

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

Marketing is basically selling and advertising.

true

false

Making goods or performing services is called production.

true

false

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

true

false

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

true

false

Marketing plays an essential role in creating customer satisfaction.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

Marketing only applies to for-profit organizations.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

Macro-marketing emphasizes how the whole marketing system works.

true

false

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

true

false

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

true

false

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

true

false

Jeraldo is a marketing manager in a consumer products company. He is concerned with cost effective packaging that attracts customers and can be easily recycled. Jeraldo's concerns are examples of macro-marketing.

true

false

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

true

false

The universal functions of marketing include transporting and storing.

true

false

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

true

false

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

true

false

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

true

false

Intermediaries specialize in trade and production.

true

false

Intermediaries charge for their services, but save companies money in the long run.

true

false

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

true

false

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

true

false

Responsibility for performing the marketing functions can be shifted and shared in a variety of ways, but most functions cannot be completely eliminated.

true

false

Not every society needs an economic system.

true

false

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

true

false

There is little variety in countries with command economies, so consumers have few choices.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

In a market-directed economy, profit is guaranteed.

true

false

The increase in the use of social media gives consumers less power in the market.

true

false

Most Western economies are mainly market-directed.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

The marketing department era is a time when all marketing activities are brought under the control of one department.

true

false

During the “marketing company era,” the total company effort is guided by the idea that customers exist to buy the firm’s output.

true

false

A company has moved into the “marketing company era” when, in addition to short-run marketing planning, the total company effort is guided by the marketing concept.

true

false

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

true

false

A firm that makes products that are easy to produce and then tries to sell them has a production orientation.

true

false

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

true

false

The three basic ideas in the marketing concept are: (1) putting most of the company resources into marketing, (2) a competitive orientation, and (3) an emphasis on profit.

true

false

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

true

false

The only way to effectively carry out the marketing concept is to have profit be the objective.

true

false

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

true

false

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

true

false

Marketing metrics are the numeric data that marketing managers use to calculate how well a strategy performs.

true

false

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

true

false

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

true

false

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

true

false

A manager who follows the production orientation views customer satisfaction as the path to profits.

true

false

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

true

false

Customer value is another term for customer satisfaction.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

A nonprofit organization does not measure profit in the same way as a for-profit organization.

true

false

Sometimes the micro–macro dilemma arises because what is “good” for some producers and consumers may not be “good” for society as a whole.

true

false

Fracking is an example of the micro–macro dilemma.

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

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

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

According to the text, marketing means

much more than selling and advertising.

selling.

producing and selling.

advertising.

selling and advertising.

Claire's Curios maintains a Facebook page on which it encourages customers to list things they are looking to buy. This way, Claire's can seek out the products that customers really want.

Claire's focuses on

production quality.

advertising.

quality control.

digital sales.

customer satisfaction.

Which activity is *least* likely to be part of marketing?

advertising the grand opening of a new furniture store

researching which furniture designs are popular with consumers

determining how many pieces of furniture can be sold at different price points

building a facility to make furniture

selling furniture to customers in a furniture showroom

Why is marketing important to you?

So you get a good grade in this class.

You will deal with marketing the rest of your life.

It will be relevant if you go to work for a for-profit company, but not a nonprofit.

It doesn't cost you anything.

It offers few career opportunities, so you need to be particular.

A marketing manager planning to launch a successful new product should begin by obtaining financing for the venture.

designing products that interest them.

identifying a product or service customers need.

choosing a business partner.

establishing a legal corporation.

The production of a new mountain bike model includes which activity?

determining how to get the new model to likely bike purchasers

making the new mountain bikes

estimating how many competing companies will be making bikes

predicting what types of bikes different types of bike riders will want

deciding how to tell customers about the new bikes

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

a command economy.

marketing.

making goods or performing services.

a production orientation.

For Tesla, a firm that makes electric cars, estimating how many competitors will make electric vehicles and what kinds they will make is

one of the universal functions of innovation.

a production activity.

an example of the micro–macro dilemma.

best left to intermediaries.

a part of marketing the product.

Marketing plays a role in economic growth and development, in part because it

pays better than jobs in finance and accounting.

suppresses competition.

is only done in capitalist societies.

encourages research and innovation.

increases prices.

Hachiro's job as a marketer is to work with producers, wholesalers, and retailers to satisfy his customers' needs. What aspect of marketing does Hachiro address?

Marketing is a social process.

Marketing is another term for sales.

Distribution is the key to marketing.

He deals with the micro-view of marketing.

Marketing has little to do with the actual customer.

Brianna believes the role of her hair salon is to produce quality service and sell quality products. Brianna demonstrates the _____ view of marketing.

compartmentalized

integrated

micro

macro

narrow

Which statement about marketing is accurate?

It means “selling” or “advertising”.

It provides direction for production.

It involves actually making goods or performing services.

It does not impact consumers’ standard of living.

It is the development and spread of new ideas, goods, and services.

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

value

satisfaction

service

support

opportunity

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

75

20

30

40

50

Which statement about marketing is true?

It affects almost every aspect of our daily lives.

It offers few exciting or rewarding career opportunities.

It limits our choices of goods and services every day.

It focuses an organization on being the first to market a new product.

It should not be used to better appeal to future employers if you are in accounting.

Which statement is the *least* likely reason to study marketing?

Marketing affects almost every aspect of daily life.

Marketing will be important to your job.

Marketing involves actually making the goods that people need.

Marketing affects innovation and consumers' standard of living.

Marketing plays a big part in economic growth and development.

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

analysis

assessment

evaluation

innovation

introspection

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

the micro–macro dilemma.

collaboration.

innovation.

production.

Marketing can be viewed as

a set of activities performed by individual organizations.

relevant to for-profit organizations only.

just selling and advertising.

beginning with the production process.

an optional activity for most small businesses.

Which statement is accurate about marketing?

Advertising and selling are not really part of marketing.

Marketing is nothing more than a set of business activities performed by individual firms.

Marketing techniques have no application for nonprofit organizations.

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

A good product usually sells itself.

Looking at marketing as a set of managerial activities means focusing on

macro-marketing.

for-profit marketing.

micro-marketing.

nonprofit marketing.

personalized marketing.

How does marketing attempt to accomplish a company's objectives?

by anticipating customers' needs and trying to satisfy them

beginning with the production process

by putting competitors out of business

as a social process involving all producers, intermediaries, and consumers

by making the whole economic system fair and effective

Which statement about marketing is true?

It is concerned with whether the whole economic system is fair and effective.

It applies only to profit organizations.

It consists only of personal selling and advertising.

It is a social process only.

It tries to anticipate and satisfy customer needs and accomplish an organization's objectives.

Which statement describes micro-marketing?

It applies to large corporations but not to a new venture started by one person.

It is an important social process.

It emphasizes how the whole marketing system works.

It is a set of activities performed by organizations to satisfy their customers.

It directs an economy's flow of goods and services from producers to consumers.

Which statement *best* describes the modern view of marketing?

The job of marketing is to get rid of whatever the company is producing.

Marketing should take over production, accounting, and financial services within a firm.

Marketing is concerned with generating a single exchange between a firm and a customer.

Marketing begins with anticipating potential customer needs.

Production, not marketing, should determine what goods and services are to be developed.

What is the best example of micro marketing?

North Korea unveils a new five-year production plan.

China and the United States agree on a new trade agreement.

The American Red Cross seeks more blood donors through advertising.

The Internet makes it possible for firms to reach customers in other countries.

