

Consumer Behavior, 12e (Schiffman/Wisenblit)

Chapter 1 Consumer Behavior: Information-Driven Consumer Behavior

1) Which of the following is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires?

- A) lifestyle marketing
- B) role theory
- C) consumer behavior
- D) marketing research

Answer: C

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

2) Which of the following is considered an example of consumer behavior?

- A) Janice prefers to buy name-brand pain relievers like Tylenol and Advil, rather than the store brand.
- B) Javier generally gets gas on Monday mornings on his way to work.
- C) Jessica prefers to buy her produce from the farmer's market instead of the grocery store.
- D) Jeremy generally recycles his old newspapers and cardboard boxes.
- E) All of the above are examples of consumer behavior.

Answer: E

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

3) Marketing and consumer behavior stem from the _____, which maintains that the essence of marketing is satisfying consumers' needs, creating value and retaining customers.

- A) production concept
- B) product concept
- C) selling concept
- D) societal concept
- E) marketing concept

Answer: E

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

4) A(n) _____ is a person who identifies a need or desire, makes a purchase, and then disposes of a product.

- A) marketer
- B) consumer
- C) influencer
- D) content generator

Answer: B

Diff: 1

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

5) Tripp runs a product development division at a software company. His division was focused on producing a word processing software that performs better and has more features than any competitive product, so they added every feature that was technically feasible. However, they found that consumers were satisfied with fewer features and unwilling to pay more for the advanced software. Tripp and his team suffered from _____.

- A) marketing myopia
- B) over-segmentation
- C) target marketing
- D) technology devotion
- E) marketing vision

Answer: A

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

6) During historical periods when demand exceeded supply, businesses adopted the _____ concept.

- A) marketing
- B) technology
- C) societal
- D) production
- E) product

Answer: D

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

7) The _____ concept in business assumes that consumers are mostly interested in product availability at low prices.

- A) marketing
- B) societal
- C) product
- D) production
- E) technology

Answer: D

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

8) The _____ is characterized by the gearing up of manufacturing skills in order to expand production.

- A) marketing concept
- B) product concept
- C) selling concept
- D) production concept
- E) societal concept

Answer: D

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

9) The production concept makes sense for a business when _____.

- A) consumers are more interested in product availability than in product variation
- B) consumers are interested in obtaining the product that offers them the highest quality, best performance, and most features
- C) consumers have changing needs and insist that those needs be satisfied
- D) consumers are unlikely to buy the product unless they are persuaded to do so
- E) consumers are not sensitive to price

Answer: A

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

10) The focus of the _____ was to sell more of what the manufacturing department was able to produce.

- A) marketing concept
- B) selling concept
- C) product concept
- D) production concept
- E) market orientation

Answer: B

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

11) Kevin's company owns a factory that can produce 1,000 widgets per week. His primary focus is on getting consumers to purchase as many widgets as possible to ensure that he is maximizing his sales relative to his production capacity. Kevin's business is exhibiting the _____.

- A) marketing concept
- B) product concept
- C) not-for-profit concept
- D) selling concept
- E) market orientation

Answer: D

Diff: 1

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

12) The key assumption underlying the marketing concept is that _____.

- A) if manufacturers make a product, consumers will buy it
- B) a company must determine the needs and wants of specific target markets and satisfy consumers' needs better than the competition
- C) the primary focus of a business should be producing as much as it can, in the cheapest way possible
- D) consumers are most interested in obtaining generic products at low prices
- E) consumers are unlikely to buy a product unless they are aggressively persuaded to do so

Answer: B

Diff: 3

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

13) The selling concept focuses on the needs of the _____ and on existing products, while the marketing concept focuses on the needs of the _____.

- A) manufacturer; seller
- B) buyer; manufacturer
- C) seller; buyer
- D) seller; manufacturer
- E) buyer; seller

Answer: C

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

14) The process and tools used to study consumer behavior are characterized by the term _____.

- A) data analysis
- B) data collection
- C) consumer research
- D) marketing communication
- E) consumer complexes

Answer: C

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

15) _____ is a process that links the consumer, customer and public to the marketer through information in order to identify marketing opportunities and problems, evaluate marketing actions, and evaluate marketing strategies' performances.

- A) Data analysis
- B) Data collection
- C) Market research
- D) Marketing communication
- E) Consumer complexes

Answer: C

Diff: 1

Skill: Concept

LO: 1.6: To explain how the knowledge of consumer behavior advances seeking employment after graduation.

AACSB: Reflective thinking

16) _____ refers to the development of a distinct image for the product in the mind of the consumer.

- A) Targeting
- B) Positioning
- C) Placement
- D) Promotion
- E) Segmenting

Answer: B

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

17) Tanya and her marketing team at a fast food restaurant are breaking their company's target audience into groups that have shared needs that are different from the needs shared by other groups. They are engaged in _____.

- A) market targeting
- B) positioning
- C) placement
- D) promotion
- E) market segmentation

Answer: E

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

18) Successful positioning focuses on communicating the _____.

- A) segments that the company views as prospective customers
- B) distinct benefits that the product provides
- C) retail shelf space the product should occupy
- D) competing offerings that are available
- E) product instructions for use

Answer: B

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

19) The four Ps of the marketing mix are _____.

