumers to achieve its objectives, possibly causing negative societal outcomes.

True False

138.A firm's obligation to improve its positive effects on society and reduce its negative effects is called fiscal responsibility.

True False

139.The marketing concept says that it is a firm's obligation to improve its positive effects on society and reduce its negative effects.

True False

140.Organizations that adopt the marketing concept should be concerned about marketing ethics as well as broader issues of social responsibility.

True False

141.Marketing ethics are the moral standards that guide marketing decisions and actions.

True False

142.The moral standards that guide marketing decisions and actions are called marketing ethics.

True False

143. Moral standards often vary from one person to another, from one society to another, and among different groups within a society, so there is likely to be disagreement about what opinion is correct when it comes to marketing ethics.

True False

144. A manager shouldn't be criticized for making an unethical marketing decision unless the ethical breach was intentional.

True False

145. The American Marketing Association has adopted a statement of ethics that sets specific ethical standards for many aspects of the management job in marketing.

True False

146. The American Marketing Association's statement of ethics sets specific ethical standards for many aspects of marketing.

True False

Multiple Choice Questions

147. According to the text, marketing means:

- A. much more than selling and advertising.
- B. selling.
- C. producing and selling.
- D. advertising.
- E. selling and advertising.

148. The following activities are rightly considered marketing except:

- A. advertising the grand opening of a new furniture store.
- B. researching which furniture designs are popular with consumers.
- C. determining how many pieces of furniture can be sold at different price points.
- D. building a facility to make furniture.
- E. selling furniture to customers in a furniture showroom.

149. A marketing manager planning to launch a successful new product should begin by:

- A. obtaining financing for the venture.
- B. designing products that interest him or her.
- C. identifying a product or service that customers need.
- D. choosing a business partner.
- E. establishing a legal corporation.

150. Which of the following would not engage in the process of marketing?

- A. The United Way
- B. United States Postal Service
- C. Outback Steakhouse
- D. JFK International Airport
- E. Sam's Club members

151. According to the text, marketing means:

- A. Distribution.
- B. Making good products.
- C. More than selling and advertising.
- D. Promotion.
- E. Performing services.

152. According to the text, marketing means:

- A. much more than just selling and advertising.
- B. advertising.
- C. producing a product that fills a need.
- D. selling.
- E. making a good product that sells itself.

153. According to the text, marketing means:

- A. making a good product that sells itself.
- B. much more than selling and advertising.
- C. selling and advertising.
- D. producing goods and/or services.
- E. doing whatever it takes to be able to offer consumers a "better mousetrap."

154. The production of a new mountain bike model includes which of the following activities?

- A. Determining how to get the new model to likely bike purchasers.
- B. Actually making the new mountain bikes.
- C. Estimating how many competing companies will be making bikes.
- D. Predicting what types of bikes different types of bike riders will want.

155. Predicting what types of bicycles different customers will want and deciding which of these customers the business will try to satisfy are activities a firm should do as part of

- A. production.
- B. a command economy.
- C. marketing.
- D. making goods or performing services.
- E. a production orientation.

156. For Tesla, a new firm that makes an electric sports car, estimating how many competitors will make electric vehicles and what kinds they will make, is:

- A. one of the universal functions of innovation.
- B. a production activity.
- C. an example of the micro-macro dilemma.
- D. best left to intermediaries.
- E. a part of marketing.

157. Marketing

- A. means "selling" or "advertising."
- B. provides direction for production.
- C. involves actually making goods or performing services.
- D. does not impact consumers' standard of living.
- E. is the development and spread new ideas, goods, and services.

158. _____ is the extent to which a firm fulfills a customer's needs, desires, and expectations.

- A. Customer forecast
- B. Customer satisfaction
- C. Customer service
- D. Customer support

159. Customer satisfaction is the extent to which a firm fulfills a consumer's:

- A. needs.
- B. desires.
- C. expectations.
- D. needs and desires.
- E. All of these are correct.

160. In an advanced economy, marketing costs account for about ____ cents of every consumer dollar.

- A. 10
- B. 20
- C. 30
- D. 40
- E. 50

161. Which of the following statements about marketing is FALSE?

- A. Marketing concepts and techniques apply for nonprofit organizations—as well as for profit-seeking organizations.
- B. Marketing offers many rewarding career opportunities.
- C. The cost of marketing is about 15 percent of the consumer's dollar.
- D. Marketing affects almost every part of your daily life.
- E. Marketing is vital for economic growth and development.

162. Marketing

- A. affects almost every aspect of our daily lives.
- B. offers few exciting or rewarding career opportunities.
- C. limits our choices of goods and services every day.
- D. focuses an organization on being the first to market a new product.

163. Which of the following is NOT a reason for you to study marketing?

- A. Marketing affects almost every aspect of daily life.
- B. Marketing will be important to your job.
- C. Marketing involves actually making the goods that people need.
- D. Marketing affects innovation and consumers' standard of living.
- E. Marketing plays a big part in economic growth and development.

164. Marketing encourages research and _____, the development and spread of new ideas, goods and services.

- A. analysis
- B. assessment
- C. evaluation
- D. innovation
- E. introspection

165. The development and spread of new ideas, goods, and services for the marketplace is called:

- A. marketing.
- B. the micro-macro dilemma.
- C. collaboration.
- D. innovation.
- E. production.

166. Marketing can be viewed as:

- A. a set of activities performed by individual organizations.
- B. relevant to for-profit organizations only.
- C. just selling and advertising.
- D. beginning with the production process.

167. Macro-marketing examines all the following challenging scenarios except:

- A. Producers prefer to manufacture goods in large quantities, but consumers buy in small quantities.
- B. Consumers require a wide assortment of food items, but individual producers can offer only a narrow assortment of food products.
- C. Producers set prices to cover costs and make a profit, but consumers choose goods based on their ability to pay.
- D. Cedar Point Amusement Park would like to attract customers all year long, but its marketing strategy is currently limited to discount season pass offers during winter months while the park is closed.
- E. Producers tend to locate where it is economical to produce, but consumers are located in many scattered places.

168.The text stresses that:

- A. advertising and selling are not really part of marketing.
- B. marketing is nothing more than a set of business activities performed by individual firms.
- C. marketing techniques have no application for nonprofit organizations.
- D. marketing is a social process and a set of activities performed by organizations.
- E. a good product usually sells itself.

169.Looking at marketing as a set of activities focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

170.Micro-marketing:

- A. tries to accomplish a company's objectives by anticipating customers' needs and trying to satisfy them.
- B. begins with the production process.
- C. involves persuading customers to buy your product.
- D. is a social process involving all producers, intermediaries, and consumers.
- E. tries to make the whole economic system fair and effective.

171.Micro-marketing:

- A. is concerned with whether the whole economic system is fair and effective.
- B. applies only to profit organizations.
- C. consists only of personal selling and advertising.
- D. is a social process only.
- E. tries to anticipate and satisfy customer needs and accomplish an organization's objectives.

172. _____ is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer needs and directing a flow of need-satisfying goods and services from producer to customer.

- A. Innovation
- B. Advertising
- C. Selling
- D. Marketing (from a micro view)
- E. Sales promotion

173. From a micro view, marketing

- A. applies to large corporations but not to a new venture started by one person.
- B. is an important social process.
- C. emphasizes how the whole marketing system works.
- D. is a set of activities performed by an individual organization to satisfy its customers.
- E. directs an economy's flow of goods and services from producers to consumers.

174. Which of the following statements best describes the modern view of marketing?

- A. The job of marketing is to get rid of whatever the company is producing.
- B. Marketing should take over production, accounting, and financial services within a firm.
- C. Marketing is concerned with generating a single exchange between a firm and a customer.
- D. Marketing begins with anticipating potential customer needs.
- E. Production, not marketing, should determine what goods and services are to be developed.

175. Which of the following statements best describes the modern view of marketing?

- A. Marketing is only necessary for profit-oriented firms.
- B. Marketing consists mainly of advertising and personal selling.
- C. Marketing anticipates customer needs.
- D. Marketing begins as soon as products are produced.
- E. Firms that don't rely on e-commerce should put more emphasis on marketing.

176.From a micro view, which of the following is the best example of marketing?

- A. North Korea unveils a new five-year production plan.
- B. China and the U.S. agree on a new trade agreement.
- C. The American Red Cross seeks more blood donors.
- D. The Internet makes it possible for firms to reach customers in other countries.
- E. None of these is a good example.

177.Which of the following statements by a U.S. president best reflects a MICRO view of marketing?

- A. "A tax cut will give consumers more spending money."
- B. "With interest rates low, many young people can now afford to buy a new home."
- C. "In the United States we have a better choice of products than in any other country."
- D. "My administration will spend 75 percent more on purchases related to domestic security during the next year."
- E. "Tourism firms should advertise more to attract more international visitors."

178.Marketing:

- A. applies to both profit and nonprofit organizations.
- B. says that marketing should take over all production, accounting, and financial activities.
- C. should begin as soon as goods are produced.
- D. does away with the need for advertising.

179.Marketing:

- A. emphasizes mass selling over personal selling.
- B. allows production, rather than marketing, to determine what products to make.
- C. applies to both profit and nonprofit organizations.
- D. concentrates on production, rather than advertising.
- E. None of these is a true statement about marketing.

180.Marketing

- A. applies to both profit and nonprofit organizations.
- B. is another name for selling and advertising.
- C. should pick up where the production process ends.
- D. people should expect that the production department will determine what goods and services are to be developed.

181. Which of the following organizations would be least likely to need marketing skills?

- A. An accountant
- B. An electronics retailer
- C. A toy manufacturer
- D. A financial advisor
- E. All of these organizations would be likely to need marketing skills.

182. The aim of marketing is to

- A. help create a pure subsistence economy.
- B. eliminate the need for exchanges.
- C. persuade customers to buy the firm's product.
- D. identify customers' needs and meet those needs so well that the product almost "sells itself."
- E. facilitate a single transaction.

183. Effective marketing should begin with

- A. an effort to persuade unwilling customers to buy the firm's products.
- B. potential customer needs.
- C. a decision about what the firm can produce efficiently.
- D. evaluation of the effect of the firm's decisions on the MACRO-marketing system.
- E. the marketing manager making important production, accounting, and financial decisions for the firm.

184. Marketing should

- A. begin with the production process.
- B. make decisions about product design and packaging, prices or fees.
- C. not need to coordinate with production, accounting, and financial activities.
- D. provide input, but let production determine what goods and services are to be developed.
- E. focus on getting customers to make a final purchase.

185. All of the following should be determined by the marketing department of a firm EXCEPT:

- A. storing the product.
- B. actually making the product.
- C. advertising the product.
- D. designing the packaging for the product.
- E. setting the price of the product.

186. Marketing could NOT take place without:

- A. intermediaries.
- B. collaborators.
- C. two or more parties who are willing to exchange something for something else.
- D. a high standard of living.

187. Marketing will not happen unless:

- A. e-commerce is flourishing.
- B. collaborators are present to simplify exchange.
- C. intermediaries are present to facilitate exchange.
- D. two or more parties each have something they want to exchange for something else.
- E. an economy is market-directed rather than command.

188. Which of the following must occur for marketing to happen?

- A. Product
- B. Place
- C. Advertising
- D. Price
- E. Two or more parties exchange something of value for something else of value.

189. Marketing is NOT needed in a _____ economy.

- A. consumer-oriented
- B. command
- C. pure subsistence
- D. market-directed
- E. None of these is correct.

190. In a pure subsistence economy,

- A. each family unit is self-sufficient.
- B. exchanges are very important.
- C. the standard of living must be relatively high.
- D. there is a great need for intermediaries.

191.If the family units on a South Pacific-island nation made all the products they consume, it would be a good example of:

- A. a pure subsistence economy.
- B. a market-directed economy.
- C. a micro-marketing system.
- D. a command economy.
- E. None of these is a correct answer.

192.Which of the following statements is FALSE?

- A. Marketing is most important in a pure subsistence economy.
- B. Marketing should provide direction for production, accounting, and financial activities.
- C. Marketing builds long-lasting relationships that benefit the selling firm.
- D. Marketing doesn't occur unless two or more parties are willing to exchange something for something else.
- E. Marketing anticipates customer needs.

193.Which of the following statements about marketing is FALSE?

- A. Marketing affects the products you buy.
- B. Marketing applies to nonprofit organizations too.
- C. Marketing affects the advertising you see and hear.
- D. Marketing offers many good job opportunities.
- E. Marketing can help with individual transactions but not in building relationships with customers.

194.Viewing marketing as a social process focuses on

- A. marketing by nonprofit organizations.
- B. command economies.
- C. macro-marketing.
- D. micro-marketing.
- E. None of these is correct.

195. Looking at marketing as a social process focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

196. Societies need a macro-marketing system

- A. to help match supply and demand.
- B. to create a gap between producers and consumers.
- C. to accomplish an organization's objectives only.
- D. to identify collaborators.
- E. to reduce the need for intermediaries.

197. Macro-marketing:

- A. Emphasizes how the whole marketing system works.
- B. Considers how marketing affects society, but not how society affects marketing.
- C. Matches homogeneous supply and demand.
- D. Is mainly concerned with the activities of individual organizations.

198. Macro-marketing:

- A. tries to produce discrepancies of quantity and discrepancies of assortment.
- B. focuses on the activities of individual organizations.
- C. tries to effectively match supply and demand.
- D. is a set of activities performed by individual firms.

199. Macro-marketing:

- A. is concerned with the activities performed by individual business organizations.
- B. tries to match heterogeneous supply capabilities with heterogeneous demands for goods and services.
- C. is concerned with how effectively and fairly an individual business organization performs.
- D. assumes that the effectiveness and fairness of all macro-marketing systems must be evaluated in terms of the same social objectives.

200. Macro-marketing

- A. is a social process.
- B. concerns the activities of individual managers.
- C. is what people have in mind when they talk about marketing in everyday use.
- D. helps consumers that need a narrow assortment of products.
- E. applies only to nonprofit organizations.

201. _____ directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the society's objectives.

- A. Macro-marketing
- B. The transporting function
- C. Micro-marketing
- D. Standardization and grading
- E. Social responsibility

202. Macro-marketing

- A. emphasizes building a long-term relationship that benefits both the firm and the customer.
- B. considers the marketing activities of corporations rather than individuals.
- C. emphasizes how the whole marketing system works.
- D. systems are only relevant to advanced economies.
- E. addresses discrepancies that emerge from homogeneous consumer demand.

203. Macro-marketing:

- A. is a social process.
- B. tries to encourage "discrepancies of quantity" and "discrepancies of assortment."
- C. tries to disrupt supply and demand.
- D. tries to foster the many separations between producers and consumers.

204. The following headlines are from Business Week magazine. Which article is most likely to be reporting on a macro-marketing topic?

- A. "Two-Person Engineering Firm Offers Unique Service."
- B. "Russia Increases Output of Consumer Goods."
- C. "Pepsi Sells in Japan."
- D. "Bank of America Offers New Internet Banking Services."
- E. "Donations to Tsunami Victims Fund Increase after TV Broadcast."

205. The following headlines are for articles from the WALL STREET JOURNAL. Which article is most likely to be reporting a macro-marketing topic?

- A. "Mercedes Goes after Luxury Sport Utility Buyers."
- B. "Adidas Jumps as Footwear Competition Heats Up."
- C. "Drugstore Chain Aims at Seniors."
- D. "Hardee's Fried Chicken Takes on KFC."
- E. "DVD Popularity Leads to More DVD Retailers."

206. Of the following headlines from the WALL STREET JOURNAL, which is most likely to be about a MACRO-marketing topic?

- A. "Tupperware Has a New Strategy."
- B. "Thailand Has Unusually Large Number of Wholesalers."
- C. "Military Supplier Shifts to Selling Gas Masks to Private Citizens."
- D. "Coke Plans Beverage Line to Compete with Lipton's."
- E. "Dow Chemical Adds Shipping Safeguards."

207. Of the following headlines from a business magazine, which is most likely to be about a macro-marketing topic?

- A. "Chinese Women Demand More Luxury Goods."
- B. "Girl Scouts Organize Nationwide Cookie Sale."
- C. "L'eggs Sells Direct in Brazil and Argentina."
- D. "Frito-Lay Offers New Low-Fat Products."
- E. "Coke Losing Beverage Sales in India to local brands."

208. In advanced economies:

- A. both supply and demand tend to be homogeneous.
- B. producers and consumers are often separated in several ways.
- C. most firms specialize in producing and selling small amounts of a huge assortment of goods and services.
- D. exchange is aided by discrepancies of quantity and assortment.

209. In advanced economies:

- A. mass production with its economies of scale makes the cost of each product higher.
- B. exchange is simplified by discrepancies of quantity and assortment.
- C. there is little need for marketing specialists.
- D. both supply and demand tend to be homogeneous in nature.
- E. producers and consumers experience a separation of values.

210. Exchanges between producers and consumers are more difficult in an advanced economy because of:

- A. separation in time.
- B. separation in values.
- C. spatial separation.
- D. separation of information.
- E. All of these are correct.

211. The primary purpose of the transporting and storing functions of marketing is to overcome:

- A. the need for marketing specialists.
- B. separation of information.
- C. spatial separation.
- D. discrepancies of assortment.
- E. separation of values.

212. American supermarket chain, FoodMart, purchases cheese from five different manufacturers from around the world to assure its customers can choose among different types of cheeses at different prices. FoodMart facilitates the macro-marketing system by helping to address:

- A. spatial separation.
- B. discrepancies of assortment.
- C. separation of values.
- D. all of these are correct.

213. The fact that US car companies are located in the upper Midwest while their customers are located throughout the U.S. is an example of:

- A. separation in values.
- B. discrepancies of assortment.
- C. separation of information.
- D. spatial separation.
- E. separation in time.

214. When consumers do not know where to buy a product or what it costs and the product's producer does not know where its target market is located, this is an example of:

- A. separation of information.
- B. discrepancy of quantity.
- C. separation of ownership.
- D. discrepancy of assortment.
- E. separation in time.

215. When an individual producer sets a price for its product to earn a certain profit while consumers search for the product at the lowest price available from any producer, this is an example of:

- A. separation in time.
- B. discrepancy of quantity.
- C. separation in values.
- D. discrepancy of assortment.
- E. spatial separation.

216. The fact that producers usually prefer to produce products in large quantities, while most consumers prefer to buy in small quantities, results in:

- A. discrepancies of quantity.
- B. separation of ownership.
- C. discrepancies of assortment.
- D. spatial separation.
- E. temporal separation.

217. In a simple economy, one family may produce only cooking pots, but many of them. Others may specialize in farming, making clothing, and building shelters. This

- A. shows why "discrepancies of assortment" occur.
- B. is so simple that the universal functions of marketing don't have to be done.
- C. cannot work without an intermediary.
- D. is an example of "separation in values" since the different families choose to produce different things.

218. Discrepancies of assortment happen when

- A. producers prefer to produce and sell in large numbers, but consumers prefer to buy and consume in smaller numbers.
- B. consumers may not want to consume goods and services at the time producers would prefer to produce them.
- C. consumers value goods and services in terms of costs and competitive prices whereas producers value them in terms of satisfying needs and ability to pay.
- D. producers specialize in producing a narrow range of goods and services but consumers need a wide variety.
- E. producers hold title to goods and services that they themselves do not want to consume.

219. _____ refers to producers holding title to goods and services that they themselves do not want to consume and consumers wanting goods and services that they do not have.

- A. Discrepancies of assortment
- B. Separation of ownership
- C. Discrepancies of quantity
- D. Spatial separation
- E. Separation in time

220. "Economies of scale" means that:

- A. as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.
- B. the more producers there are in an economy the greater the need for intermediaries.
- C. larger countries enjoy more economic growth than smaller countries.
- D. as a company produces larger numbers of a particular product, the total cost of producing these products goes down.

221. When a firm produces a large quantity of a product, the cost of producing each individual unit usually goes down. This is known as:

- A. discrepancies of quantity.
- B. exchange efficiency.
- C. economies of scale.
- D. macro-marketing.
- E. discrepancies of assortment.

222. The term "economies of scale" means that:

- A. The largest producers are always the most efficient.
- B. The cost of a product goes down as a company produces larger numbers of it.
- C. The more one produces, the greater the profit.
- D. It is more efficient for an economy to have a large number of transactions.
- E. None of these is correct.

223. The universal functions of marketing include buying, selling, transporting, storing,

_____.

- A. standardization and weighing, financing, risk taking, and marketing information
- B. standardization and grading, facilitating, risk taking, and marketing information
- C. standardization and grading, financing, risk taking, and marketing information
- D. standardization and grading, financing, risk taking, and merchandising information

224. From the macro-marketing perspective, the spatial separation that exists between military equipment manufacturers and the people who use the equipment overseas is directly addressed through this marketing function:

- A. financing
- B. transporting
- C. risk taking
- D. market information
- E. storing

225. Since individual firms cannot perform all marketing functions, _____ often play a role in the exchange process.

- A. intermediaries
- B. consumers
- C. nonprofits
- D. marketing managers
- E. government regulators

226. From the perspective of macro-marketing, e-commerce specialists CarFax (which provides vehicle history reports) and Cars.com (a website offering auto comparison shopping) have emerged within the auto industry because:

- A. auto manufacturers need to sell direct to consumers.
- B. the market needs competitive rivals to auto dealerships.
- C. the information they provide makes the exchange process between producers and consumers more efficient and effective.
- D. the role of the automotive sales person is becoming obsolete.
- E. consumers live far distances from most automotive plants

227. The "universal functions of marketing" do NOT include:

- A. financing and risk taking.
- B. standardization and grading.
- C. producing.
- D. transporting and storing.
- E. buying and selling.

228. Which of the following statements about the "universal functions of marketing" is False?

- A. These functions do not have to be performed in all macro-marketing systems.
- B. How the functions are performed may differ among nations and economic systems.
- C. Who performs the functions may differ among nations and economic systems.
- D. These functions help to overcome discrepancies of quantity and assortment.
- E. None of these statements is False.

229.The "universal functions of marketing":

- A. must be performed in all MACRO-marketing systems.
- B. are performed the same way in all economies.
- C. are performed by the same parties in all economies.
- D. are needed to help foster various separations and discrepancies.

230.Which of the following is NOT one of the "universal functions of marketing"?

- A. Production
- B. Standardization
- C. Financing
- D. Buying
- E. Transporting

231.The "universal functions of marketing":

- A. can be eliminated in advanced MACRO-marketing systems.
- B. are performed differently and by different parties in different economies.
- C. are never performed by consumers.
- D. create various separations and discrepancies between producers and consumers.

232.After seeing a "sale" ad in a local newspaper, Ben Griffith went to a local pet supply store and bought a year's supply of high protein dog food. Which marketing functions—if any—did he perform?