United Shipping Supply must decide which carrier to use to deliver its products in an environmentally-safe manner.

Which statement *best* reflects a micro view of marketing?

“A tax cut will give consumers more spending money.”

“With interest rates low, many young people can now afford to buy a new home.”

“In the U.S., we have a better choice of products than in any other country.”

“Next year my government will spend 75 percent more on domestic security.”

“Tourism firms should advertise more to attract more international visitors.”

The aim of marketing is to

help create a pure subsistence economy.

eliminate the need for exchanges.

persuade customers to buy the firm’s product.

identify customers’ needs and meet those needs so well that the product almost “sells itself.”

facilitate a single transaction.

Effective marketing should begin with

an effort to persuade unwilling customers to buy the firm’s products.

potential customer needs.

a decision about what the firm can produce efficiently.

evaluation of the effect of the firm's decisions on the macro-marketing system.

the marketing manager making important production, accounting, and financial decisions for the firm.

Marketing should

begin with the production process.

make decisions about product design and packaging, prices, or fees.

not need to coordinate with production, accounting, and financial activities.

provide input, but let production determine what goods and services are to be developed.

focus on getting customers to make a final purchase.

Marketing will *not* take place without

intermediaries.

collaborators.

two or more parties exchanging something for something else.

a high standard of living.

a product that is better than the competition.

Marketing will *not* happen unless

a pure subsistence economy is in place.

collaborators are present to simplify exchange.

intermediaries are present to facilitate exchange.

two or more parties each have something they want to exchange for something else.

an economy is market-directed rather than command.

Marketing is of no relevance in a _____ economy.

consumer-oriented

command

pure subsistence

market-directed

production-oriented

Kanoni lives with her family in a small village in Africa. The villagers grow their own food and make their own clothing, furniture, and other needed items. This represents a(n)_____ economy.

pure subsistence

command

high standard of living

community barter

micro

In a pure subsistence economy,

each family unit is self-sufficient.

exchanges are very important.

the standard of living is relatively high.

there is a great need for intermediaries.

the government controls production.

A good example of_____ is the family units in a South Pacific island nation making all the products they consume.

a pure subsistence economy

a market-directed economy

a micro-marketing system

a command economy

a monopoly

Which statement about marketing is *false*?

Marketing is most important in a pure subsistence economy.

Marketing should provide direction for production, accounting, and financial activities.

Marketing builds long-lasting relationships that benefit the selling firm.

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

Marketing anticipates customer needs.

Looking at marketing as a social process means focusing on
macro-marketing.

for-profit marketing.

micro-marketing.

nonprofit marketing.

personalized marketing.

Societies need a macro-marketing system to
help match supply and demand.

create a gap between producers and consumers.

accomplish an organization's objectives only.

identify collaborators.

reduce the need for intermediaries.

Which scenario would *not* involve macro-marketing?

Producers prefer to manufacture goods in large quantities, but consumers buy in small quantities.

Consumers require a wide assortment of food items, but individual producers can offer only a narrow assortment of food products.

Producers set prices to cover costs and make a profit, but consumers choose goods based on their ability to pay.

Cedar Point Amusement Park would like to attract customers all year long, but its marketing strategy is currently limited to discount season pass offers during winter months while the park is closed.

Producers tend to locate where it is economical to produce, but consumers are located in many scattered places.

Macro-marketing

emphasizes how the whole marketing system works.

considers how marketing affects society, but not how society affects marketing.

is not concerned with supply and demand.

is mainly concerned with the activities of individual organizations.

primarily concerns itself with the production process.

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

Macro-marketing

The transporting function

Micro-marketing

Standardization and grading

Social responsibility

Which statements about macro-marketing is accurate?

It emphasizes building a long-term relationship that benefits both the firm and the customer.

It considers the marketing activities of corporations rather than individuals.

It emphasizes how the whole marketing system works.

It is concerned only with systems that are relevant to advanced economies.

It addresses problems that emerge from homogeneous consumer demand.

Which article from a business magazine is most likely to be reporting on a macro-marketing topic?

“Two-Person Engineering Firm Offers Unique Service”

“Russia Increases Output of Consumer Goods”

“Pepsi Sells in Japan”

“Bank of America Offers New Internet Banking Services”

“Donations to Tsunami Victims Fund Increase after TV Broadcast”

Which article from a business publication is most likely to be reporting on a macro-marketing topic?

“Mercedes Goes After Luxury Sport Utility Buyers”

“Adidas Jumps as Footwear Competition Heats Up”

“Drugstore Chain Aims at Seniors”

“Hardee’s Fried Chicken Takes on KFC”

“Frozen Yogurt Popularity Leads to More Frozen Yogurt Shops”

Which article title is *most likely* to be about a macro-marketing topic?

“Tupperware Has a New Advertising Strategy”

“Thailand Has Unusually Large Number of Wholesalers”

“Military Supplier Shifts to Selling Gas Masks to Private Citizens”

“Coke Plans Beverage Line to Compete with Lipton’s”

“Dow Chemical Adds Shipping Safeguards”

Which article from a business magazine is *most likely* to be about a macro-marketing topic?

“Chinese Women Demand More Luxury Goods”

“Girl Scouts Organize Nationwide Cookie Sale”

“L’eggs Sells Direct in Brazil and Argentina”

“Frito-Lay Offers New Low-Fat Products”

“Coke Losing Beverage Sales in India to local brands”

In advanced economies,

both supply and demand tend to be homogeneous.

producers and consumers often have different aims.

most firms specialize in producing and selling small amounts of a huge assortment of goods and services.

exchange is aided by issues of quantity and assortment.

producers dictate what consumers will buy.

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

weighing.

facilitating.

market information.

merchandise information.

government regulation.

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

intermediaries

consumers

nonprofits

marketing managers

government regulators

In a small publishing company, one person is responsible for making sure the company has enough funds to produce, transport, promote, sell, and buy products. Which universal function of marketing does this person perform?

transporting

standardization and grading

market information

risk taking

financing

The universal functions of marketing are *least* likely to include

financing and risk taking.

standardization and grading.

producing.

transporting and storing.

buying and selling.

The universal functions of marketing

must be performed in all macro-marketing systems.

are performed the same way in all economies.

are performed by the same parties in all economies.

are needed to help foster various economic systems.

must be performed in micro-marketing systems.

The universal functions of marketing

can be eliminated in advanced macro-marketing systems.

are performed differently and by different parties in different economies.

are never performed by consumers.

create various points of disagreement between producers and consumers.

are universal, meaning they are performed in the same way by everyone.

After seeing a “sale” ad in a local newspaper, Ben went to a local pet supply store and bought a year’s supply of high-protein dog food. Which marketing function or functions did Ben most likely perform?

financing and risk taking

transporting and storing

consuming market information

buying

Ben performed all these marketing functions.

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

risk taking

financing

buying

selling

standardization

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

transporting

selling

financing

risk taking

market information

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

risk taking

market information

standardization and grading

social responsibility

financing

The standardization and grading function of marketing involves

looking for and evaluating goods and services.

providing necessary cash and credit.

promoting the product.

sorting products according to size and quality.

None of these answers are correct.

A button manufacturer wants to make buying and selling easier by sorting its products by size and color, reducing the need for inspection and sampling. This illustrates which universal marketing function?

advertising

storing

standardization and grading

risk taking

transporting

The buying function of marketing involves

risk taking and an element of chance.

promoting the product or service.

looking for and evaluating goods.

the use of personal selling.

sorting products according to size.