- A) product/service, price, place, people
- B) potential, price, place, people
- C) product/service, price, place, promotion
- D) product/service, promotion, potential, price
- E) price, purchase, placement, product/service

Answer: C

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

20) Matt's Mobile Services has designed a cell phone plan especially for tech-savvy teens who are heavy cell phone users and live in households earning over \$150,000 per year. In tailoring the plan for a specific group of consumers based on their particular needs, Matt's Mobile Services has provided an example of _____.

- A) societal marketing
- B) broadcasting
- C) target marketing
- D) the selling orientation
- E) the product concept

Answer: C

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

21) The process of dividing a market into subsets of consumers with common needs or characteristics is known as _____.

- A) market targeting
- B) ethical marketing
- C) product positioning
- D) market segmentation
- E) market stewardship

Answer: D

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

22) "Me too" products are _____.

- A) products that need to be bought along with the original product
- B) secondary products that customers need to be reminded to buy
- C) products that lack a unique image or benefit in the eyes of consumers
- D) products aimed at helping children learn to share with each other
- E) products that are included for free with the desired product

Answer: C

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

23) When advertising to teens, Matt's Mobile Services focuses its messaging on how its expansive network enables subscribers to stay connected with friends at all times, so subscribers are always accessible and "in the loop" on the latest social news. This is an example of _____.

- A) a unique social proposition
- B) societal marketing
- C) communicating the benefits the product provides
- D) product placement
- E) broadcasting

Answer: C

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

24) Packaging and warranties are elements of which of the four Ps?

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

Answer: E

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

25) Of the four Ps of the marketing mix, promotion includes _____.

- A) payment methods
- B) public relations
- C) warranties
- D) discounts
- E) product size

Answer: B

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

26) Of the four Ps of the marketing mix, place includes _____.

- A) discounts
- B) public relations
- C) warranties
- D) distribution centers
- E) packaging

Answer: D

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

27) Of the four Ps of the marketing mix, price includes _____.

- A) payment methods
- B) public relations
- C) warranties
- D) distribution centers
- E) packaging

Answer: A

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

28) Those in favor of socially responsible marketing call on marketers to adopt the societal marketing concept, which requires marketers to _____.

- A) minimize production costs in order to offer the product at the lowest price possible
- B) aggressively market all products to all segments of society
- C) track customer preferences via the Internet to improve customer research databases
- D) fulfill the needs of the target audience in ways that improve society as a whole, while fulfilling the objectives of the organization
- E) lobby for government regulation of their industries

Answer: D

Diff: 2

Skill: Concept

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Ethical understanding and reasoning

29) The example in the text notes San Francisco City Attorney sued _____ because the company chose to market caffeinated energy drinks to children despite alleged health risks.

- A) Monster Beverage Corp.
- B) Hansen's Natural Beverage Corp.
- C) The Coca-Cola Company
- D) Pepsico
- E) Red Bull GmbH

Answer: A

Diff: 2

Skill: Application

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Ethical understanding and reasoning; Application of knowledge

30) Which of the following is consistent with the societal marketing concept?

- A) Fast food restaurants develop offerings with less fat and more nutrients.
- B) Food marketers advertise foods to young people in a way that does not encourage overeating.
- C) Marketers do not use professional athletes in liquor or tobacco advertisements because they may serve as role models for young people.
- D) Marketers avoid featuring unreasonably slim females in their advertising campaigns because of the potential of such images to increase eating disorders.
- E) All of the above are consistent with the societal marketing concept.

Answer: E

Diff: 1

Skill: Application

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Ethical understanding and reasoning; Application of knowledge

31) Socially responsible activities can result in _____.

- A) improved corporate image among consumers
- B) improved corporate image among the financial community
- C) increased sales
- D) all of the above
- E) none of the above

Answer: D

Diff: 1

Skill: Concept

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Reflective thinking

32) Online companies create a _____: consumers gain information that turns them into sophisticated customers, opportunities to customize products easily, and entertainment content; marketers gain information about consumers that allows them to be more efficient and precise when marketing their products.

- A) value vacuum
- B) one-sided transaction
- C) click-to-buy culture
- D) divestment opportunity
- E) value exchange

Answer: E

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

33) The adoption of digital technologies has introduced drastic changes into the business environment, including which of the following?

- A) Customers are forced to deal with distribution outlets and middlemen in order to obtain goods.
- B) The exchange between marketers and customers is less interactive than in the past.
- C) Consumers face more barriers to accessing information.
- D) Marketers can offer more products and services than ever before.
- E) Market research has become significantly more difficult.

Answer: D

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

34) Emerging digital technologies are allowing consumers to have more power than ever before. This means that now customers _____.

- A) are required to buy goods and services from local vendors
- B) are limited in the time of day that they are able to buy products
- C) can locate the best prices for products or services
- D) are more limited in the range of products that they can purchase
- E) are forced to acquire used items through middlemen instead of directly from the original owner

Answer: C

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

35) As consumers spend more time online and have more technological tools that enable them to avoid exposure to TV ads, marketers are _____.

- A) investing in flashier television advertisements to attract attention to themselves
- B) buying more air time in an attempt to crowd out their competitors' advertisements
- C) lobbying for legislation that will prohibit the sale of devices that allow consumers to avoid advertising on the basis that such devices are anti-competitive
- D) shifting dollars from traditional display advertising to sites like Facebook that can deliver huge audiences
- E) blocking out any mention of brand names during regular programming

Answer: D

Diff: 3

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

36) Technology enables marketers to do which of the following?

