

Chapter 2

Student: _____

1. Which of the following statements is true?
 - A.
 - B.
 - C.
 - D.
2. The marketing environment consists of which of the following?
 - A.
 - B.
 - C.
 - D.
3. The marketing environment affects which of the following?
 - A.
 - B.
 - C.
 - D.
4. The marketing environment consists of which of the following?
 - A.
 - B.
 - C.
 - D.
5. The key actors in the firm's immediate environment that affect its capabilities to operate effectively in its chosen markets are which of the following?
 - A.
 - B.
 - C.
 - D.

6. _____ are an important element of the microenvironment as ultimately, they determine the success or failure of a business.
- A.
 - B.
 - C.
 - D.
7. Distributors are an important element of the microenvironment as they provide many valuable services, such as _____.
- A.
 - B.
 - C.
 - D.
8. Suppliers are important actors in the _____ as powerful suppliers can extract profitability from an industry by restricting the supply of essential components and forcing prices up.
- A.
 - B.
 - C.
 - D.
9. To be successful in the marketplace, companies must not only consider customers as an important element of the microenvironment, but must also consider _____ and how the company can gain a differential advantage over them.
- A.
 - B.
 - C.
 - D.
10. Which of the following is an accurate characteristic of the macroenvironment?
- A.
 - B.
 - C.
 - D.

11. Which of the following are major macroeconomic forces that affect marketing decisions?
- A.
 - B.
 - C.
 - D.
12. Which of the following are not major macroeconomic forces that affect marketing decisions?
- A.
 - B.
 - C.
 - D.
13. The macroeconomic forces shape the character of which of the following?
- A.
 - B.
 - C.
 - D.
14. The economic environment has a critical impact on the success of companies through its effect on which of the following?
- A.
 - B.
 - C.
 - D.
15. Which of the following is not a major economic influence on the marketing environment of companies?
- A.
 - B.
 - C.
 - D.

16. Which of the following can have a profound effect on a company's prosperity?
- A.
 - B.
 - C.
 - D.
17. Low growth rates in an economy can affect which of the following?
- A.
 - B.
 - C.
 - D.
18. In times of economic recession, consumers tend to do which of the following?
- A.
 - B.
 - C.
 - D.
19. In times of economic recession, consumers tend to shop more at which of the following?
- A.
 - B.
 - C.
 - D.
20. _____ rates are an important aspect of the economy that impact on businesses as they affect the rate at which money is borrowed by businesses and individuals.
- A.
 - B.
 - C.
 - D.

21. International marketers must take account of the fact that floating _____ rates (rates at which one currency buys another) can have a significant impact on the profitability of a company's international operations.
- A.
B.
C.
D.
22. Taxation is an economic factor that impacts on consumers' levels of _____ income (the amount of money available after essentials) and thereby influences the purchase of goods and services.
- A.
B.
C.
D.
23. Inflation is an economic factor that measures the cost of living in an economy. Rapid rises in inflation affect marketing as they affect the prices of goods and services and also _____ the future value of savings, investments and pensions.
- A.
B.
C.
D.
24. How many consumers are in the European Union?
- A.
B.
C.
D.

25. Many decisions may be influenced by political legal forces which determine the rules by which business is conducted. Political forces describe the close connections that politicians and senior business people often have, sometimes known as '_____ capitalism'
- A.
B.
C.
D.
26. Businesses often try to influence political processes through the use of _____. This involves businesses attempting to influence decisions made by officials in government, most often legislators or regulatory agencies.
- A.
B.
C.
D.
27. Which country is not a member of the European Union?
- A.
B.
C.
D.
28. How many countries have as their common currency, the euro?
- A.
B.
C.
D.

29. Which of the following is an emerging implication of the development of the "Single European Market"?
- A.
 - B.
 - C.
 - D.
30. NAFTA stands for:
- A.
 - B.
 - C.
 - D.
31. ASEAN stands for:
- A.
 - B.
 - C.
 - D.
32. Which of the following factors has promoted the realization of pan- European marketing?
- A.
 - B.
 - C.
 - D.
33. Which of the following factors has hindered the realization of pan- European marketing in the EU?
- A.
 - B.
 - C.
 - D.

