

Consumer Behavior, 13e (Solomon)

Chapter 2 Consumer and Social Well-Being

1) Which act makes it illegal for American executives to bribe foreigners to gain business?

- A) Lanham Act
- B) Foreign Corrupt Practices Act
- C) Patriot Act
- D) Robinson-Patman Act

Answer: B

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

2) Rules of conduct that guide actions in the marketplace are called _____.

- A) social obligation
- B) social responsibility
- C) business ethics
- D) social awareness

Answer: C

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Ethical understanding and reasoning

3) The importance people attach to worldly possessions is called _____.

- A) ego products
- B) materialism
- C) needs
- D) wants

Answer: B

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

4) Though the Organization for Economic Cooperation and Development (OECD) outlaws bribery in business practices, it is still common in _____.

- A) Japan
- B) Mexico
- C) Germany
- D) All of the above

Answer: D

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Ethical understanding and reasoning

5) The U.S. government is trying to encourage businesses and consumers to select green cleaning products, which of the following are examples of company's pursuing such products?

- A) Arm & Hammer
- B) Unilever
- C) Nestle
- D) SC Johnson & Co.

Answer: D

Diff: 3

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

6) Business ethics are rules of conduct published by the Better Business Bureau that guide actions in the marketplace.

Answer: FALSE

Diff: 2

LO: 2.1: Ethical business is good business.

AACSB: Ethical understanding and reasoning

7) Products meet existing needs, and marketing activities only help to communicate their availability.

Answer: TRUE

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Ethical understanding and reasoning

8) Advertising is a service for which consumers are willing to pay because the information it provides reduces their search time.

Answer: TRUE

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

9) What is the role of a product and how does it relate to marketing activities?

Answer: Products meet existing needs, and marketing activities only help to communicate their availability. The economics of information perspective regards advertising as an important source of consumer information learning. This view emphasizes the economic cost of the time we spend to search for products. Accordingly, advertising is a service for which consumers are willing to pay because the information it provides reduces their search time.

Diff: 2

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

10) If you are unhappy with a product or service, what are your three possible courses of action?
Answer: You may use a voice response, private response, or third-party response. The voice response is the best for the marketer because it enables a correction to the problem.

Diff: 1

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

11) Explain why advertising is necessary.

Answer: Advertising helps to communicate products' availability and usefulness.

Diff: 3

LO: 2.1: Ethical business is good business.

AACSB: Application of knowledge

12) When consumers are unhappy with a product, they boycott the product and/or store and express dissatisfaction to friends. This is called a _____ response.

- A) private
- B) third-party
- C) voice
- D) public

Answer: A

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

13) When consumers are unhappy with a product, they may file a complaint in the form of legal action, Better Business Bureau complaint, or publishing a negative review. This is called a _____ response.

- A) private
- B) third-party
- C) voice
- D) complaint

Answer: B

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

14) So called "gripe sites" exist for consumers to publish _____ responses against products or stores with which they are dissatisfied.

- A) private
- B) third-party
- C) voice
- D) complaint

Answer: B

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge; Information technology

15) The consumer's focus on personal health is merging with a growing interest in global health. Some analysts call this new value _____.

- A) consumer addiction
- B) consumed consumers
- C) conscientious consumerism
- D) compulsive consumption

Answer: C

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

16) Bayer HealthCare Pharmaceuticals established a new campaign for Yaz birth control to ensure consumers understand that Yaz does not treat PMS, a claim which had been made in early Yaz advertisements. Bayer is using _____.

- A) cooperative advertising
- B) subliminal advertising
- C) corrective advertising
- D) reminder advertising

Answer: C

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Analytical thinking

17) Which of the following is NOT one of the consumer rights established in President John F. Kennedy's Declaration of Consumer Rights?

- A) Right to safety
- B) Right to be informed
- C) Right to choice
- D) Right to desire more

Answer: D

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

18) Ralph Nader's book, *Unsafe at Any Speed*, was published in part to enforce the consumer's right to _____.

- A) safety
- B) complain
- C) choose
- D) redress

Answer: A

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

19) The Federal Cigarette Labeling and Advertising Act _____.