- A) customize offerings and promotional messages
- B) offer more effective pricing
- C) utilize shorter distribution channels
- D) build long-term relationships with customers
- E) all of the above

Answer: E

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

37) Cookies are used to track who is interested in what online and sold on exchanges like _____ to other companies who are interested in targeting people based on their interests.

- A) eXelate and BlueKai
- B) cheapair.com and Hilton
- C) Amazon.com
- D) informationex.com
- E) IdeaLog.com

Answer: A

Diff: 3

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

38) When consumers use online sites to compare models and brands of products and click for more technical information, companies gain information about _____.

- A) competitors' prices
- B) product attributes that consumers consider the most important
- C) buying patterns
- D) market research
- E) self-reported data

Answer: B

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

39) When Samsung incorporated twitter comments about the iPhone into its advertising pitch, it was taking advantage of which facet of the interactive exchange?

- A) the ability to get instant reactions to marketers' messages
- B) one-way communications
- C) consumer-generated content
- D) scanner panel data
- E) technological innovations

Answer: C

Diff: 3

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

40) Tracy licensed a new software product that enables her to figure out when the same person is accessing her company's website via a mobile phone, tablet, and/or computer so she can keep track of their behavior and target them accordingly. This is an example of _____.

- A) cross-screen marketing
- B) cyberstalking
- C) time shifting
- D) mobile advertising
- E) commercial blanketing

Answer: A

Diff: 2

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

41) Based on the three criteria for successful customization, which of the following is least likely to be effectively customized?

- A) running shoes
- B) fountain pens
- C) sunglasses
- D) laundry detergent
- E) an automobile

Answer: D

Diff: 2

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Application of knowledge

42) Which of the following is an example of how the Internet affects prices and distribution?

- A) Consumers use smart phones to compare prices as they shop, leading to price matching guarantees from retailers.
- B) Apple distributes iBooks via its digital bookstore, reducing prices of high school textbooks by almost 90%.
- C) Marketers are using smartphone apps to target shoppers in stores who are looking for information about products.
- D) Amazon installed Amazon Lockers in grocery, convenience and drugstores that accept packages for customers to pick up later.
- E) all of the above

Answer: E

Diff: 1

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology; Application of knowledge

43) _____ is defined as the ratio between the customer's perceived benefits and the resources used to obtain those benefits.

- A) Customer satisfaction
- B) Customer value
- C) Customer relationship management
- D) Consumer decision making
- E) Consumer marketing

Answer: B

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

44) Customers have different expectations when they purchase a Lexus than when they purchase a Hyundai. These expectations affect _____.

- A) market segmentation
- B) the value proposition
- C) customer satisfaction
- D) the corporate vision
- E) the market targeting

Answer: C

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

45) An individual's perception of the performance of a product or service in relation to one's expectations is known as _____.

- A) market segmentation
- B) customer satisfaction
- C) market targeting
- D) product placement
- E) product promotion

Answer: B

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

46) _____ is turning individual consumer transactions into long-term customer relationships by making it in the best interests of customers to stay with the company rather than switch to another firm.

- A) Market segmentation
- B) Customer satisfaction
- C) Market targeting
- D) Customer retention
- E) Product promotion

Answer: D

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

47) Which of the following is NOT one of the benefits of retaining loyal customers?

- A) Loyal customers are more likely to purchase high margin supplemental products.
- B) Loyal customers are more price-sensitive.
- C) It is less expensive to service existing customers.
- D) Loyal customer refer other customers and engage in positive word-of-mouth.
- E) Loyal customers make employees' jobs easier and more satisfying.

Answer: B

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

48) Antoine is in charge of customer acquisition and retention. He allocates more of his budget to customer retention than customer acquisition. Why does Antoine's decision make sense?

- A) Low customer turnover is correlated with higher profits.
- B) High customer turnover is correlated with higher profits.
- C) Low customer acquisition is correlated with higher profits.
- D) Low customer acquisition is correlated with higher employee satisfaction.
- E) High customer acquisition is correlated with higher employee satisfaction.

Answer: A

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

49) Researchers have identified two interrelated forms of customer engagement with marketers: _____ and _____.

- A) customer satisfaction; commercial exchange
- B) social exchange; commercial exchange
- C) emotional bonds; customer satisfaction
- D) customer satisfaction; transaction-based relationships
- E) emotional bonds; transaction-based relationships

Answer: E

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

50) Social media transformed _____ by giving companies a way to easily collect input and customers' preferences.

- A) photography
- B) television commercials
- C) market trust
- D) market research
- E) customer bias

Answer: D

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

51) Walmart's use of Twitter chatter to inform their decision to sell cake pops is an example of social media's impact on _____.

- A) photography
- B) television commercials
- C) market trust
- D) market research
- E) customer bias

Answer: D

Diff: 1

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

52) Which of the following determinants of customer satisfaction with online websites and merchants while shopping online is characterized by the merchant's ability to match purchase recommendations to one's needs and customize products and advertisements so the customer feels unique and valued?

- A) trust
- B) engagement
- C) network
- D) interactivity
- E) adaptation

Answer: E

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

53) Which of the following determinants of customer satisfaction with online websites and merchants while shopping online is characterized by the customer's willingness to count on the merchant to successfully complete the purchase transaction and feeling the merchant is reliable and honest?