34. Standardization appears to depend mainly upon which of the following?
- A.
 - B.
 - C.
 - D.
35. Standardization of "FMCG's" is more difficult due to differences in local tastes. "FMCG" stands for which of the following?
- A.
 - B.
 - C.
 - D.
36. Which of the following types of product is more difficult to standardize due to local preferences?
- A.
 - B.
 - C.
 - D.
37. What is "parallel importing"?
- A.
 - B.
 - C.
 - D.
38. Which company is perceived as the world's most ethical company?
- A.
 - B.
 - C.
 - D.

39. Which of the following is not a key social force that has implications for marketing?
- A.
 - B.
 - C.
 - D.
40. When considering the social environment, two major aspects need to be examined: demographic changes and _____ differences that exist between nations.
- A.
 - B.
 - C.
 - D.
41. The dramatic growth in the world's population presents _____ for marketers in the form of growing markets but also raises questions about the sustainability of this global growth.
- A.
 - B.
 - C.
 - D.
42. There is huge variation in population growth worldwide. Population growth is slowing in the _____ world and increases in population are forecast in Africa, Asia and Latin America.
- A.
 - B.
 - C.
 - D.

43.

_____ has given rise to significant movement of labour from poorer areas of Central and Eastern Europe to the wealthier Western European countries.

- A.
- B.
- C.
- D.

44.

Recent demographic trends have led to a growth in the number of household units and a _____ in household sizes.

- A.
- B.
- C.
- D.

45.

International marketers must be aware of the significant differences that exist between cultures. For example, The East is deeply culturally bound in complex _____ networks, whereas greater levels of independence are more important for those living in the West.

- A.
- B.
- C.
- D.

46.

The rapid movement of global populations has meant that _____ based subcultures have sprung up in most developed countries, creating potentially lucrative niche markets for products and services.

- A.
- B.
- C.
- D.

47. Demographic forces affect which of the following?
- A.
 - B.
 - C.
 - D.
48. What is meant by "grey purchasing power"?
- A.
 - B.
 - C.
 - D.
49. Which of the following is a major demographic which will affect demand for products and services
- A.
 - B.
 - C.
 - D.
50. Which of the following is a major demographic force?
- A.
 - B.
 - C.
 - D.
51. Which of the following is a major demographic force?
- A.
 - B.
 - C.
 - D.

52. The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:
- A.
 - B.
 - C.
 - D.
53. Which of the following is a macroenvironmental force?
- A.
 - B.
 - C.
 - D.
54. Which of the following groups need to pay particular attention to the possible impact of culture?
- A.
 - B.
 - C.
 - D.
55. Corporate social responsibility refers to which of the following?
- A.
 - B.
 - C.
 - D.
56. What is meant by the term "green marketing"?
- A.
 - B.
 - C.
 - D.

57. Why is corporate social responsibility a key part of business strategy?
- A.
 - B.
 - C.
 - D.
58. What is meant by the term "social reporting"?
- A.
 - B.
 - C.
 - D.
59. What is meant by the term "cause- related marketing"?
- A.
 - B.
 - C.
 - D.
60. The moral principles and values that govern the actions and decisions of an individual or group refer to which of the following?
- A.
 - B.
 - C.
 - D.
61. The "consumer movement" refers to which of the following?
- A.
 - B.
 - C.
 - D.

62. The "consumer movement" represents which of the following to marketing managers?
- A.
 - B.
 - C.
 - D.
63. How can political and legal forces influence marketing decisions?
- A.
 - B.
 - C.
 - D.
64. Marketers need to be aware of consumer legislation. Many countries throughout Europe have some form of Consumer Protection Act that outlaws practices that are deemed to be unfair, misleading or _____.
- A.
 - B.
 - C.
 - D.
65. Control of monopolies in Europe increased in 1990 when the EU introduced its first direct mechanism for dealing with mergers and takeovers: the Merger _____.
- A.
 - B.
 - C.
 - D.

