

Student name: _____

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

The marketing concept and the use of marketing tools and techniques are evident only in commercial organizations.

true

false

In some organizations, marketing can be a haphazard activity done in response to particular opportunities or in times of difficulty or crisis.

true

false

The secondary elements of marketing strategy involve decisions related to market segmentation, targeting and positioning.

true

false

Internally orientated businesses display customer concern throughout the business; they understand the criteria customers use to choose between competing suppliers.

true

false

The responsibility for the implementation of the marketing concept lies solely within the marketing department.

true

false

The marketing concept is seen as the achievement of corporate goals through meeting and exceeding customer needs better than the competition.

true

false

The production orientation assumes that the purpose of the organization is to develop products and services where the quality and innovativeness of these offerings is considered to be the key to success.

true

false

Marketing orientated companies get close to their customers so that they understand their needs and problems.

true

false

Customer value depends solely on how a customer perceives the benefits of an offering.

true

false

The basic premise of the marketing concept is that its adoption will reduce business costs.

true

false

The relationship between the marketing concept and business performance is negative.

true

false

Customer value is created by developing and selling great products.

true

false

Marketing not only fulfills needs, but also creates unnecessary wants.

true

false

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

Which of the following is marketing's central role?

Make more sales

Create great products

Create and keep customers

Acquire new customers

Three conditions must be met before the marketing concept can be applied. Firstly, company activities should be focused on providing customer satisfaction. Secondly, the achievement of customer satisfaction relies on an integrated effort and thirdly, for an integrated effort to come about management must believe that corporate goals can be achieved through _____.

scanning the market

matching the competition

satisfying employees

satisfying customers

Organizations almost by definition are _____ looking, with a focus on their people, their operations and their products.

inward

outward

downward

sideward

By maintaining a(n) _____ focus, companies can understand what customers value and how to consistently innovate new sources of value that keep bringing them back.

inside-out

internal-external

outside-in

micro-macro

Which of the following statements is true?

It is more expensive to keep customers than to attract new customers

It is more expensive to attract new customers than to retain existing ones

Existing customers demand more services

New customers demand more services

Why is there a need to monitor and understand competitors?

Because companies need to match their competitors' prices

Because companies need to create products similar to their competitors

Because customers will buy from competitors if they are cheaper

Because customers will turn to competitors if their needs are not being met

Which of these is not part of the marketing concept?

Exceeding customer needs better than competition

Matching competitors' offering

It relies on the integrated effort of numerous departments, not just marketing

That corporate goals can be achieved through customer satisfaction

Which of these is not a feature of a market driven business?

They display customer concern throughout the business

They invest in market research and track market changes

They stick with the same products

They are fast and flexible in terms of their pursuit of new opportunities

Why do marketing-orientated companies attempt to create customer value?

In order to attract and retain customers

In order to attract value conscious customers

In order to reduce customer complaints

In order to reduce manufacturing costs

Customer Value = _____?

Perceived Costs – Perceived Sacrifices

Perceived Sacrifice – Perceived Benefits

Perceived Benefits – Perceived Sacrifices

Perceived Benefits – Perceived Costs

Four core forms of customer value have been identified. These are price value, performance value, emotional value and _____ value.

relational

rational

cost

relative

Which of the following is a core form of customer value?

Relational value

Emotional value

Price value

All of these are forms of customer value

Many consumer products have similar design, functionality and features. Consequently, the only real difference that exists between these products/brands is in the mind of the consumer, and this is known as _____ value.

relational

emotional

price

performance

An important motive to purchase is the quality of the service received by the customer. This presents a particular opportunity for service businesses to provide _____ value to customers.

relational

emotional

price

performance

Companies such as Ryanair and Aldi focus on providing _____ value to customers. They understand that one of the most powerful motivations to purchase is because a product is perceived as being cheaper than those offered by competitors.

price

emotional

relational

performance

When consumers are focused on finding products with the latest features and are attracted to products by their functionality and perceived quality levels, they are motivated by _____ value.

price

performance

relational

emotional

When companies recognize the potential sales, profits and endorsements that come from a repeat customer who stays loyal to the company, they are focused on the _____ value of a customer.

lifecycle

lifestyle

lifetime

lifestage

Organizations are now becoming proficient users of _____ (CRM) systems to get to know their customers better and to interact with them on a regular basis.

customer repeat marketing

customer repeat management

customer relationship monitoring

customer relationship management

There are two core elements that are central to marketing. These are value and _____.

profits

customers

costs

sales

Which of the following is seen as the key to achieve marketing success?