- A) trust
- B) engagement
- C) network
- D) interactivity
- E) adaptation

Answer: A

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

54) Which of the following determinants of customer satisfaction with online websites and merchants while shopping online is characterized by an attractive site design; enjoyable shopping at the site; and an inviting, comfortable site?

- A) trust
- B) engagement
- C) network
- D) interactivity
- E) adaptation

Answer: B

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

55) Which of the following describes Amazon's customers with high bonds and modest purchase levels?

- A) inertia-driven customers
- B) transactional customers
- C) loyal customers
- D) delighted customers
- E) fans

Answer: D

Diff: 3

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

56) Which is NOT one of the benefits of highly satisfied customers?

- A) They keep purchasing the same products.
- B) They provide word-of-mouth to others.
- C) They become customers for life.
- D) They switch to competitors if offered a somewhat lower price.
- E) They repeatedly buy the same brand.

Answer: D

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

57) When Gary buys ice cream, he typically buys whichever brand is on sale that week. With regard to ice cream, Gary is best described as a(n) _____.

- A) brand advocate
- B) apostle
- C) hostage
- D) terrorist
- E) mercenary

Answer: E

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

58) Megan uses Bed Head hair products and enthusiastically recommends them to others any time she receives complements on her hair. With regard to hair products, Megan is best described as a(n) _____.

A) ambivalent consumer

B) apostle

C) hostage

D) terrorist

E) mercenary

Answer: B

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

59) Norman dislikes the health insurance plan provided by his employer, but is unwilling to switch to a different health insurer because obtaining private health insurance would be significantly more expensive than the employer-subsidized plan in which he is currently enrolled. With regard to health insurance, Norman is best described as a(n) _____.

A) loyalist

B) apostle

C) hostage

D) terrorist

E) mercenary

Answer: C

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

60) The primary objective of providing value to customers continuously and more effectively than the competition is _____.

A) to monopolize the market

B) to produce a compelling advertising message

C) to help recruit a dedicated workforce

D) to avoid government regulation of the industry

E) to create and to retain highly satisfied customers

Answer: E

Diff: 3

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

61) Customer profitability-focused marketing _____.

- A) tracks costs and revenues of individual customers and then categorizes those consumers into tiers based on consumption behaviors that are specific to the company's offerings
- B) minimizes the cost of production in order to offer the product at the best price possible
- C) aggressively markets products to consumers who do not necessarily think that they need the product
- D) continually updates the product without regard to the needs of the consumer
- E) invests money in attracting customers that are very sensitive to price and are not loyal to any given brand

Answer: A

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

62) Sophisticated marketers selectively build relationships with customers according to their profitability by customer retention by _____.

- A) monitoring customers' consumption volume and shopping patterns
- B) creating tiers of customers according to their profitability levels
- C) developing distinct strategies for each group of customers
- D) A, B and C
- E) none of the above

Answer: D

Diff: 3

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

63) John is a frequent flier, who travels with American Airlines at least 250,000 miles a year in first class. According to the text, the profitability classification given him would be _____.

- A) emerald
- B) sapphire
- C) titanium
- D) diamond
- E) platinum

Answer: D

Diff: 3

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

64) Using the classification system used by airlines in the text, a diamond or an emerald who is some miles short of keeping his or her status at the end of a given year technically must be "demoted" to _____.

- A) gold
- B) sapphire
- C) diamond
- D) iron
- E) platinum

Answer: B

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Analytical thinking

65) Which of the following customer retention measurement methods is described: the percentage of customers at the beginning of the year that are still customers by the end of the year?

- A) customer valuation
- B) retention rate
- C) complaint analysis
- D) defection rate
- E) benchmark

Answer: B

Diff: 3

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

66) Disney gets its cast members to go out of their way to make people happy by valuing its employees like internal customers, which is also known as _____.

- A) termination costs
- B) internal manipulation
- C) customer gratitude
- D) customer gratuity
- E) internal marketing

Answer: E

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

67) The three distinct but interlocking steps of the consumer decision-making process are _____.

- A) input, analysis, and output
- B) environment, search, and evaluation
- C) input, process, and output
- D) analysis, decision making, and output
- E) analysis, process, and output

Answer: C

Diff: 1

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Reflective thinking

68) In the consumer decision-making process, the _____ stage influences the consumer's recognition of a product need.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: C

Diff: 2

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

69) In the consumer decision-making process, the _____ stage focuses on how consumers make decisions.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: D

Diff: 2

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

70) In the consumer decision-making process, the _____ stage focuses on how consumers make decisions.

- A) analysis
- B) evaluation
- C) input
- D) process
- E) output

Answer: E

Diff: 2

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

71) Ryan runs a store that caters to athletes. He divides the athletic market into different subsets of shoe consumers, such as runners, basketball players, and golfers, which is known as _____.

- A) market targeting
- B) product placement
- C) product positioning
- D) market segmentation
- E) social marketing

Answer: D

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

72) Ryan runs a store that caters to athletes. He divides the athletic market into different subsets of shoe consumers, such as runners, basketball players, and golfers. Ryan decides to focus his attention on that segment of the market that is interested in running. This selection of a specific market segment is known as _____.

- A) social marketing
- B) market targeting
- C) product placement
- D) market segmentation
- E) product positioning

Answer: B

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

73) Ryan runs a store that caters to athletes. He portrays his store as a one-stop-shop for all your running needs, so he has developed a distinct image for his store. This is an example of _____.

