

CHAPTER ONE
PAST, PRESENT, AND FUTURE

Multiple Choice

1. E-marketing affects traditional marketing in which of the following ways?
 - a. increases efficiency of traditional marketing functions
 - b. technologically transforms marketing strategies
 - c. marginalizes customer value but increases profitability
 - d. both A and B(d; Moderate; LO2; Use of Information Technology)

2. _____ is the subset of e-business focused on transactions that include buying/selling, digital value creation, and virtual marketplaces.
 - a. E-commerce
 - b. E-marketing
 - c. Digital technology
 - d. ESP(a; Easy; LO2; Use of Information Technology)

3. Convenient, quick access to digital information has the ability to transform all of the following except _____.
 - a. individuals
 - b. ecosystems
 - c. societies
 - d. businesses(a; Easy; LO1; Use of Information Technology)

4. The internet consists of all of the following except _____.
 - a. computers with data
 - b. users who send and receive data files, such as e-mail and text messages
 - c. a technology infrastructure to create, move, share, and consume content
 - d. a central mainframe(d; Moderate; LO1; Use of Information Technology)

5. Data, such as digital coupons or customer complaints, exchanged between companies and consumers typically travel via _____, while off-line electronic data collection, such as bar code scanners or databases, shared internally within an organization, travel via _____.
a. internet; intranet
b. extranet; internet
c. extranet; intranet
d. the Web; the social network
(a; Moderate; LO1; Use of Information Technology)
6. All of the following e-marketing technologies exist without the World Wide Web, except _____.
a. electronic data interchange
b. email
c. text messaging
d. hypertext navigation
(a; Difficult; LO1; Use of Information Technology)
7. In its technical performance, the internet supports the following roles except _____.
a. human users and computers that access content and send e-mail
b. technology infrastructure to move, create, and view content
c. content providers that create information, entertainment, and so forth
d. none; all of the above roles are supported by the internet.
(d; Moderate; LO4; Use of Information Technology)
8. The internet can deliver content to all the following except _____.
a. televisions sets
b. refrigerators
c. video cassette recorders
d. automobiles
(c ; Easy; LO4; Use of Information Technology)
9. According to the text, _____ is the region with largest percentage of internet users.
a. Africa
b. Asia
c. North America
d. Europe
(b; Moderate; LO5; Multicultural and Diversity Understanding)

10. Which of the following outcomes has been cited as a negative one in terms of the world becoming a globally networked world?
- a. growing class divisions due to digital divide
 - b. removing cultural differences
 - c. efficient markets driven by more workaholism
 - d. all of the above
- (d; Difficult; LO5; Analytic Skills)
11. During the “first wave of internet disruption” companies essentially offered _____.
- a. high-end products for mass markets
 - b. tangible products that can be compared easily and purchased at relatively low prices
 - c. commodities available in bulk quantity
 - d. real estate
- (b; Moderate; LO5; Analytic Skills)
12. In the era of the *Plateau of Profitability*, marketers focused more deliberately on _____.
- a. their traditional return-on-performance roots and well-grounded strategies
 - b. diversified unique product mixes
 - c. disintermediation of the marketing channel
 - d. product benefits
- (a; Difficult; p. 11; LO5; Analytic Skills)
13. Charles Schwab pitted their online business vs. their established brick and mortar business. Which of the following is not a result of this competition?
- a. faster growing accounts and assets
 - b. lower prices
 - c. more sales of treasury bonds and less sales of private securities
 - d. incorporation of successful e-marketing strategies
- (c; Difficult; LO1; Analytic Skills)
14. Internet properties, or characteristics, that impact marketing include_____.
- a. global reach
 - b. market deconstruction
 - c. scalable capacity
 - d. all of the above
- (d; Easy; LO1; Use of Information Technology)

15. As consumers become more demanding the internet is a good way to deliver customer value because _____.
- a. most products on the internet are less expensive than on other marketing channels
 - b. broadband allows marketers to put more cookies on computers
 - c. marketers can send digital coupons to millions of customers instantly
 - d. customers gain ability to create, share, and access information and entertainment at will
- (d; Moderate; LO3; Reflective Thinking Skills)

16. According to the text, _____ predicted that the 'e' would drop from e-marketing, suggesting that traditional marketing would evolve and integrate e-marketing principles and practices.
- a. Levitt Inc.
 - b. Friedman Inc.
 - c. Gartner Inc.
 - d. Jones Inc.
- (c; Moderate; LO5; Use of Information Technology)

17. As a strategy, content marketing could involve:
- a. Creating content on Web sites
 - b. Publishing content on social media
 - c. An e-mail offering a free white paper
 - d. All of the above
- (d; Moderate; LO3; Use of Information Technology)

18. The internet has the power to do all of the following except _____.
- a. create global communities based on interests
 - b. decrease cultural and language differences
 - c. prevent the upward mobility of people and countries at lower socioeconomic levels
 - d. discourage workaholism
- (d; Moderate; LO1; Use of Information Technology)