Matching the value offered by competitors

Exceeding the value offered by competitors

Matching the prices offered by competitors

Exceeding the advertising spend of competitors

When does customer satisfaction occur?

When perceived performance matches or exceeds competitors' offering

When perceived performance matches or exceeds expectations

When there are no complaints

When customers continue to purchase

What is meant by the term "perceived sacrifice"?

The total costs associated with buying the product

The monetary costs associated with buying the product

The time and energy associated with buying the product

The price paid for the product

In order to achieve commercial success in today's competitive climate, what customer needs have to be achieved?

Performance needs to match customers' expectations

Performance needs to match competitors' performance

Expectations need to be exceeded so that customers are delighted with the outcome

Expectations need to be matched so that customers are delighted with the outcome

Customers' expectations are mainly formed through _____?

the company's promises

recommendations from friends

the company's advertising

all of the above

Which of the following is not a characteristic of the Kano model of customer satisfaction?

"Must Be"

"More is Better"

"Much More"

"Delighters"

Which of the following is an example of a "Must Be" characteristic of the Kano model of customer satisfaction?

In a hotel, customers expect extra towels

In a hotel, customers expect service at reception and a clean room

In a hotel, customers expect free room service

In a hotel, customers expect satellite television and a bath

Which of the following is an example of a "More is Better" characteristic of the Kano model of customer satisfaction?

In a hotel, customers expect service at reception

In a hotel, customers expect a rapid and satisfactory response to a complaint

In a hotel, customers expect access to telephony services

In a hotel, customers expect room service

What is the "Delighters" characteristic of the Kano model of customer satisfaction?

"Delighters" are highly satisfied customers

"Delighters" are extra features of a product/service that a customer receives at no extra cost

"Delighters" are dedicated customer service personnel who look after the needs of customers and respond to those needs

"Delighters" are the unexpected characteristics that surprise the customer. Their absence does not cause dissatisfaction but their presence delights the customer

What is the core problem with the "Delighters" characteristic of the Kano model of customer satisfaction?

A problem for marketers is that highly satisfied customers are rare

A problem for marketers is that those extra features provided cost more money

A problem for marketers is that the quality of customer service personnel varies to a great extent

A problem for marketers is that over time "delighters" become exceptions

Dyson got ahead of its competitors primarily due to _____?

superior product design

highly innovative advertising

cost-based pricing

using multiple distribution channels

Marketing is constantly changing and devising new methods of delivering superior customer value. Which of the following is an example of a new system?

Product orientated marketing

Sales orientated marketing

Customer relationship management

All of the above

Which of the following is not a criticism of marketing?

Targeting of vulnerable children

Encouraging customers to buy products they do not need

Providing customer value

Invading every aspect of society

What is meant by "getting and keeping close to customers"?

Finding out how much customers have to spend

Finding out what customers are willing pay

Finding out customers' current needs and anticipating future needs

Finding out where customers purchase

The marketing concept and the use of marketing tools and techniques is used by _____.

political parties

retailers

educational institutions

all of the above

The scope of marketing has extended to other sectors. Traditionally only used by commercial organizations, it is now evident that many organizations are now using marketing to promote important causes, such as anti- drink driving campaigns, anti-smoking campaigns etc. This form of marketing is known as _____ marketing.

political

retail

promotional

social

The scope of marketing is _____, involving non-business as well as business contexts.

narrow

limited

small

broad

What will the adoption of the marketing concept improve?