- A) segmentation
- B) targeting
- C) placement
- D) positioning
- E) social marketing

Answer: D

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

74) Transatlantic Airlines identifies the most profitable customers and offers them specific incentives, a practice known as _____.

- A) social marketing
- B) customer profitability-focused marketing
- C) market targeting
- D) market segmentation
- E) product positioning

Answer: B

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

75) Which of the four disciplines that helps shape our understanding of consumer behavior is defined as the study of the human mind and the mental factors that impact behavior?

- A) psychology
- B) sociology
- C) anthropology
- D) communication
- E) economics

Answer: A

Diff: 1

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

76) Which of the four disciplines that helps shape our understanding of consumer behavior is defined as the study of the development, structure, functioning and problems of human society?

- A) psychology
- B) sociology
- C) anthropology
- D) communication
- E) economics

Answer: B

Diff: 1

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

77) Which of the four disciplines that helps shape our understanding of consumer behavior compares human societies' culture and development?

- A) psychology
- B) sociology
- C) anthropology
- D) communication
- E) economics

Answer: C

Diff: 1

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

CAR MINI CASE: In the early 1900s, Henry Ford made a fortune manufacturing Model T cars and selling them cheaply, making the automobile affordable for a much larger proportion of the population than had previously been the case. He accomplished this by producing only one model of car and doing so cheaply and at high volumes through the utilization of assembly line manufacture. In 1923, General Motors decided to increase its market share in the automobile industry by offering, instead of just one model, as Ford did, a variety of affordable mass-produced models to meet the various differing needs of different types of consumers.

78) In the CAR MINI CASE, Ford's business strategy focused on _____.

- A) targeting the market
- B) positioning its product
- C) developing a value proposition
- D) segmenting the market
- E) minimizing production costs

Answer: E

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

79) In the CAR MINI CASE, Ford's business approach exhibited a _____.

- A) production concept
- B) marketing concept
- C) societal marketing concept
- D) product concept
- E) selling concept

Answer: A

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

80) In the CAR MINI CASE, which of the following elements of the marketing mix was central to Ford's business model?

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

Answer: C

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

81) In the CAR MINI CASE, by offering a variety of cars to choose from, General Motors was able to differentiate itself from Ford by demonstrating to consumers that it could offer _____.

- A) organizational buying power
- B) compelling consumer research
- C) an effective marketing mix
- D) a unique selling proposition
- E) significantly lower prices

Answer: D

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

RYAN'S RUNNERS MINI CASE: Ryan wants to open a store that caters to athletes, but, due to space and budgetary constraints, he recognizes that he will not be able to offer the same variety and selection of products as does the local athletic mega-store, so he has decided to focus specifically on runners. He stocks shoes and related gear for runners, and maintains a staff that is knowledgeable and enthusiastic about running. Ryan's advertising campaign emphasizes his store's high standard of customer service and selection of products specifically tailored to meet the needs of the runner.

82) In the RYAN'S RUNNERS MINI CASE, the process of dividing the athletic market into different subsets of shoe consumers, such as runners, basketball players, and golfers, is known as _____.

- A) market targeting
- B) product placement
- C) product positioning
- D) market segmentation
- E) social marketing

Answer: D

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

83) In the RYAN'S RUNNERS MINI CASE, Ryan decides to focus his attention on that segment of the market that is interested in running. This selection of a specific market segment is known as _____.

- A) social marketing
- B) market targeting
- C) product placement
- D) market segmentation
- E) product positioning

Answer: B

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

84) In the RYAN'S RUNNERS MINI CASE, by portraying his store as a one-stop-shop for all your running needs, Ryan has developed a distinct image for his store. This is an example of _____.

- A) segmentation
- B) targeting
- C) placement
- D) positioning
- E) social marketing

Answer: D

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

85) In the RYAN'S RUNNERS MINI CASE, which of the four elements of the marketing mix does Ryan use to differentiate his store in the marketplace?

- A) place
- B) positioning
- C) promotion
- D) price
- E) product/service

Answer: E

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

86) In the RYAN'S RUNNERS MINI CASE, which of the following is most likely to represent the unique selling proposition at Ryan's Runners?

- A) Ryan's Runners offers the widest selection of athletic shoes in town.
- B) Ryan's Runners is the price leader in running gear.
- C) At Ryan's Runners, runners can find high quality products and get recommendations from employees who share their passion for running.
- D) Ryan's Runners is a place where all athletes can find all the equipment they need for the sport of their interest.
- E) all of the above

Answer: C

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

AIRLINE MINI CASE: Transatlantic Airlines flies between popular destinations in the United States and western Europe, and claims to deliver "a first class experience for every passenger." All ticket purchases are made online, and users of the Transatlantic website must register before they search for flights. Transatlantic uses this information to determine which consumers are generating the most profits for the company, which services they purchase most frequently, and which services they are potentially interested in but are not purchasing. This information is then used to make specific promotional offers to profitable customers in an attempt to retain their business and to expand the range of flight services that they purchase. Transatlantic also uses this information to provide unexpected perks to highly profitable customers, like free upgrades to first class.

87) In the AIRLINE MINI CASE, when Transatlantic upgrades the seat assignment of especially loyal customers, the airline is attempting to increase _____.