66. Political action may translate directly into legislation. One key area in Europe where regulators act is ensuring that competition is fair, legal and operates in a way so that consumers and _____ benefit.
- A.
 - B.
 - C.
 - D.
67. The self-regulatory Code of Advertising Standards and Practice is designed to do which of the following?
- A.
 - B.
 - C.
 - D.
68. Consumer groups can exert enormous power on companies by influencing which of the following?
- A.
 - B.
 - C.
 - D.
69. The process of monitoring and analysing the marketing environment of a company is called:
- A.
 - B.
 - C.
 - D.

70. When monitoring and analysing the marketing environment, what are the two key decisions to be made?
- A.
B.
C.
D.
71. Potentially relevant environmental forces are those that:
- A.
B.
C.
D.
72. In general, who in the organization is not responsible for monitoring and analyzing the company's marketing environment?
- A.
B.
C.
D.
73. Why is the monitoring and analysis of the marketing environment so essential?
- A.
B.
C.
D.
74. Which of the following is not part of a complete environment scanning system?
- A.
B.
C.
D.

75. Pollution, climate change and animal testing are all examples of which of the following macroenvironmental forces?
- A.
 - B.
 - C.
 - D.
76. Explosion in the world's population and the resulting economic growth has brought the issue of environmental sustainability to centre stage and as a result _____ forces have become of greater concern.
- A.
 - B.
 - C.
 - D.
77. _____ change has the potential to have a major impact on business and society. Many commentators argue that human activity is hastening the depletion of the ozone layer and impacting negatively on our ecology.
- A.
 - B.
 - C.
 - D.
78. Pollution is an ecological issue that has become relevant in recent years. Rapidly growing economies like China and India have particular problems in this regard, with China having overtaken the USA as the world's biggest emitter of _____.
- A.
 - B.
 - C.
 - D.

79. Recognition of the finite nature of the world's resources has stimulated a drive towards conservation. This is reflected in the demand for _____.
- A.
 - B.
 - C.
 - D.
80. The Body Shop's initial success was due to its consideration of ecological issues, in particular that its products were not subject to _____.
- A.
 - B.
 - C.
 - D.
81. Corporate Social Responsibility (CSR) is a widely used term that describes a form of self-regulation by businesses based on the ethical principle that a person or organization should be accountable for how its actions might affect the _____ environment and the general public.
- A.
 - B.
 - C.
 - D.
82. Companies are increasingly conscious of the need to communicate their socially responsible activities. The term '_____ marketing' is used to describe marketing efforts to produce, promote and reclaim environmentally sensitive products.
- A.
 - B.
 - C.
 - D.

83. The _____ concept is a label often used to describe how the activities of companies should not only consider the needs of customers, but also society at large.
- A.
B.
C.
D.
84. Corporate Social Responsibility (CSR) has become a key part of a company's business strategy. Two outcomes of this growth in CSR have been the growth in social reporting and _____-related marketing.
- A.
B.
C.
D.
85. Cause-related marketing is a commercial, activity by which businesses and charities or causes form a partnership with each other in order to market an image, product or service for mutual benefit. Cause-related marketing works well when the business and charity have a similar _____.
- A.
B.
C.
D.
86. Which best describes the distinction between ethics and laws?
- A.
B.
C.
D.

87. Consumer movements have been active in which of the following areas?
- A.
 - B.
 - C.
 - D.
88. The consumer movement has led many companies to change their approach to conducting business. For example, growing concerns about _____ levels in the developed world has led McDonalds to make significant changes to its menu items and marketing approach, introducing healthier options.
- A.
 - B.
 - C.
 - D.
89. Which of the following is a benefit of formal environmental scanning?
- A.
 - B.
 - C.
 - D.
90. People's lives and companies' fortunes have been affected significantly by _____ advances which has given us robotics, computers, body scanners etc which have contributed to our quality of life.
- A.
 - B.
 - C.
 - D.

91. Monitoring the technological environment resulted in new opportunities and major investments. For example, Google has invested heavily in the development of Google _____, a miniature computer that is worn like a pair of spectacles.
- A.
B.
C.
D.
92. Technology has impacted on how consumers pay for goods or services. For example, in Japan there has been a huge growth in the use of _____-cash facilities where consumers buy smart cards which are topped up on a monthly basis and can be used for everything from transport systems to shops and cafes.
- A.
B.
C.
D.
93. The key to successful technological investment is _____ potential, not technological sophistication for its own sake. For example, although the Concorde was technologically sophisticated, management knew before its launch that it wasn't commercially viable.
- A.
B.
C.
D.
94. Environmental scanning provides the essential informational input to create strategic fit between which of the following?
- A.
B.
C.
D.