Business price

Business performance

Market growth

Market attractiveness

Research has found that there is a positive relationship between marketing and what?

Share Prices

Revenue

Costs

Performance

<p>A _____ manager provides sales support by fielding enquiries, taking orders and providing phone advice to customers and also assists with exhibitions, prepares documentation for brochures and sales kits, and commissions market research suppliers for primary data. <!-- Markup Copied from Habitat--> <!--Markup Copied from Habitat--></p>

sales support

sales promotion

social media

customer service

What reason is believed to be the main cause for marketing's relatively low status?

That marketing is suppressed by other business disciplines

That marketing, although good at promoting products, is very poor at promoting the marketing discipline itself

That the links between marketing investments and the long-term profitability of the organization have not been well made

That marketing status is tarnished by the bad image of sales and public relations disciplines

Which of the following statements defines value-based marketing?

The objective of marketing is seen as developing, producing and promoting products/services at the lowest cost

The objective of marketing is seen as developing, producing and promoting value for money products/ services, which match consumers' needs

The objective of marketing is seen as contributing to the maximization of shareholder value which has become the overarching goal of chief executives in more and more companies

The objective of marketing is seen as satisfying customers' expectations and needs. Where customers are seen as the "Kings & Queens" of a company

Value-based marketing helps achieve which of the following?

Helps clarify the importance of investments in marketing assets

Helps identify cost drivers of an organization

Helps identify customers' needs and wants

Helps clarify the importance of producing value for money products/ services

Which of the following is true?

Value-based marketing helps to dissuade management from making arbitrary cuts in marketing expenditures such as advertising in times of economic difficulty

Value-based marketing helps management in their advertising and promotional decisions

Value-based marketing helps management to identify benefits and features which consumers value, and furthermore helps them in determining the most effective price for these services and products

Value-based marketing helps to inform management on viable new product introductions

Which of the following is true?

Marketing achieves company goals by meeting and exceeding customer needs better than the competition and, in turn, contributing to shareholder value

Marketing achieves company goals by maximising a company's profits

Marketing achieves company goals by helping to develop, produce and promote high priced goods/ services, therefore maximising potential revenues and, in turn, contributing to shareholder value

Marketing achieves company goals by helping to sell more of a company's products/ services, thereby contributing to the profitability of the company

Marketing orientated companies attempt to achieve which of the following?

The ability to make greater profits

The ability to reduce costs

The ability to attract and retain customers

The ability to attract new customers

The societal marketing concept is a newer business orientation which has emerged in recent years. This societal marketing concept is frequently referred to as _____ marketing.

sustainable

attainable

reliable

relationship

The societal marketing concept holds that marketing strategy should deliver value to customers in a way that maintains or improves both the _____'s and society's well-being.

consumer

company

shareholder

distributor

Why is innovation so important in marketing orientated companies?

So that new production process can be developed

So that new products can be developed to meet the needs of tomorrow's customers

So that new products can be developed faster

So that new organizations can improve effectiveness

What is the key challenge for marketers?

The key challenge for marketers is to monitor competitors and match them in terms of their product, place, price and promotion

The key challenge for marketers is to develop a competitive advantage through marketing mix decisions, which are cost effective and maximise the company's profits

The key challenge for marketers is to continuously develop new, successful products as older products gradually decline in popularity

The key challenge for marketers is to monitor and understand customer needs and develop a competitive advantage through marketing mix decisions

Marketing orientated companies show overriding concern throughout the business for which of the following groups?

Employees

Competitors

Customers

Retailers

A _____ manager is responsible for monitoring and managing the user experience such as, for example, why do users abandon certain webpages, or why do they not complete purchases. They are also responsible for development and design changes to the website and social channels. <!--Markup Copied from Habitat-->

user experience

user analytics

content development

social media

Which of the following statements is true?