The universal functions of marketing

are not all needed in market-directed economies.

are not all needed in command economies.

can be performed by producers, consumers, and a variety of marketing specialists.

are performed in the same way in all economic systems.

What does a marketer demonstrate when they bear the uncertainties that are part of the marketing process?

advertising

storing

standardization and grading

risk taking

transporting

Amazon owns warehouses across the country that hold goods that have been shipped from other companies for Amazon to sell. This represents the _____ function of marketing.

advertising

storing

standardization and grading

risk taking

financing

Bill is a publisher's representative. He visits instructors on college campuses and talks to them about his textbooks. Bill is involved in the _____ function of marketing.

advertising

storing

standardization and grading

risk taking

selling

An intermediary

is a wholesaler—not a retailer.

usually increases the number of transactions required.

tends to make the exchange process more difficult and costly.

specializes in trade rather than production.

is paid to work with competitors.

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

intermediaries.

consultants.

agents.

collaborators.

Eli's company works with firms on their websites and social media. It specializes in digital marketing. Eli's company would be considered a(n)

supplier.

intermediary.

consultant.

agent.

collaborator.

Which firm is *least likely* to be classified as a marketing collaborator?

Mayflower Transport Company

Internet Advertising, Inc.

Wachovia Bank

Market Survey Research, Inc.

Quality Coatings and Paint Company

Which firm is *least likely* to be classified as a marketing collaborator?

United Parcel Service (UPS)

Public Warehouse

Broadband Communications Company

Meadow View Aluminum Company

Product Safety Testing Laboratories, Inc.

Which statement about marketing intermediaries and collaborators is accurate?

They typically perform marketing functions less effectively than producers or consumers can perform them.

Their services make the whole macro-marketing system more efficient and effective.

Their services provide consumers with less time for consumption.

The marketing functions they serve come at a higher cost because of specialization.

They are used more often in production than in marketing.

Retailers and wholesalers are considered to be
collaborators.

producers.

service providers.

intermediaries.

manufacturers.

After Nora's Designs manufactures its clothing, it sends it to retailers who subsequently sell it to consumers. The retailers are considered

transporters.

stomers.

intermediaries.

public depositories.

collaborators.

When the Johnsons were planning their trip, they elected to use a travel agency rather than go directly to the airlines and hotel companies. In this case, the travel agency is a(n)

transporter.

storer.

intermediary.

risk taker

collaborator.

Which statement about the universal functions of marketing is true?

They may not be required in all macro-marketing systems.

Not every level of production requires all of the marketing functions.

Responsibility for performing them cannot be shifted or shared.

All goods and services require all the functions at every level of their production.

The government cannot perform one of them.

In macro-marketing,

most universal marketing function cannot be completely eliminated.

the objectives of the individual firm are the most important.

functions should not be shifted or shared.

intermediaries are unnecessary.

activities of individual organizations are emphasized.

Concerning the universal functions of marketing, it is true that

the functions must be performed in all macro-marketing systems.

the functions can be performed by producers or intermediaries—but not by consumers.

from a micro viewpoint, every firm must perform all the functions.

responsibility for performing them can be shifted and shared—and some functions can be completely eliminated to reduce costs.

they only come into play in a capitalist system.

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

Resource utilization

Socio-economic policy

The way a firm measures value

A command system

An economic system

An economic system in which government officials determine production levels is known as a _____ economy.

pure subsistence

national

market-directed

production-oriented

command

In a command economy,
producers have a great deal of choice about what and how much to produce.
prices usually fluctuate according to supply and demand.
marketing activities such as market research are encouraged.
economies have little product variety, so consumers have few choices.
consumers decide what is to be produced and by whom.

In a command economy,
production is directed by the government.
the individual decisions of the many producers and consumers come together to make macro-level decisions.
consumers make a society's production decisions.
consumers decide what is to be produced and by whom through their dollar "votes."
the market adjusts itself.

The various economic systems around the world are
equally effective at providing for the needs of citizens.
always shaped by the free decisions of producers and consumers.
known collectively as the command economy.
heavily influenced by a society's political institutions.
based on the ideal of a pure subsistence economy.

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

mixed

command

market-directed

production-oriented

controlled

In a market-directed economy,

profit, survival, and growth are all guaranteed for producers.

consumers have little freedom of choice.

consumers decide what is to be produced and by whom through their dollar “votes.”

prices usually do not change according to supply and demand.

only the needs of the majority are served.

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

Inventories

Prices

The cost of labor and materials

The number of producers

The number of competitors

Price is a rough measure of

company profits.

the value of goods and services.

market supply.

company costs.

economic inflation.

Which statement about economic systems is true?

Consumers usually have more freedom of choice in a market-directed economy.

Command economies are most effective for countries with large and complicated varieties of goods and services.

Branding is less common in a market-directed economy than in a command economy.

The United States is a good example of a command economy.

In both command economies and market-driven economies, consumers drive production decisions,

Which of the following is *least likely* to be true about a market-directed economy?

Consumers enjoy maximum freedom of choice.

Producers enjoy maximum freedom of choice.

The interaction between consumers and producers is great.

Government is responsible for setting up all marketing activities.

The price of a consumer product serves as a measure of its value.

Rasheed must help pay for roads and schools where he lives, but he can decide whether to buy most other products. Rasheed most likely lives in a _____ economy.

command

market-directed

product-oriented

socialist

government-controlled

Which activity is *least likely* to be a government role in a market-directed economy?

setting rules to protect individual rights and freedom

supervising the economy

providing things such as mass transportation and highways and public health services

controlling interest rates and the supply of money

determining prices, thereby allocating resources and distributing income

_____is/are

*not*the government's job in a market-directed economy.

Protecting property and enforcing contracts

Regulating radio and television broadcasting

Setting import and export rules

Determining what and how much is to be produced

Controlling interest rates and the supply of money

Which statement about a market-directed economic system is true?

Consumers are free to choose from a range of options that meets their needs.

Profit, growth, and survival are guaranteed.

Government has no role.

There is very little interaction between producers and consumers.

Consumers have little freedom of choice.

The rise of digital and social media in the market

gives customers more power.

takes power away from customers.

renders sellers powerless to respond to customer complaints.

makes it impossible for customers to get redress.

increases prices.

The ability of customers to post positive or negative information on the Internet that prospective customers might see

incentivizes companies to play by the socially accepted rules of the game.

encourages companies to lessen their presence on the Internet.

gives companies more power over customers.

weakens the power of customers because problems aren't resolved in person.

is a loss for everyone, because nobody knows who to believe.

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

the government enforces "rules of the game."

the government does not play a role in the economy.

public interest groups supervise the entire system.

customers have gained control in the market through the use of technology.

consumers are not forced to buy any goods or services.

Consumers may easily find product satisfaction information through consumer reviews on the Internet. What is a result of this?

It allows firms to make exaggerated claims about their products.

It allows government agencies to control interest rates and the supply of money.

It allows firms to monopolize markets.

It lets firms evaluate macro-marketing strategies in terms of society's objectives.

It incentivizes firms to play by the socially accepted "rules of the game."

Which of these is *least likely* to perform checks on the market-directed macro-marketing system?

the government forecasting what is needed to avoid shortages

customers voting with their dollars based on prices charged

customers voicing satisfaction and dissatisfaction

public interest groups sharing information

the government setting the "rules of the game"

AARP is an organization that works to improve the lives of people over the age of 50 in the areas of health care, consumer protections, and economic security. As such, it provides a check on a market-driven economy. This is an example of a

government agency.

community service provider.

corporation.

public interest group.

public relations firm.