- A. Financing and risk taking.
- B. Transporting and storing.
- C. Market information.
- D. Buying.
- E. Ben performed all of these marketing functions.

233.A large advertising agency is planning a national promotion to introduce a new type of MP3 player. Which of the universal functions of marketing is it performing?

- A. Risk-taking.
- B. Financing.
- C. Buying.
- D. Selling.
- E. It is performing none of the universal functions of marketing listed here.

234. Which of the universal functions of marketing deals most directly with advertising a product in magazines?

- A. Transporting
- B. Selling
- C. Financing
- D. Risk-taking
- E. Market information

235. Market research firm BestOne sells reports about competitors, products, and other areas to various clients in the software industry. BestOne performs which universal marketing function:

- A. risk taking.
- B. market information.
- C. standardization and grading.
- D. social responsibility.
- E. financing.

236. The standardization and grading function of marketing involves:

- A. Looking for and evaluating goods and services.
- B. Providing necessary cash and credit.
- C. Promoting the product.
- D. Sorting products according to size and quality.
- E. None of these answers is correct.

237. _____ involve(s) sorting products according to size and quality.

- A. Transporting and storing
- B. Financing
- C. Standardization and grading
- D. Marketing
- E. Buying

238. The standardization and grading function of marketing involves:

- A. promoting goods and services.
- B. collection, analysis, and distribution of marketing information.
- C. sorting products according to size and quality.
- D. looking for and evaluating goods and services.
- E. movement of goods from one place to another.

239. The buying function of marketing involves

- A. risk-taking.
- B. promoting the product.
- C. looking for and evaluating goods and services.
- D. the use of personal selling.
- E. sorting products according to size and quality.

240. The universal functions of marketing

- A. are not all needed in market-directed economies.
- B. are not all needed in command economies.
- C. can be performed by producers, consumers, and a variety of marketing specialists.
- D. are performed in the same way in all economic systems.

241. The "universal functions of marketing" can be performed by:

- A. producers.
- B. intermediaries.
- C. consumers.
- D. collaborators.
- E. All of these.

242. The "universal functions of marketing":

- A. are usually performed in the same way and by the same types of institutions in all MACRO-marketing systems.
- B. can sometimes be eliminated—in very efficient macro-marketing systems.
- C. must be performed in both market-directed and command economies.
- D. must all be performed by every firm from a MICRO view.

243. An intermediary:

- A. is a wholesaler—not a retailer.
- B. usually increases the number of transactions required.
- C. tends to make the exchange process more difficult and costly.
- D. is someone who specializes in trade rather than production.
- E. none of these answers is correct.

244. Which of the following is NOT true about intermediaries?

- A. They save time for other participants in a transaction.
- B. They always increase total expenses for a product.
- C. They play an important role in the exchange process.
- D. They specialize in trade rather than production.

245. The advantages of working with an intermediary usually increase when there is

- A. excellent communication with customers.
- B. a greater number of customers.
- C. little distance between customers.
- D. a smaller number of competing products.

246. Which of the following is MOST likely to be classified as a marketing intermediary?

- A. Apex Manufacturing, Inc.
- B. Lillian's Mini-Market.
- C. McGraw Hill/Irwin.
- D. Kellogg.
- E. Golden Arbor Farms.

247. Firms that specialize in providing marketing functions other than buying or selling are known as:

- A. suppliers.
- B. intermediaries.
- C. consultants.
- D. agents.
- E. collaborators.

248. Collaborators

- A. specialize in trade rather than production.
- B. usually have a production orientation.
- C. emerged in the marketing company era.
- D. are only used in a command economy.
- E. facilitate or provide one or more of the marketing functions other than buying or selling.

249. Which of the following types of firms are collaborators?

- A. Marketing research firms
- B. Overnight delivery firms
- C. Advertising agencies
- D. Product-testing labs
- E. All of these are collaborators.

250. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. Mayflower Transport Company.
- B. Internet Advertising, Inc.
- C. Wachovia Bank.
- D. Market Survey Research, Inc.
- E. Quality Coatings and Paint Company.

251. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. United Parcel Service (UPS).
- B. Public Warehouse Corporation.
- C. Broadband Communications Company.
- D. MeadowView Aluminum Company.
- E. Product Safety Testing Laboratories, Inc.

252. Marketing intermediaries and collaborators can often perform marketing functions:

- A. worse than producers or consumers can perform them.
- B. which leaves producers with more time for production.
- C. which leaves consumers with less time for consumption.
- D. at a high cost—because of specialization, economies of scale, or e-commerce.

253. Amazon.com and eBay.com are both considered

- A. Internet-based collaborators.
- B. Internet-based producers.
- C. Internet-based service providers.
- D. Internet-based intermediaries.
- E. Internet-based manufacturers.

254. Concerning the "universal functions of marketing," which of the following statements is false?

- A. These functions can be performed by producers, intermediaries, collaborators, or consumers.
- B. Responsibility for performing these functions can be shared and shifted.
- C. From a micro viewpoint, not every company must perform every function.
- D. From a macro viewpoint, all these functions must be performed by someone.
- E. None of these statements is false.

255. Considering the universal functions of marketing,

- A. they may not be required in all macro-marketing systems.
- B. not every firm must perform all of the marketing functions.
- C. responsibility for performing them cannot be shifted or shared.
- D. all goods and services require all the functions at every level of their production.

256. In macro-marketing

- A. no universal marketing function can be completely eliminated.
- B. the objectives of the individual firm, rather than society, are most important.
- C. functions should not be shifted or shared.
- D. intermediaries are unnecessary.
- E. the emphasis is on the activities of individual organizations.

257. Concerning the "universal functions of marketing," it is true that:

- A. these functions must be performed in all macro-marketing systems.
- B. these functions can be performed by producers or intermediaries—but not by consumers.
- C. from a micro viewpoint, every firm must perform all of the functions.
- D. responsibility for performing these functions can be shifted and shared—and some functions can be completely eliminated to reduce costs.

258. _____ refers to the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in society.

- A. Resource utilization
- B. Socio-economic policy
- C. The way a firm measures value
- D. Separation of values
- E. Economic system

259. A macro-marketing system should:

- A. provide everyone with the same goods and services.
- B. be part of a market-directed economy, not a command economy.
- C. accomplish a particular society's objectives, whatever they are.
- D. depend solely on a society's political institutions.

260. An economic system in which government planners determine production levels is known as

- A. a command economic system.
- B. a micro-marketing economic system.
- C. a macro-marketing economic system.
- D. a market-directed economic system.
- E. a pure subsistence economic system.

261. An economic system in which government officials determine production levels is known as:

- A. pure subsistence.
- B. macro-marketing.
- C. market-directed.
- D. production-oriented.
- E. command.

262. In a command economy:

- A. producers generally have a lot of choice about what and how much to produce.
- B. prices usually fluctuate according to supply and demand.
- C. marketing activities such as advertising, branding, and market research are encouraged.
- D. consumers usually have some freedom of choice—but it is quite limited.

263. In a command economy, government officials decide:

- A. who is to produce and distribute what to whom.
- B. how much is to be produced.
- C. how much is to be distributed to whom.
- D. what is to be produced.
- E. government officials decide on all of these.

264. In a command economy

- A. producers generally have little choice about what goods and services to produce.
- B. the individual decisions of the many producers and consumers come together to make the macro-level decisions.
- C. consumers make a society's production decisions.
- D. consumers decide what is to be produced and by whom through their dollar "votes."
- E. the market adjusts itself.

265. In a market-directed economy:

- A. marketing managers make all the important economic decisions.
- B. government planners make all the important economic decisions.
- C. all the important economic decisions are made by voters in political elections.
- D. consumers make all the important economic decisions.
- E. the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

266. In a _____ the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

- A. mixed economy
- B. command economy
- C. market-directed economy
- D. production-oriented economy
- E. controlled economy

267. In a market-directed economy:

- A. profit, survival, and growth are all guaranteed for producers.
- B. consumers have little freedom of choice.
- C. consumers decide what is to be produced and by whom through their dollar votes.
- D. prices usually do not change according to supply and demand.
- E. only the needs of the majority are served.

268. Which of the following statements about economic decision making is TRUE?

- A. In a market-directed economy, the micro-level decisions of individual producers and consumers determine the macro-level decisions.
- B. Government planning usually works best when economies become more complex and the variety of goods and services produced is fairly large.
- C. The United States may be considered a pure market-directed economy.
- D. Command economies usually rely on market forces to determine prices.

269. _____ in the marketplace are a rough measure of how society values particular goods and services.

- A. Inventories
- B. Prices
- C. Cost of labor and materials
- D. The number of producers
- E. Discrepancies of quantity

270. Price is a rough measure of _____.

- A. company profit
- B. customer value
- C. market supply
- D. company costs
- E. economic inflation

271. The role of price in a market-directed economy is to:

- A. allocate resources and distribute income according to consumer preferences.
- B. serve as a rough measure of the social importance of consumer goods and services.
- C. coordinate the economic activity of many people and institutions.
- D. serve as a rough measure of the value of resources used to produce goods and services.
- E. All of these are true.

272. Which of the following statements about economic systems is true?

- A. Consumers usually have more freedom of choice in a market-directed economy.
- B. Command economies are most effective for countries with large and complicated varieties of goods and services.
- C. Branding is less common in a market-directed economy than in a command economy.
- D. The United States is a good example of a command economy.
- E. None of these statements is true.

273. Which of the following is NOT true about a market-directed economy?

- A. Consumers enjoy maximum freedom of choice.
- B. Producers enjoy maximum freedom of choice.
- C. The interaction between consumers and producers is great.
- D. Government is responsible for setting up all marketing activities.
- E. The price of a consumer product serves as a measure of its value.

274. Consumers in a market-directed economy

- A. enjoy limited freedom of choice.
- B. are taxed to provide for goods and services that benefit society, such as public health, national defense, highways, police and fire protection.
- C. do not decide what is to be produced and by whom.
- D. have to buy what is being produced.
- E. do not have to buy any goods or services.

275. Which of the following is LEAST LIKELY to be a government role in a market-directed economy?

- A. To set rules to protect individual rights and freedom.
- B. To supervise the economy.
- C. To provide things such as mass transportation and highways, national defense, police and fire protection, and public health services.
- D. To control interest rates and the supply of money.
- E. To determine prices—and thereby allocate resources and distribute income.

276. _____ NOT the government's job in a market-directed economy.

- A. Protecting property and enforcing contracts are
- B. Regulating radio and television broadcasting is
- C. Setting import and export rules is
- D. Determining what and how much is to be produced is
- E. Controlling interest rates and the supply of money are

277. Which of the following statements about a market-directed economic system is True?

- A. Consumers enjoy substantial freedom of choice.
- B. Profit, growth and survival are guaranteed.
- C. Government has no role.
- D. There is very little interaction between producers and consumers.

278. Identify the incorrect statement about market-directed economies.

- A. A market-directed economy adjusts itself.
- B. The American economy is completely market-directed.
- C. Consumers in a market-directed economy decide what is to be produced and by whom—through their dollar "votes."
- D. Consumers in a market-directed economy enjoy great freedom of choice.

279. Which of the following statements about economic systems is NOT true?

- A. Government has less of a role in market-directed economies than in command economies.
- B. A market-directed economy self-adjusts through producer and consumer choices.
- C. Producers always make a profit in a market-directed system.
- D. A command economy is more likely to work if the variety of goods and services is small.
- E. Both market-directed and command economies need a macro-marketing system.

280. Whether a macro-marketing system is fair or effective depends on

- A. goods and services being evenly distributed across the population.
- B. discrepancies of quantity.
- C. the emphasis given to military spending.
- D. the marketing orientation of individual firms.
- E. the objectives of the society.

281. Which of the following BEST describes what is necessary for a country's MACRO-marketing system to be "fair and effective"?

- A. No low quality or dangerous products are sold.
- B. Product shortages never exist.
- C. There is a big choice of goods and services.
- D. All consumers get the same opportunity to enjoy a high standard of living.
- E. There is not enough information to select an answer.

282. The various economic systems around the world are:

- A. equally effective at providing for the needs of citizens.
- B. always shaped by the free decisions of producers and consumers.
- C. known collectively as the "command economy."
- D. heavily influenced by a society's political institutions.
- E. based on the ideal of a pure subsistence economy.

283. Which of the following statements does not describe a command economy?

- A. Government bureaucrats decide what and how much is to be produced.
- B. A command economy is sometimes called a "planned economy."
- C. Prices are set by the law of supply and demand.
- D. Producers offer a highly limited assortment of goods and services.
- E. The economy is found in countries like Iran and North Korea.

284. The economic freedom provided within a market-directed economy produces the greatest number of:

- A. government planners
- B. government regulations
- C. entrepreneurs and innovators
- D. military-oriented purchases
- E. trade restrictions

285. Which era of marketing is characterized by families who sold their surpluses to local distributors?

- A. The simple trade era
- B. The production era
- C. The sales era
- D. The marketing department era
- E. The marketing company era

286. Which item famously originated in the production era?

- A. Laptop computers
- B. Home movie rentals
- C. Chariots
- D. Automobiles
- E. Compact fluorescent light bulbs

287. The text considers five "eras" of marketing evolution. These five eras in their logical order are:

- A. Simple trade, production, sales, marketing company, marketing department
- B. Subsistence, production, sales, entrepreneurial, marketing company
- C. Simple trade, production, sales, marketing department, international trading
- D. Simple trade, production, sales, entrepreneurial, marketing company
- E. Simple trade, production, sales, marketing department, marketing company

288. The text considers five "eras" of marketing evolution. Which of the following shows the logical order in which these eras occur?

- A. Marketing department, production, sales, simple trade, marketing company
- B. Sales, production, marketing department, marketing company, simple trade
- C. Sales, simple trade, marketing company, production, marketing department
- D. Simple trade, production, sales, marketing company, marketing department
- E. Simple trade, production, sales, marketing department, marketing company

289. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A. Simple trade era
- B. Sales era
- C. Facilitator era
- D. Marketing department era
- E. Production era

290. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

- A. Diversification era
- B. Sales era
- C. Production era
- D. Marketing company era
- E. Simple trade era

291. In the ____ era, families traded or sold their "surplus" output to local distributors.

- A. production
- B. pure subsistence
- C. sales
- D. simple trade
- E. marketing company

292. From the Industrial Revolution until the 1920s, most companies were in the

- A. marketing department era.
- B. production era.
- C. simple trade era.
- D. marketing company era.
- E. sales era.

293. Which of the following statements is MOST characteristic of the "production era"?

- A. "If we sell harder, we will sell more."
- B. "We need to cater to the diverse needs of consumers."
- C. "There is no limit on what we can sell if we produce efficiently."
- D. "The more options we offer consumers, the better."
- E. "Advertising is the key to our success."

294. Which of the following is the BEST example of management thinking during the "production era"?

- A. "We need to make whatever products are easy to produce."
- B. "We need to find out what the customer wants."
- C. "The more salespeople we have, the more we can sell."
- D. "We need to work hard to sell the product to our customers."
- E. "If we produce a good product, customers will find us and buy it."

295. Which of the following is the BEST example of management thinking during the "production era"?

- A. "The more we advertise a product, the more we can sell."
- B. "We need to increase our sales effort—to sell what we can produce."
- C. "If we can produce it, customers will buy it."
- D. "We need to be selective and produce what customers want."
- E. "The lower we price a product, the more we can sell."

296. Until recently, good PC software for producing digital videos was not available, but was much in demand by businesses. The first companies to produce a specific type of program had good sales even though they did little promotion and their programs were not "user-friendly." It seems that many of these "innovators" operated as if they were in the:

- A. simple trade era.
- B. marketing department era.
- C. sales era.
- D. marketing company era.
- E. production era.

297. Because of increased competition during the _____ era, firms put new effort into winning customers.

- A. simple trade
- B. sales
- C. production
- D. marketing company
- E. marketing department

298. During the _____ era, concern about increased competition lead firms to focus on selling to attract customers.

- A. sales
- B. simple trade
- C. marketing department
- D. production
- E. marketing company

299. A firm that focuses its attention primarily on "selling" its present products in order to meet or beat competition is operating in which of the following "management eras"?

- A. Production era
- B. Sales era
- C. Marketing department era
- D. Marketing company era
- E. Advertising era

300. The _____ era is a time when a company emphasizes selling because of the increased competition in the external environment.
- A. supply
 - B. demand
 - C. production
 - D. marketing
 - E. sales
301. The president of a company that produces cardboard boxes is concerned about the large number of competitors with extra capacity. As he put it, "our best shot is in the hands of our sales manager—she makes all of our marketing decisions and is creative enough to figure out how to sell more boxes." It seems that this company is run as if it were in the:
- A. production era.
 - B. marketing company era.
 - C. simple trade era.
 - D. sales era.
 - E. marketing department era.
302. The owner of a company that produces electronic circuit boards sees many competitors with extra capacity and says, "the only hope is that our sales manager, who makes all of our marketing decisions, will find a way to sell more boards." It seems that this company is run as if it were in the:
- A. production era.
 - B. sales era.
 - C. excess capacity era.
 - D. marketing company era.
 - E. marketing department era.

303. Administrators at a university noted that they were 200 students short of their enrollment projection as the start of the school year approached. The president of the university, fearing a revenue shortage, told the director of admissions, "You need to use whatever means necessary to get enough students to meet the projection before classes start. Run ads in the newspaper, call high school guidance counselors, recruit from our pool of rejected applicants—whatever it takes." The university president is operating as though he was in the:

- A. Simple trade era.
- B. Production era.
- C. Sales era.
- D. Marketing department era.
- E. Marketing company era.

304. Which of the following statements regarding the "sales era" is true?

- A. The emphasis was on producing.
- B. A business problem was to decide where to put the company's effort.
- C. More production capability was available than ever before.
- D. It followed the marketing department era.

305. During the sales era

- A. families traded or sold their surplus output to local distributors.
- B. characteristic management thinking said, "If we can make it, it will sell."
- C. all marketing activities were brought under the control of one department.
- D. increased competition made firms focus on winning customers.
- E. marketing people did both short-run and long-run marketing planning.

306. Asa Meyer was just named FireFly Products sales manager, with responsibilities for all marketing planning. FireFly's president told him that his job is to "outsell the competition." Apparently, FireFly is operating in the _____ era.

- A. market-oriented
- B. production
- C. sales
- D. marketing company
- E. marketing department

307. As a firm moves from the sales era to the marketing department era it is likely to:
- A. have marketing people who develop long range plans—sometimes 5 or more years ahead.
 - B. begin to integrate all the firm's marketing activities.
 - C. place less emphasis on earning a profit and more emphasis on what customers will buy.
 - D. adopt a more narrow view of marketing.
 - E. be more concerned with its ability to produce enough to meet demand.
308. Myra Martinez was just named Treasure Island, Inc.'s "marketing manager"—with responsibilities for short-run policy planning of the firm's advertising, sales, marketing research, purchasing, and distribution efforts. Apparently, Treasure Island is operating in the _____ era.
- A. market-oriented
 - B. production
 - C. marketing department
 - D. marketing company
 - E. sales
309. The main difference between the "marketing department era" and the "marketing company era" is:
- A. more emphasis on selling and advertising in the marketing department era.
 - B. whether the president of the firm has a background in marketing.
 - C. more emphasis on short-run planning in the marketing company era.
 - D. whether the whole company is customer-oriented.
 - E. There is no difference.
310. When marketing people do long-range planning and the whole company is guided by the "marketing concept," the company has entered the _____ era.
- A. production
 - B. customer satisfaction
 - C. marketing company
 - D. consumerism
 - E. marketing department

311. A company where the marketing people do both short-run and long-range planning is operating in the

- A. marketing company era.
- B. sales era.
- C. simple trade era.
- D. marketing department era.
- E. production era.

312. Which of the following would be relevant in the marketing company era?

- A. Bringing all marketing activities together under the control of one department.
- B. Planning for five or more years ahead.
- C. Reselling goods to consumers and intermediaries.
- D. Focusing on production.

313. The president of a financial services company says that her new marketing manager has changed things a lot—making long-range plans about where the firm should focus its effort, and coordinating the decisions about what services to offer and how they should be promoted and priced. It seems that this company is just moving into the:

- A. marketing company era.
- B. sales era.
- C. production era.
- D. marketing department era.
- E. simple trade era.

314. SouthFace Corporation just named Chloe Perry to a marketing management position. One of the reasons she accepted a position with this company was its reputation for market-oriented long-range planning. SouthFace Corp. is probably operating in the _____ era.

- A. planning
- B. marketing company
- C. marketing research
- D. marketing department
- E. none of these is a correct answer.

315.Regarding the five stages in marketing evolution,

- A. in the marketing department era, firms do both short-run and long-run planning.
- B. the first era to evolve was the sales era.
- C. in the marketing company era, firms do short-run planning only.
- D. most firms operate in the production era.
- E. None of these responses is true.

316.Regarding the five stages in marketing evolution:

- A. Few firms have graduated to the marketing company era.
- B. For most firms, the sales era continued until at least 1950.
- C. In the marketing department era, firms began to do long-run planning.
- D. The production era was the first era to evolve.

317.The marketing concept is a strategic way of approaching business that contrasts sharply with _____.

- A. the marketing orientation
- B. the production orientation
- C. the profit orientation
- D. macro-marketing
- E. the triple bottom line

318.Compared with other approaches to business, the marketing concept is distinct in that it:

- A. focuses on profits.
- B. produces new products and services.
- C. creates a broad assortment of products.
- D. produces quality products.
- E. focuses on satisfying customers' needs.

319.The triple bottom line is a measure of a firm's success based on multiple criteria commonly referred to as:

- A. product, price, and promotion.
- B. people, planet, and profit.
- C. partnership, planning, and positioning.
- D. segmentation, targeting, and positioning.
- E. brands, buyers, and bucks.

320. When a firm considers a triple bottom line as a measure of long-term success, this means that it measures outcomes in which of the following three different areas:

- A. economic success, social impact, and political change.
- B. firm profitability, customer satisfaction, and behavioral change.
- C. economic success, social impact, and environmental impact.
- D. company effort, customer satisfaction, and relative market share.
- E. customer satisfaction, environmental impact, and production efficiency.

321. An organization practicing _____ aims all its efforts at satisfying its customers—at a profit.

- A. the sales concept
- B. a production orientation
- C. in the marketing department era
- D. profit maximization economics
- E. the marketing concept

322. All of the following are the basic ideas included in the definition of the marketing concept except

- A. customer satisfaction.
- B. total company effort.
- C. profit, or another measure of long-term success, as an objective.
- D. making whatever products are easy to produce and then trying to sell them.
- E. giving customers what they need.

323. A "production-oriented" firm typically:

- A. views customer credit as a customer service.
- B. sets inventory requirements with customer needs in mind.
- C. tries to sell the products it can make easily.
- D. focuses advertising on need-satisfying product benefits.
- E. operates as an integrated unit.