- A) net revenue
- B) production capacity
- C) customer satisfaction
- D) social responsibility
- E) profit margins

Answer: C

Diff: 3

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

88) In the AIRLINE MINI CASE, by tracking flight searches and developing services to better meet customers' unfulfilled needs, Transatlantic adheres to the _____.

- A) social marketing concept
- B) production concept
- C) selling concept
- D) marketing concept
- E) product concept

Answer: D

Diff: 3

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

89) Consumer behavior includes the behavior that consumers display in searching for, purchasing, evaluating and disposing of products and services.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

90) Marketing-oriented companies try to persuade consumers to buy what the firm has already produced, regardless of whether those goods satisfy consumers' needs.

Answer: FALSE

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

91) The production concept makes sense in developing countries where the main objective is to make products available to the maximum number of consumers at the lowest prices.

Answer: TRUE

Diff: 3

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

92) Marketing myopia causes companies to focus on crucial changes in the marketplace as they look through the window rather than into the mirror.

Answer: FALSE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

93) The selling concept does not consider customer satisfaction because consumers who are aggressively induced to buy products they do not want or need will not buy them again.

Answer: TRUE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

94) Implementing the marketing concept includes consumer research, market segmentation, a combination of the product, price, place and promotion strategies, providing value, and long-term customer satisfaction and retention.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

95) Companies that focus on understanding customers are able to continue to grow and remain leaders in their industries in spite of increased competition and changing business environments.

Answer: TRUE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

96) No matter where we are born, we all have the same biological needs: needs for food, nourishment, water, air and shelter from the environment's elements.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

97) Most products do not have substitutes or similar products in the marketplace, so having a distinct benefit is usually unimportant for marketers.

Answer: FALSE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

98) Me-too products lack a unique image or benefit.

Answer: TRUE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Reflective thinking

99) Post-purchase benefits such as warranties and return policies are part of the place element of the marketing mix.

Answer: FALSE

Diff: 2

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Analytical thinking

100) The societal marketing concept requires marketers to fulfill the needs of the target audience in ways that improve, preserve and enhance society's well-being and meet business objectives.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Ethical understanding and reasoning

101) The Physicians Committee for Responsible Medicine targeted Burger King in television commercials that blame it for heart disease.

Answer: FALSE

Diff: 2

Skill: Application

LO: 1.4: To understand marketers' social and ethical responsibilities.

AACSB: Ethical understanding and reasoning

102) The Internet offers marketers the ability to customize their products, services, and promotional messages to individual consumers, as seen in how Amazon.com sends emails to customers who are interested in a product category telling them about a new promotional offer.

Answer: TRUE

Diff: 1

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

103) Much like traditional television advertising, digital technologies allow for two-way interactive exchanges between customers and marketers.

Answer: FALSE

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

104) When Amazon buyers find books instantly, read sample pages and reviews posted by other readers, and begin reading purchased books within minutes after placing their orders, Amazon collects information about what books they looked at, the sample pages and reviews they clicked on, and the time spent on each activity. This is an example of a value exchange.

Answer: TRUE

Diff: 2

Skill: Application

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Application of knowledge

105) The societal marketing concept advocates a short-term perspective in driving for increased market share and quick profits.

Answer: FALSE

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Ethical understanding and reasoning

106) The downside of electronic communications is marketers have less ability to gauge the effectiveness of their promotional messages than they did via traditional media outlets.

Answer: FALSE

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Analytical thinking

107) Cross-screen marketing consists of tracking and targeting users across their computers, mobile phones and tablets.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Reflective thinking

108) Customization is more practical and effective for marketers who are selling low involvement products.

Answer: FALSE

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Analytical thinking

109) The three drivers of successful relationships between marketers and customers are customer value, high levels of customer satisfaction, and customer retention.

Answer: TRUE

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

110) Customer satisfaction is a function of customer expectations.

Answer: TRUE

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

111) Sophisticated marketers today practice selective relationship building, which can lead to companies rejecting or firing certain types of consumers.

Answer: TRUE

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Reflective thinking

112) Purchase behavior and post-purchase evaluation are elements of the input stage of the consumer decision-making model.

Answer: FALSE

Diff: 1

Skill: Concept

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Analytical thinking

113) Courtney has been looking at laptop computers for a while and has decided to purchase a Dell. Courtney's decision to purchase a Dell signifies the output stage of decision making.

Answer: TRUE

Diff: 2

Skill: Application

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Application of knowledge

114) Students with expertise in consumer behavior should pursue employment in three areas: brand management, advertising, and consumer research.

Answer: TRUE

Diff: 1

Skill: Application

LO: 1.6: To explain how the knowledge of consumer behavior advances seeking employment after graduation.

AACSB: Application of knowledge

115) Define consumer behavior. What is the scope of consumer behavior?

Answer: Consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. It focuses on how individuals make decisions to spend their valuable resources, time, money and effort on consumption-related items. It helps marketers decide how to communicate about and deliver products to consumers and informs marketers based on how individuals make decisions about how to spend their available resources (time, money, effort) on products and services.

Diff: 1

Skill: Concept

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Written and oral communication

116) Imagine you are training a marketing intern on how your company, which markets athletic footwear, uses market segmentation, target marketing and positioning. Explain what each is and provide an example.