19. Following the boom and bust of the first wave of the internet era, industrialized countries entered the _____.
- a. boom
 - b. bust
 - c. trough of disillusion
 - d. plateau of profitability
- (d; Difficult; LO5; Analytic Skills)

20. Which of the following is true regarding print media?

- a. It is enjoying a new surge in popularity thanks to Web sites
 - b. It is declining due to subscriber and advertiser declines
 - c. Twitter, YouTube, and e-mail are used for breaking news
 - d. Both b and c
- (d; Moderate; LO5; Analytic Skills)

True/False

21. Individuals can be both users and content providers on the internet.
- a. True
 - b. False
- (a; Moderate; LO1; Use of Information Technology)
22. According to the text, nowadays the internet should be regarded more as a channel than a place.
- a. True
 - b. False
- (b; Moderate; LO5; Analytic Skills)
23. E-marketing refers to the result of information technology applied to traditional marketing.
- a. True
 - b. False
- (a; Moderate; LO2; Use of Information Technology)
24. The internet provides individual users abilities to access information, entertainment, and communication.
- a. True
 - b. False
- (a; Easy; LO4; Use of Information Technology)
25. The term *blog* refers to online diaries, or journals, that are updated and shared on Web pages.
- a. True
 - b. False
- (a; Moderate; LO4; Use of Information Technology)

26. The highest proportion of global internet users (about 45%) are located in Asia.
a. True
b. False
(a; Difficult; LO5; Multicultural and Diversity Understanding)
27. Unsolicited communications, such as *spam*, represent a threat to the positive impact of e-marketing practices.
a. True
b. False
(a; Moderate; LO1; Use of Information Technology)
28. Electronic marketing relies exclusively upon web-based technology.
a. True
b. False
(b; Difficult; LO5; Use of Information Technology)
29. The internet has shifted the balance of power from sellers to buyers.
a. True
b. False
(a; Easy; LO3; Reflective Thinking Skills)
30. Gartner Inc. forecasted that the 'e' in e-business and e-marketing will eventually be dropped, as electronic practices become more standard.
a. True
b. False
(a; Moderate; LO5; Analytic Skills)
31. The internet is largely the product of ARPANET, a project commissioned by the United States' Department of Defense.
a. True
b. False
(a; Difficult; LO5; Use of Information Technology)
32. Co-creation occurs when consumers /users help marketers develop products or promotional materials.
a. True
b. False
(a; Easy; LO3; Reflective Thinking Skills)

Essay Questions

33. What is the difference between the internet, an extranet and an intranet?

- The internet is a global network of interconnected computers. Access to the internet is very broad and open.
 - An extranet is two or more proprietary or company owned networks that are joined to share information. Access to this network is limited.
 - An intranet is an internal network for a company that uses internet standards. Access is limited to internal company use only.
- (Easy; LO1; Use of Information Technology)

34. What is a content provider on the internet?

Content providers are individuals and organizations that create digital text, video, audio, and graphics to be sent over the internet to users who receive it as information, entertainment or communications.

(Moderate; LO1; Analytic Skills)

35. Define what community means for the internet and give examples.

Communities for the internet are groups of users who come together to share information, hold discussions and exchange data. Examples include blogs or web logs, auctions, and peer-to peer networking.

(Easy; LO1; Analytic Skills)

36. Concerning internet usage, what is the digital divide?

Internet adoption is affected by money, literacy, and education. This creates a divide between those who have access to the internet and those who don't. It impairs the upward mobility of those on the lower socioeconomic level, who don't have access to the internet and the information that comes with it. This impacts individuals on the lower socioeconomic levels and those living in less developed countries.

(Moderate; LO5; Reflective Thinking Skills)

37. Why did some manufacturers such as Levis stop selling on the internet?

- Channel Conflict with retail accounts
 - Cannibalization
 - Inefficiency
- (Moderate; LO1; Analytic Skills)

38. The strength of the internet has affected traditional marketing in several ways. List five of them and how they affected marketing.
- Power shift from sellers to buyers (focus on customer relationship management)
 - Market Fragmentation (more focus on small target markets and 1 to 1 marketing)
 - Death of distance or geographic location affect (less focus on place for marketing)
 - Time Compression (24/7 availability)
 - Knowledge management is key (Track results in real time and focus on database analysis)
 - Interdisciplinary focus (Marketers must understand technology and use it wisely)
 - Intellectual Capital rules (focus on creativity and imagination)
- (Difficult; LO5; Reflective Thinking Skills)
39. Marketers face new challenges with the advent of streaming, on-demand, and other digital video recorders. What is the main challenge and what have companies like TIVO or Hulu done to alleviate some of the concerns of marketers?
- The main challenge is the ability of consumers to speed through and skip commercials that advertisers have paid for based on their ability to communicate with consumers.
 - TIVO (Hulu) has setup content with advertising included that viewers can watch at their leisure and TIVO (Hulu) can provide specific metrics to the advertisers on these programs.
- (Difficult; LO4; Reflective Thinking Skills)