Which era of marketing was characterized by families who sold their surpluses to local distributors?

the simple trade era

the production era

the sales era

the marketing department era

the marketing company era

The text considers five “eras” of marketing evolution. These five eras in their logical order are simple trade, production, sales, marketing company, and marketing department.

subsistence, production, sales, entrepreneurial, and marketing company.

simple trade, production, sales, marketing department, and international trading.

simple trade, production, sales, entrepreneurial, and marketing company.

simple trade, production, sales, marketing department, and marketing company.

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

marketing department

production

simple trade

marketing company

sales

Which statement is *most* characteristic of the production era?

“If we sell harder, we will sell more.”

“We need to cater to the diverse needs of consumers.”

“If we can make it, it will sell.”

“The more options we offer consumers, the better.”

“Advertising is the key to our success.”

Which statement is the *best* example of management thinking during the production era?

“We need to make whatever products are easy to produce.”

“We need to find out what the customer wants.”

“The more salespeople we have, the more we can sell.”

“We need to make a better product than our competitors.”

“If we produce a good product, customers will find us and buy it.”

At one point, good PC software for producing digital videos was not available, but it was much in demand by businesses. The first companies to produce a specific type of program had good sales even though they did little promotion and their programs were not “user-friendly.” It seemed that many of these “innovators” operated as if they were in the _____ era.

simple trade

marketing department

sales

marketing company

production

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

simple trade

sales

production

marketing company

marketing department

The president of a company that produces cardboard boxes is concerned about the large number of competitors with extra capacity. As he put it, “Our best shot is in the hands of our sales manager—she makes all of our marketing decisions and is creative enough to figure out how to sell more boxes.” It seems that this company is run as if it were in the _____ era.

production

marketing company

simple trade

sales

marketing department

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

simple trade

production

sales

marketing department

marketing company

Which statement regarding the “sales era” is true?

The emphasis was on producing.

A central business problem was the decision of where to put the company’s effort.

More production capability was available than ever before.

It followed the marketing department era.

It brought all marketing activities together under one department.

During the sales era,

families traded or sold their surplus output to local distributors.

characteristic management thinking was, “If we can make it, it will sell.”

all marketing activities were brought under the control of one department.

increased competition made firms focus on winning customers.

marketing people did both short-run and long-run marketing planning.

Asa Meyer was just named FireFly Products sales manager, with responsibilities for all marketing planning. FireFly’s president tells him that his job is to “outsell the competition.” FireFly is operating in the _____ era.

market-oriented

production

sales

marketing company

marketing department

As a firm moves from the sales era to the marketing department era, it is likely to have marketing people who develop long-range plans—sometimes five or more years ahead. begin to integrate all the firm’s marketing activities. place less emphasis on earning a profit and more emphasis on what customers will buy.

adopt a narrower view of marketing.

be more concerned with its ability to produce enough to meet demand.

Maura Martinez was just named Fantasy Island's marketing manager—with responsibilities for short-run policy planning of the firm's advertising, sales, marketing research, purchasing, and distribution efforts. Fantasy Island is *most likely* operating in the _____ era.

market-oriented

production

marketing department

marketing company

sales

The main difference between the “marketing department era” and the “marketing company era” is

more emphasis on selling and advertising in the marketing department era.

whether the president of the firm has a background in marketing.

more emphasis on short-run planning in the marketing company era.

whether the whole company is guided by the marketing concept.

There is no difference.

When marketing people do long-range planning and the whole company is guided by the “marketing concept,” the company has entered the _____ era.

production

customer satisfaction

marketing company

consumerism

marketing department

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

marketing company

sales

production

marketing department

simple trade

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

planning

marketing company

marketing research

marketing department

None of these answers are correct.

The owner of a small manufacturing company does long-range planning, and the whole company is guided by the marketing concept. The firm appears to be operating in the _____ era.

production

customer satisfaction

marketing company

consumerism

marketing department

The marketing concept is a strategic way of approaching business that contrasts *most* sharply with

the marketing orientation.

the production orientation.

the profit orientation.

macro-marketing.

a customer relationship orientation.

Compared with other approaches to business, the marketing concept is distinct in that it focuses on profits.

produces new products and services.

creates a broad assortment of products.

produces quality products.

focuses on satisfying customers' needs.

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

brands, buyers, and bucks.

product, price, and promotion.

people, planet, and profit.

partnership, planning, and positioning.

segmentation, targeting, and positioning.

When a firm considers a triple bottom line as a measure of long-term success, this means that it measures outcomes in

economic success, social impact, and political change.

firm profitability, customer satisfaction, and behavioral change.

economic success, social impact, and environmental impact.

company effort, customer satisfaction, and relative market share.

customer satisfaction, environmental impact, and production efficiency.

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

the sales concept

a production orientation

in the marketing department era

profit maximization economics

the marketing concept

A production-oriented firm typically

views customer credit as a customer service.

sets inventory requirements with customer needs in mind.

tries to sell the products it can make easily.

focuses advertising on need-satisfying product benefits.

operates as an integrated unit.

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

marketing

production

selling

dynamic

customer

At a manufacturing company, salespeople blame the production people for making inferior products, and the production people complain that the salespeople are just not getting enough orders. MetroTech seems to have a _____ orientation.

bottom line

production

customer

sales

marketing

A consumer products company has been experiencing declining profits. The accounting department blames the marketing staff for “out of control” sales costs. The salespeople blame the warehouse for being slow to fill orders. And the warehouse manager says that the production department can’t meet its schedule. This company seems to have

implemented the marketing concept.

a customer orientation.

a marketing orientation.

a sales orientation.

a production orientation.

Accepting the “marketing concept” means that a firm should have a _____ orientation.

marketing

research

production

sales

planning

A firm with a marketing orientation

has little need for salespeople.

sells what it can make easily.

tries to determine customers’ needs before developing its product.

focuses advertising on product features.

produces a narrow variety of products.

The three basic ideas in the “marketing concept” are

customer satisfaction, resource efficiency, and sales maximization.

customer satisfaction, total company effort, and sales growth.

resource efficiency, sales growth, and profit maximization.

customer satisfaction, marketing manager as chief executive, and profit.

customer satisfaction, total company effort, and profit.

What is one of the three basic ideas in the “marketing concept”?

resource efficiency

a total company effort

to obtain customer loyalty

to maximize sales

the president having a marketing background

An important step in applying the marketing concept is

changing the firm’s organizational structure.

changing the firm’s management methods and procedures.

appointing someone with a marketing management background to be the firm’s president.

hiring a marketing consultant.

making a commitment to customer satisfaction.

The marketing concept says that a business firm should aim all its efforts at

doing more advertising and selling than competitors.

selling what the company produces efficiently.

satisfying customers regardless of profitability.

making a profit selling to satisfied customers.

producing products at the lowest cost.

The “marketing concept” says that a business firm should

aim all its efforts at meeting society’s needs, regardless of profitability.

aim all its efforts at satisfying its customers—at a profit.

sell those products it can make at the lowest cost.

place a heavy emphasis on developing new products.

treat advertising and selling as its priority.

A producer with a marketing orientation is MOST likely to

distribute the product according to customer needs.

distribute the product in as many retail outlets as possible.

provide overnight express shipping at an extra cost.

use e-commerce as a key element in distribution.

distribute directly from the producer to the consumer.