Marketing orientated companies are companies with a marketing orientation, who focus on customer needs as the primary drivers of organizational performance

Marketing orientated companies are companies with a customer focus, who believe that the customer has to be satisfied at all costs

Marketing orientated companies are companies with a specialized marketing department, specializing in the delivery of marketing activities

Marketing orientated companies are companies which are happy to adopt a 'me too' philosophy

Which of the following statements is true?

The marketing concept is focused on the support of the sales function

The marketing concept is concerned with mainly the achievement of corporate goals through excellent product design, value pricing strategies and excellent promotional strategies

The marketing concept is focused on the development of value for money products/ services that are high in quality and which beat the competition

The marketing concept is the achievement of corporate goals through meeting and exceeding customer needs better than the competition

Which of the following statements is true?

Production orientation is a business approach that focuses on the achievement of corporate goals through meeting and exceeding customer needs

Production orientation is a business approach that focuses on creating products which match customers' needs

Production orientation is a business approach that focuses on costs and revenues of an organisation

Production orientation is a business approach that is inwardly focused either on costs or on a definition of a company in terms of its production facilities

Which of the following statements is true?

Customer satisfaction is achieved when customers buy again from the same company

Customer satisfaction is achieved through the fulfilment of customers' requirements or needs

Customer satisfaction is achieved when there are no complaints

Customer satisfaction is achieved when products are sold below recommended retail price

One of the criticisms frequently leveled at the marketing profession is that it does not do a good job of demonstrating how its efforts _____ the organization.

benefit

cost

control

evaluate

Marketing is the subject of some trenchant criticism. Which of the following are common criticisms leveled against advertising?

It encourages people to buy products or services they don't want

It promotes materialism

It pervades all aspects of society

All of the above

When organizations provide genuine _____ to customers, marketing is doing what it should and both firms and society benefit.

concern

care

value

profit

Successful companies are those that succeed not only in getting customers but also in _____ them through being constantly aware of their changing needs.

switching

retaining

rewarding

acknowledging

It is a reality of commercial life that it is much more expensive to attract new customers than to retain existing ones. Indeed, the costs of attracting new customers have been found to be up to _____ times higher than the costs of retaining existing ones.

six

two

four

eight

Since most markets are characterized by strong competition, leading marketing theorists and strategists suggest the need _____, since it is to rivals that customers will turn if their needs are not being met.

to monitor and understand competitors

to manipulate and manage competitors

to over promote and outperform competitors

to manage and match competitors

A study has found that managers tend to _____ the importance of customer perceptions of quality in driving their satisfaction, and of satisfaction in driving loyalty and complaint behaviour.

underestimate

overestimate

guess

predict

Low-fares airlines have stripped away many of the features that used to characterize air travel, such as in-flight meals, airport check-ins and no baggage restrictions. Consumers who want these

features are now charged extra for them and the profitability of low-price companies is further enhanced by the high degree of attention they pay to _____.

the efficiency of their operations

offering less flights

engaging less with the customer

adding standing room to flights

Food retailer Aldi has an estimated global revenue of US\$109 billion and now generates 70 per cent of its sales from outside its home country of Germany. Its _____ is to offer customers a limited range of own-label products at permanently low prices in a no-frills environment.

business proposition

business cycle

business plan

business index

One of the big challenges facing the modern firm is to find effective ways to differentiate products based on performance elements. Sometimes the only real difference that exists between these brands is in the mind of the consumer and this is what is known as _____. It also helps to explain why some consumers will pay huge premiums for luxury brands (e.g. Chanel, Hermès) and why others will queue for hours to be the first among their peers to own certain products (e.g. iPhone).

emotional value

premium purchasing

emotional exploitation

peer pressure

Being consistently able to provide value and generate profit is a characteristic of the most successful companies, such as Apple and Samsung. In non-commercial settings such as not-for-profit, public sector or social enterprises, the imperative of value creation and delivery remains though the _____ is no longer present.

profit motive

customer motive

stakeholder motive

service motive

Answer Key

Test name: Ch1_Foundations of Marketing_7e

FALSE

TRUE

FALSE

FALSE

FALSE

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