- A) bans cigarette smoking in public places
- B) requires cigarette manufacturers to list ingredients
- C) bans cigarette smoking in restaurants
- D) requires cigarette packages to carry warning labels from the Surgeon General

Answer: D

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

20) Which term refers to marketing techniques that are used to encourage positive behaviors such as literacy or discourage negative behaviors like drunk driving?

- A) social media marketing
- B) social marketing
- C) public service marketing
- D) services marketing

Answer: B

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

21) Advertisements reminding people to stay focused while driving and to avoid texting while driving are examples of _____.

- A) social media marketing
- B) social marketing
- C) public service marketing
- D) services marketing

Answer: B

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

22) The shoe company TOMS gives a pair of shoes to a needy child for every pair that it sells. This is an example of a company which has integrated _____ into its business model.

- A) correction marketing
- B) environmental marketing
- C) corporate social responsibility
- D) ethical marketing requirements

Answer: C

Diff: 2

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Analytical thinking

23) When Yaz was required to do corrective advertising, what did this mean?

- A) They had to discontinue their ad.
- B) They had to inform consumers that their previous message was wrong or misleading.
- C) They could no longer advertise.
- D) None of the above.

Answer: B

Diff: 3

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

24) A strategy that aligns a company brand with a cause to generate business and societal benefits is called _____.

- A) ethic marketing
- B) social marketing
- C) response marketing
- D) cause marketing

Answer: D

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

25) Market access (i.e., their ability to find and purchase goods and services) is limited because of physical, mental, economic, or social barriers.

Answer: TRUE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

26) The Federal Trade Commission (FTC) enforces laws against deceptive advertising and product labeling regulations.

Answer: TRUE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

27) The Food and Drug Administration (FDA) enforces laws and regulations on foods, drugs, cosmetics, and veterinary products.

Answer: TRUE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

28) Culture jamming is the term used to explain the plethora of culturally-relevant content posted to social media sites.

Answer: FALSE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Information technology

29) Participatory action research is also called transformative consumer research.

Answer: TRUE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

30) Cause marketing is the same as social marketing.

Answer: FALSE

Diff: 2

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

31) Consumer research shows that all things being equal, people are likely to choose a brand that gives back to the community over one that does not.

Answer: TRUE

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

32) Explain the Declaration of Consumer Rights and why it is still relevant to consumers today.

Answer: The rights are the right to safety, the right to be informed, the right to redress, and the right to choice. These are still relevant today because consumers continue to need protection from unsafe products, information to make good decisions, solutions when things are not as guaranteed, and options for meeting their own consumer needs.

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Reflective thinking

33) Explain the role social marketing plays in public policy.

Answer: Social marketing means to use marketing strategies to encourage positive behaviors like increased literacy or discourage negative behaviors like drunk driving. Public policies are most likely to be successful when they are implemented with these techniques.

Diff: 2

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

34) What is the distinction between cause marketing and social marketing?

Answer: Social marketing is the use of marketing techniques to change some public behavior. Cause marketing is the aligning of a brand with a cause in order to generate consumer support in the brand. Both seek to do good but social marketing benefits the general public while cause marketing primarily benefits the brand.

Diff: 2

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

35) Explain the Fair Packaging and Labeling act of 1966.

Answer: The fair packaging and labeling act regulates packaging and labeling of consumer products.

Diff: 1

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Ethical understanding and reasoning

36) Describe the duties of the Federal Trade Commission (FTC).

Answer: The Federal Trade Commission enforces laws against deceptive advertising and product labeling.

Diff: 2

LO: 2.2: Marketers have an obligation to provide safe and functional products as part of their business activities.

AACSB: Application of knowledge

37) What is the most common consumer complaint, according to the Federal Trade Commission?

It accounts for almost 20 percent of all problems consumers report. It is _____.

A) deceptive advertising

B) poor product quality

C) identity theft

D) lack of data privacy

Answer: C

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

38) Scams where people receive fraudulent emails that ask them to supply account information are called _____.

A) spam

B) phishing

C) junk mail

D) fraud

Answer: B

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Information technology

39) The ability to find and purchase goods is called _____.