Complete acceptance of the “marketing concept” would require

making sure that all departments focus their efforts on satisfying customer needs.

having all production, finance, accounting, and personnel managers report directly to the marketing manager.

placing less emphasis on profit as the objective of the firm.

trying to satisfy the needs of each and every customer.

focusing on product, not process.

In a firm operating as a total system to implement the marketing concept,

the whole company is customer-oriented.

there are no departments.

product planning is under the control of the production or engineering departments.

the marketing manager directs and controls all company activities.

incentives are awarded for innovative marketing efforts.

In a firm that has a total company effort in implementing the marketing concept,

there are “fences” around individual departments.

not all departments impact customer satisfaction.

the firm lacks a central focus.

departments—even very specialized ones—are guided by what customers want.

the firm is more production-oriented than marketing-oriented.

The numeric data that is used by marketing managers to evaluate performance against a set target or goal is referred to as

market information.

production statistics.

the triple bottom line.

marketing metrics.

standardization and grading.

Which reason *best* describes why a firm would use marketing metrics?

to understand customer satisfaction

to determine how well a marketing strategy is performing

to ascertain the effectiveness of different departments within the firm

to set marketing targets and goals

to decide what products are easiest to produce

The owner of a food truck implemented a new location strategy so that they would be better positioned near a crowded office park during the lunch hour. How should they evaluate the new location strategy?

They should use marketing metrics to compare performance between the old location and the new location.

They should use customer satisfaction surveys to evaluate performance between the two locations.

They need only compare the revenue numbers between the new and old locations.

They should analyze the effectiveness of the universal functions of marketing.

They should compare the triple bottom line of both locations.

What is a basic idea of the marketing concept?

A production orientation must guide the whole system.

An organization should build “fences” around its own departments.

Customer satisfaction is the path to profit.

A firm should “give customers what it produces best.”

A firm is obliged to have a positive effect on society.

China Mania restaurant’s owners worry about the environment, using paper products made from recycled paper and recycling everything possible. They also gives their employees every Sunday off to be with family, and the restaurant sponsors many local sports teams. It does this while also making sure it is profitable. China Mania demonstrates

sustainable focus.

a production orientation.

the triple bottom line.

a strong profit motive.

a marketing department approach.

A company's mission goes beyond making a profit, but strives to create value for its stakeholders. This company practices a(n)_____ orientation.

purpose

production

sustainable

bottom line

marketing

Electric utilities and cable companies have_____ competition.

no

limited

extensive

simple

complex

What is the best example of the marketing concept in action?

A product manager tells her sales force, "The inventory in the warehouse must be sold if we are to make a profit, so redouble your sales efforts."

A manufacturer of industrial chemicals adapts its formulas and goes after the big consumer cleaning market.

A cleaning supplies firm learns that many consumers are having trouble hiring maids, so it develops a plan to offer customers complete house cleaning services at an affordable cost.

An Internet retailer finds that shoppers are abandoning their shopping carts before checking out, so it promotes its \$10 discount on each customer's first purchase.

A student group wants to hold an awards banquet, so it buys Krispy Kreme donuts and sells them to friends who want to help the club achieve its objectives.

A public utility that has adopted the marketing concept would be most likely to set up a special service to help consumers reduce expensive peak-hours energy consumption.

lower prices until almost all consumers felt that prices were fair.

advertise its “public service role” to improve its image with the public.

use email to send customers a personal apology when blackouts occur.

raise prices during peak hours to increase profits.

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

lower ticket prices until all its concerts sell out.

advertise so consumers know about the quality of the musicians who play in its concerts.

find out what kind of music local residents want to hear.

use only its best musicians to handle solo performances.

hire well known guests to draw more customers.

A local theater group that has adopted the marketing concept would be *most likely* to

promote the sale of subscriptions, so that patrons can buy tickets at a reduced price for several plays at one time.

use publicity to announce upcoming plays.

do a survey to find out what new shows patrons would like to see.

sell tickets via the Internet.

put on performances only on the weekends so reduce actor’s pay.

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

a marketing orientation.

social responsibility.

information sorting.

the innovation concept.

a production orientation.

Which practice would suggest that Anderson Tools practices a marketing orientation?

It sets inventory levels with customer requirements and costs in mind.

It sells products that it can easily make for its customers.

It focuses its advertising efforts on product features and how products are made.

It views customer service as an activity required to reduce consumer complaints.

It ends its relationship with customers when a sale is made.

A firm with a marketing orientation is *most likely* to

view advertising as an unnecessary expense.

recognize that effective advertising is the key to sales.

advertise how a product meets customers' needs.

focus its advertising on product features.

eliminate advertising as a strategy.

Which of the following is *least likely* to be found in a company with a marketing orientation?

The company sells whatever it can make.

The company sees customer credit as a service.

All employees are concerned with the customer.

The company uses marketing research to see if it is satisfying its customers.

The company focuses on locating new opportunities.

In a firm with a production orientation,

customer needs determine company plans.

relationships with customers extend beyond a single sale.

costs that do not give value to customers are eliminated.

marketing research is used for determining customers' reactions.

advertising is focused at the need-satisfying benefits of goods and services.

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

Operating cost

Profit margin

Customer value

Net value

Satisfaction

Customer value typically would be *least* impacted by a marketing manager's decisions concerning

product.

place.

promotion.

price.

All of these choices are correct.

Customer value is best measured by

customer monetary costs plus firm profits.

customer benefits minus costs.

customer costs plus customer benefits.

customer effort to receive a benefit minus the time delay to receive the benefit.

firm benefits minus customer costs.

In evaluating customer value, what is *most* important?

the customer's view of costs and benefits

the price of the market offering

a firm's understanding of customer costs and benefits

high profit margins

the market offering with the least cost to customers

A functional benefit that a customer may receive from a market offering would

offer top-quality aesthetics.

save the customer time.

lower the customer's anxiety.

give the customer hope.

provide a sense of belonging.

Daria Louise opened a coffee shop that offered free books and book discussion groups for customers. It was popular with older, single women who lived alone. Which type of benefit was the coffee shop offering with the book group?

functional

emotional

life-changing

world-changing

monetary

What is the *best* example of a life-changing customer benefit?

A coffee shop redesigns its drive-through window service to cut back on customer wait times.

An office supply store institutes a loyalty card program in which customers can use earned points for discounts on future purchases.

A restaurant redecorates to make its space more comfortable.

A grocery store decides to lower the prices on all produce.

A gym institutes a buddy program in which a staff member checks in weekly with new enrollees to offer encouragement and advice.

Which statement about price and customer value is accurate?

Customer value is only achieved from a low price.

Customer value is uninfluenced by price.

A low price trumps all other customer benefits.

A high price is acceptable when it obtains desired benefits.

A customer will never accept a higher price market offering.

In order to build relationships with customer value, firms are *least likely* to

ensure that everyone in a firm works together to provide customer value before and after each purchase.

brief their advertising people to develop ads that try to convince a customer to buy once.

attract customers in the first place—and keep them satisfied after they buy.

try to adopt the marketing concept.

try to eliminate costs that do not give value to customers.

Customer value

is greater if costs exceed benefits.

becomes less important as competition increases.

is the same thing as low price.

affects a customer's relationship with a firm before and after a sale.

is an outdated concept.

Paula always buys her new cars from the local dealership, even if they are slightly more expensive than other dealers, because the location of the service department is convenient to her. For Paula, the benefits outweigh the costs. This illustrates the concept of

bias.

emotional buying.

price sensitivity.

value.

loyalty.