324. Managers who think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society, have a

- A. marketing orientation.
- B. production orientation.
- C. selling orientation.
- D. dynamic orientation.
- E. customer orientation.

325. A manager with a "production orientation" is likely to think that:

- A. customers exist to buy the firm's output.
- B. customers' needs should guide decisions about what the firm produces.
- C. the company should find out what product customers want to buy, and then produce that product.
- D. production managers should handle all marketing activities.
- E. people in the production department should work closely with people from all the firm's other departments.

326. Which of the following is MOST LIKELY to be found in a production-oriented firm?

- A. Agreements among departments about how to improve customer satisfaction.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.
- D. A focus on profit rather than sales.
- E. None of these is likely to be found in a production-oriented firm.

327. Which of the following is LEAST LIKELY to be found in a production-oriented firm?

- A. Disagreements among departments about how to improve the company's product.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.
- D. A mass marketing approach.
- E. None of these is likely to be found in a production-oriented firm.

328.MetroTech Corporation has been experiencing declining profits. MetroTech's salespeople blame the production people for making inferior products, and the production people complain that the salesmen are just not getting enough orders. MetroTech seems to have

- A. implemented the marketing concept.
- B. a production orientation.
- C. a customer orientation.
- D. a sales orientation.
- E. a marketing orientation.

329.MetroTech Corporation has been experiencing declining profits. The accounting department blames the MetroTech marketing staff for "out of control" sales costs. The salespeople blame the warehouse for being slow to fill orders. And the warehouse manager says that the production department can't meet its schedule. MetroTech seems to have

- A. implemented the marketing concept.
- B. a customer orientation.
- C. a marketing orientation.
- D. a sales orientation.
- E. a production orientation.

330.Accepting the "marketing concept" means that a firm should have a _____ orientation.

- A. production
- B. sales
- C. marketing
- D. research

331.A firm with a marketing orientation:

- A. has little need for salespeople.
- B. sells what it can make easily.
- C. tries to determine customers' needs before developing its product.
- D. focuses advertising on product features.

332.The three basic ideas in the "marketing concept" are:

- A. customer satisfaction, resource efficiency, sales maximization.
- B. customer satisfaction, total company effort, sales growth.
- C. resource efficiency, sales growth, profit maximization.
- D. customer satisfaction, marketing manager as chief executive, profit.
- E. customer satisfaction, total company effort, profit.

333.Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Total company effort.
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

334.Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Obtain economies of scale.
- C. Profit as an objective.
- D. Maximize sales.
- E. The president has a marketing background.

335.Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Customer satisfaction.
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

336.An important step in applying the marketing concept is:

- A. changing the firm's organizational structure.
- B. changing the firm's management methods and procedures.
- C. appointing someone with a marketing management background to be the firm's president.
- D. hiring a marketing consultant.
- E. committing to customer satisfaction.

337.The "marketing concept" says that a business firm should aim all of its efforts at:

- A. doing more advertising and selling than competitors.
- B. selling what the company produces.
- C. satisfying customers—regardless of profitability.
- D. satisfying its customers—at a profit.
- E. producing those products which it can make at lowest cost.

338.The "marketing concept" says that a business firm should:

- A. Aim all its efforts at meeting society's needs—regardless of profitability.
- B. Aim all its efforts at satisfying its customers—at a profit.
- C. Sell those products which it can make at lowest cost.
- D. Place heavy emphasis on developing new products.
- E. Treat advertising and selling as its priority.

339.A producer with a marketing orientation is MOST likely to:

- A. Distribute the product according to the needs customers have for product availability.
- B. Distribute the product in as many retail outlets as possible.
- C. Provide overnight express shipping.
- D. Use e-commerce as a key element in distribution.
- E. Distribute directly from the producer to the consumer.

340.Complete acceptance of the "marketing concept" would require:

- A. making sure that all departments focus their efforts on satisfying customer needs.
- B. having all production, finance, accounting, and personnel managers report directly to the marketing manager.
- C. placing less emphasis on profit as the objective of the firm.
- D. trying to satisfy the needs of each and every customer.

341."Production orientation" refers to the attitudes of:

- A. sales managers.
- B. accountants.
- C. financial managers.
- D. production managers.
- E. anyone who doesn't practice the marketing concept.

342. In a firm operating as a total "system" to implement the marketing concept:

- A. the whole company is customer-oriented.
- B. there are no departments.
- C. product planning is under the control of the production or engineering departments.
- D. the marketing manager directs and controls all company activities.
- E. None of these is true.

343. The total system view of the marketing concept builds on the idea that

- A. sales should be the firm's high-level objective.
- B. a company should not have specialized departments.
- C. each department in an organization should do what it does best.
- D. all departments—not just marketing—should be guided by customer needs.
- E. none of these responses is correct.

344. In a firm that has a total company effort in implementing the marketing concept:

- A. There are "fences" around individual departments.
- B. Not all departments impact customer satisfaction.
- C. The firm lacks a central focus.
- D. Departments—even very specialized ones—are guided by what customers want.
- E. The firm is more production-oriented than marketing-oriented.

345. One basic idea of the marketing concept is

- A. a production orientation must guide the whole system.
- B. an organization should build "fences" around its own departments.
- C. survival and success require a profit.
- D. a firm should "give customers what it produces best."
- E. a firm's obligation to have a positive effect on society.

346. Adoption of the marketing concept

- A. is easy for most firms.
- B. occurred first in the service industry.
- C. has been universal.
- D. has been slow for producers of industrial commodities.
- E. happened last among consumer product companies.

347. The marketing concept can be applied by:

- A. a nurses association.
- B. cosmetic manufacturers.
- C. nonprofit hospitals.
- D. national parks.
- E. all of these can apply the marketing concept.

348. The marketing concept can be applied by:

- A. nonprofit hospitals.
- B. symphony orchestras.
- C. private universities.
- D. manufacturers of consumer products.
- E. all of these organizations can apply the marketing concept.

349. Which of the following is the best example of the marketing concept in action?

- A. A product manager tells her sales force "the inventory in the warehouse must be sold if we are to make a profit, so redouble your sales efforts."
- B. A manufacturer of industrial chemicals adapts its formulas and goes after the big consumer cleaning market.
- C. A cleaning supplies firm learns that many consumers are having trouble hiring maids—so it develops a plan to offer customers complete house cleaning services.
- D. An Internet retailer finds that shoppers are abandoning their shopping carts before checking out, so it promotes its \$10 discount on each customer's first purchase.
- E. A student group wants to hold an awards banquet, so it buys Krispy Kreme donuts and sells them to friends who want to help the club achieve its objectives.

350. A public utility that has adopted the marketing concept would be most likely to

- A. set up a special service to help consumers reduce expensive peak-hours energy consumption.
- B. lower prices until almost all consumers felt that prices were fair.
- C. advertise its "public service role" to improve its image with the public.
- D. use email to send customers a personal apology if a blackout were to occur.
- E. None of these answers is true.

351. A local symphony group that has adopted the marketing concept would be most likely to

- A. lower ticket prices until all its concerts sell out.
- B. advertise so consumers know about the quality of the musicians who play in its concerts.
- C. find out what kind of music local residents want to hear.
- D. use only its best musicians to handle solo performances.

352. Which of the following illustrates the marketing concept in action?

- A. Three pediatricians set up a group practice—so that at least one is always available for emergencies.
- B. Bank ATMs that dispense cash are placed in fast-food restaurants.
- C. The Nevada auto registration office mails license tags to people, to reduce inconvenient waiting in line.
- D. A veterinarian has office hours in the evening to see pets whose owners must work during the day.
- E. All of these illustrate the marketing concept in action.

353. Which of the following illustrates the marketing concept in action?

- A. A young lawyer gives free legal advice to poor people.
- B. A local police department organizes a "community crime watch" program in a neighborhood that has had many burglaries.
- C. Several lawyers set up a group practice—so that the costs of the office and equipment can be shared.
- D. None of these illustrate the marketing concept in action.

354. A local theater group that has adopted the marketing concept would be MOST likely to:

- A. Promote the sale of subscriptions so that patrons can buy tickets at a reduced price for several plays at one time.
- B. Use publicity to announce upcoming plays.
- C. Do a survey to find out what new shows patrons would like to see.
- D. Sell tickets via the Internet.

355. FlyFar Airlines uses marketing research to determine customer needs and assess how well the company meets them. This suggests that FlyFar managers exhibit _____.

- A. a marketing orientation
- B. social responsibility
- C. separation of information
- D. the innovation concept
- E. a production orientation

356. Which of the following practices would suggest that Acme Tools practices a marketing orientation:

- A. sets inventory levels with customer requirements and costs in mind.
- B. sells products that it can make easily for its customers.
- C. focuses its advertising efforts on product features and how products are made.
- D. views customer service as an activity required to reduce consumer complaints.
- E. ends its relationship with customers when a sale is made.

357. A firm with a marketing orientation is MOST likely to:

- A. view advertising as an unnecessary expense.
- B. recognize that effective advertising is the key to sales.
- C. advertise how a product meets customers' needs.
- D. focus advertising on product features.
- E. not use any advertising.

358. Which of the following is NOT likely to be found in a company with a marketing orientation?

- A. The company sells whatever it can make.
- B. The company sees customer credit as a service.
- C. The company designs its packaging as a selling tool.
- D. The company uses marketing research to see if it is satisfying its customers.
- E. The company focuses on locating new opportunities.

359. All of the following are examples of a marketing orientation, as opposed to a production orientation, EXCEPT:

- A. the role of marketing research is to determine customer needs and how well the company is satisfying them.
- B. the relationship with the customer is based on customer satisfaction before and after a sale leading to a profitable long-run relationship.
- C. the firm's focus is on reducing its costs.
- D. the role of customer service is to satisfy customers after the sale so they'll come back again.
- E. costs that do not add value to customers should be eliminated.

360. All of the following are examples of a production orientation, as opposed to a marketing orientation, EXCEPT:

- A. the company sells what it can make easily.
- B. advertising focuses on the benefits of the product to customers.
- C. the relationship with the customer ends with the sale of the product to the customer.
- D. the purpose of customer service is to reduce customer complaints.
- E. advertising focuses on the features of the product.

361. In a firm with a production orientation

- A. customer needs determine company plans.
- B. relationship with customer extends beyond a single sale.
- C. costs that do not give value to customers are eliminated.
- D. marketing research, if used at all, is for determining customer reaction.
- E. advertising is focused at need-satisfying benefits of goods and services.

362. _____ refers to the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

- A. Operating cost
- B. Profit margin
- C. Customer value
- D. Net value
- E. Satisfaction

363. Which of the following statements about customer value is true?

- A. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.
- B. The greater the competition, the less important customer value is.
- C. The sure way to achieve high customer value is to offer a lower price.
- D. It is the manager's view of customer value that matters, not the customer's.
- E. None of these statements is true.

364. Which of the following statements about customer value is true?

- A. It can't be applied in competitive situations.
- B. It considers price but not other elements of the marketing mix.
- C. It applies to goods but not services.
- D. Its emphasis on what the customer sees as the positive things about a marketing mix means that the negatives are likely to be ignored.
- E. None of these statements is true.

365. Customer value typically would NOT be impacted by a marketing manager's decisions concerning:

- A. product.
- B. place.
- C. promotion.
- D. price.
- E. Any of these might impact customer value.

366. Which of the following statements about customer value is True?

- A. Building relationships with customers means providing customer value before, but not after the purchase of a product or service.
- B. Retaining current customers is usually less costly than taking customers away from a competitor.
- C. A firm's advertising department cannot be expected to develop ads to convince a customer to buy from the firm more than once.
- D. People in the organization who are not in the sales or customer service areas should never be called upon to help resolve a customer's problem.
- E. None of these statements is True.

367. In order to build relationships with customer value, firms must do all of the following except

- A. ensure that everyone in a firm works together to provide customer value before and after each purchase.
- B. brief their advertising people to develop ads that try to convince a customer to buy once.
- C. attract customers in the first place—and keep them satisfied after they buy.
- D. try to adopt the marketing concept.
- E. try to eliminate costs that do not give value to customers.

368. Customer value

- A. is greater if costs exceed benefits.
- B. becomes less important as competition increases.
- C. is the same thing as low price.
- D. affects a customer's relationship with a firm before and after a sale.
- E. none of these responses is correct.

369. Which item would likely possess the highest customer value for a person who makes scrapbooks?

- A. The lowest price glue
- B. The highest price glue
- C. The glue that does the best job
- D. The glue that does the best job at the most affordable price
- E. All glues have the same customer value

370. Which of the following are NOT true about a firm practicing the marketing concept?

- A. Everyone in the organization focuses on satisfying customers.
- B. Offering superior customer value attracts customers.
- C. Satisfying customers leads to customers defecting to the competition.
- D. Firms build profitable customer relationships.
- E. All of these are true.

371. Nonprofit organizations

- A. do not have a profit objective, so the marketing concept does not apply.
- B. can benefit by adopting the marketing concept.
- C. are fundamentally different than business firms—so they should embrace a production orientation rather than a marketing orientation.
- D. do not need to be concerned with marketing activities.
- E. none of these is true.

372. Unlike a business firm, a nonprofit organization

- A. needs resources and support to survive and achieve its objectives.
- B. must take in as much money as it spends or it won't survive.
- C. does not measure "profit" in the same way.
- D. faces competition for customers.
- E. gets support directly from those who receive the benefits.

373. In nonprofit organizations, the marketing concept

- A. is not relevant.
- B. has different measures of success.
- C. is usually easy to adopt because of how nonprofits organize for marketing.
- D. can be implemented by ignoring customer needs.

374. Given the nature of their work, which of the following should have a marketing orientation?

- A. Girl Scouts of America.
- B. Dallas-Fort Worth Symphony.
- C. American Cancer Society.
- D. University of Wisconsin.
- E. All of these organizations should have a marketing orientation.

375. Which of the following organizations should apply the marketing concept?

- A. National Park Service.
- B. National Federation of the Blind.
- C. Christian Children's Fund.
- D. United States Postal Service.
- E. All of these organizations should apply the marketing concept.

376.Which of the following is TRUE about the micro-macro dilemma?

- A. What is good for some producers and consumers may not be good for society as a whole.
- B. Marketing people cannot agree on whether marketing should be viewed as individual activities or a social process.
- C. In a multiproduct company, one product should not be emphasized over another.
- D. Most people don't want much freedom of choice.
- E. Intermediaries facilitate exchange but they add to the cost of goods.

377.According to the concept of social responsibility, a firm has a duty to:

- A. communicate regularly with the public.
- B. satisfy consumer needs at any cost.
- C. place profit above all other considerations.
- D. place customer satisfaction above all other considerations.
- E. conduct business in a way that is good for society as a whole, both now and for the future.

378.Which of the following is not a challenge related to social responsibility?

- A. There is little agreement on who gets to determine what is "good" for society.
- B. Actions that may seem good for society may be costly to a firm.
- C. Some consumers make purchases based on the perceived societal benefits of a product or service.
- D. It is impossible to know what impact a firm's actions will have on future generations.
- E. Acting to satisfy one group of stakeholders may anger another group of stakeholders.

379.Firms develop _____ to promote fair and honest dealings with all stakeholders inside and outside of the organization.

- A. marketing plans
- B. marketing departments
- C. codes of ethics
- D. intermediaries
- E. a marketing orientation

380. The term "micro-macro dilemma" means that:

- A. most people are both producers and consumers.
- B. marketing people cannot agree on whether marketing should be viewed as activities or as a social process.
- C. macro-marketing is just a small part of a larger micro-marketing system.
- D. the micro view of marketing is concerned with the flow of goods and services from producers to consumers—while the macro view is not.
- E. what is "good" for some producers and consumers may not be good for society as a whole.

381. Trying to balance the interests of people who want to drink beer and the dangers of drunk driving is an example of:

- A. the role of a central market.
- B. subsistence marketing.
- C. political action.
- D. the macro-micro dilemma.
- E. the exchange process in marketing.

382. The fact that many Americans want the convenience of driving gas-guzzling trucks and sport utility vehicles—which also contribute disproportionately to pollution and global warming—is an example of

- A. the micro-macro dilemma.
- B. discrepancies in customer value.
- C. marketing ethics.
- D. the responsibilities of the marketer.
- E. the marketing concept.

383. The city of St. Louis is encouraging its residents to drink tap water instead of filling its landfills with plastic water bottles, even though some consumers prefer the convenience of plastic water bottles. This is an example of:

- A. customer value.
- B. economies of scale.
- C. the storing function.
- D. innovation.
- E. the micro-macro dilemma.

384. Which of the following is an example of the micro-macro dilemma?

- A. Disposable packages are convenient, but contribute to environmental problems.
- B. Children like to ride bicycles, but accidents are common.
- C. Sulfites help to keep restaurant salads looking fresh, but some people have a dangerous allergic reaction to sulfites.
- D. Jet skis can be fun but can also be dangerous to the driver and others.
- E. All of these are examples of the micro-macro dilemma.

385. Which of the following is the BEST example of the micro-macro dilemma?

- A. Many consumers buy imported cars, even though they say they like American cars better.
- B. High performance cars are fun to drive but may be dangerous to others.
- C. Buying an imported car may cost buyers more to buy now but may have better resale value later.
- D. A fuel efficient car may cost more to buy but less to operate.
- E. The economy may be growing, but many people still are not able to buy a new car.

386. Which of the following is the BEST example of the micro-macro dilemma?

- A. Pepsi Blue sales went up, but total sales of all soft drinks went down.
- B. A small group of loyal consumers really like RC Cola best, but most consumers don't like it at all.
- C. The deposit on returnable soft drink bottles is about equal to the cost of the bottle.
- D. Paper cups for soft-drinks are convenient, but they often end up as litter along the highway.
- E. Snapple beverages are more popular in Texas than in the rest of the U.S.

387. Which of the following is an example of the "micro-macro dilemma?"

- A. A homeowner purchases a ladder but falls off it because he didn't set up the ladder according to the safety instructions posted on it.
- B. A person gets a speeding ticket because she was talking on her cell phone while driving and didn't notice a speed limit sign.
- C. A person drives without fastening his seat belt even though a warning light and chime remind him to "buckle up."
- D. A person is injured while using a power lawn mower because of a small stone that is hurled from the discharge chute.
- E. A restaurant owner uses plastic containers to keep "take-out" food warm for customers, but the containers cannot be reused or recycled.

388. Which of the following is NOT an example of the micro-macro dilemma?

- A. Many people like beer and wine, but drunk driving is a big social problem.
- B. Some people like to eat a lot, but later feel guilty about eating too much.
- C. A "good" lawn mower can be produced cheaply, but its price must be higher if its design must be safe for "ignorant" users.
- D. A smoker may enjoy a cigar, but the smell can make other people sick.
- E. Downhill snow skiing is fun, but really quite dangerous.

389. _____ refers to a firm's obligation to improve its positive effects on society and reduce its negative effects.

- A. The nonprofit orientation
- B. The micro-macro dilemma
- C. Marketing ethics
- D. Legal obligations
- E. Social responsibility

390. Which of the following statements is True regarding social responsibility in marketing?

- A. Being socially responsible usually leads to a negative response from customers.
- B. Being socially responsible can conflict with a firm's profit objective.
- C. Companies tend to avoid developing written codes of ethics because standards for professional behavior are ambiguous by nature.
- D. Firms tend to advance their own short-term interests at the expense of customers.

391. A marketing manager made a speech in which he described his organization as having "really embraced the marketing concept over ten years ago." A critic in the audience argued that the manager didn't understand the "socially conscious" view of the marketing concept. Given the critic's argument, the marketing manager may work for:

- A. a fruit processor.
- B. the public library.
- C. a firm that recycles aluminum cans.
- D. a soap producer.
- E. a motorcycle producer.

392. These are the moral standards that guide marketing decisions and actions.

- A. Civil laws
- B. Macro dilemmas
- C. Micro dilemmas
- D. Marketing ethics
- E. Laws

393. Concerning marketing ethics:

- A. Individuals develop moral standards based on their own values.
- B. Opinions about what is right or wrong vary from one society to another.
- C. The prevailing practice of most businesspeople is to be fair and honest.
- D. Marketing ethics has its critics.
- E. All of these are correct.

394. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to balance the needs of its buyers with the interests of sellers?

- A. Honesty
- B. Fairness
- C. Responsibility
- D. Citizenship
- E. Openness

395. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to recognize the basic human dignity of its customers?

- A. Citizenship
- B. Respect
- C. Honesty
- D. Openness
- E. Responsibility

396. Which of the following criticisms focuses most directly on a macro view of marketing, rather than a micro view?

- A. Products often wear out right after the warranty expires.
- B. Much TV advertising is annoying.
- C. Marketing exploits the poor and the uneducated.
- D. Prices for very similar products vary a lot from store to store.
- E. Door-to-door salespeople are trained to be pushy.

Chapter 01 Marketing's Value to Consumers, Firms, and Society **Answer Key**

True / False Questions

1. Marketing is basically selling and advertising.

FALSE

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

2. Marketing, in the literal sense, means "selling" or "advertising."

FALSE

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

3. Marketing means "promotion and selling."

FALSE

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

4. Actually making goods or performing services is called marketing.

FALSE

Actually making goods or performing services is called production.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

5. Estimating what price consumers are willing to pay for a product and if the firm can make a profit selling at that price, is an example of a production activity.

FALSE

Estimating what price consumers are willing to pay for a product and if the firm can make a profit selling at that price, is an example of marketing.

AACSB: Analytic

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

6. Marketing can provide needed direction for production and help make sure that the right goods and services find their way to interested consumers.

TRUE

Marketing provides needed direction for production and helps make sure that the right goods and services are produced and find their way to consumers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

7. Marketing plays an essential role in creating customer satisfaction.

TRUE

Marketing plays an essential role in providing consumers with need-satisfying goods and services and, more generally, in creating customer satisfaction.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

8. Customer satisfaction is the extent to which a firm fulfills a consumer's needs, desires, and expectations.

TRUE

Customer satisfaction is the extent to which a firm fulfills a consumer's needs, desires, and expectations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

9. If a firm produces the right goods or services, marketing has little role to play in creating customer satisfaction.

FALSE

Marketing helps make sure that the right goods and services are produced and find their way to customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

10. It is estimated that marketing costs about 50 percent of each consumer's dollar.

TRUE

In advanced economies, marketing costs about 50 cents of every consumer dollar.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

11. In advanced economies, marketing costs only about 10 percent of each consumer's dollar.

FALSE

In advanced economies, marketing costs about 50 cents of every consumer dollar.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

12. Marketing encourages the development and spread of new ideas, goods, and services.

TRUE

Marketing encourages innovation which is the development and spread of new ideas, goods, and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

13. According to the text, marketing means "selling" or "advertising."

FALSE

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Know what marketing is and why you should learn about it.
Level of Difficulty: 1 Easy
Topic: Marketing-What's it All About?