A) market access

B) retailing

C) market penetration

D) social marketing

Answer: A

Diff: 3

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

40) Market access can be limited due to _____.

- A) disabilities
- B) media literacy
- C) food desert
- D) all of the above

Answer: D

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

41) The ability for a consumer to assess, analyze, evaluate, and communicate information in a variety of forms including print and non-print messages is known as _____.

- A) analytical literacy
- B) functional literacy
- C) media literacy
- D) consumer literacy

Answer: C

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

42) Jan's Tees creates t-shirts from natural materials that are fully reusable and recyclable so that the firm uses zero resources to manufacture the shirts. This is known as _____.

- A) triple bottom-line
- B) social
- C) cradle to cradle
- D) literate

Answer: C

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

43) When companies make false claims about how environmentally friendly their products are, _____ has occurred.

- A) phishing
- B) greenwashing
- C) eco-lying
- D) deceptive advertising

Answer: B

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Ethical understanding and reasoning

44) Which of the following issues is related to consumer behavior?

- A) consumerism
- B) literacy
- C) product disposal
- D) All of the above are related.

Answer: D

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

45) Why do many consumers sometimes replace a product that still functions?

- A) desire for new features
- B) change in the environment
- C) change in the person's role
- D) All of the above

Answer: D

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

46) A customer who buys an outfit, wears it once, and returns it; customers who change price tags on items, then return one item for the higher amount; and shoppers who use fake or old receipts when they return a product are referred to as _____.

- A) prostitutes
- B) slackers
- C) Counterfeiters
- D) serial wardrobers

Answer: D

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

47) Current research has shown that there still is demand for environmentally friendly products: U.S. consumers spend more than \$40 billion a year on them.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

48) Identify theft occurs when someone steals your personal information without your permission.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Information technology

49) Malware is an example of malicious software.

Answer: TRUE

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Information technology

50) Locational privacy is an issue now that GPS-enabled mobile devices are ubiquitous.

Answer: TRUE

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

51) Sustainability and green marketing are the same thing.

Answer: FALSE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

52) The triple bottom-line orientation recognizes that businesses should strive to cut costs as well as raise revenue.

Answer: FALSE

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

53) The concept of "cradle to cradle" means that we should market to consumers from the time they are born until the time they give birth.

Answer: FALSE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

54) Green marketing refers to the strategy of promoting how environmentally friendly a product is.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

55) There is an increasing demand for green products.

Answer: FALSE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

56) Consumers may have abandoned products in their homes because they bought for a specific purpose but then changed plans.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

57) Marketplace sentiments is when enough people band together to express negative comments through activist organizations or in social media.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge; Ethical understanding and reasoning

58) Consumer addiction can occur with any product category, even lip balm.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

59) The social bottom line provides financial benefits directly to stockholders.

Answer: FALSE

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Ethical understanding and reasoning

60) Greenwashing occurs when companies make false or exaggerated claims on how environmentally friendly their product is.

Answer: TRUE

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

61) Discuss an implication that relates to the lack of locational privacy consumers have in today's wired and mobile world.

Answer: Answers will vary. An example is the threat that is possible when others can see one's location in real-time such as on Four-Square.

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Ethical understanding and reasoning

62) Why are disabilities among consumers an issue of concern for marketers?

Answer: Disabilities may be an issue of concern because they may limit market access among these consumers. Market access refers to their ability to find and purchase goods and services.

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Ethical understanding and reasoning

63) Explain the meaning of triple bottom-line orientation.

Answer: The triple bottom-line orientation points out that businesses can maximize return using financial profits, social contributions to communities, and environmentally sound decisions.

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

64) Explain the "functionally illiterate."

Answer: Functionally illiterate describes a person whose reading skills are not adequate to carry out everyday tasks.

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

65) Explain greenwashing and why businesses would participate in greenwashing.

Answer: Greenwashing is marketing with a green message that is not actually legitimate.

Businesses may participate in greenwashing because consumers tend to respond positively to green companies. However, there is a downside in that as consumers learn that a business is not actually green, but has lied to get their business, they may communicate negative word-of-mouth and choose other suppliers.