What is different about the way business firms and nonprofit organizations operate?

Unlike a business firm, a nonprofit organization needs resources and support to survive and achieve its objectives.

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

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

Nonprofit organizations face competition for customers; business firms do not.

Unlike a business firm, a nonprofit organization gets support directly from those who receive the benefits.

In nonprofit organizations, the marketing concept
is not relevant.

has different measures of success.

is usually easy to adopt because of how nonprofits organize for marketing.

can be implemented without considering customer needs.

operates with a production orientation.

Given the nature of their work, which organization is *least likely* to have a marketing orientation?

Girl Scouts of America

Dallas–Fort Worth Symphony

American Cancer Society

University of Wisconsin

Widgets Manufacturing Company

Which statement describes the micro–macro dilemma?

What is good for some producers and consumers may not be good for society as a whole.

Marketing people are unsure about individual activities versus social processes.

In a multiproduct company, which product is to be emphasized over another is unclear.

Most people don't want much freedom of choice in buying products.

Intermediaries facilitate exchange, but they add to the cost of goods.

According to the concept of social responsibility, a firm has a duty to
communicate regularly with the public.

satisfy consumer needs at any cost.

place profit above all other considerations.

place customer satisfaction above all other considerations.

work in a way that is good for society as a whole.

Trying to balance the interests of fossil fuel companies and environmentalists is an example of
the role of a central market.

subsistence marketing.

political action.

the macro–micro dilemma.

the exchange process in marketing.

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

the micro–macro dilemma.

variance in customer value.

marketing ethics.

the responsibilities of the marketer.

the marketing concept.

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

customer value.

dissonance.

the storing function.

innovation.

the micro–macro dilemma.

Which statement is the *best* example of the micro–macro dilemma?

Many consumers buy imported cars, even though they say they would prefer to buy American cars.

High performance cars are fun to drive but may be dangerous to others.

Imported cars may cost buyers more to buy now but may have better resale value later.

A fuel-efficient car may cost more to buy but less to operate.

The economy may be growing, but many people still are not able to buy a new car.

Which statement is the *best* example of the micro–macro dilemma?

Pepsi Blue sales went up, but total sales of all soft drinks went down.

A small group of loyal consumers really like generic colas best, but most consumers don't like them at all.

The deposit on returnable soft drink bottles is about equal to the cost of the bottle.

Paper cups for soft drinks are convenient, but they often end up as litter along the highway.

Snapple beverages are more popular in Texas than in the rest of the United States.

Which scenario is an example of the micro–macro dilemma?

A homeowner purchases a ladder but falls off it because he didn't set up the ladder according to the safety instructions posted on it.

A person gets a speeding ticket because she was talking on her cell phone while driving and didn't notice a speed limit sign.

A person drives without fastening his seat belt even though a warning light and chime remind him to "buckle up."

A person is injured while using a power lawn mower because of a small stone that is hurled from the discharge chute.

A restaurant owner uses plastic containers to keep "take-out" food warm for customers, but the containers cannot be reused or recycled.

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

The nonprofit orientation

The micro–macro dilemma

Marketing ethics

Legal obligations

Social responsibility

Which statement is true regarding social responsibility in marketing?

Being socially responsible usually leads to a negative response from customers.

Being socially responsible can conflict with a firm's profit objective.

Companies tend to avoid developing written codes of ethics because standards for professional behavior are ambiguous by nature.

Firms tend to advance their own short-term interests at the expense of customers.

A manager made a speech in which he described his organization as having "really embraced the marketing concept over ten years ago." A critic in the audience argued that the manager didn't

understand the “socially conscious” view of the marketing concept. Given the critic’s argument, the marketing manager most likely works for

a fruit processor.

the public library.

a firm that recycles aluminum cans.

a nonprofit.

a motorcycle producer.

Moral standards that guide marketing decisions and actions are called

civil laws.

macro dilemmas.

micro dilemmas.

marketing ethics.

laws.

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

honesty

fairness

responsibility

citizenship

openness

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

citizenship

respect

honesty

openness

responsibility

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

marketing plans

marketing departments

codes of ethics

intermediaries

a marketing orientation

What is a common criticism of marketing in the United States and other developed societies?

Marketing motivates people toward “things” instead of social needs.

Marketing only focuses on the necessities.

Marketing exploits those with resources to spend.

Marketing promotes the “safety” of products, which increases prices.

Marketing makes it more difficult for people to buy things that they want instead of need.

Marketing that seeks to make the world a better place

can still be profitable.

is just a ploy to get people to buy stuff they don’t need.

is a charitable endeavor.

does not address the world’s real problems.

is totally ineffective.

Answer Key

Test name: Ch1_Essentials of Marketing_18e

FALSE

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

TRUE

Making goods or performing services is called production. Marketing is a much bigger process, involving the flow of need-satisfying goods and services from producer to consumer.

FALSE

TRUE

TRUE

FALSE

FALSE

TRUE

TRUE

TRUE

TRUE

FALSE

TRUE

FALSE

TRUE

TRUE

FALSE

TRUE

TRUE

TRUE

TRUE

TRUE

TRUE

TRUE

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

FALSE

FALSE

TRUE

FALSE

TRUE

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

FALSE

FALSE

TRUE

FALSE

TRUE

TRUE

FALSE

FALSE

TRUE

TRUE

FALSE

FALSE

FALSE

TRUE

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

TRUE

FALSE

FALSE

TRUE

FALSE

TRUE

TRUE

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

TRUE

TRUE

FALSE

Three basic ideas of the marketing concept are:

1. customer satisfaction,
2. a total company effort, and
3. profit and/or other measures of long-term success as an objective.

TRUE

Three basic ideas of the marketing concept are:

1. customer satisfaction,
2. a total company effort, and
3. profit (and/or other measures of long-term success)—and not just sales—as an objective.

FALSE
FALSE
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TRUE

As stated in Reference Exhibit 1–7 in your eBook by using the eBook button in the resources area, the American Marketing Association’s code of ethics sets specific ethical standards for many aspects of marketing.

A

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

E

Finding out what customers want and need is the route to customer satisfaction.

D

Building a facility to manufacture furniture is part of production, not marketing. In contrast with production, marketing helps make sure that the right goods and services are produced and that they find their way to consumers.

B

You will be a consumer dealing with marketing for the rest of your life, and you pay for the cost of marketing activities.

C

Marketing should begin with potential customer needs. Marketing should try to anticipate needs and then determine what goods and services are to be developed to meet those needs.

B

Production is actually making goods or performing services.

C

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

E

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

D

Marketing encourages research and innovation, encourages competition which drives down prices, and impacts consumers' standard of living.

A

A society needs some sort of marketing system to organize the efforts of all the producers, wholesalers, and retailers required to satisfy the varied needs of its customers. So marketing is a social process.

C

Marketing from a micro view is the set of activities performed by an organization.

B

Marketing isn't just selling and advertising. It provides needed direction for production and helps make sure that the right goods and services are produced and find their way to consumers.

B

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

E

In advanced economies, marketing costs about 50 cents of every consumer dollar. For some goods and services, the percentage is much higher.

A

Marketing affects almost every aspect of your daily life.

C

Marketing affects almost every aspect of daily life, is important to your job, affects innovation and consumers' standard of living and also plays a big part in economic growth and development. Production involves actually making the goods that people need.