Answer: Market segmentation is the process of dividing a market into subsets of consumers with common needs or characteristics. It consists of groups with shared needs that are different from those shared by other groups. Targeting is selecting the segments that the company views as prospective customers and pursuing them. Positioning is the process by which a company creates a distinct image and identity for its products, services, and brands in consumers' minds. The image must differentiate the company's offering from competing ones and communicate to the target audience that the particular product or service offers a unique benefit and fulfills their needs better than competing offerings. Successful positioning focuses on communicating the *benefits* that the product provides.

Examples will vary, but an example in the context of running shoes might segment the market based on gender, geographic location, benefits sought (e.g. trail running, track running, cross training), age, technological savviness. The selected target should be drawn from the outlined segments (e.g. women between the ages of 25-40 who are technologically savvy and run on asphalt to train for races). The positioning should express the unique benefits that are likely to meet the needs/wants of the selected target audience (more support, app that tracks distances, unique style, etc.)

Diff: 2

Skill: Application

LO: 1.1: To understand the evolution of the marketing concept, what consumer behavior is, and the components of strategic marketing.

AACSB: Application of knowledge

117) Provide three specific examples of how the Internet and related technologies improve marketing transactions by adding value that benefits marketers and/or customers.

Answer: Examples may vary and can be related to the marketing mix, segmentation, targeting, positioning and/or customer retention. Examples may include:

- Use of electronic devices makes it easier for companies to track consumer information and behavior and deliver more targeted offerings and communications.
- Marketers can customize product offerings and promotional messages, offer more effective pricing based on past behavior, shorter distribution channels, and build long-term relationships with customers using two-way communications and information about customer preferences.
- Consumers are more sophisticated, with increased ability to customize products and entertainment offerings; increased access to price and product information from a variety of sources; and increased ability to compare products online.

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Information technology

118) Identify the three conditions under which customization is most likely to be effective and provide an example of a successful customizable offering that meets these criteria.

Answer: 1. Consumers must clearly understand their preferences

2. Consumers must express their preferences

3. Consumers must be involved in the product

Examples may vary. The examples in the text include Oakley sunglasses, Barnes & Noble and fountain pens. In their examples, students should tie the example to a clear understanding of preferences, willingness to express those preferences, and high product involvement.

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Application of knowledge

119) In terms of expectations, when is a customer not satisfied, satisfied, and delighted?

Answer: A customer is satisfied when the expectations have been met; a customer is dissatisfied when expectations have not been met and the product did not perform as expected. A customer is highly satisfied or delighted when the product or service has exceeded the expectations of the customer.

Diff: 1

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Written and oral communication

120) Identify and discuss the reasons for which small reductions in customer defections produce significant increases in profits.

Answer: 1) Loyal customers buy more products. 2) Long-term customers who are familiar with the company's products are an important asset for developing and testing new products and services. 3) Loyal customers are less price sensitive and pay less attention to competitors' advertising. 4) Servicing existing customers, who are familiar with the firm's offerings and processes, is cheaper. 5) Loyal customers spread positive word of mouth and refer other customers. 6) Marketing efforts aimed at attracting new customers are expensive. In saturated markets, there may not even be new customers. 7) Employees' jobs are easier and more satisfying when customers are loyal and easier to serve.

Diff: 2

Skill: Concept

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Written and oral communication

121) Identify and briefly describe the two interrelated forms of customer engagement with marketers. Provide an example that shows why a company needs to consider both types of engagement.

Answer: Emotional bonds and transaction-based relationships are the two interrelated forms of customer engagement with marketers. Emotional bonds are high levels of commitment and attachment to the company. Transaction-based relationships relate to purchase levels, which may occur independent of an emotional bond. Examples may vary, but an example from the text is Amazon's differentiation of fans (high emotional bonds and high purchase levels); loyal customers (lower emotional bonds and high purchase levels); delighted customers (high emotional bonds and modest purchase levels); and transactional customers (low emotional bonds and infrequent purchase levels).

Diff: 2

Skill: Application

LO: 1.3: To understand providing value and satisfaction and how technology has enhanced customer loyalty and retention.

AACSB: Application of knowledge

122) Identify and briefly describe five of the factors that determine customer satisfaction with online websites and merchants while shopping online.

Answer: Students should identify five of the following:

1. *Adaptation*: The merchant's purchase recommendations match one's needs; enabling to order products that are tailor-made; personalized advertisements and promotions; feeling like a unique and valued customer.
2. *Interactivity*: Ability to view merchandise offerings from different perspectives; search tool that enables to quickly locate products; having tools that make comparisons easy; useful information.
3. *Nurturing*: Receiving reminders about making purchases; providing relevant information for one's purchases; appreciates one's business; making an effort to increase its business with the customer; cultivating a relationship with the customer.
4. *Commitment*: Delivering goods on time; responding to problems encountered; customer friendly return policies; taking good care of customers.
5. *Network*: Customers sharing experiences about their product purchases on the merchant's website; useful network for sharing experiences; shoppers benefit from the community of prospects and customers sponsored by the merchant.
6. *Assortment*: Merchant provides "one-stop shopping" for most online purchases, site satisfies shopping needs; merchant carries wide assortment and selection of products.
7. *Transaction Ease*: Merchant's website can be navigated intuitively; a first-time buyer being able to make a purchase without much help; site is user-friendly and enables quick transactions.
8. *Engagement*: The merchant's site design is attractive; enjoyable shopping at the site; feeling that the site is inviting; feel comfortable shopping at the site.
9. *Loyalty*: Seldom considering switching to another merchant; usually clicking on the merchant's site whenever needing to make a purchase; liking to navigate the site; one's favorite merchant to do business with.
10. *Inertia*: Unless becoming very dissatisfied, changing to a new merchant would not be worth the bother; finding it difficult to stop shopping at the site; feeling that the cost in time, money, and effort to change merchants is high.
11. *Trust*: Counting on the merchant to complete purchase transactions successfully; trusting the site's performance; feeling that the merchant is reliable and honest.