14. Marketing discourages the development and spread of new ideas, goods, and services.

FALSE

Marketing encourages innovation which is the development and spread of new ideas, goods, and services.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-01 Know what marketing is and why you should learn about it.
Level of Difficulty: 1 Easy
Topic: Marketing is Important to You

15. Marketing is both a set of activities performed by organizations and a social process.

TRUE

We can view marketing in two ways: from a micro view as a set of activities performed by organizations and also from a macro view as a social process.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.
Level of Difficulty: 1 Easy
Topic: How Should We Define Marketing?

16. Marketing can be viewed as a set of activities performed by organizations, but not as a social process.

FALSE

We can view marketing in two ways: from a micro view as a set of activities performed by organizations and also from a macro view as a social process.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

17. Marketing can be viewed as a social process, but not as a set of activities performed by organizations.

FALSE

We can view marketing in two ways: from a micro view as a set of activities performed by organizations and also from a macro view as a social process.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

18. The micro view of marketing sees it as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

TRUE

Marketing in micro view is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

19. Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

TRUE

Marketing in micro view is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

20. The micro view of marketing is mainly concerned with the activities performed by organizations.

TRUE

Marketing in micro view is defined as the performance of activities that seek to accomplish an organization's objectives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

21. From a micro view, marketing activities are performed only by profit-oriented organizations.

FALSE

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

22. Marketing only applies to profit organizations.

FALSE

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

23. Marketing only applies to for-profit organizations.

FALSE

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

24. Marketing activities should be of no interest to a nonprofit organization.

FALSE

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

25. Marketing activities should begin with potential customer needs, not with the production process.

TRUE

Marketing, rather than production, should begin with determining what goods and services are to be developed to satisfy customer needs.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

26. Production, not marketing, should determine what products are to be made.

FALSE

Marketing, rather than production, should determine what goods and services are to be developed.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

27. Marketing should begin with the production process.

FALSE

Marketing should begin with potential customer needs and not with the production process.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

28. Marketing does not occur unless there are two or more parties who want to exchange something for something else.

TRUE

Marketing involves a flow of need-satisfying offerings from a producer to a customer which implies that there is an exchange of the offering for something else, such as the customer's money.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

29. Marketing does not occur unless two or more parties are willing to exchange something for something else.

TRUE

Marketing involves a flow of need-satisfying offerings from a producer to a customer which implies that there is an exchange of the offering for something else, such as the customer's money.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

30. Marketing doesn't occur unless two or more parties are willing to exchange one item for another.

TRUE

Marketing involves a flow of need-satisfying offerings from a producer to a customer which implies that there is an exchange of the offering for something else, such as the customer's money.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

31. In a pure subsistence economy—when each family unit produces everything it consumes—no marketing is involved.

TRUE

In a pure subsistence economy, when each family unit produces everything it consumes, there is no need to exchange goods and services and no marketing is involved.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

32. A marketing exchange is a single transaction between a firm and a customer, nothing more.

FALSE

Marketing exchange is often part of an ongoing relationship, not just a single transaction.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

33. Marketing is concerned with individual transactions rather than with building ongoing relationships with customers because that is the job of people in the public relations department.

FALSE

The marketing flow of need-satisfying goods and services is not just for a single transaction but rather is part of building a long-lasting relationship that benefits both the firm and the customer.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

34. Macro-marketing emphasizes how the whole marketing system works.

TRUE

The emphasis with macro-marketing is on how the whole marketing system works which includes looking at how marketing affects society and vice versa.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

35. Micro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes society's objectives.

FALSE

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

36. Macro-marketing is a set of activities that direct an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society.

FALSE

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

37. Macro-marketing emphasizes how the whole system works, rather than the activities of individual organizations.

TRUE

The emphasis with macro-marketing is not on the activities of individual organizations. Instead, the emphasis is on how the whole marketing system works.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

38. Macro-marketing emphasizes the activities of individual organizations.

FALSE

The emphasis with macro-marketing is not on the activities of individual organizations. Instead, the emphasis is on how the whole marketing system works.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

39. Macro-marketing is concerned with examining the relationship of the entire production and distribution system.

TRUE

Macro-marketing is concerned with the flow of need-satisfying goods and services from producers to consumers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

40. An effective macro-marketing system matches heterogeneous supply with heterogeneous demand.

TRUE

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

41. Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several levels.

TRUE

Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several ways.

AACSB: Analytic
Blooms: Understand
Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.
Level of Difficulty: 1 Easy
Topic: Macro-Marketing

42. Achieving effective marketing in an advanced economy is simplified by the fact that producers are separated from consumers in only two ways: time and space.

FALSE

Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several ways such as space, time, information and values, and ownership.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.
Level of Difficulty: 1 Easy
Topic: Macro-Marketing

43. "Economies of scale" means that as a company produces larger numbers of a particular product, the cost for each unit of the product goes down.

TRUE

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.
Level of Difficulty: 1 Easy
Topic: Macro-Marketing

44. "Economies of scale" prevent a company from taking advantage of mass production.

FALSE

Most firms specialize in producing and selling large amounts of a narrow assortment of goods and services which allows them to take advantage of mass production with its economies of scale.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

45. "Economies of scale" means that as a company produces more of a product, the total cost of production goes up.

FALSE

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

46. "Economies of scale" means that as a company produces more of a product, the cost of each unit produced goes down.

TRUE

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

47. In advanced societies, all goods and services can be produced with mass production and its economies of scale.

FALSE

In advanced societies, narrow assortment of goods and services can be produced with mass production and its economies of scale.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

48. Both mass production and effective marketing are needed to satisfy the economic needs of an advanced economy.

TRUE

This is a statement that requires an understanding of the material in Exhibit 1-1 and the material in text on p. 09.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

49. An effective macro-marketing system overcomes discrepancies of quantity and discrepancies of assortment by using the universal functions of marketing.

TRUE

The purpose of a macro-marketing system is to overcome the discrepancies and separations which are done by using the universal functions of marketing.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

50. The universal functions of marketing include buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

TRUE

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

51. The "universal functions of marketing" consist only of buying, selling, transporting, and storing.

FALSE

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

52. Buying, selling, transporting and storing are all universal marketing functions.

TRUE

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

53. The universal functions of marketing are performed in the same way in all nations and economic systems.

FALSE

The universal functions of marketing must be performed in all macro-marketing systems and may differ among nations and economic systems.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

54. Marketing functions are performed by producers, consumers, and a variety of marketing specialists.

TRUE

Producers and consumers sometimes handle some of the marketing functions. However, exchanges are often easier or less expensive when a marketing specialist performs some of the marketing functions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

55. Intermediaries specialize in trade and production.

FALSE

Intermediaries specialize in trade rather than production.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

56. The advantages of working with intermediaries increase as the number of producers and customers, their distance apart, and the number and variety of competing products increase.

TRUE

Intermediaries can help to make the whole macro-marketing system more efficient and effective by the savings of time, effort, and expense that would be involved without them.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

57. While intermediaries facilitate exchange, their cost makes the whole macro-marketing system less efficient.

FALSE

Intermediaries charge for services they provide, this charge is usually offset by the savings of time, effort, and expense that would be involved without them thus making the whole macro-marketing system more efficient and effective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

58. Marketing collaborators are any firms that provide the marketing functions of buying and selling.

FALSE

Collaborators are firms that facilitate or provide one or more of the marketing functions other than buying or selling.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

59. Marketing specialists such as intermediaries and collaborators hinder the exchange process between producers and consumers.

FALSE

Exchanges are often easier or less expensive when a marketing specialist performs some of the marketing functions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

60. E-commerce refers to exchanges between individuals and organizations—and the activities that facilitate those exchanges—based on applications of information technology.

TRUE

E-commerce refers to exchanges between individuals or organizations—and activities that facilitate these exchanges—based on applications of information technology.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

61. E-commerce refers to exchanges between organizations (not individuals) and the activities that facilitate those exchanges.

FALSE

E-commerce refers to exchanges between individuals or organizations—and activities that facilitate these exchanges—based on applications of information technology.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

62. E-commerce refers to exchanges between organizations, but not exchanges between individuals.

FALSE

E-commerce refers to exchanges between individuals or organizations—and activities that facilitate these exchanges—based on applications of information technology.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

63. E-commerce refers to exchanges between individuals, but not exchanges between organizations.

FALSE

E-commerce refers to exchanges between individuals or organizations—and activities that facilitate these exchanges—based on applications of information technology.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

64. Compared to other innovations, firms have been relatively slow to adopt e-commerce.

FALSE

The growth of the Internet provided opportunities that resulted in the rapid growth of e-commerce.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists—including intermediaries and collaborators—develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

65. Marketing costs go down and customer satisfaction goes up in all exchanges handled by e-commerce.

FALSE

Many individual firms take advantage of innovations that help cut the costs of many marketing functions to improve profitability and customer satisfaction.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

66. Responsibility for performing the marketing functions can be shifted and shared in a variety of ways, but no function can be completely eliminated.

TRUE

All of the marketing functions must be performed by someone, either by shifting or sharing but no function can be completely eliminated.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

67. Not all societies need an economic system.

FALSE

All societies must provide for the needs of their members and hence every society needs some sort of economic system.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

68. An economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption among various people and groups in the society.

TRUE

An economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in the society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

69. Only industrial nations need an economic system to decide what and how much is to be produced and distributed by whom, when, to whom, and why.

FALSE

Every society needs some sort of economic system that must develop some method to decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

70. In a command economy, producers generally have little choice about what goods and services to produce.

TRUE

Producers in a command economy generally have little choice about what goods and services to produce.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

71. In a command economy, the individual decisions of many producers and consumers make the macro-level decisions for the whole economy.

FALSE

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

72. A market-directed economy is one in which government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

FALSE

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

73. In a market-directed economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

FALSE

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

74. In a market-directed economy, price is a rough measure of how society values particular goods and services.

TRUE

In a market-directed economy, prices in the marketplace are a rough measure of how society values particular goods and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

75. Market-directed economies tend to provide consumers with greater freedom of choice than command economies.

TRUE

Consumers in a market-directed economy enjoy great freedom of choice in contrast with command economies.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

76. In a market-directed economy, consumers enjoy complete freedom of choice.

FALSE

Consumers in a market-directed economy enjoy great freedom of choice, but it is not complete freedom of choice. They are still required to buy goods and services that must be provided for the good of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

77. In a market-directed economy, profit is guaranteed.

FALSE

New consumer needs that can be served profitably—not just the needs of the majority—will probably be met by some profit-minded businesses. But profit, survival, and growth are not guaranteed.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.
Level of Difficulty: 1 Easy
Topic: The Role of Marketing in Economic Systems

78. Most Western economies are completely market-directed.

FALSE

The American economy and most other Western economies are mainly market-directed, but not completely.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.
Level of Difficulty: 2 Medium
Topic: The Role of Marketing in Economic Systems

79. The American economy is entirely market-directed.

FALSE

The American economy and most other Western economies are mainly market-directed, but not completely.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.
Level of Difficulty: 2 Medium
Topic: The Role of Marketing in Economic Systems

80. The American economy and most other Western economies are completely market-directed.

FALSE

The American economy and most other Western economies are mainly market-directed, but not completely.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

81. Whether a particular macro-marketing system is judged fair and effective depends on the objectives of the society.

TRUE

The effectiveness and fairness of a particular macro-marketing system must be evaluated in terms of that society's objectives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

82. The simple trade era was a time when families traded or sold their "surplus" output to local distributors who resold these goods to other consumers or distant distributors.

TRUE

The simple trade era was a time when families traded or sold their "surplus" output to local distributors. These specialists resold the goods to other consumers or other distributors. This was the early role of marketing.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

83. The marketing concept applies to nonprofit organizations as well as to businesses.

TRUE

The marketing concept is as important for nonprofit organizations as it is for business firms.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept Applies in Nonprofit Organizations

84. Because they don't try to earn a profit, the marketing concept is not very useful for nonprofit organizations.

FALSE

The marketing concept is as important for nonprofit organizations as it is for business firms. In fact, marketing applies to all sorts of public and private nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept Applies in Nonprofit Organizations

85. The marketing concept cannot be applied to nonprofit organizations because they are not profit-oriented.

FALSE

Marketing applies to all sorts of public and private nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept Applies in Nonprofit Organizations

86. In nonprofit organizations, support may not come directly from satisfied customers.

TRUE

Support for nonprofit organizations often do not come directly from those who receive the benefits the organization produces.

AACSB: Analytic

Blooms: Remember
Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept Applies in Nonprofit Organizations

87. As with any business, a nonprofit organization must take in as much money as it spends or it won't survive.

TRUE

As with a business, a nonprofit organization must take in as much money as it spends or it won't survive.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 2 Medium
Topic: The Marketing Concept Applies in Nonprofit Organizations

88. A nonprofit organization does not measure profit in the same way as a firm.

TRUE

A nonprofit organization does not measure "profit" in the same way as a firm.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept Applies in Nonprofit Organizations

89. During the "production era" a company focuses on production—because few products are available in the market.

TRUE

"If we can make it, it will sell" is management thinking characteristic of the production era.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: Marketing's Role Has Changed a Lot over the Years

90. From the Industrial Revolution until the 1920s, most companies were in the production era.

TRUE

From the Industrial Revolution until the 1920s, most companies were in the production era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

91. During the "sales era," the firm tries to improve short-run marketing policy planning to tie together its activities.

FALSE

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

92. Marketing departments are usually formed when firms go from the "production era" to the "sales era."

FALSE

Marketing departments are not formed until someone is needed to tie together the efforts of research, purchasing, production, shipping, and sales. This does not occur until firms have already gone through both the production era and the sales era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

93. The "marketing department era" is a time when all marketing activities are brought under the control of one department.

TRUE

The marketing department era is a time when all marketing activities are brought under the control of one department to improve short-run policy planning and to try to integrate the firm's activities.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

94. During the "marketing company era," the total company effort is guided by the idea that customers exist to buy the firm's output.

FALSE

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans and the whole company effort is guided by the marketing concept.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

95. A company has moved into the "marketing company era" when, in addition to short-run marketing planning, the total company effort is guided by the marketing concept.

TRUE

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans and the whole company effort is guided by the marketing concept.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

96. The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

TRUE

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

AACSB: Analytic
AACSB: Reflective Thinking
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 2 Medium
Topic: What Does the Marketing Concept Mean?

97. The marketing concept says that a firm should aim all its efforts at satisfying customers, even if this proves to be unprofitable.

FALSE

The marketing concept means that an organization aims all its efforts at satisfying its customers but at a profit.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: What Does the Marketing Concept Mean?

98. The "marketing concept" means that a firm emphasizes attracting new customers above all other objectives.

FALSE

The marketing concept means that an organization aims all its efforts at satisfying its customers but at a profit.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: What Does the Marketing Concept Mean?

99. A firm that adopts the "marketing concept" will aim all its efforts at satisfying customers, while trying to make a profit.

TRUE

The marketing concept means that an organization aims all its efforts at satisfying its customers but at a profit.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

100. A firm that makes products which are easy to produce and then tries to sell them has a production orientation.

TRUE

A production orientation means making whatever products which are easy to produce and then trying to sell them and think of customers existing to buy the firm's output rather than of firms existing to serve customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

101. The term "marketing orientation" means making products that are easy to produce and then trying to sell them.

FALSE

A production orientation means making whatever products which are easy to produce and then trying to sell them and think of customers existing to buy the firm's output rather than of firms existing to serve customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

102. A marketing-oriented firm would try to produce what customers want, while a production-oriented firm would try to get customers to buy what the firm has produced.

TRUE

Marketing-oriented firm tries to offer customers what they need and a production oriented firm makes whatever products which are easy to produce and then try to sell them.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

103. The three basic ideas in the marketing concept are 1) putting the marketing manager in charge of the whole firm, 2) a competitive orientation, and 3) an emphasis on profit.

FALSE

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit and not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

104. When a firm makes a total company effort to satisfy its customers, and profit—not just sales—is an objective of the firm, the company is practicing the "marketing concept."

TRUE

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit and not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

105. The three basic ideas included in the definition of the marketing concept are: customer satisfaction, a total company effort, and sales as an objective.

FALSE

Three basic ideas are included in the definition of the marketing concept: (1) customer satisfaction, (2) a total company effort, and (3) profit and not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

106. The three basic ideas in the marketing concept are: 1) customer satisfaction; 2) confining marketing activities to marketing professionals; and 3) having profit as an objective.

FALSE

Three basic ideas are included in the definition of the marketing concept: (1) customer satisfaction, (2) a total company effort, and (3) profit and not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

107. Adopting the marketing concept rarely requires any change in a firm's attitudes, organization structure, or management methods and procedures.

FALSE

Adoption of the marketing concept is not universal. The marketing concept provides a guiding focus that all departments adopt.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

108. Adopting the marketing concept requires that a business firm eliminate all functional departments.

FALSE

Departments may still exist because specialization often makes sense while marketing concept provides a guiding focus that all departments adopt.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

109. Companies that consider the triple bottom line measure economic, social, and political outcomes.

FALSE

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

110. Organizations guided by a triple bottom line consider economic, social, and environmental outcomes as measures of long-term success.

FALSE

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

111. The marketing concept was very quickly accepted, especially among producers of industrial commodities like steel and glass.

FALSE

Adoption of the marketing concept is not universal because producers of industrial commodities like steel, coal, and chemicals have tended to remain production oriented.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

112. Producers who operate in a competitive environment are more likely to adopt the marketing concept.

TRUE

When an industry gets competitive, consumers have choices and flock to those that deliver customer satisfaction. This provides an incentive for more firms to practice the marketing concept.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

113. Adoption of the marketing concept is now universal.

FALSE

Adoption of the marketing concept is not universal.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

114. A manager who follows a production concept views customer satisfaction as the path to profit.

FALSE

A manager who adopts the marketing concept sees customer satisfaction as the path to profits.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

115. Customer value is the difference that a customer sees between the benefits of a firm's offering and the costs of obtaining those benefits.

TRUE

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

116. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

TRUE

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

117. Customer value is just another term for customer satisfaction.

FALSE

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits. Satisfaction occurs when you give the customers what they need.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

118. A good or service that doesn't meet a consumer's needs results in low customer value.

TRUE

A good or service that doesn't meet a customer's needs results in low customer value, even if the price is very low.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

119. Setting a low price for a firm's offering is a sure way of creating high customer value.

FALSE

Some people think that higher customer value comes from a low price. A high price may be more than acceptable when it obtains the desired benefits.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

120. Low price and high customer value is one and the same thing.

FALSE

Some people think that higher customer value comes from a low price. A high price may be more than acceptable when it obtains the desired benefits.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

121. When it comes to customer value, it is the customer's view that matters, not the view of the marketing manager.

TRUE

Manager's objective and thorough analysis may not accurately reflect the customer's impressions. Yet it is the customer's view that matters.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

122. In marketing, it is the manager's viewpoint that matters, not the customer's.

FALSE

Manager's objective and thorough analysis may not accurately reflect the customer's impressions. Yet it is the customer's view that matters.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

123. Offering superior customer value is especially important when competition is intense.

TRUE

A firm that offers superior customer value is likely to win the competition and keep customers.

AACSB: Analytic

Blooms: Remember
Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept and Customer Value

124. Often the best way for a firm to beat the competition is to be first to satisfy a need that others have not even considered.

TRUE

Often the best way to improve customer value, and beat the competition, is to be first to satisfy a need that others have not even considered.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept and Customer Value

125. Firms that embrace the marketing concept seek ways to build a profitable long-term relationship with each customer.

TRUE

Firms that embrace the marketing concept seek ways to build a profitable long-term relationship with each customer.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept and Customer Value

126. It is more costly for firms to try and attract new customers than it is to build a strong relationship with existing customers.

TRUE

Trying to get new customers by taking them away from a competitor is usually more costly than retaining current customer relationships by really satisfying their needs.

AACSB: Analytic
Blooms: Remember
Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.
Level of Difficulty: 1 Easy
Topic: The Marketing Concept and Customer Value

127. To develop lasting relationships with customers, marketing-oriented firms need to focus on customer satisfaction both before and after each sale.

TRUE

Building lasting relationships with customers requires that everyone in a firm work together to provide customer value before and after each purchase.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

128. When trying to build relationships with customers, salespeople must be particularly well-trained because they are usually the only employees whose actions influence customers directly.

FALSE

The long-term relationship with the customer is threatened unless everyone works together to make things right for the customer.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

129. The text credits L.L. Bean's success to its focus on customer satisfaction and good customer value.

TRUE

L.L. Bean has always focused on customer satisfaction and customer value as a way to build long-term relationships and succeed with customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

130. The text credits L.L. Bean's marketing success to its great location.

FALSE

L.L. Bean has always focused on customer satisfaction and customer value as a way to build long-term relationships with customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

131. L.L. Bean has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

TRUE

L.L. Bean offers consumers a lot more than clothing and equipment. It has always focused on customer satisfaction and customer value as a way to build long-term relationships with customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

132. The text credits Chipotle's marketing success to its great price.

FALSE

Curves looked for ways to offer superior customer value leading to its marketing success.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

133. Chipotle has achieved success because its customers typically view the benefits of buying its products as greater than the costs.

TRUE

Curves looked for ways to offer superior customer value leading to its marketing success.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

134. The text credits Chipotle's success to its offering good customer value.

TRUE

Curves looked for ways to offer superior customer value leading to its marketing success.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

135. Sometimes micro-macro dilemmas arise because what is "good" for some producers and consumers may not be "good" for society as a whole.

TRUE

Micro-macro dilemma means what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

136. Gun control is an example of a micro-macro dilemma.

TRUE

Micro-macro dilemma means what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

137. The micro-macro dilemma occurs when a firm focuses its efforts on satisfying some consumers to achieve its objectives, possibly causing negative societal outcomes.

TRUE

The micro macro dilemma occurs when a firm focuses its efforts on satisfying some consumers to achieve its objectives which may result in negative effects on society.

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

138. A firm's obligation to improve its positive effects on society and reduce its negative effects is called fiscal responsibility.

FALSE

A firm's obligation to improve its positive effects on society and reduce its negative effects is called social responsibility.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

139. The marketing concept says that it is a firm's obligation to improve its positive effects on society and reduce its negative effects.

FALSE

A firm's obligation to improve its positive effects on society and reduce its negative effects is called social responsibility.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

140. Organizations that adopt the marketing concept should be concerned about marketing ethics as well as broader issues of social responsibility.

TRUE

A manager cannot be truly consumer-oriented and at the same time intentionally unethical.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

141. Marketing ethics are the moral standards that guide marketing decisions and actions.

TRUE

Marketing ethics are the moral standards that guide marketing decisions and actions.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

142. The moral standards that guide marketing decisions and actions are called marketing ethics.

TRUE

Marketing ethics are the moral standards that guide marketing decisions and actions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

143. Moral standards often vary from one person to another, from one society to another, and among different groups within a society, so there is likely to be disagreement about what opinion is correct when it comes to marketing ethics.