D

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

D

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

A

Marketing is a set of activities done by an individual organization to satisfy its customers.

D

Marketing from a micro view is a set of activities performed by organizations, and from a macro view it is a social process.

C

Marketing from a micro view is a set of activities performed by organizations, and from a macro view it is a social process.

A

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

E

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

D

Marketing from a micro view is a set of activities performed by organizations.

D

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

C

Marketing from a micro view is a set of activities performed by organizations. The American Red Cross is an organization that performs activities such as seeking more blood donors. The other alternatives deal with macro-marketing issues.

E

Marketing from a micro view is a set of activities performed by organizations, and advertising is a typical activity. The other alternatives deal with macro-marketing issues.

D

The aim of marketing is to identify customers' needs and meet those needs so well that the product almost "sells itself."

B

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

B

Marketing should determine what goods and services are to be developed, including decisions about product design and packaging; prices or fees; transporting and storing policies; advertising and sales policies; and, after the sale, installation, customer service, warranty, and perhaps even disposal and recycling policies.

C

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

D

Marketing doesn't occur unless two or more parties are willing to exchange something for something else.

C

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

A

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

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A

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

A

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

D

Macro-marketing examines how the whole marketing system works. It does not pertain to the individual marketing plans and challenges of individual organizations

A

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

A

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

C

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

B

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

E

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

B

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

A

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

B

Effective marketing in an advanced economy is difficult because producers and consumers are often separated in several ways. The purpose of a macro-marketing system is to overcome these different aims.

C

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

A

While producers handle some of the marketing functions themselves, exchanges are often easier or less expensive when a marketing specialist, or intermediary, performs some of the marketing functions.

E

This represents the financing function.

C

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

A

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

B

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

E

The universal functions of marketing are buying, selling, transporting, storing, standardization and grading, financing, risk taking, and market information. Most of these functions were performed by Ben.

D

The selling function involves promoting the product, use of personal selling, advertising, customer service, and other direct and mass selling methods.

B

The selling function involves promoting the product, use of personal selling, advertising, customer service, and other direct and mass selling methods.

B

The market information function involves the collection, analysis, and distribution of all the information needed to plan, carry out, and control marketing activities, whether in the firm's own neighborhood or in a market overseas.

D

The standardization and grading function involves sorting products according to size and quality.

C

The standardization and grading function involves sorting products according to size and quality.

C

The buying function means looking for and evaluating goods and services.

C

Producers, consumers, and marketing specialists perform the universal functions of marketing.

D

Risk taking involved bearing the uncertainties that are part of the marketing process.

B

The storing function involves holding goods until customers need them.

E

The selling function involves promoting the product.

D

An intermediary is someone who specializes in trade rather than production and plays an important role in the exchange process.

E

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

E

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

E

Collaborators include advertising agencies, marketing research firms, independent product-testing laboratories, Internet service providers, public warehouses, transporting firms, communications companies, and financial institutions.

D

Collaborators include advertising agencies, marketing research firms, independent product-testing laboratories, Internet service providers, public warehouses, transporting firms, communications companies, and financial institutions.

B

Marketing intermediaries and collaborators are often able to perform the marketing functions better and at a lower cost than producers or consumers can, which makes the whole macro-marketing system more efficient and effective.

D

The two types of intermediaries that specialize in trade are retailers and wholesalers.

C

Retailers are intermediaries because they specialize in trade rather than production.

C

A travel agency is an intermediary for airlines and hotel companies. They deal in trade rather than production.

B

From a micro viewpoint, not every firm must perform all of the functions; however, responsibility for performing the marketing functions can be shifted and shared in a variety of ways. Not all goods and services require all the functions at every level of their production.

A

From a macro-marketing viewpoint, the marketing functions must be performed by someone—an individual producer or consumer, an intermediary, a marketing collaborator, or, in some cases, even a nation’s government. Most functions cannot be completely eliminated.

A

From a macro-marketing viewpoint, all of the marketing functions must be performed by someone—an individual producer or consumer, an intermediary, a marketing collaborator, or, even a nation’s government. No function can be completely eliminated.

E

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

E

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

D

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why. The country often has little variety, so consumers have few choices.

A

In a command economy, government officials decide what and how much is to be produced and distributed by whom, when, to whom, and why. These decisions are usually part of an overall economic plan directed by the government.

D

While all societies have economic systems, how an economic system operates depends largely on the nature of the society’s political institutions.

C

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

C

In a market-directed economy, consumers decide what is to be produced and by whom—through their dollar “votes.”

B

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

B

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

A

Consumers in a market-directed economy are free to choose from a range of options that may meet their needs.

D

In a market-directed economy, the individual decisions of the many producers and consumers make the macro-level decisions for the whole economy. Government officials decide what and how much is to be produced and distributed in a command economy.

B

The citizens in a market-directed economy are taxed for goods or services provided for the good of society such as national defense, public schools, police and fire protection, roads, and public health services.

E

In a market-directed economy, prices are determined in the marketplace. Setting prices is not likely to be a role of government.

D

In a market-directed economy, consumers decide what is to be produced and by whom—through their dollar “votes.”

A

Consumers in a market-directed choose from a range of options that may meet their needs. They are not forced to buy any goods or services, except those judged as good for society—such as national defense, police and fire protection, roads, public schools, etc.

A

The rise of digital and social media gives customers more power in the market. If a customer feels that they have been wronged by a company, their review on a website or in a social media post may be read by hundreds or thousands of people.

A

Prospective customers often search the web to learn about companies before buying. They can easily find positive or negative information on the Internet, which gives companies an extra incentive to play by the socially accepted rules of the game.

A

The American and most other Western economies are mainly market-directed—but not completely. Society assigns supervision of the system to the government, which sets and enforces the “rules of the game.”

E

Consumers can report their satisfaction or dissatisfaction with companies by posting reviews on websites. Potential customers can easily find positive and negative information on the Internet, giving firms an extra incentive to play by the socially accepted “rules of the game.”

A

As reflected in Exhibit 1–2, checks on the market-directed macro-marketing system include:

1. customers voting with their dollars based on prices charged;
2. customers voicing satisfaction and dissatisfaction;
3. public interest groups sharing information; and
4. the government setting the “rules of the game.”

D

This is a public interest group what provides a check on a market-driven economy.

A

As bartering became more difficult, societies moved into the simple trade era, a time when families traded or sold their surplus output to local distributors. These specialists resold the goods to other consumers or other distributors.

E

The five stages in marketing evolution are:

1. the simple trade era,
2. the production era,
3. the sales era,
4. the marketing department era, and
5. the marketing company era.

B

From the Industrial Revolution until the 1920s, most companies were in the production era, since companies focused on production of a few specific products.

C

The production era is a time when a company focuses on production of a few specific products—perhaps because few of these products are available in the market. “If we can make it, it will sell” is management thinking characteristic of the production era, due to product shortages.

E

“If we can make it, it will sell” is management thinking characteristic of the production era, due to product shortages.

E

The production era is a time when a company focuses on production of a few specific products—perhaps because few of these products are available in the market. “If we can make it, it will sell” is management thinking characteristic of the production era.

B

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

D

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

C

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

C

By about 1930, in the sales era, most companies in the industrialized Western nations had more production capability than ever before.

D

Advanced production capabilities led to a sales era, in which a company emphasizes selling to win customers because of increased competition.

C

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

B

The marketing department era is a time when all marketing activities are brought under the control of one department to improve short-run policy planning and to try to integrate the firm's activities.