Diff: 2

Skill: Concept

LO: 1.2: To understand how technology has benefited both marketers and consumers.

AACSB: Written and oral communication

123) Identify the three components of the decision-making process. In your response, please provide an example of what someone who was in the market for a new television might do at that stage in the process.

Answer: The three stages of the decision-making process are the input, process and output stages. During the input stage, consumers are influenced by the firm's marketing efforts and external sociocultural influences. During the input stage, the consumer may not even be aware of a need for a television, but may notice the television sets in stores, promoted online or on television, and may be influenced by the televisions of others. These inputs are affected by the individual's psychological factors to affect whether the consumer recognizes a need, searches for information, and how they evaluate alternatives during the process stage. For example, a consumer in the market for a television might visit websites to learn about specific products, their prices, and where they are sold. The consumer is likely to be more interested in marketing communications about televisions, including advertising and publicity, and may seek out product reviews from friends, family members, and third party sources like Consumer Reports. During the process stage, the consumer's motivation, perception, learning, personality, and attitudes will affect how the consumer responds to those inputs and whether or not s/he selects a television in the output stage.

The output stage includes purchase behavior and post-purchase evaluation. In the television example, the purchase is a high involvement purchase, so sales support, information, and warranties may be important factors during this stage. After purchase, the consumer will decide whether s/he is satisfied with the product, may engage in positive/negative word-of-mouth and/or may participate in a product review. The post-purchase stage also includes the consumer's ultimate disposal of the television.

Diff: 2

Skill: Application

LO: 1.5: To understand consumer decision making as the foundation of this book.

AACSB: Application of knowledge

124) What three areas should students with expertise in consumer behavior pursue employment in ?

Answer: Students with expertise in consumer behavior should pursue employment in three areas: brand management, advertising, and consumer research.

Brand management is the process of maintaining, improving, and upholding a brand so that it is clearly differentiated from other offerings in the same product category. Brand management stems from the marketing concepts stating that marketers must satisfy consumer needs and retain customers, through the four elements of the marketing mix: product, price, place, and promotion.

Students with solid knowledge of how to understand consumers' needs, motivation, perception, and attitudes are proficient in forming strategies that distinguish the brand from competing alternatives. Such proficiencies will convince consumers to buy products introduced under the brand name, provide continued satisfaction, and create long-term customers.

Understanding perception is particularly important because it enables newly hired graduates to demonstrate they understand how marketers position products in highly competitive markets by forming an easily and favorably recognizable brand image in consumers' minds. Additionally, understanding the concept of stimulus generalization enables proficiency in designing and adding items into successful product lines effectively because consumers would believe that a familiar name delivers satisfaction and quality.

Students who understand how consumers' purchases are influenced by their peers, family, and social standing, and their values and customs grasp the crucial role of reference groups and word-of-mouth when new products and brand extensions are introduced. Understanding the diffusion of innovations provides strategic insights for designing and launching brand offerings, and proficiency in comprehending cross-cultures is crucial when U.S. brands introduced abroad are customized to fit local cultures.

Advertising includes writing advertising copy, creating visuals, ensuring that the right messages reach the right consumers at the right time, and determining in which media to place ads, including when and for how long.

Studying consumer behavior prepares students for becoming copy writers, planning and implementing advertising strategies, measuring the effectiveness of advertising campaigns and, if necessary, redesign promotional messages to make them more persuasive. Specifically, the knowledge of communication provides students with abilities to select appeals that are likely to persuade consumers and to structure messages that would be easily understood by them. The knowledge of learning is crucial in designing promotions because it explains how consumers retain information and how to ensure that they will remember it by constructing advertising schedules. The most important aspect in persuasion is source credibility and the trustworthiness of the source that stems from consumers' perception of the source's expertise, reliability, and reputation. Understanding the distinction between formal and informal sources, as well as the differences between impersonal and interpersonal communications is crucial in transmitting advertising messages that will be recalled and remain impactful and influential.

After constructing the ads, marketers must carefully select the media in which to place the ads. Students can become media planners and buyers because the study of consumer behavior includes learning about the strategic advantages and limitations of traditional media such as newspapers, TV, and radio, as well as new channels of communications, such as social media.

CONSUMER RESEARCH

Consumers are complex individuals, subject to a variety of psychological and social needs, and the needs and priorities of different consumer segments differ dramatically. To design products and marketing strategies that fulfill consumer needs, marketers must study consumers' consumption behavior in depth. The term *consumer research* refers to the process and tools used to study consumer behavior. Consumer research is a form of market research, a process that links the consumer, customer, and public to the marketer through information in order to identify marketing opportunities and problems, evaluate marketing actions, and judge the performance of marketing strategies. The market research process outlines the information required, designs the method for collecting information, manages the data collection process, analyzes the results, and communicates the findings to marketers.

Diff: 2

Skill: Application

LO: 1.6: To explain how the knowledge of consumer behavior advances seeking employment after graduation.

AACSB: Application of knowledge