TRUE

Each individual develops moral standards based on his or her own values that helps explain why opinions about what is right or wrong often vary from one person to another, from one society to another, and among different groups within a society and sometimes difficult to say whose opinions are "correct."

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

144. A manager shouldn't be criticized for making an unethical marketing decision unless the ethical breach was intentional.

FALSE

A manager cannot be truly consumer-oriented and at the same time intentionally unethical.

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

145. The American Marketing Association has adopted a statement of ethics that sets specific ethical standards for many aspects of the management job in marketing.

TRUE

As stated in Exhibit 1-7, the American Marketing Association's code of ethics sets specific ethical standards for many aspects of marketing.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

146. The American Marketing Association's statement of ethics sets specific ethical standards for many aspects of marketing.

TRUE

As stated in Exhibit 1-7, the American Marketing Association's code of ethics sets specific ethical standards for many aspects of marketing.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

Multiple Choice Questions

147. According to the text, marketing means:

- A.** much more than selling and advertising.
- B. selling.
- C. producing and selling.
- D. advertising.
- E. selling and advertising.

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

148. The following activities are rightly considered marketing except:

- A. advertising the grand opening of a new furniture store.
- B. researching which furniture designs are popular with consumers.
- C. determining how many pieces of furniture can be sold at different price points.
- D.** building a facility to make furniture.
- E. selling furniture to customers in a furniture showroom.

Building a facility to manufacture furniture is part of production, not marketing. In contrast with production, marketing helps make sure that the right goods and services are produced and find their way to consumers.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

149. A marketing manager planning to launch a successful new product should begin by:

- A. obtaining financing for the venture.
- B. designing products that interest him or her.
- C.** identifying a product or service that customers need.
- D. choosing a business partner.
- E. establishing a legal corporation.

Marketing should begin with potential customer needs. Marketing should try to anticipate needs and then determine what goods and services are to be developed to meet those needs.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

150. Which of the following would not engage in the process of marketing?

- A. The United Way
- B. United States Postal Service
- C. Outback Steakhouse
- D. JFK International Airport
- E. Sam's Club members**

Marketing is a set of activities done by an organization to satisfy customers. While marketing applies to profit and nonprofit organizations, customers such as Sam's Club members do not engage in marketing.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

151. According to the text, marketing means:

- A. Distribution.
- B. Making good products.
- C. More than selling and advertising.**
- D. Promotion.
- E. Performing services.

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

152. According to the text, marketing means:

- A.** much more than just selling and advertising.
- B. advertising.
- C. producing a product that fills a need.
- D. selling.
- E. making a good product that sells itself.

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

153. According to the text, marketing means:

- A. making a good product that sells itself.
- B.** much more than selling and advertising.
- C. selling and advertising.
- D. producing goods and/or services.
- E. doing whatever it takes to be able to offer consumers a "better mousetrap."

Although it's true that selling and advertising are parts of marketing, marketing is much more than that.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

154. The production of a new mountain bike model includes which of the following activities?

- A. Determining how to get the new model to likely bike purchasers.
- B.** Actually making the new mountain bikes.
- C. Estimating how many competing companies will be making bikes.
- D. Predicting what types of bikes different types of bike riders will want.

Production is actually making goods or performing services.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

155. Predicting what types of bicycles different customers will want and deciding which of these customers the business will try to satisfy are activities a firm should do as part of

- A. production.
- B. a command economy.
- C.** marketing.
- D. making goods or performing services.
- E. a production orientation.

Marketing provides needed direction for production and helps make sure that the right goods and services are produced and find their way to consumers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

156. For Tesla, a new firm that makes an electric sports car, estimating how many competitors will make electric vehicles and what kinds they will make, is:

- A. one of the universal functions of innovation.
- B. a production activity.
- C. an example of the micro-macro dilemma.
- D. best left to intermediaries.
- E. a part of marketing.**

Marketing provides needed direction for production and helps make sure that the right goods and services are produced and find their way to consumers.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing-What's it All About?

157. Marketing

- A. means "selling" or "advertising."
- B. provides direction for production.**
- C. involves actually making goods or performing services.
- D. does not impact consumers' standard of living.
- E. is the development and spread new ideas, goods, and services.

Marketing provides needed direction for production and helps make sure that the right goods and services are produced and find their way to consumers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

158. _____ is the extent to which a firm fulfills a customer's needs, desires, and expectations.

- A. Customer forecast
- B. Customer satisfaction**
- C. Customer service
- D. Customer support

Customer satisfaction is the extent to which a firm fulfills a customer's needs, desires, and expectations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

159. Customer satisfaction is the extent to which a firm fulfills a consumer's:

- A. needs.
- B. desires.
- C. expectations.
- D. needs and desires.
- E. All of these are correct.**

Customer satisfaction is the extent to which a firm fulfills a customer's needs, desires, and expectations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing-What's it All About?

160. In an advanced economy, marketing costs account for about ____ cents of every consumer dollar.

- A. 10
- B. 20
- C. 30
- D. 40
- E. 50**

In advanced economies, marketing costs about 50 cents of every consumer dollar. For some goods and services, the percentage is much higher.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

161. Which of the following statements about marketing is FALSE?

- A. Marketing concepts and techniques apply for nonprofit organizations—as well as for profit-seeking organizations.
- B. Marketing offers many rewarding career opportunities.
- C. The cost of marketing is about 15 percent of the consumer's dollar.**
- D. Marketing affects almost every part of your daily life.
- E. Marketing is vital for economic growth and development.

In advanced economies, marketing costs about 50 cents of every consumer dollar. For some goods and services, the percentage is much higher.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

162. Marketing

- A. affects almost every aspect of our daily lives.
- B. offers few exciting or rewarding career opportunities.
- C. limits our choices of goods and services every day.
- D. focuses an organization on being the first to market a new product.

Marketing affects almost every aspect of your daily life.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 2 Medium

Topic: Marketing is Important to You

163. Which of the following is NOT a reason for you to study marketing?

- A. Marketing affects almost every aspect of daily life.
- B. Marketing will be important to your job.
- C. Marketing involves actually making the goods that people need.
- D. Marketing affects innovation and consumers' standard of living.
- E. Marketing plays a big part in economic growth and development.

Marketing affects almost every aspect of daily life, is important to your job, affects innovation and consumers' standard of living and also plays a big part in economic growth and development. Production involves actually making the goods that people need.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

164. Marketing encourages research and _____, the development and spread of new ideas, goods and services.

- A. analysis
- B. assessment
- C. evaluation
- D.** innovation
- E. introspection

Marketing encourages research and innovation, the development and spread of new ideas, goods and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

165. The development and spread of new ideas, goods, and services for the marketplace is called:

- A. marketing.
- B. the micro-macro dilemma.
- C. collaboration.
- D.** innovation.
- E. production.

The development and spread of new ideas, goods, and services for the marketplace is called innovation.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Level of Difficulty: 1 Easy

Topic: Marketing is Important to You

166. Marketing can be viewed as:

- A. a set of activities performed by individual organizations.
- B. relevant to for-profit organizations only.
- C. just selling and advertising.
- D. beginning with the production process.

Marketing is a set of activities done by an individual organization to satisfy its customers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

167. Macro-marketing examines all the following challenging scenarios except:

- A. Producers prefer to manufacture goods in large quantities, but consumers buy in small quantities.
- B. Consumers require a wide assortment of food items, but individual producers can offer only a narrow assortment of food products.
- C. Producers set prices to cover costs and make a profit, but consumers choose goods based on their ability to pay.
- D. Cedar Point Amusement Park would like to attract customers all year long, but its marketing strategy is currently limited to discount season pass offers during winter months while the park is closed.
- E. Producers tend to locate where it is economical to produce, but consumers are located in many scattered places.

In contrast with marketing, macro-marketing examines how the whole marketing system works. It does not pertain to the individual marketing plans and challenges of individual organizations.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

168. The text stresses that:

- A. advertising and selling are not really part of marketing.
- B. marketing is nothing more than a set of business activities performed by individual firms.
- C. marketing techniques have no application for nonprofit organizations.
- D.** marketing is a social process and a set of activities performed by organizations.
- E. a good product usually sells itself.

Marketing from a micro view is a set of activities performed by organizations and also from a macro view as a social process.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

169. Looking at marketing as a set of activities focuses on

- A. macro-marketing.
- B. for-profit marketing.
- C.** micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

Marketing from a micro view is a set of activities performed by organizations and also from a macro view as a social process.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

170. Micro-marketing:

- A. tries to accomplish a company's objectives by anticipating customers' needs and trying to satisfy them.
- B. begins with the production process.
- C. involves persuading customers to buy your product.
- D. is a social process involving all producers, intermediaries, and consumers.
- E. tries to make the whole economic system fair and effective.

Micro-marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

171. Micro-marketing:

- A. is concerned with whether the whole economic system is fair and effective.
- B. applies only to profit organizations.
- C. consists only of personal selling and advertising.
- D. is a social process only.
- E. tries to anticipate and satisfy customer needs and accomplish an organization's objectives.

Micro-marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

172. _____ is defined as the performance of activities that seek to accomplish an organization's objectives by anticipating customer needs and directing a flow of need-satisfying goods and services from producer to customer.

- A. Innovation
- B. Advertising
- C. Selling
- D. Marketing (from a micro view)**
- E. Sales promotion

Micro-marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

173. From a micro view, marketing

- A. applies to large corporations but not to a new venture started by one person.
- B. is an important social process.
- C. emphasizes how the whole marketing system works.
- D. is a set of activities performed by an individual organization to satisfy its customers.**
- E. directs an economy's flow of goods and services from producers to consumers.

Marketing from a micro view is a set of activities performed by organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

174. Which of the following statements best describes the modern view of marketing?

- A. The job of marketing is to get rid of whatever the company is producing.
- B. Marketing should take over production, accounting, and financial services within a firm.
- C. Marketing is concerned with generating a single exchange between a firm and a customer.
- D.** Marketing begins with anticipating potential customer needs.
- E. Production, not marketing, should determine what goods and services are to be developed.

Marketing should begin with potential customer needs and not with the production process.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

175. Which of the following statements best describes the modern view of marketing?

- A. Marketing is only necessary for profit-oriented firms.
- B. Marketing consists mainly of advertising and personal selling.
- C.** Marketing anticipates customer needs.
- D. Marketing begins as soon as products are produced.
- E. Firms that don't rely on e-commerce should put more emphasis on marketing.

Marketing should begin with potential customer needs and not with the production process.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

176. From a micro view, which of the following is the best example of marketing?

- A. North Korea unveils a new five-year production plan.
- B. China and the U.S. agree on a new trade agreement.
- C. The American Red Cross seeks more blood donors.
- D. The Internet makes it possible for firms to reach customers in other countries.
- E. None of these is a good example.

Marketing from a micro view is a set of activities performed by organizations. The American Red Cross is an organization which performs activities such as seeking more blood donors. The other alternatives above deal with macro-marketing issues.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

177. Which of the following statements by a U.S. president best reflects a MICRO view of marketing?

- A. "A tax cut will give consumers more spending money."
- B. "With interest rates low, many young people can now afford to buy a new home."
- C. "In the United States we have a better choice of products than in any other country."
- D. "My administration will spend 75 percent more on purchases related to domestic security during the next year."
- E. "Tourism firms should advertise more to attract more international visitors."

Marketing from a micro view is a set of activities performed by organizations. The other alternatives above deal with macro-marketing issues.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: How Should We Define Marketing?

178. Marketing:

- A. applies to both profit and nonprofit organizations.
- B. says that marketing should take over all production, accounting, and financial activities.
- C. should begin as soon as goods are produced.
- D. does away with the need for advertising.

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

179. Marketing:

- A. emphasizes mass selling over personal selling.
- B. allows production, rather than marketing, to determine what products to make.
- C. applies to both profit and nonprofit organizations.
- D. concentrates on production, rather than advertising.
- E. None of these is a true statement about marketing.

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

180. Marketing

- A. applies to both profit and nonprofit organizations.
- B. is another name for selling and advertising.
- C. should pick up where the production process ends.
- D. people should expect that the production department will determine what goods and services are to be developed.

Marketing applies to both profit and nonprofit organizations.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

181. Which of the following organizations would be least likely to need marketing skills?

- A. An accountant
- B. An electronics retailer
- C. A toy manufacturer
- D. A financial advisor
- E.** All of these organizations would be likely to need marketing skills.

The aim of marketing is to identify customers' needs and provide need-satisfying products, whether the product is a physical good, a service, or even an idea.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

182. The aim of marketing is to

- A. help create a pure subsistence economy.
- B. eliminate the need for exchanges.
- C. persuade customers to buy the firm's product.
- D.** identify customers' needs and meet those needs so well that the product almost "sells itself."
- E. facilitate a single transaction.

The aim of marketing is to identify customers' needs and meet those needs so well that the product almost "sells itself."

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

183. Effective marketing should begin with

- A. an effort to persuade unwilling customers to buy the firm's products.
- B.** potential customer needs.
- C. a decision about what the firm can produce efficiently.
- D. evaluation of the effect of the firm's decisions on the MACRO-marketing system.
- E. the marketing manager making important production, accounting, and financial decisions for the firm.

Marketing should begin with potential customer needs and not with the production process.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

184. Marketing should

- A. begin with the production process.
- B.** make decisions about product design and packaging, prices or fees.
- C. not need to coordinate with production, accounting, and financial activities.
- D. provide input, but let production determine what goods and services are to be developed.
- E. focus on getting customers to make a final purchase.

Marketing should determine what goods and services are to be developed including decisions about product design and packaging; prices or fees; credit and collection policies; transporting and storing policies; advertising and sales policies; and, after the sale, installation, customer service, warranty, and perhaps even disposal and recycling policies.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

185. All of the following should be determined by the marketing department of a firm EXCEPT:

- A. storing the product.
- B.** actually making the product.
- C. advertising the product.
- D. designing the packaging for the product.
- E. setting the price of the product.

Marketing should determine storing, advertising, designing the packaging, setting the price of the product, etc. Actually making goods or performing services is called production.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-01 Know what marketing is and why you should learn about it.

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

Topic: Marketing-What's it All About?

186. Marketing could NOT take place without:

- A. intermediaries.
- B. collaborators.
- C.** two or more parties who are willing to exchange something for something else.
- D. a high standard of living.

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

187. Marketing will not happen unless:

- A. e-commerce is flourishing.
- B. collaborators are present to simplify exchange.
- C. intermediaries are present to facilitate exchange.
- D.** two or more parties each have something they want to exchange for something else.
- E. an economy is market-directed rather than command.

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: How Should We Define Marketing?

188. Which of the following must occur for marketing to happen?

- A. Product
- B. Place
- C. Advertising
- D. Price
- E.** Two or more parties exchange something of value for something else of value.

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

189. Marketing is NOT needed in a _____ economy.

- A. consumer-oriented
- B. command
- C. pure subsistence**
- D. market-directed
- E. None of these is correct.

In a pure subsistence economy, when each family unit produces everything it consumes, there is no need to exchange goods and services and no marketing is involved.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: How Should We Define Marketing?

190. In a pure subsistence economy,

- A. each family unit is self-sufficient.**
- B. exchanges are very important.
- C. the standard of living must be relatively high.
- D. there is a great need for intermediaries.

In a pure subsistence economy, when each family unit produces everything it consumes, there is no need to exchange goods and services and no marketing is involved.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

191. If the family units on a South Pacific-island nation made all the products they consume, it would be a good example of:

- A. a pure subsistence economy.
- B. a market-directed economy.
- C. a micro-marketing system.
- D. a command economy.
- E. None of these is a correct answer.

In a pure subsistence economy, when each family unit produces everything it consumes, there is no need to exchange goods and services and no marketing is involved.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

192. Which of the following statements is FALSE?

- A. Marketing is most important in a pure subsistence economy.
- B. Marketing should provide direction for production, accounting, and financial activities.
- C. Marketing builds long-lasting relationships that benefit the selling firm.
- D. Marketing doesn't occur unless two or more parties are willing to exchange something for something else.
- E. Marketing anticipates customer needs.

In a pure subsistence economy, when each family unit produces everything it consumes, there is no need to exchange goods and services and no marketing is involved.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: How Should We Define Marketing?

193. Which of the following statements about marketing is FALSE?

- A. Marketing affects the products you buy.
- B. Marketing applies to nonprofit organizations too.
- C. Marketing affects the advertising you see and hear.
- D. Marketing offers many good job opportunities.
- E.** Marketing can help with individual transactions but not in building relationships with customers.

A marketing exchange is often part of an ongoing relationship, not just a single transaction.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: How Should We Define Marketing?

194. Viewing marketing as a social process focuses on

- A. marketing by nonprofit organizations.
- B. command economies.
- C.** macro-marketing.
- D. micro-marketing.
- E. None of these is correct.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

195. Looking at marketing as a social process focuses on

- A.** macro-marketing.
- B. for-profit marketing.
- C. micro-marketing.
- D. nonprofit marketing.
- E. personalized marketing.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

196. Societies need a macro-marketing system

- A.** to help match supply and demand.
- B. to create a gap between producers and consumers.
- C. to accomplish an organization's objectives only.
- D. to identify collaborators.
- E. to reduce the need for intermediaries.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

197. Macro-marketing:

- A. Emphasizes how the whole marketing system works.
- B. Considers how marketing affects society, but not how society affects marketing.
- C. Matches homogeneous supply and demand.
- D. Is mainly concerned with the activities of individual organizations.

The emphasis with macro-marketing is not on the activities of individual organizations; instead, the emphasis is on how the whole marketing system works.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

198. Macro-marketing:

- A. tries to produce discrepancies of quantity and discrepancies of assortment.
- B. focuses on the activities of individual organizations.
- C. tries to effectively match supply and demand.
- D. is a set of activities performed by individual firms.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

199. Macro-marketing:

- A. is concerned with the activities performed by individual business organizations.
- B.** tries to match heterogeneous supply capabilities with heterogeneous demands for goods and services.
- C. is concerned with how effectively and fairly an individual business organization performs.
- D. assumes that the effectiveness and fairness of all macro-marketing systems must be evaluated in terms of the same social objectives.

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

200. Macro-marketing

- A.** is a social process.
- B. concerns the activities of individual managers.
- C. is what people have in mind when they talk about marketing in everyday use.
- D. helps consumers that need a narrow assortment of products.
- E. applies only to nonprofit organizations.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

201. _____ directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the society's objectives.

- A.** Macro-marketing
- B. The transporting function
- C. Micro-marketing
- D. Standardization and grading
- E. Social responsibility

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

202. Macro-marketing

- A. emphasizes building a long-term relationship that benefits both the firm and the customer.
- B. considers the marketing activities of corporations rather than individuals.
- C.** emphasizes how the whole marketing system works.
- D. systems are only relevant to advanced economies.
- E. addresses discrepancies that emerge from homogeneous consumer demand.

The emphasis with macro-marketing is not on the activities of individual organizations; instead, the emphasis is on how the whole marketing system works.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

203. Macro-marketing:

- A.** is a social process.
- B. tries to encourage "discrepancies of quantity" and "discrepancies of assortment."
- C. tries to disrupt supply and demand.
- D. tries to foster the many separations between producers and consumers.

Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand and accomplishes the objectives of society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

204. The following headlines are from Business Week magazine. Which article is most likely to be reporting on a macro-marketing topic?

- A. "Two-Person Engineering Firm Offers Unique Service."
- B.** "Russia Increases Output of Consumer Goods."
- C. "Pepsi Sells in Japan."
- D. "Bank of America Offers New Internet Banking Services."
- E. "Donations to Tsunami Victims Fund Increase after TV Broadcast."

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives. The other alternatives above deal with individual firms.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

205. The following headlines are for articles from the WALL STREET JOURNAL. Which article is most likely to be reporting a macro-marketing topic?

- A. "Mercedes Goes after Luxury Sport Utility Buyers."
- B. "Adidas Jumps as Footwear Competition Heats Up."
- C. "Drugstore Chain Aims at Seniors."
- D. "Hardee's Fried Chicken Takes on KFC."
- E. "DVD Popularity Leads to More DVD Retailers."**

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives. The other alternatives above deal with individual firms

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

206. Of the following headlines from the WALL STREET JOURNAL, which is most likely to be about a MACRO-marketing topic?

- A. "Tupperware Has a New Strategy."
- B. "Thailand Has Unusually Large Number of Wholesalers."**
- C. "Military Supplier Shifts to Selling Gas Masks to Private Citizens."
- D. "Coke Plans Beverage Line to Compete with Lipton's."
- E. "Dow Chemical Adds Shipping Safeguards."

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives. The other alternatives above deal with individual firms.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

207. Of the following headlines from a business magazine, which is most likely to be about a macro-marketing topic?

- A.** "Chinese Women Demand More Luxury Goods."
- B. "Girl Scouts Organize Nationwide Cookie Sale."
- C. "L'eggs Sells Direct in Brazil and Argentina."
- D. "Frito-Lay Offers New Low-Fat Products."
- E. "Coke Losing Beverage Sales in India to local brands."

The role of a macro-marketing system is to effectively match the heterogeneous supply and demand and at the same time accomplish society's objectives. The other alternatives above deal with individual firms.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

208. In advanced economies:

- A. both supply and demand tend to be homogeneous.
- B.** producers and consumers are often separated in several ways.
- C. most firms specialize in producing and selling small amounts of a huge assortment of goods and services.
- D. exchange is aided by discrepancies of quantity and assortment.

Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several ways.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

209. In advanced economies:

- A. mass production with its economies of scale makes the cost of each product higher.
- B. exchange is simplified by discrepancies of quantity and assortment.
- C. there is little need for marketing specialists.
- D. both supply and demand tend to be homogeneous in nature.
- E. producers and consumers experience a separation of values.**

Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several ways.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

210. Exchanges between producers and consumers are more difficult in an advanced economy because of:

- A. separation in time.
- B. separation in values.
- C. spatial separation.
- D. separation of information.
- E. All of these are correct.**

Exchange between producers and consumers is hampered by spatial separation, separation in time, separation of information and values, and separation of ownership.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

211. The primary purpose of the transporting and storing functions of marketing is to overcome:

- A. the need for marketing specialists.
- B. separation of information.
- C. spatial separation.**
- D. discrepancies of assortment.
- E. separation of values.