C

The marketing department era is a time when all marketing activities are brought under the control of one department to improve short-run policy planning and to try to integrate the firm's activities.

D

In marketing company era, the whole company effort is guided by the marketing concept that aims all its efforts at satisfying its customers.

C

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead—and the whole company effort is guided by the marketing concept.

A

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans and decide where to put the company's effort.

B

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead.

C

The marketing company era is a time when, in addition to short-run marketing planning, marketing people develop long-range plans—sometimes five or more years ahead—and the whole company effort is guided by the marketing concept.

B

The marketing concept means that an organization aims all its efforts at satisfying its customers based on their needs. This contrasts with the production orientation, in which managers make and sell whatever products are easy to produce.

E

The marketing concept is distinct from other approaches to business in that it views organizations as existing to serve customers and the needs of society. Firms that apply the marketing concept direct all their efforts at satisfying customers.

C

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success. Together, these are sometimes referred to as measures of people, planet, and profit.

C

Some organizations explicitly consider a triple bottom line, which measures an organization's economic, social, and environmental outcomes as a measure of long-term success. Together, these are sometimes referred to as measures of people, planet, and profit.

E

The marketing concept means that an organization aims all its efforts at satisfying its customers—but at a profit.

C

Making whatever products which are easy to produce and then trying to sell them is a production orientation.

B

Production orientation occurs when managers think of customers existing to buy the firm's output rather than of firms existing to serve customers and—more broadly—the needs of society.

B

A production orientation means making whatever products that are easy to produce and then trying to sell them; and thinking of customers as existing to buy the firm's output rather than of firms existing to serve customers.

E

A production orientation means making whatever products that are easy to produce and then trying to sell them; and thinking of customers as existing to buy the firm's output rather than of firms existing to serve customers.

A

A marketing orientation means trying to carry out the marketing concept.

C

A marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

E

Three basic ideas of the marketing concept are:

1. customer satisfaction,
2. a total company effort, and
3. profit (and/or other measures of long-term success)—not just sales—as an objective.

B

Three basic ideas of the marketing concept are:

1. customer satisfaction,
2. a total company effort, and
3. profit (and/or other measures of long-term success)—not just sales—as an objective.

E

Three basic ideas of the marketing concept are:

1. customer satisfaction,
2. a total company effort, and
3. profit—not just sales—as an objective.

D

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

B

The marketing concept means that an organization aims all its efforts at satisfying its customers—at a profit.

A

A marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

A

In a firm that follows marketing concept, every department may directly or indirectly impact customer satisfaction.

A

The marketing concept provides customer orientation as a guiding focus that all departments adopt and should be a philosophy of the whole organization, not just an idea that applies to the marketing department.

D

The marketing concept provides customer orientation as a guiding focus that all departments adopt and should be a philosophy of the whole organization, not just an idea that applies to the marketing department.

D

Marketing metrics refers to the numeric data that allow marketing managers to evaluate performance, often against a set target or goal.

B

Marketing metrics allow marketing managers to calculate how well a strategy is performing. They are often used to evaluate performance against targets or goals that are already set.

A

The food truck owner can use marketing metrics to compare the performance at her new and old locations.

C

Profit is the difference between a firm's revenue and its total costs and acts as the balancing point that helps the firm determine what needs it will try to satisfy with its total effort.

C

Some organizations explicitly consider a triple bottom line—which measures an organization's economic, social, and environmental outcomes—as a measure of long-term success. Together, these are sometimes referred to as measures of people, planet, and profit.

A

Firms practicing a *purpose orientation* focus on an organization's reason for being that extends beyond profit and creates value for stakeholders, including customers, employees, suppliers, investors, and communities. The purpose is the “why” the firm exists.

B

Electric utilities and cable television providers have limited competition. As such, they have been slower to adopt the marketing concept.

C

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

A

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

C

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit.

C

The marketing concept means that an organization aims all its efforts at satisfying its customers, at a profit. Doing a survey is the best choice because it involves trying to determine needs.

A

Marketing-oriented firms try to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

A

Marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

C

As stated in Reference Exhibit 1–4 in your eBook by using the eBook button in the resources area, a marketing-oriented firm tries to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

A

As stated in Reference Exhibit 1–4 in your eBook by using the eBook button in the resources area, a company makes what it can sell in a marketing-oriented firm, trying to offer customers what they need instead of just trying to get customers to buy what the firm has produced.

D

As stated in Reference Exhibit 1–4 in your eBook by using the eBook button in the resources area, marketing research used in a production orientation determines the customer reaction.

C

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

E

Customer value considers all elements of the marketing mix.

B

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

A

It is the customer's view of costs and benefits that is important. Customer value depends on the customer's perception.

B

As reflected in Reference Exhibit 1–5 in your eBook by using the eBook button in the resources area, a functional benefit of a market offering could save the customer time or effort.

B

Emotional

E

According to Reference Exhibit 1–5 in your eBook by using the eBook button in the resources area, life-changing benefits include those that give hope, offer motivation, or provide a sense of affiliation or belonging. Having a gym staff member check in on new enrollees may provide all these benefits to gym customers.

D

A high price may be more than acceptable when it obtains the desired benefits. A good or service that doesn't meet a customer's needs results in low customer value, even if the price is very low.

B

The firm's advertising might encourage a customer to buy once, but if the firm doesn't deliver on the benefits promised in its ads, the customer is likely to go elsewhere the next time the need arises.

D

Building and maintaining relationships with customers require that everyone in a firm work together to provide customer value before and after each purchase.

D

Customer value is the difference between the benefits a customer sees from a market offering and the costs of obtaining those benefits. For Paula, the benefits clearly outweigh the additional cost.

C

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

B

All nonprofit organizations seek to achieve different objectives and need different measures of success.

E

Marketing applies to all sorts of public and private nonprofit organizations ranging from government agencies, health care organizations, educational institutions, and religious groups to charities, political parties, and fine arts organizations.

A

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

E

Social responsibility is a firm’s obligation to improve its positive effects on society and reduce its negative effects, both for present and future generations.

D

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

A

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

E

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

B

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

D

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

E

The micro–macro dilemma refers to how what is “good” for some firms and consumers may not be good for society as a whole.

E

Social responsibility is a firm’s obligation to improve its positive effects on society and reduce its negative effects.

B

Social responsibility is a firm’s obligation to improve its positive effects on society and reduce its negative effects. There are times when being socially responsible can increase not only a firm’s profits, but also its costs.

E

Some consumers want products that may not be safe or good for society in the long run. Companies that produce such products follow the marketing concept to satisfy customer needs but fail to be socially responsible. A good example is a motorcycle manufacturer.

D

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

B

As stated in Reference Exhibit 1–7 in your eBook by using the eBook button in the resources area, fairness helps to balance justly the needs of the buyer with the interests of the seller.

B

As stated in Reference Exhibit 1–7 in your eBook by using the eBook button in the resources area, respect stresses acknowledgement of the basic human dignity of all stakeholders.

C

To be certain that standards for marketing ethics are as clear as possible, many organizations develop their own written codes of ethics, which state the ethical standards that everyone in the firm should follow in dealing with customers and other people.

A

As reflected in the sample criticisms of marketing in Exhibit 1–8, some criticize marketing for making people too materialistic and for motivating people toward “things” instead of social needs.

A

Most companies are stepping up their efforts to use marketing to create a better world. Such efforts are not necessarily charitable endeavors, and are often profitable.