Diff: 2

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Reflective thinking

66) Explain the threat of consumer terrorism.

Answer: Consumer terrorism refers to the opportunity for terrorists to use consumer situations to create terror. Two forms are bioterrorism and cyberterrorism.

Diff: 1

LO: 2.3 Consumer behavior impacts directly on major public policy issues that confront our society.

AACSB: Application of knowledge

67) A strategy that involves the development and promotion of environmentally friendly products is called _____.

A) sustained marketing

B) environmental marketing

C) green marketing

D) tree marketing

Answer: C

Diff: 3

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

68) A physiological or psychological dependency on a product or service is called a _____.

A) want

B) consumer addiction

C) need

D) specialty product

Answer: B

Diff: 3

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

69) Donna is being called "names" online. This is an example of _____.

- A) cyber harassment
- B) cyberbullying
- C) cyber name calling
- D) none of the above

Answer: B

Diff: 3

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

70) _____ is a physiological or psychological dependency on product services.

- A) Consumer terrorism
- B) Consumer addiction
- C) Consumerism
- D) Materialism

Answer: B

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

71) David habitually reaches for his cell phone, thinking that it is vibrating, even when it is not. David suffers from _____.

- A) cyberbullying
- B) consumer addiction
- C) phantom vibration syndrome
- D) attention deficit disorder

Answer: C

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

72) Which of the following is associated with compulsive consumption?

- A) anxiety
- B) happiness
- C) intelligence
- D) income

Answer: A

Diff: 2

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

73) People who suffer from compulsive consumption are most likely referred to as _____.

- A) materialistic
- B) bankrupt
- C) shopaholics
- D) shallow

Answer: C

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

74) Which of the following is an example of a consumed consumer?

- A) cyberbully
- B) prostitute
- C) single mother
- D) shopaholic

Answer: B

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

75) Cash losses due to shoplifting and employee theft are called _____.

- A) accounts receivable
- B) unrecoverables
- C) shrinkage
- D) fraud

Answer: C

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

76) When people deface products, it is an act of _____.

- A) counterfeiting
- B) anticonsumption
- C) addiction
- D) materialism

Answer: B

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

77) Serial wardrobers are people who _____.

- A) sell fake versions of real outfits
- B) deface clothing and shoes
- C) buy an outfit, wear it once, and return it
- D) shop obsessively for trendy clothing

Answer: C

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

78) Shopaholics suffer from compulsive consumption.

Answer: TRUE

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

79) Explain what is meant by compulsive consumption.

Answer: Compulsive consumption refers to repetitive and often excessive shopping performed as antidotes to tension and anxiety.

Diff: 3

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

80) Prostitutes and organ, blood, and hair donors are examples of consumed consumers. Explain.

Answer: Consumed consumers are people that are used or exploited, willingly or not, for commercial gain.

Diff: 1

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Application of knowledge

81) What makes a successful cause marketing campaign?

Answer: Cause marketing is the marketing of a for-profit product or business which benefits a nonprofit charity or supports a social cause in some way. Just like a business plan, a cause marketing campaign requires careful thought and a smart strategy. The first step in deciding whether or not to start a cause campaign is to determine your company's answer to a simple question: is your cause marketing campaign about engaging your consumers or just giving money to charity? If your answer is the latter, then cause marketing is a waste of your time. Cause marketing is about engaging your consumers through the avenue of giving back. However, be aware of the following pitfall, that at times when an organization wants to encourage people to contribute to its cause in some way, it seems like a good idea to provide an initial token display of support such as wearing a T-shirt, signing a petition, or asking them to join a Facebook group. However, some critics are worried about the phenomenon they term slacktivism; small and relatively meaningless expressions of support for important causes such as liking a charity on Facebook that substitute for donations or volunteering. One study found that if the initial display is visible to others, this public behavior can actually reduce the likelihood that the person will contribute beyond that. Under some circumstances the need to make a positive impression on others is satisfied by the public display, so the person exhibits slacktivism and doesn't bother to do anything else to support the cause.

Diff: 2

LO: 2.4: Consumer behavior can be harmful to individuals and to society.

AACSB: Reflective thinking