The transporting function means the movement of goods from one place to another and the storing function involves holding goods until customers need them. These functions help to overcome spatial separation.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

212. American supermarket chain, FoodMart, purchases cheese from five different manufacturers from around the world to assure its customers can choose among different types of cheeses at different prices. FoodMart facilitates the macro-marketing system by helping to address:

- A. spatial separation.
- B. discrepancies of assortment.
- C. separation of values.
- D. all of these are correct.**

Purchasing cheese from five different manufacturers overcomes discrepancies of assortment, purchasing from around the world overcomes spatial separation, and customers being able to satisfy their needs at different prices overcome separation of values.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

213. The fact that US car companies are located in the upper Midwest while their customers are located throughout the U.S. is an example of:

A. separation in values.
B. discrepancies of assortment.
C. separation of information.
D. spatial separation.
E. separation in time.

In spatial separation, producers tend to locate where it is economical to produce, while consumers are located in many scattered places.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

214. When consumers do not know where to buy a product or what it costs and the product's producer does not know where its target market is located, this is an example of:

A. separation of information.
B. discrepancy of quantity.
C. separation of ownership.
D. discrepancy of assortment.
E. separation in time.

In separation of information, producers do not know who needs what, where, when, and at what price. Also consumers do not know what is available from whom, where, when, and at what price.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

215. When an individual producer sets a price for its product to earn a certain profit while consumers search for the product at the lowest price available from any producer, this is an example of:

A. separation in time.
B. discrepancy of quantity.
C. separation in values.
D. discrepancy of assortment.
E. spatial separation.

In separation in values, producers value goods and services in terms of costs and competitive prices while consumers value them in terms of satisfying needs and their ability to pay.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

216. The fact that producers usually prefer to produce products in large quantities, while most consumers prefer to buy in small quantities, results in:

A. discrepancies of quantity.
B. separation of ownership.
C. discrepancies of assortment.
D. spatial separation.
E. temporal separation.

Discrepancies of quantity occurs when producers prefer to produce and sell in large quantities and consumers prefer to buy and consume in small quantities.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

217. In a simple economy, one family may produce only cooking pots, but many of them. Others may specialize in farming, making clothing, and building shelters. This

- A. shows why "discrepancies of assortment" occur.
- B. is so simple that the universal functions of marketing don't have to be done.
- C. cannot work without an intermediary.
- D. is an example of "separation in values" since the different families choose to produce different things.

Discrepancies of assortment occurs when producers specialize in producing a narrow assortment of goods and services, but consumers need a broad assortment.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

218. Discrepancies of assortment happen when

- A. producers prefer to produce and sell in large numbers, but consumers prefer to buy and consume in smaller numbers.
- B. consumers may not want to consume goods and services at the time producers would prefer to produce them.
- C. consumers value goods and services in terms of costs and competitive prices whereas producers value them in terms of satisfying needs and ability to pay.
- D. producers specialize in producing a narrow range of goods and services but consumers need a wide variety.
- E. producers hold title to goods and services that they themselves do not want to consume.

Discrepancies of assortment occurs when producers specialize in producing a narrow assortment of goods and services, but consumers need a broad assortment.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

219. _____ refers to producers holding title to goods and services that they themselves do not want to consume and consumers wanting goods and services that they do not have.

- A. Discrepancies of assortment
- B. Separation of ownership**
- C. Discrepancies of quantity
- D. Spatial separation
- E. Separation in time

Separation of ownership occurs when producers hold title to goods and services that they themselves do not want to consume while consumers want goods and services that they do not own.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

220. "Economies of scale" means that:

- A. as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.**
- B. the more producers there are in an economy the greater the need for intermediaries.
- C. larger countries enjoy more economic growth than smaller countries.
- D. as a company produces larger numbers of a particular product, the total cost of producing these products goes down.

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

221. When a firm produces a large quantity of a product, the cost of producing each individual unit usually goes down. This is known as:

- A. discrepancies of quantity.
- B. exchange efficiency.
- C.** economies of scale.
- D. macro-marketing.
- E. discrepancies of assortment.

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

222. The term "economies of scale" means that:

- A. The largest producers are always the most efficient.
- B.** The cost of a product goes down as a company produces larger numbers of it.
- C. The more one produces, the greater the profit.
- D. It is more efficient for an economy to have a large number of transactions.
- E. None of these is correct.

Economies of scale means that as a company produces larger numbers of a particular product, the cost of each unit of the product goes down.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-02 Understand the difference between marketing and macro-marketing.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

223. The universal functions of marketing include buying, selling, transporting, storing,

- A. standardization and weighing, financing, risk taking, and marketing information
- B. standardization and grading, facilitating, risk taking, and marketing information
- C. standardization and grading, financing, risk taking, and marketing information**
- D. standardization and grading, financing, risk taking, and merchandising information

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

224. From the macro-marketing perspective, the spatial separation that exists between military equipment manufacturers and the people who use the equipment overseas is directly addressed through this marketing function:

- A. financing
- B. transporting**
- C. risk taking
- D. market information
- E. storing

From the macro-marketing perspective, the marketing function that overcomes the spatial separation between a manufacturer and overseas consumers is transporting. Macro-marketing is a social process that directs an economy's flow of goods and services from producers to consumers in a way that effectively matches supply and demand.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

225. Since individual firms cannot perform all marketing functions, _____ often play a role in the exchange process.

- A. intermediaries
- B. consumers
- C. nonprofits
- D. marketing managers
- E. government regulators

While producers handle some of the marketing functions themselves, exchanges are often easier or less expensive when a marketing specialist, or intermediary, performs some of the marketing functions.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

226. From the perspective of macro-marketing, e-commerce specialists CarFax (which provides vehicle history reports) and Cars.com (a website offering auto comparison shopping) have emerged within the auto industry because:

- A. auto manufacturers need to sell direct to consumers.
- B. the market needs competitive rivals to auto dealerships.
- C. the information they provide makes the exchange process between producers and consumers more efficient and effective.
- D. the role of the automotive sales person is becoming obsolete.
- E. consumers live far distances from most automotive plants

From the perspective of macro-marketing, specialists such as e-commerce businesses develop when there are opportunities to make exchanges between producers and consumers more efficient or effective.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

227. The "universal functions of marketing" do NOT include:

- A. financing and risk taking.
- B. standardization and grading.
- C. producing.**
- D. transporting and storing.
- E. buying and selling.

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

228. Which of the following statements about the "universal functions of marketing" is False?

- A. These functions do not have to be performed in all macro-marketing systems.**
- B. How the functions are performed may differ among nations and economic systems.
- C. Who performs the functions may differ among nations and economic systems.
- D. These functions help to overcome discrepancies of quantity and assortment.
- E. None of these statements is False.

The universal functions of marketing must be performed in all macro-marketing systems. How these functions are performed and by whom may differ among nations and economic systems.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

229. The "universal functions of marketing":

- A. must be performed in all MACRO-marketing systems.
- B. are performed the same way in all economies.
- C. are performed by the same parties in all economies.
- D. are needed to help foster various separations and discrepancies.

The universal functions of marketing must be performed in all macro-marketing systems. How these functions are performed and by whom may differ among nations and economic systems.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

230. Which of the following is NOT one of the "universal functions of marketing"?

- A. Production
- B. Standardization
- C. Financing
- D. Buying
- E. Transporting

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

231. The "universal functions of marketing":

- A. can be eliminated in advanced MACRO-marketing systems.
- B.** are performed differently and by different parties in different economies.
- C. are never performed by consumers.
- D. create various separations and discrepancies between producers and consumers.

The universal functions of marketing must be performed in all macro-marketing systems. How these functions are performed and by whom may differ among nations and economic systems.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

232. After seeing a "sale" ad in a local newspaper, Ben Griffith went to a local pet supply store and bought a year's supply of high protein dog food. Which marketing functions—if any—did he perform?

- A. Financing and risk taking.
- B. Transporting and storing.
- C. Market information.
- D. Buying.
- E.** Ben performed all of these marketing functions.

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information. And most of these functions were performed by Ben.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

233. A large advertising agency is planning a national promotion to introduce a new type of MP3 player. Which of the universal functions of marketing is it performing?

- A. Risk-taking.
- B. Financing.
- C. Buying.
- D. Selling.**
- E. It is performing none of the universal functions of marketing listed here.

The selling function involves promoting the product, use of personal selling, advertising, customer service, and other direct and mass selling methods.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

234. Which of the universal functions of marketing deals most directly with advertising a product in magazines?

- A. Transporting
- B. Selling**
- C. Financing
- D. Risk-taking
- E. Market information

The selling function involves promoting the product, use of personal selling, advertising, customer service, and other direct and mass selling methods.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

235. Market research firm BestOne sells reports about competitors, products, and other areas to various clients in the software industry. BestOne performs which universal marketing function:

- A. risk taking.
- B. market information.**
- C. standardization and grading.
- D. social responsibility.
- E. financing.

Market information function involves the collection, analysis, and distribution of all the information needed to plan, carry out, and control marketing activities, whether in the firm's own neighborhood or in a market overseas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

236. The standardization and grading function of marketing involves:

- A. Looking for and evaluating goods and services.
- B. Providing necessary cash and credit.
- C. Promoting the product.
- D. Sorting products according to size and quality.**
- E. None of these answers is correct.

Standardization and grading involve sorting products according to size and quality.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

237. _____ involve(s) sorting products according to size and quality.

- A. Transporting and storing
- B. Financing
- C. Standardization and grading**
- D. Marketing
- E. Buying

Standardization and grading involve sorting products according to size and quality.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

238. The standardization and grading function of marketing involves:

- A. promoting goods and services.
- B. collection, analysis, and distribution of marketing information.
- C. sorting products according to size and quality.**
- D. looking for and evaluating goods and services.
- E. movement of goods from one place to another.

Standardization and grading involve sorting products according to size and quality.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

239. The buying function of marketing involves

- A. risk-taking.
- B. promoting the product.
- C.** looking for and evaluating goods and services.
- D. the use of personal selling.
- E. sorting products according to size and quality.

The buying function means looking for and evaluating goods and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

240. The universal functions of marketing

- A. are not all needed in market-directed economies.
- B. are not all needed in command economies.
- C.** can be performed by producers, consumers, and a variety of marketing specialists.
- D. are performed in the same way in all economic systems.

Producers, consumers, and marketing specialists perform the universal functions of marketing.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

241. The "universal functions of marketing" can be performed by:

- A. producers.
- B. intermediaries.
- C. consumers.
- D. collaborators.
- E. All of these.**

Producers, consumers, and marketing specialists perform the universal functions of marketing. Intermediaries and collaborators are marketing specialists.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

242. The "universal functions of marketing":

- A. are usually performed in the same way and by the same types of institutions in all MACRO-marketing systems.
- B. can sometimes be eliminated—in very efficient macro-marketing systems.
- C. must be performed in both market-directed and command economies.**
- D. must all be performed by every firm from a MICRO view.

The universal functions of marketing must be performed in all macro-marketing systems and may differ among nations and economic systems. The two kinds of economic systems are command economies and market-directed economies.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

243. An intermediary:

- A. is a wholesaler—not a retailer.
- B. usually increases the number of transactions required.
- C. tends to make the exchange process more difficult and costly.
- D.** is someone who specializes in trade rather than production.
- E. none of these answers is correct.

An intermediary is someone who specializes in trade rather than production and plays an important role in the exchange process.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

244. Which of the following is NOT true about intermediaries?

- A. They save time for other participants in a transaction.
- B.** They always increase total expenses for a product.
- C. They play an important role in the exchange process.
- D. They specialize in trade rather than production.

An intermediary is someone who specializes in trade rather than production and plays an important role in the exchange process by saving of time, effort, and expense that would be involved without them.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

245. The advantages of working with an intermediary usually increase when there is

- A. excellent communication with customers.
- B. a greater number of customers.**
- C. little distance between customers.
- D. a smaller number of competing products.

An intermediary is someone who specializes in trade rather than production and plays an important role in the exchange process for a large number of customers.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

246. Which of the following is MOST likely to be classified as a marketing intermediary?

- A. Apex Manufacturing, Inc.
- B. Lillian's Mini-Market.**
- C. McGraw Hill/Irwin.
- D. Kellogg.
- E. Golden Arbor Farms.

An intermediary is someone who specializes in trade rather than production and plays an important role in the exchange process. So is the case of Lillian's Mini-Market.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

247. Firms that specialize in providing marketing functions other than buying or selling are known as:

- A. suppliers.
- B. intermediaries.
- C. consultants.
- D. agents.
- E. collaborators.**

Collaborators are firms that facilitate or provide one or more of the marketing functions other than buying or selling.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

248. Collaborators

- A. specialize in trade rather than production.
- B. usually have a production orientation.
- C. emerged in the marketing company era.
- D. are only used in a command economy.
- E. facilitate or provide one or more of the marketing functions other than buying or selling.**

Collaborators are firms that facilitate or provide one or more of the marketing functions other than buying or selling.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

249. Which of the following types of firms are collaborators?

- A. Marketing research firms
- B. Overnight delivery firms
- C. Advertising agencies
- D. Product-testing labs
- E. All of these are collaborators.**

Collaborators include advertising agencies, marketing research firms, independent product-testing laboratories, Internet service providers, public warehouses, transporting firms, communications companies, and financial institutions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

250. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. Mayflower Transport Company.
- B. Internet Advertising, Inc.
- C. Wachovia Bank.
- D. Market Survey Research, Inc.
- E. Quality Coatings and Paint Company.**

Collaborators include advertising agencies, marketing research firms, independent product-testing laboratories, Internet service providers, public warehouses, transporting firms, communications companies, and financial institutions.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

251. Which of the following is LEAST likely to be classified as a marketing collaborator?

- A. United Parcel Service (UPS).
- B. Public Warehouse Corporation.
- C. Broadband Communications Company.
- D. MeadowView Aluminum Company.**
- E. Product Safety Testing Laboratories, Inc.

Collaborators include advertising agencies, marketing research firms, independent product-testing laboratories, Internet service providers, public warehouses, transporting firms, communications companies, and financial institutions.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

252. Marketing intermediaries and collaborators can often perform marketing functions:

- A. worse than producers or consumers can perform them.
- B. which leaves producers with more time for production.**
- C. which leaves consumers with less time for consumption.
- D. at a high cost—because of specialization, economies of scale, or e-commerce.

Marketing intermediaries and collaborators are often able to perform the marketing functions better and at a lower cost than producers or consumers can which allows producers and consumers to spend more time on production, consumption, or other activities including leisure.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

253. Amazon.com and eBay.com are both considered

- A. Internet-based collaborators.
- B. Internet-based producers.
- C. Internet-based service providers.
- D.** Internet-based intermediaries.
- E. Internet-based manufacturers.

Internet-based intermediaries like Amazon.com and eBay.com help cut the costs of many marketing functions.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

254. Concerning the "universal functions of marketing," which of the following statements is false?

- A. These functions can be performed by producers, intermediaries, collaborators, or consumers.
- B. Responsibility for performing these functions can be shared and shifted.
- C. From a micro viewpoint, not every company must perform every function.
- D. From a macro viewpoint, all these functions must be performed by someone.
- E.** None of these statements is false.

All of the above mentioned statements are true regarding the universal functions of marketing.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

255. Considering the universal functions of marketing,

- A. they may not be required in all macro-marketing systems.
- B.** not every firm must perform all of the marketing functions.
- C. responsibility for performing them cannot be shifted or shared.
- D. all goods and services require all the functions at every level of their production.

From a micro viewpoint, not every firm must perform all of the functions; however, responsibility for performing the marketing functions can be shifted and shared in a variety of ways.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

256. In macro-marketing

- A.** no universal marketing function can be completely eliminated.
- B. the objectives of the individual firm, rather than society, are most important.
- C. functions should not be shifted or shared.
- D. intermediaries are unnecessary.
- E. the emphasis is on the activities of individual organizations.

From a macro-marketing viewpoint, all of the marketing functions must be performed by someone, thus no function can be completely eliminated.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 3 Hard

Topic: Macro-Marketing

257. Concerning the "universal functions of marketing," it is true that:

- A. these functions must be performed in all macro-marketing systems.
- B. these functions can be performed by producers or intermediaries—but not by consumers.
- C. from a micro viewpoint, every firm must perform all of the functions.
- D. responsibility for performing these functions can be shifted and shared—and some functions can be completely eliminated to reduce costs.

From a macro-marketing viewpoint, all of the marketing functions must be performed by someone—an individual producer or consumer, an intermediary, a marketing collaborator, or, even a nation's government. No function can be completely eliminated.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-03 Know the marketing functions and why marketing specialists-including intermediaries and collaborators-develop to perform them.

Level of Difficulty: 2 Medium

Topic: Macro-Marketing

258. _____ refers to the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in society.

- A. Resource utilization
- B. Socio-economic policy
- C. The way a firm measures value
- D. Separation of values
- E. Economic system

Economic system is the way an economy organizes to use scarce resources to produce goods and services and distribute them for consumption by various people and groups in the society.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

259. A macro-marketing system should:

- A. provide everyone with the same goods and services.
- B. be part of a market-directed economy, not a command economy.
- C.** accomplish a particular society's objectives, whatever they are.
- D. depend solely on a society's political institutions.

The role of a macro-marketing system is to effectively match supply and demand and at the same time accomplish society's objectives.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: Macro-Marketing

Topic: The Role of Marketing in Economic Systems

260. An economic system in which government planners determine production levels is known as

- A.** a command economic system.
- B. a micro-marketing economic system.
- C. a macro-marketing economic system.
- D. a market-directed economic system.
- E. a pure subsistence economic system.

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

261. An economic system in which government officials determine production levels is known as:

- A. pure subsistence.
- B. macro-marketing.
- C. market-directed.
- D. production-oriented.
- E. command.**

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

262. In a command economy:

- A. producers generally have a lot of choice about what and how much to produce.
- B. prices usually fluctuate according to supply and demand.
- C. marketing activities such as advertising, branding, and market research are encouraged.
- D. consumers usually have some freedom of choice—but it is quite limited.**

Consumers usually have some freedom of choice, but the assortment of goods and services may be quite limited.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

263. In a command economy, government officials decide:

- A. who is to produce and distribute what to whom.
- B. how much is to be produced.
- C. how much is to be distributed to whom.
- D. what is to be produced.
- E.** government officials decide on all of these.

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

264. In a command economy

- A.** producers generally have little choice about what goods and services to produce.
- B. the individual decisions of the many producers and consumers come together to make the macro-level decisions.
- C. consumers make a society's production decisions.
- D. consumers decide what is to be produced and by whom through their dollar "votes."
- E. the market adjusts itself.

Producers in a command economy generally have little choice about what goods and services to produce. Their main task is to meet the production quotas assigned in the plan.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

265. In a market-directed economy:

- A. marketing managers make all the important economic decisions.
- B. government planners make all the important economic decisions.
- C. all the important economic decisions are made by voters in political elections.
- D. consumers make all the important economic decisions.
- E.** the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

266. In a _____ the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

- A. mixed economy
- B. command economy
- C.** market-directed economy
- D. production-oriented economy
- E. controlled economy

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

267. In a market-directed economy:

- A. profit, survival, and growth are all guaranteed for producers.
- B. consumers have little freedom of choice.
- C.** consumers decide what is to be produced and by whom through their dollar votes.
- D. prices usually do not change according to supply and demand.
- E. only the needs of the majority are served.

In a market-directed economy, consumers decide what is to be produced and by whom—through their dollar "votes."

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

268. Which of the following statements about economic decision making is TRUE?

- A.** In a market-directed economy, the micro-level decisions of individual producers and consumers determine the macro-level decisions.
- B. Government planning usually works best when economies become more complex and the variety of goods and services produced is fairly large.
- C. The United States may be considered a pure market-directed economy.
- D. Command economies usually rely on market forces to determine prices.

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

269. _____ in the marketplace are a rough measure of how society values particular goods and services.

- A. Inventories
- B. Prices**
- C. Cost of labor and materials
- D. The number of producers
- E. Discrepancies of quantity

Prices in the marketplace are a rough measure of how society values particular goods and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

270. Price is a rough measure of _____.

- A. company profit
- B. customer value**
- C. market supply
- D. company costs
- E. economic inflation

Prices in the marketplace are a rough measure of how society values particular goods and services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

271. The role of price in a market-directed economy is to:

- A. allocate resources and distribute income according to consumer preferences.
- B. serve as a rough measure of the social importance of consumer goods and services.
- C. coordinate the economic activity of many people and institutions.
- D. serve as a rough measure of the value of resources used to produce goods and services.
- E. All of these are true.**

All of the above mentioned statements are true regarding the role of price in a market-directed economy.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

272. Which of the following statements about economic systems is true?

- A. Consumers usually have more freedom of choice in a market-directed economy.**
- B. Command economies are most effective for countries with large and complicated varieties of goods and services.
- C. Branding is less common in a market-directed economy than in a command economy.
- D. The United States is a good example of a command economy.
- E. None of these statements is true.

Consumers in a market-directed economy enjoy great freedom of choice.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

273. Which of the following is NOT true about a market-directed economy?

- A. Consumers enjoy maximum freedom of choice.
- B. Producers enjoy maximum freedom of choice.
- C. The interaction between consumers and producers is great.
- D.** Government is responsible for setting up all marketing activities.
- E. The price of a consumer product serves as a measure of its value.

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy. Government officials decide what and how much is to be produced and distributed in a command economy.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

274. Consumers in a market-directed economy

- A. enjoy limited freedom of choice.
- B.** are taxed to provide for goods and services that benefit society, such as public health, national defense, highways, police and fire protection.
- C. do not decide what is to be produced and by whom.
- D. have to buy what is being produced.
- E. do not have to buy any goods or services.

The citizens in a market-directed economy are taxed for goods or services provided for the good of society such as national defense, schools, police and fire protection, highway systems, and public-health services.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

275. Which of the following is LEAST LIKELY to be a government role in a market-directed economy?
- A. To set rules to protect individual rights and freedom.
 - B. To supervise the economy.
 - C. To provide things such as mass transportation and highways, national defense, police and fire protection, and public health services.
 - D. To control interest rates and the supply of money.
 - E. To determine prices—and thereby allocate resources and distribute income.**

In a market-directed economy, prices are determined in the marketplace and is not likely to be a role of government.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 3 Hard

Topic: The Role of Marketing in Economic Systems

276. _____ NOT the government's job in a market-directed economy.

- A. Protecting property and enforcing contracts are
- B. Regulating radio and television broadcasting is
- C. Setting import and export rules is
- D. Determining what and how much is to be produced is**
- E. Controlling interest rates and the supply of money are

In a market-directed economy, consumers decide what is to be produced and by whom—through their dollar "votes."

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

277. Which of the following statements about a market-directed economic system is True?

- A. Consumers enjoy substantial freedom of choice.
- B. Profit, growth and survival are guaranteed.
- C. Government has no role.
- D. There is very little interaction between producers and consumers.

Consumers in a market-directed economy enjoy great freedom of choice.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

278. Identify the incorrect statement about market-directed economies.

- A. A market-directed economy adjusts itself.
- B. The American economy is completely market-directed.
- C. Consumers in a market-directed economy decide what is to be produced and by whom—through their dollar "votes."
- D. Consumers in a market-directed economy enjoy great freedom of choice.

The American economy and most other Western economies are mainly market-directed but not completely.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

279. Which of the following statements about economic systems is NOT true?

- A. Government has less of a role in market-directed economies than in command economies.
- B. A market-directed economy self-adjusts through producer and consumer choices.
- C.** Producers always make a profit in a market-directed system.
- D. A command economy is more likely to work if the variety of goods and services is small.
- E. Both market-directed and command economies need a macro-marketing system.

Producers are free to do whatever they wish, provided that they stay within the rules set by government and receive enough dollar "votes" from consumers. But profit, survival, and growth are not guaranteed.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

280. Whether a macro-marketing system is fair or effective depends on

- A. goods and services being evenly distributed across the population.
- B. discrepancies of quantity.
- C. the emphasis given to military spending.
- D. the marketing orientation of individual firms.
- E.** the objectives of the society.

The effectiveness and fairness of a particular macro-marketing system must be evaluated in terms of that society's objectives.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

281. Which of the following BEST describes what is necessary for a country's MACRO-marketing system to be "fair and effective"?

- A. No low quality or dangerous products are sold.
- B. Product shortages never exist.
- C. There is a big choice of goods and services.
- D. All consumers get the same opportunity to enjoy a high standard of living.
- E.** There is not enough information to select an answer.

The effectiveness and fairness of a particular macro-marketing system must be evaluated in terms of that society's objectives.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

282. The various economic systems around the world are:

- A. equally effective at providing for the needs of citizens.
- B. always shaped by the free decisions of producers and consumers.
- C. known collectively as the "command economy."
- D.** heavily influenced by a society's political institutions.
- E. based on the ideal of a pure subsistence economy.

While all societies have economic systems, how an economic system operates depends largely on the nature of the society's political institutions.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

283. Which of the following statements does not describe a command economy?

- A. Government bureaucrats decide what and how much is to be produced.
- B. A command economy is sometimes called a "planned economy."
- C.** Prices are set by the law of supply and demand.
- D. Producers offer a highly limited assortment of goods and services.
- E. The economy is found in countries like Iran and North Korea.

In a command economy, prices are set by government planners, not supply and demand.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: The Role of Marketing in Economic Systems

284. The economic freedom provided within a market-directed economy produces the greatest number of:

- A. government planners
- B. government regulations
- C.** entrepreneurs and innovators
- D. military-oriented purchases
- E. trade restrictions

Market directed economies produce great numbers of entrepreneurs and innovators because individuals in such economies have the economic freedom to take risks and try out new ideas.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 2 Medium

Topic: The Role of Marketing in Economic Systems

285. Which era of marketing is characterized by families who sold their surpluses to local distributors?

- A. The simple trade era
- B. The production era
- C. The sales era
- D. The marketing department era
- E. The marketing company era

As bartering became more difficult, societies moved into the simple trade era, a time when families traded or sold their surplus output to local distributors. These specialists resold the goods to other consumers or other distributors.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

286. Which item famously originated in the production era?

- A. Laptop computers
- B. Home movie rentals
- C. Chariots
- D. Automobiles
- E. Compact fluorescent light bulbs

The mass production of the automobile is associated with the production era, the period from the Industrial Revolution until the 1920s.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-04 Understand what a market-driven economy is and how it adjusts the macro-marketing system.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

287. The text considers five "eras" of marketing evolution. These five eras in their logical order are:

- A. Simple trade, production, sales, marketing company, marketing department
- B. Subsistence, production, sales, entrepreneurial, marketing company
- C. Simple trade, production, sales, marketing department, international trading
- D. Simple trade, production, sales, entrepreneurial, marketing company
- E. Simple trade, production, sales, marketing department, marketing company**

The five stages in marketing evolution are: (1) the simple trade era, (2) the production era, (3) the sales era, (4) the marketing department era, and (5) the marketing company era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: Marketing's Role Has Changed a Lot over the Years

288. The text considers five "eras" of marketing evolution. Which of the following shows the logical order in which these eras occur?

- A. Marketing department, production, sales, simple trade, marketing company
- B. Sales, production, marketing department, marketing company, simple trade
- C. Sales, simple trade, marketing company, production, marketing department
- D. Simple trade, production, sales, marketing company, marketing department
- E. Simple trade, production, sales, marketing department, marketing company**

The five stages in marketing evolution are: (1) the simple trade era, (2) the production era, (3) the sales era, (4) the marketing department era, and (5) the marketing company era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

289. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

A. Simple trade era
B. Sales era
C. Facilitator era
D. Marketing department era
E. Production era

The five stages in marketing evolution are: (1) the simple trade era, (2) the production era, (3) the sales era, (4) the marketing department era, and (5) the marketing company era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

290. The text discusses the evolution of business through five "eras." Which of the following is NOT one of these eras?

A. Diversification era
B. Sales era
C. Production era
D. Marketing company era
E. Simple trade era

The five stages in marketing evolution are: (1) the simple trade era, (2) the production era, (3) the sales era, (4) the marketing department era, and (5) the marketing company era.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

291. In the ____ era, families traded or sold their "surplus" output to local distributors.

- A. production
- B. pure subsistence
- C. sales
- D. simple trade**
- E. marketing company

The simple trade era is a time when families traded or sold their "surplus" output to local distributors.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

292. From the Industrial Revolution until the 1920s, most companies were in the

- A. marketing department era.
- B. production era.**
- C. simple trade era.
- D. marketing company era.
- E. sales era.

From the Industrial Revolution until the 1920s, most companies were in the production era since companies focused on production of a few specific products.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

293. Which of the following statements is MOST characteristic of the "production era"?

- A. "If we sell harder, we will sell more."
- B. "We need to cater to the diverse needs of consumers."
- C. "There is no limit on what we can sell if we produce efficiently."
- D. "The more options we offer consumers, the better."
- E. "Advertising is the key to our success."

"If we can make it, it will sell" is management thinking characteristic of the production era due to shortage of products.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

294. Which of the following is the BEST example of management thinking during the "production era"?

- A. "We need to make whatever products are easy to produce."
- B. "We need to find out what the customer wants."
- C. "The more salespeople we have, the more we can sell."
- D. "We need to work hard to sell the product to our customers."
- E. "If we produce a good product, customers will find us and buy it."

"If we can make it, it will sell" is management thinking characteristic of the production era due to shortage of products.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

295. Which of the following is the BEST example of management thinking during the "production era"?

- A. "The more we advertise a product, the more we can sell."
- B. "We need to increase our sales effort—to sell what we can produce."
- C. "If we can produce it, customers will buy it."
- D. "We need to be selective and produce what customers want."
- E. "The lower we price a product, the more we can sell."

"If we can make it, it will sell" is management thinking characteristic of the production era due to shortage of products.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

296. Until recently, good PC software for producing digital videos was not available, but was much in demand by businesses. The first companies to produce a specific type of program had good sales even though they did little promotion and their programs were not "user-friendly." It seems that many of these "innovators" operated as if they were in the:

- A. simple trade era.
- B. marketing department era.
- C. sales era.
- D. marketing company era.
- E. production era.

"If we can make it, it will sell" is management thinking characteristic of the production era due to shortage of products.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

297. Because of increased competition during the _____ era, firms put new effort into winning customers.

- A. simple trade
- B. sales**
- C. production
- D. marketing company
- E. marketing department

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

298. During the _____ era, concern about increased competition lead firms to focus on selling to attract customers.

- A. sales**
- B. simple trade
- C. marketing department
- D. production
- E. marketing company

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

299. A firm that focuses its attention primarily on "selling" its present products in order to meet or beat competition is operating in which of the following "management eras"?

A. Production era
B. Sales era
C. Marketing department era
D. Marketing company era
E. Advertising era

Advanced production capabilities led to sales era when a company emphasizes selling to win customers because of increased competition.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

300. The _____ era is a time when a company emphasizes selling because of the increased competition in the external environment.

A. supply
B. demand
C. production
D. marketing
E. sales

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

301. The president of a company that produces cardboard boxes is concerned about the large number of competitors with extra capacity. As he put it, "our best shot is in the hands of our sales manager—she makes all of our marketing decisions and is creative enough to figure out how to sell more boxes." It seems that this company is run as if it were in the:

- A. production era.
- B. marketing company era.
- C. simple trade era.
- D. sales era.**
- E. marketing department era.

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

302. The owner of a company that produces electronic circuit boards sees many competitors with extra capacity and says, "the only hope is that our sales manager, who makes all of our marketing decisions, will find a way to sell more boards." It seems that this company is run as if it were in the:

- A. production era.
- B. sales era.**
- C. excess capacity era.
- D. marketing company era.
- E. marketing department era.

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

303. Administrators at a university noted that they were 200 students short of their enrollment projection as the start of the school year approached. The president of the university, fearing a revenue shortage, told the director of admissions, "You need to use whatever means necessary to get enough students to meet the projection before classes start. Run ads in the newspaper, call high school guidance counselors, recruit from our pool of rejected applicants—whatever it takes." The university president is operating as though he was in the:
- A. Simple trade era.
 - B. Production era.
 - C. Sales era.**
 - D. Marketing department era.
 - E. Marketing company era.

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

304. Which of the following statements regarding the "sales era" is true?

- A. The emphasis was on producing.
- B. A business problem was to decide where to put the company's effort.
- C. More production capability was available than ever before.**
- D. It followed the marketing department era.

By about 1930, in the sales era, most companies in the industrialized Western nations had more production capability than ever before.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: Marketing's Role Has Changed a Lot over the Years

305. During the sales era

- A. families traded or sold their surplus output to local distributors.
- B. characteristic management thinking said, "If we can make it, it will sell."
- C. all marketing activities were brought under the control of one department.
- D.** increased competition made firms focus on winning customers.
- E. marketing people did both short-run and long-run marketing planning.

Advanced production capabilities led to sales era when a company emphasizes selling to win customers because of increased competition.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

306. Asa Meyer was just named FireFly Products sales manager, with responsibilities for all marketing planning. FireFly's president told him that his job is to "outsell the competition." Apparently, FireFly is operating in the _____ era.

- A. market-oriented
- B. production
- C.** sales
- D. marketing company
- E. marketing department

The sales era is a time when a company emphasizes selling because of increased competition.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

307. As a firm moves from the sales era to the marketing department era it is likely to:

- A. have marketing people who develop long range plans—sometimes 5 or more years ahead.
- B. begin to integrate all the firm's marketing activities.**
- C. place less emphasis on earning a profit and more emphasis on what customers will buy.
- D. adopt a more narrow view of marketing.
- E. be more concerned with its ability to produce enough to meet demand.

The marketing department era is a time when all marketing activities are brought under the control of one department to improve short-run policy planning and to try to integrate the firm's activities.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

308. Myra Martinez was just named Treasure Island, Inc.'s "marketing manager"—with responsibilities for short-run policy planning of the firm's advertising, sales, marketing research, purchasing, and distribution efforts. Apparently, Treasure Island is operating in the _____ era.

- A. market-oriented
- B. production
- C. marketing department**
- D. marketing company
- E. sales

The marketing department era is a time when all marketing activities are brought under the control of one department to improve short-run policy planning and to try to integrate the firm's activities.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

309. The main difference between the "marketing department era" and the "marketing company era" is:

- A. more emphasis on selling and advertising in the marketing department era.
- B. whether the president of the firm has a background in marketing.
- C. more emphasis on short-run planning in the marketing company era.
- D. whether the whole company is customer-oriented.**
- E. There is no difference.

In marketing company era, the whole company effort is guided by the marketing concept that aims all its efforts at satisfying its customers.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: Marketing's Role Has Changed a Lot over the Years

310. When marketing people do long-range planning and the whole company is guided by the "marketing concept," the company has entered the _____ era.

- A. production
- B. customer satisfaction
- C. marketing company**
- D. consumerism
- E. marketing department

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead—and the whole company effort is guided by the marketing concept.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

311. A company where the marketing people do both short-run and long-range planning is operating in the

- A.** marketing company era.
- B. sales era.
- C. simple trade era.
- D. marketing department era.
- E. production era.

The marketing company era is a time when, in addition to short—run marketing planning, marketing people develop long-range plans-sometimes five or more years ahead—and the whole company effort is guided by the marketing concept.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: Marketing's Role Has Changed a Lot over the Years

312. Which of the following would be relevant in the marketing company era?

- A. Bringing all marketing activities together under the control of one department.
- B.** Planning for five or more years ahead.
- C. Reselling goods to consumers and intermediaries.
- D. Focusing on production.

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead.

AACSB: Reflective Thinking
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: Marketing's Role Has Changed a Lot over the Years

313. The president of a financial services company says that her new marketing manager has changed things a lot—making long-range plans about where the firm should focus its effort, and coordinating the decisions about what services to offer and how they should be promoted and priced. It seems that this company is just moving into the:

A. marketing company era.
B. sales era.
C. production era.
D. marketing department era.
E. simple trade era.

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans and decide where to put the company's effort.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: Marketing's Role Has Changed a Lot over the Years

314. SouthFace Corporation just named Chloe Perry to a marketing management position. One of the reasons she accepted a position with this company was its reputation for market-oriented long-range planning. SouthFace Corp. is probably operating in the _____ era.

A. planning
B. marketing company
C. marketing research
D. marketing department
E. none of these is a correct answer.

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

315. Regarding the five stages in marketing evolution,

- A. in the marketing department era, firms do both short-run and long-run planning.
- B. the first era to evolve was the sales era.
- C. in the marketing company era, firms do short-run planning only.
- D. most firms operate in the production era.
- E. None of these responses is true.**

In the five stages in marketing evolution, the marketing department era makes short-run planning only; the first era to evolve was the simple trade era; and the marketing company era makes both short-run and long-run planning.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

316. Regarding the five stages in marketing evolution:

- A. Few firms have graduated to the marketing company era.
- B. For most firms, the sales era continued until at least 1950.**
- C. In the marketing department era, firms began to do long-run planning.
- D. The production era was the first era to evolve.

For most firms in advanced economies, the sales era continued until at least 1950.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: Marketing's Role Has Changed a Lot over the Years

317. The marketing concept is a strategic way of approaching business that contrasts sharply with _____.

- A. the marketing orientation
- B. the production orientation**
- C. the profit orientation
- D. macro-marketing
- E. the triple bottom line

The marketing concept means that an organization aims all its efforts at satisfying its customers based on their needs. This contrasts with the production orientation, in which managers make and sell whatever products are easy to produce.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

318. Compared with other approaches to business, the marketing concept is distinct in that it:

- A. focuses on profits.
- B. produces new products and services.
- C. creates a broad assortment of products.
- D. produces quality products.
- E. focuses on satisfying customers' needs.**

The marketing concept is distinct from other approaches to business in that it views organizations as existing to serve customers and the needs of society. Firms that apply the marketing concept direct all their efforts at satisfying customers.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

319. The triple bottom line is a measure of a firm's success based on multiple criteria commonly referred to as:

- A. product, price, and promotion.
- B. people, planet, and profit.**
- C. partnership, planning, and positioning.
- D. segmentation, targeting, and positioning.
- E. brands, buyers, and bucks.

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success. Together, these are sometimes referred to as measures of people, planet and profit.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

320. When a firm considers a triple bottom line as a measure of long-term success, this means that it measures outcomes in which of the following three different areas:

- A. economic success, social impact, and political change.
- B. firm profitability, customer satisfaction, and behavioral change.
- C. economic success, social impact, and environmental impact.**
- D. company effort, customer satisfaction, and relative market share.
- E. customer satisfaction, environmental impact, and production efficiency.

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success. Together, these are sometimes referred to as measures of people, planet and profit.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

321. An organization practicing _____ aims all its efforts at satisfying its customers—at a profit.

- A. the sales concept
- B. a production orientation
- C. in the marketing department era
- D. profit maximization economics
- E. the marketing concept**

The marketing concept means that an organization aims all its efforts at satisfying its customers but at a profit.

AACSB: Analytic
AACSB: Reflective Thinking
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: What Does the Marketing Concept Mean?

322. All of the following are the basic ideas included in the definition of the marketing concept except

- A. customer satisfaction.
- B. total company effort.
- C. profit, or another measure of long-term success, as an objective.
- D. making whatever products are easy to produce and then trying to sell them.**
- E. giving customers what they need.

The marketing concept means that an organization aims all its efforts at satisfying its customers but at a profit. Making whatever products which are easy to produce and then trying to sell them is product orientation.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.
Level of Difficulty: 1 Easy
Topic: What Does the Marketing Concept Mean?

323. A "production-oriented" firm typically:

- A. views customer credit as a customer service.
- B. sets inventory requirements with customer needs in mind.
- C.** tries to sell the products it can make easily.
- D. focuses advertising on need-satisfying product benefits.
- E. operates as an integrated unit.

Making whatever products which are easy to produce and then trying to sell them is product orientation.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

324. Managers who think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society, have a

- A. marketing orientation.
- B.** production orientation.
- C. selling orientation.
- D. dynamic orientation.
- E. customer orientation.

Production orientation occurs when managers think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

325. A manager with a "production orientation" is likely to think that:

- A. customers exist to buy the firm's output.
- B. customers' needs should guide decisions about what the firm produces.
- C. the company should find out what product customers want to buy, and then produce that product.
- D. production managers should handle all marketing activities.
- E. people in the production department should work closely with people from all the firm's other departments.

Production orientation occurs when manager think of customers existing to buy the firm's output rather than of firms existing to serve customers.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

326. Which of the following is MOST LIKELY to be found in a production-oriented firm?

- A. Agreements among departments about how to improve customer satisfaction.
- B. Making products that are easy to produce.
- C. Producing goods that exactly meet the customer's needs.
- D. A focus on profit rather than sales.
- E. None of these is likely to be found in a production-oriented firm.

Making whatever products are easy to produce and then trying to sell them is found in a production-oriented firm.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

327. Which of the following is LEAST LIKELY to be found in a production-oriented firm?

- A. Disagreements among departments about how to improve the company's product.
- B. Making products that are easy to produce.
- C.** Producing goods that exactly meet the customer's needs.
- D. A mass marketing approach.
- E. None of these is likely to be found in a production-oriented firm.

Production orientation occurs when managers think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

328. MetroTech Corporation has been experiencing declining profits. MetroTech's salespeople blame the production people for making inferior products, and the production people complain that the salesmen are just not getting enough orders. MetroTech seems to have

- A. implemented the marketing concept.
- B.** a production orientation.
- C. a customer orientation.
- D. a sales orientation.
- E. a marketing orientation.

A production orientation means making whatever products which are easy to produce and then trying to sell them and think of customers existing to buy the firm's output rather than of firms existing to serve customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

329. MetroTech Corporation has been experiencing declining profits. The accounting department blames the MetroTech marketing staff for "out of control" sales costs. The salespeople blame the warehouse for being slow to fill orders. And the warehouse manager says that the production department can't meet its schedule. MetroTech seems to have

- A. implemented the marketing concept.
- B. a customer orientation.
- C. a marketing orientation.
- D. a sales orientation.
- E. a production orientation.**

A production orientation means making whatever products which are easy to produce and then trying to sell them and think of customers existing to buy the firm's output rather than of firms existing to serve customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

330. Accepting the "marketing concept" means that a firm should have a _____ orientation.

- A. production
- B. sales
- C. marketing**
- D. research

A marketing orientation means trying to carry out the marketing concept.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

331. A firm with a marketing orientation:

- A. has little need for salespeople.
- B. sells what it can make easily.
- C.** tries to determine customers' needs before developing its product.
- D. focuses advertising on product features.

A marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

332. The three basic ideas in the "marketing concept" are:

- A. customer satisfaction, resource efficiency, sales maximization.
- B. customer satisfaction, total company effort, sales growth.
- C. resource efficiency, sales growth, profit maximization.
- D. customer satisfaction, marketing manager as chief executive, profit.
- E.** customer satisfaction, total company effort, profit.

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit—not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

333. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B.** Total company effort.
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit—not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

334. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Obtain economies of scale.
- C.** Profit as an objective.
- D. Maximize sales.
- E. The president has a marketing background.

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit—not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

335. Which of the following is one of the three basic ideas in the "marketing concept?"

- A. Resource efficiency.
- B. Customer satisfaction.**
- C. Obtain economies of scale.
- D. Maximize sales.
- E. The president has a marketing background.

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit—not just sales—as an objective.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

336. An important step in applying the marketing concept is:

- A. changing the firm's organizational structure.
- B. changing the firm's management methods and procedures.
- C. appointing someone with a marketing management background to be the firm's president.
- D. hiring a marketing consultant.
- E. committing to customer satisfaction.**

Three basic ideas of the marketing concept are: (1) customer satisfaction, (2) a total company effort, and (3) profit—not just sales—as an objective.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

337. The "marketing concept" says that a business firm should aim all of its efforts at:

- A. doing more advertising and selling than competitors.
- B. selling what the company produces.
- C. satisfying customers—regardless of profitability.
- D. satisfying its customers—at a profit.**
- E. producing those products which it can make at lowest cost.

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

338. The "marketing concept" says that a business firm should:

- A. Aim all its efforts at meeting society's needs—regardless of profitability.
- B. Aim all its efforts at satisfying its customers—at a profit.**
- C. Sell those products which it can make at lowest cost.
- D. Place heavy emphasis on developing new products.
- E. Treat advertising and selling as its priority.

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

339. A producer with a marketing orientation is MOST likely to:

- A. Distribute the product according to the needs customers have for product availability.
- B. Distribute the product in as many retail outlets as possible.
- C. Provide overnight express shipping.
- D. Use e-commerce as a key element in distribution.
- E. Distribute directly from the producer to the consumer.

A marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

340. Complete acceptance of the "marketing concept" would require:

- A. making sure that all departments focus their efforts on satisfying customer needs.
- B. having all production, finance, accounting, and personnel managers report directly to the marketing manager.
- C. placing less emphasis on profit as the objective of the firm.
- D. trying to satisfy the needs of each and every customer.

In a firm that follows marketing concept, every department may directly or indirectly impact customer satisfaction.

AACSB: Reflective Thinking

Blooms: Create

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

341. "Production orientation" refers to the attitudes of:

- A. sales managers.
- B. accountants.
- C. financial managers.
- D. production managers.
- E.** anyone who doesn't practice the marketing concept.

Making whatever products which are easy to produce and then trying to sell them is production orientation. Production orientation refers to anyone who doesn't acknowledge customer needs.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

342. In a firm operating as a total "system" to implement the marketing concept:

- A.** the whole company is customer-oriented.
- B. there are no departments.
- C. product planning is under the control of the production or engineering departments.
- D. the marketing manager directs and controls all company activities.
- E. None of these is true.

The marketing concept provides customer orientation as a guiding focus that all departments adopt and should be a philosophy of the whole organization, not just an idea that applies to the marketing department.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

343. The total system view of the marketing concept builds on the idea that

- A. sales should be the firm's high-level objective.
- B. a company should not have specialized departments.
- C. each department in an organization should do what it does best.
- D.** all departments—not just marketing—should be guided by customer needs.
- E. none of these responses is correct.

The marketing concept provides customer orientation as a guiding focus that all departments adopt and should be a philosophy of the whole organization, not just an idea that applies to the marketing department.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

344. In a firm that has a total company effort in implementing the marketing concept:

- A. There are "fences" around individual departments.
- B. Not all departments impact customer satisfaction.
- C. The firm lacks a central focus.
- D.** Departments—even very specialized ones—are guided by what customers want.
- E. The firm is more production-oriented than marketing-oriented.

The marketing concept provides customer orientation as a guiding focus that all departments adopt and should be a philosophy of the whole organization, not just an idea that applies to the marketing department.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

345. One basic idea of the marketing concept is

- A. a production orientation must guide the whole system.
- B. an organization should build "fences" around its own departments.
- C.** survival and success require a profit.
- D. a firm should "give customers what it produces best."
- E. a firm's obligation to have a positive effect on society.

Profit is the difference between a firm's revenue and its total costs which acts as the balancing point that helps the firm determine what needs it will try to satisfy with its total effort.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

346. Adoption of the marketing concept

- A. is easy for most firms.
- B. occurred first in the service industry.
- C. has been universal.
- D.** has been slow for producers of industrial commodities.
- E. happened last among consumer product companies.

Some industries with limited competition, including electric utilities, cable television providers, and industrial commodities producers, have also been slow to adopt the marketing concept.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

347. The marketing concept can be applied by:

- A. a nurses association.
- B. cosmetic manufacturers.
- C. nonprofit hospitals.
- D. national parks.
- E.** all of these can apply the marketing concept.

Any organization that follows the three basic ideas of marketing concept is said to have adopted the marketing concept.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

348. The marketing concept can be applied by:

- A. nonprofit hospitals.
- B. symphony orchestras.
- C. private universities.
- D. manufacturers of consumer products.
- E.** all of these organizations can apply the marketing concept.

Any organization that follows the three basic ideas of marketing concept is said to have adopted the marketing concept.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

349. Which of the following is the best example of the marketing concept in action?

- A. A product manager tells her sales force "the inventory in the warehouse must be sold if we are to make a profit, so redouble your sales efforts."
- B. A manufacturer of industrial chemicals adapts its formulas and goes after the big consumer cleaning market.
- C.** A cleaning supplies firm learns that many consumers are having trouble hiring maids—so it develops a plan to offer customers complete house cleaning services.
- D. An Internet retailer finds that shoppers are abandoning their shopping carts before checking out, so it promotes its \$10 discount on each customer's first purchase.
- E. A student group wants to hold an awards banquet, so it buys Krispy Kreme donuts and sells them to friends who want to help the club achieve its objectives.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

350. A public utility that has adopted the marketing concept would be most likely to

- A.** set up a special service to help consumers reduce expensive peak-hours energy consumption.
- B. lower prices until almost all consumers felt that prices were fair.
- C. advertise its "public service role" to improve its image with the public.
- D. use email to send customers a personal apology if a blackout were to occur.
- E. None of these answers is true.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: What Does the Marketing Concept Mean?

351. A local symphony group that has adopted the marketing concept would be most likely to

- A. lower ticket prices until all its concerts sell out.
- B. advertise so consumers know about the quality of the musicians who play in its concerts.
- C. find out what kind of music local residents want to hear.
- D. use only its best musicians to handle solo performances.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: What Does the Marketing Concept Mean?

352. Which of the following illustrates the marketing concept in action?

- A. Three pediatricians set up a group practice—so that at least one is always available for emergencies.
- B. Bank ATMs that dispense cash are placed in fast-food restaurants.
- C. The Nevada auto registration office mails license tags to people, to reduce inconvenient waiting in line.
- D. A veterinarian has office hours in the evening to see pets whose owners must work during the day.
- E. All of these illustrate the marketing concept in action.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

353. Which of the following illustrates the marketing concept in action?

- A. A young lawyer gives free legal advice to poor people.
- B.** A local police department organizes a "community crime watch" program in a neighborhood that has had many burglaries.
- C. Several lawyers set up a group practice—so that the costs of the office and equipment can be shared.
- D. None of these illustrate the marketing concept in action.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

354. A local theater group that has adopted the marketing concept would be MOST likely to:

- A. Promote the sale of subscriptions so that patrons can buy tickets at a reduced price for several plays at one time.
- B. Use publicity to announce upcoming plays.
- C.** Do a survey to find out what new shows patrons would like to see.
- D. Sell tickets via the Internet.

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit. Doing a survey is the best alternative because it tries to determine needs.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

355. FlyFar Airlines uses marketing research to determine customer needs and assess how well the company meets them. This suggests that FlyFar managers exhibit _____.

- A.** a marketing orientation
- B. social responsibility
- C. separation of information
- D. the innovation concept
- E. a production orientation

Marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

356. Which of the following practices would suggest that Acme Tools practices a marketing orientation:

- A.** sets inventory levels with customer requirements and costs in mind.
- B. sells products that it can make easily for its customers.
- C. focuses its advertising efforts on product features and how products are made.
- D. views customer service as an activity required to reduce consumer complaints.
- E. ends its relationship with customers when a sale is made.

Marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Analytic

Blooms: Apply

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 3 Hard

Topic: What Does the Marketing Concept Mean?

357. A firm with a marketing orientation is MOST likely to:

- A. view advertising as an unnecessary expense.
- B. recognize that effective advertising is the key to sales.
- C.** advertise how a product meets customers' needs.
- D. focus advertising on product features.
- E. not use any advertising.

As stated in Exhibit 1-4, marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 1 Easy

Topic: What Does the Marketing Concept Mean?

358. Which of the following is NOT likely to be found in a company with a marketing orientation?

- A.** The company sells whatever it can make.
- B. The company sees customer credit as a service.
- C. The company designs its packaging as a selling tool.
- D. The company uses marketing research to see if it is satisfying its customers.
- E. The company focuses on locating new opportunities.

As stated in Exhibit 1-4, a company makes what it can sell in a marketing-oriented firm that tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

359. All of the following are examples of a marketing orientation, as opposed to a production orientation, EXCEPT:

- A. the role of marketing research is to determine customer needs and how well the company is satisfying them.
- B. the relationship with the customer is based on customer satisfaction before and after a sale leading to a profitable long-run relationship.
- C.** the firm's focus is on reducing its costs.
- D. the role of customer service is to satisfy customers after the sale so they'll come back again.
- E. costs that do not add value to customers should be eliminated.

As stated in Exhibit 1-4, a firm's focus is on locating new opportunities and not on reducing its costs in marketing orientation.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

360. All of the following are examples of a production orientation, as opposed to a marketing orientation, EXCEPT:

- A. the company sells what it can make easily.
- B.** advertising focuses on the benefits of the product to customers.
- C. the relationship with the customer ends with the sale of the product to the customer.
- D. the purpose of customer service is to reduce customer complaints.
- E. advertising focuses on the features of the product.

As stated in Exhibit 1-4, in a production orientation, advertising focuses on the features of the product and not on the benefits of the product to customers.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

361. In a firm with a production orientation

- A. customer needs determine company plans.
- B. relationship with customer extends beyond a single sale.
- C. costs that do not give value to customers are eliminated.
- D.** marketing research, if used at all, is for determining customer reaction.
- E. advertising is focused at need-satisfying benefits of goods and services.

As stated in Exhibit 1-4, marketing research determines customer reaction, if used at all in a production orientation.

AACSB: Analytic
Blooms: Understand

Learning Objective: 01-05 Know what the marketing concept is-and how it should guide a firm or nonprofit organization.

Level of Difficulty: 2 Medium

Topic: What Does the Marketing Concept Mean?

362. _____ refers to the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

- A. Operating cost
- B. Profit margin
- C.** Customer value
- D. Net value
- E. Satisfaction

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

AACSB: Analytic
Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

363. Which of the following statements about customer value is true?

- A. Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.
- B. The greater the competition, the less important customer value is.
- C. The sure way to achieve high customer value is to offer a lower price.
- D. It is the manager's view of customer value that matters, not the customer's.
- E. None of these statements is true.

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

364. Which of the following statements about customer value is true?

- A. It can't be applied in competitive situations.
- B. It considers price but not other elements of the marketing mix.
- C. It applies to goods but not services.
- D. Its emphasis on what the customer sees as the positive things about a marketing mix means that the negatives are likely to be ignored.
- E. None of these statements is true.

Customer value reflects both benefits and costs (positives and negatives) and is applicable to both goods and services. It considers all elements of the marketing mix, not just price, and competition does matter.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept and Customer Value

365. Customer value typically would NOT be impacted by a marketing manager's decisions concerning:

- A. product.
- B. place.
- C. promotion.
- D. price.
- E.** Any of these might impact customer value.

Customer value considers all elements of the marketing mix.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept and Customer Value

366. Which of the following statements about customer value is True?

- A. Building relationships with customers means providing customer value before, but not after the purchase of a product or service.
- B.** Retaining current customers is usually less costly than taking customers away from a competitor.
- C. A firm's advertising department cannot be expected to develop ads to convince a customer to buy from the firm more than once.
- D. People in the organization who are not in the sales or customer service areas should never be called upon to help resolve a customer's problem.
- E. None of these statements is True.

Trying to get new customers by taking them away from a competitor is usually more costly than retaining current customers by really satisfying their needs.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

367. In order to build relationships with customer value, firms must do all of the following except

- A. ensure that everyone in a firm works together to provide customer value before and after each purchase.
- B.** brief their advertising people to develop ads that try to convince a customer to buy once.
- C. attract customers in the first place—and keep them satisfied after they buy.
- D. try to adopt the marketing concept.
- E. try to eliminate costs that do not give value to customers.

The firm's advertising might encourage a customer to buy once, but if the firm doesn't deliver on the benefits promised in its ads, the customer is likely to go elsewhere the next time the need arises.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept and Customer Value

368. Customer value

- A. is greater if costs exceed benefits.
- B. becomes less important as competition increases.
- C. is the same thing as low price.
- D.** affects a customer's relationship with a firm before and after a sale.
- E. none of these responses is correct.

Building and maintaining relationships with customers require that everyone in a firm work together to provide customer value before and after each purchase.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept and Customer Value

369. Which item would likely possess the highest customer value for a person who makes scrapbooks?

- A. The lowest price glue
- B. The highest price glue
- C. The glue that does the best job
- D. The glue that does the best job at the most affordable price**
- E. All glues have the same customer value

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits. Any readily available glue that performs the job effectively at the least cost will have high customer value to a scrapbook hobbyist.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept and Customer Value

370. Which of the following are NOT true about a firm practicing the marketing concept?

- A. Everyone in the organization focuses on satisfying customers.
- B. Offering superior customer value attracts customers.
- C. Satisfying customers leads to customers defecting to the competition.**
- D. Firms build profitable customer relationships.
- E. All of these are true.

Exhibit 1-6 summarizes these ideas. In a firm that has adopted the marketing concept, everyone focuses on customer satisfaction. They look for ways to offer superior customer value. That helps attract customers in the first place—and keeps them satisfied after they buy. So when they are ready to make repeat purchases, the firm is able to keep them as customers. Sales may increase further because satisfied customers are likely to buy other products offered by the firm. In this way, the firm builds profitable relationships with its customers.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept and Customer Value

371. Nonprofit organizations

- A. do not have a profit objective, so the marketing concept does not apply.
- B.** can benefit by adopting the marketing concept.
- C. are fundamentally different than business firms—so they should embrace a production orientation rather than a marketing orientation.
- D. do not need to be concerned with marketing activities.
- E. none of these is true.

The marketing concept is as important for nonprofit organizations as it is for business firms.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept Applies in Nonprofit Organizations

372. Unlike a business firm, a nonprofit organization

- A. needs resources and support to survive and achieve its objectives.
- B. must take in as much money as it spends or it won't survive.
- C.** does not measure "profit" in the same way.
- D. faces competition for customers.
- E. gets support directly from those who receive the benefits.

A nonprofit organization does not measure "profit" in the same way as a firm.

AACSB: Analytic

Blooms: Remember

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 3 Hard

Topic: The Marketing Concept Applies in Nonprofit Organizations

373. In nonprofit organizations, the marketing concept

- A. is not relevant.
- B.** has different measures of success.
- C. is usually easy to adopt because of how nonprofits organize for marketing.
- D. can be implemented by ignoring customer needs.

All nonprofit organizations seek to achieve different objectives and need different measures of success.

AACSB: Analytic

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept Applies in Nonprofit Organizations

374. Given the nature of their work, which of the following should have a marketing orientation?

- A. Girl Scouts of America.
- B. Dallas-Fort Worth Symphony.
- C. American Cancer Society.
- D. University of Wisconsin.
- E.** All of these organizations should have a marketing orientation.

Marketing applies to all sorts of public and private nonprofit organizations ranging from government agencies, health care organizations, educational institutions, and religious groups to charities, political parties, and fine arts organizations.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept Applies in Nonprofit Organizations

375. Which of the following organizations should apply the marketing concept?

- A. National Park Service.
- B. National Federation of the Blind.
- C. Christian Children's Fund.
- D. United States Postal Service.
- E.** All of these organizations should apply the marketing concept.

Marketing applies to all sorts of public and private nonprofit organizations ranging from government agencies, health care organizations, educational institutions, and religious groups to charities, political parties, and fine arts organizations.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-06 Understand what customer value is and why it is important to customer satisfaction.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept Applies in Nonprofit Organizations

376. Which of the following is TRUE about the micro-macro dilemma?

- A.** What is good for some producers and consumers may not be good for society as a whole.
- B. Marketing people cannot agree on whether marketing should be viewed as individual activities or a social process.
- C. In a multiproduct company, one product should not be emphasized over another.
- D. Most people don't want much freedom of choice.
- E. Intermediaries facilitate exchange but they add to the cost of goods.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 3 Hard

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

377. According to the concept of social responsibility, a firm has a duty to:

- A. communicate regularly with the public.
- B. satisfy consumer needs at any cost.
- C. place profit above all other considerations.
- D. place customer satisfaction above all other considerations.
- E.** conduct business in a way that is good for society as a whole, both now and for the future.

Social responsibility is a firm's obligation to improve its positive effects on society and reduce its negative effects, both for present and future generations.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

378. Which of the following is not a challenge related to social responsibility?

- A. There is little agreement on who gets to determine what is "good" for society.
- B. Actions that may seem good for society may be costly to a firm.
- C.** Some consumers make purchases based on the perceived societal benefits of a product or service.
- D. It is impossible to know what impact a firm's actions will have on future generations.
- E. Acting to satisfy one group of stakeholders may anger another group of stakeholders.

While making marketing decisions based on social responsibility can add costs to a firm, it can also increase profits. Some consumers purchase products based on the perceived benefits of those products to society and the natural environment.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

379. Firms develop _____ to promote fair and honest dealings with all stakeholders inside and outside of the organization.

- A. marketing plans
- B. marketing departments
- C. codes of ethics**
- D. intermediaries
- E. a marketing orientation

To be certain that standards for marketing ethics are as clear as possible, many organizations develop their own written codes of ethics, which state the ethical standards that everyone in the firm should follow in dealing with customers and other people.

AACSB: Reflective Thinking

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

380. The term "micro-macro dilemma" means that:

- A. most people are both producers and consumers.
- B. marketing people cannot agree on whether marketing should be viewed as activities or as a social process.
- C. macro-marketing is just a small part of a larger micro-marketing system.
- D. the micro view of marketing is concerned with the flow of goods and services from producers to consumers—while the macro view is not.
- E. what is "good" for some producers and consumers may not be good for society as a whole.**

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

381. Trying to balance the interests of people who want to drink beer and the dangers of drunk driving is an example of:

- A. the role of a central market.
- B. subsistence marketing.
- C. political action.
- D.** the macro-micro dilemma.
- E. the exchange process in marketing.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Ethics
AACSB: Reflective Thinking
Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

382. The fact that many Americans want the convenience of driving gas-guzzling trucks and sport utility vehicles—which also contribute disproportionately to pollution and global warming—is an example of

- A.** the micro-macro dilemma.
- B. discrepancies in customer value.
- C. marketing ethics.
- D. the responsibilities of the marketer.
- E. the marketing concept.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic
AACSB: Ethics
Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 3 Hard

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

383. The city of St. Louis is encouraging its residents to drink tap water instead of filling its landfills with plastic water bottles, even though some consumers prefer the convenience of plastic water bottles. This is an example of:

A. customer value.
B. economies of scale.
C. the storing function.
D. innovation.
E. the micro-macro dilemma.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Ethics

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

384. Which of the following is an example of the micro-macro dilemma?

A. Disposable packages are convenient, but contribute to environmental problems.
B. Children like to ride bicycles, but accidents are common.
C. Sulfites help to keep restaurant salads looking fresh, but some people have a dangerous allergic reaction to sulfites.
D. Jet skis can be fun but can also be dangerous to the driver and others.
E. All of these are examples of the micro-macro dilemma.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Ethics

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

385. Which of the following is the BEST example of the micro-macro dilemma?

- A. Many consumers buy imported cars, even though they say they like American cars better.
- B.** High performance cars are fun to drive but may be dangerous to others.
- C. Buying an imported car may cost buyers more to buy now but may have better resale value later.
- D. A fuel efficient car may cost more to buy but less to operate.
- E. The economy may be growing, but many people still are not able to buy a new car.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

386. Which of the following is the BEST example of the micro-macro dilemma?

- A. Pepsi Blue sales went up, but total sales of all soft drinks went down.
- B. A small group of loyal consumers really like RC Cola best, but most consumers don't like it at all.
- C. The deposit on returnable soft drink bottles is about equal to the cost of the bottle.
- D.** Paper cups for soft-drinks are convenient, but they often end up as litter along the highway.
- E. Snapple beverages are more popular in Texas than in the rest of the U.S.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

387. Which of the following is an example of the "micro-macro dilemma?"

- A. A homeowner purchases a ladder but falls off it because he didn't set up the ladder according to the safety instructions posted on it.
- B. A person gets a speeding ticket because she was talking on her cell phone while driving and didn't notice a speed limit sign.
- C. A person drives without fastening his seat belt even though a warning light and chime remind him to "buckle up."
- D. A person is injured while using a power lawn mower because of a small stone that is hurled from the discharge chute.
- E.** A restaurant owner uses plastic containers to keep "take-out" food warm for customers, but the containers cannot be reused or recycled.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

388. Which of the following is NOT an example of the micro-macro dilemma?

- A. Many people like beer and wine, but drunk driving is a big social problem.
- B.** Some people like to eat a lot, but later feel guilty about eating too much.
- C. A "good" lawn mower can be produced cheaply, but its price must be higher if its design must be safe for "ignorant" users.
- D. A smoker may enjoy a cigar, but the smell can make other people sick.
- E. Downhill snow skiing is fun, but really quite dangerous.

The micro-macro dilemma refers to what is "good" for some firms and consumers may not be good for society as a whole.

AACSB: Ethics

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

389. _____ refers to a firm's obligation to improve its positive effects on society and reduce its negative effects.

- A. The nonprofit orientation
- B. The micro-macro dilemma
- C. Marketing ethics
- D. Legal obligations
- E. Social responsibility**

Social responsibility is a firm's obligation to improve its positive effects on society and reduce its negative effects.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

390. Which of the following statements is True regarding social responsibility in marketing?

- A. Being socially responsible usually leads to a negative response from customers.
- B. Being socially responsible can conflict with a firm's profit objective.**
- C. Companies tend to avoid developing written codes of ethics because standards for professional behavior are ambiguous by nature.
- D. Firms tend to advance their own short-term interests at the expense of customers.

Social responsibility is a firm's obligation to improve its positive effects on society and reduce its negative effects. There are times when being socially responsible can increase not only a firm's profits, but also its costs.

AACSB: Ethics

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

391. A marketing manager made a speech in which he described his organization as having "really embraced the marketing concept over ten years ago." A critic in the audience argued that the manager didn't understand the "socially conscious" view of the marketing concept. Given the critic's argument, the marketing manager may work for:

- A. a fruit processor.
- B. the public library.
- C. a firm that recycles aluminum cans.
- D. a soap producer.
- E. a motorcycle producer.**

Some consumers want products that may not be safe or good for society in the long run. Companies that produce such products follow the marketing concept to satisfy customer needs but fail to be socially responsible. A good example is a motorcycle manufacturer.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

392. These are the moral standards that guide marketing decisions and actions.

- A. Civil laws
- B. Macro dilemmas
- C. Micro dilemmas
- D. Marketing ethics**
- E. Laws

Marketing ethics are the moral standards that guide marketing decisions and actions.

AACSB: Analytic

AACSB: Ethics

Blooms: Remember

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

393. Concerning marketing ethics:

- A. Individuals develop moral standards based on their own values.
- B. Opinions about what is right or wrong vary from one society to another.
- C. The prevailing practice of most businesspeople is to be fair and honest.
- D. Marketing ethics has its critics.
- E. All of these are correct.**

Marketing ethics are the moral standards that guide marketing decisions and actions. Each individual develops moral standards based on his or her own values, which explains why opinions about what is right or wrong often vary from one society to another. Marketing ethics also help most businesspeople practice fair and honest business.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 2 Medium

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

394. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to balance the needs of its buyers with the interests of sellers?

- A. Honesty
- B. Fairness**
- C. Responsibility
- D. Citizenship
- E. Openness

As stated in Exhibit 1-7, fairness helps to balance justly the needs of the buyer with the interests of the seller.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 3 Hard

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

395. In the American Marketing Association's Statement of Ethics, which ethical value stresses a firm's attempts to recognize the basic human dignity of its customers?

A. Citizenship
B. Respect
C. Honesty
D. Openness
E. Responsibility

As stated in Exhibit 1-7, respect stresses to acknowledge the basic human dignity of all stakeholders.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 3 Hard

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics

396. Which of the following criticisms focuses most directly on a macro view of marketing, rather than a micro view?

A. Products often wear out right after the warranty expires.
B. Much TV advertising is annoying.
C. Marketing exploits the poor and the uneducated.
D. Prices for very similar products vary a lot from store to store.
E. Door-to-door salespeople are trained to be pushy.

The criticism that marketing exploits the poor and the uneducated is a macro-marketing issue, not a micro-marketing issue.

AACSB: Reflective Thinking

Blooms: Understand

Learning Objective: 01-07 Know how social responsibility and marketing ethics relate to the marketing concept.

Level of Difficulty: 1 Easy

Topic: The Marketing Concept, Social Responsibility, and Marketing Ethics