95. How can companies respond to environmental change?
- A.
 - B.
 - C.
 - D.
96. An environmental response where a company continues as normal, in spite of environmental forces is called?
- A.
 - B.
 - C.
 - D.
97. An environmental response where a company cuts costs in response to declining sales is called?
- A.
 - B.
 - C.
 - D.
98. What is the main difference between gradual strategic repositioning and radical strategic repositioning?
- A.
 - B.
 - C.
 - D.
99. What is "marketing myopia"?
- A.
 - B.
 - C.
 - D.

100. Which of the following is a source of delay when responding to environmental change?
- A.
 - B.
 - C.
 - D.
101. "Gradual Strategic Repositioning" involves which of the following?
- A.
 - B.
 - C.
 - D.
102. "Technological Myopia" refers to which of the following?
- A.
 - B.
 - C.
 - D.
103. When managers see a change as a threat and thus defend the status quo, this is seen as which of the following?
- A.
 - B.
 - C.
 - D.
104. A "retrenchment" response to environmental change focuses on which of the following?
- A.
 - B.
 - C.
 - D.

105. What is "environmental scanning"?
- A.
 - B.
 - C.
 - D.
106. Which of the following is not a response to environmental change?
- A.
 - B.
 - C.
 - D.
107. Which of the following is not a macroenvironmental force?
- A.
 - B.
 - C.
 - D.
108. The promotion of a pan-European marketing concept has occurred due to which of the following?
- A.
 - B.
 - C.
 - D.
109. Which of the following is a major future demographic change in the E.U. that will affect the demand for products and services?
- A.
 - B.
 - C.
 - D.

110. Which of the following can be classified as social forces affecting the marketing environment?
- A.
 - B.
 - C.
 - D.
111. Social reporting is where firms conduct independent audits of their social performance. The audits usually involve surveys of which of these key stakeholders:
- A.
 - B.
 - C.
 - D.
112. CRM stands for which of the following?
- A.
 - B.
 - C.
 - D.
113. Environmental scanning is the process of monitoring and analyzing the marketing environment of a company.
- True False
114. Ethics are the moral principles and values that govern the actions and decisions of an individual or group.
- True False
115. The macroenvironment contains a number of broader forces that affect not only the company, but also other actors in the environment, e.g. social, political, commercial and economic.
- True False

116. Cause-related marketing is a philanthropic activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit
- True False
117. The marketing environment contains the actors and issues that affect a company's capability to operate effectively in providing products and services to its customers.
- True False
118. Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours.
- True False
119. Corporate social responsibility refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public.
- True False
120. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and minimising potential weaknesses.
- True False
121. Radical strategic positioning refers to companies who fundamentally change the direction of their entire business.
- True False
122. Marketing myopia is a powerful contributor to inertia.
- True False
123. World population growth, the changing age distribution, and the rise in the number of two-income households are major demographic forces.
- True False

124. The rise of two-income households among professional and middle-class households means that this market segment has high disposal income leading to increased price sensitivity.

True False

125. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products.

True False

126. The marketing environment can be divided into the microenvironment, which consists of suppliers, distributors, customers and competitors, and the macroenvironment, which can be grouped under economic, social, political and legal, physical, and technological forces.

True False

Chapter 2 Key

1. Which of the following statements is true?

- A.
- B.
- C.**
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #1

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

2. The marketing environment consists of which of the following?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #2

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

3. The marketing environment affects which of the following?

- A.
- B.
- C.**
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #3

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

4. The marketing environment consists of which of the following?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #4

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

5. The key actors in the firm's immediate environment that affect its capabilities to operate effectively in its chosen markets are which of the following?

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #5

Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions

Topic: The microenvironment

6. _____ are an important element of the microenvironment as ultimately, they determine the success or failure of a business.

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #6

Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions

Topic: The microenvironment

7. Distributors are an important element of the microenvironment as they provide many valuable services, such as _____.

- A.
- B.
- C.
- D.

*Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #7*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions
Topic: The microenvironment*

8. Suppliers are important actors in the _____ as powerful suppliers can extract profitability from an industry by restricting the supply of essential components and forcing prices up.

- A.
- B.
- C.
- D.

*Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #8*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions
Topic: The microenvironment*

9. To be successful in the marketplace, companies must not only consider customers as an important element of the microenvironment, but must also consider _____ and how the company can gain a differential advantage over them.

- A.
- B.
- C.
- D.

*Blooms: Evaluate
Difficulty: Medium
Fahy - Chapter 02 #9*

*Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions
Topic: The microenvironment*

10. Which of the following is an accurate characteristic of the macroenvironment?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #10

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

Topic: The macroenvironment

11. Which of the following are major macroeconomic forces that affect marketing decisions?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #11

Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment

Topic: The macroenvironment

12. Which of the following are not major macroeconomic forces that affect marketing decisions?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #12

Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment

Topic: The macroenvironment

13. The macroeconomic forces shape the character of which of the following?

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #13

Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'

14. The economic environment has a critical impact on the success of companies through its effect on which of the following?

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #14

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

15. Which of the following is not a major economic influence on the marketing environment of companies?

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #15

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

16. Which of the following can have a profound effect on a company's prosperity?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #16

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

17. Low growth rates in an economy can affect which of the following?

- A.
- B.
- C.
- D.

Blooms: Analyse
Difficulty: Easy
Fahy - Chapter 02 #17
Topic: Economic forces

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

18. In times of economic recession, consumers tend to do which of the following?

- A.
- B.
- C.
- D.

Blooms: Evaluate
Difficulty: Easy
Fahy - Chapter 02 #18
Topic: Economic forces

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

19. In times of economic recession, consumers tend to shop more at which of the following?

- A.
- B.
- C.
- D.

Blooms: Apply
Difficulty: Easy
Fahy - Chapter 02 #19
Topic: Economic forces

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

20. _____ rates are an important aspect of the economy that impact on businesses as they affect the rate at which money is borrowed by businesses and individuals.

- A.
- B.
- C.
- D.

Blooms: Understand
Difficulty: Easy

21. International marketers must take account of the fact that floating _____ rates (rates at which one currency buys another) can have a significant impact on the profitability of a company's international operations.

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #21

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

22. Taxation is an economic factor that impacts on consumers' levels of _____ income (the amount of money available after essentials) and thereby influences the purchase of goods and services.

- A.**
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #22

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

23. Inflation is an economic factor that measures the cost of living in an economy. Rapid rises in inflation affect marketing as they affect the prices of goods and services and also _____ the future value of savings, investments and pensions.

- A.
- B.
- C.
- D.**

Blooms: Apply

Difficulty: Medium

Fahy - Chapter 02 #23

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Economic forces

24. How many consumers are in the European Union?

- A.
- B.**
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #24

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

25. Many decisions may be influenced by political legal forces which determine the rules by which business is conducted. Political forces describe the close connections that politicians and senior business people often have, sometimes known as '_____ capitalism'

- A.**
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #25

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

26. Businesses often try to influence political processes through the use of _____. This involves businesses attempting to influence decisions made by officials in government, most often legislators or regulatory agencies.

- A.**
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #26

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

27. Which country is not a member of the European Union?

- A.
- B.**
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #27

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

28. How many countries have as their common currency, the euro?

- A.
- B.
- C.**
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #28

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

29. Which of the following is an emerging implication of the development of the "Single European Market"?

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #29

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

30. NAFTA stands for:

- A.
- B.**
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #30

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

31.

ASEAN stands for:

- A.
- B.
- C.**
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #31

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

32.

Which of the following factors has promoted the realization of pan- European marketing?

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #32

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

33.

Which of the following factors has hindered the realization of pan- European marketing in the EU?

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Hard

Fahy - Chapter 02 #33

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

34.

Standardization appears to depend mainly upon which of the following?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #34

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

35. Standardization of "FMCG's" is more difficult due to differences in local tastes. "FMCG" stands for which of the following?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #35

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

36. Which of the following types of product is more difficult to standardize due to local preferences?

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #36

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

37. What is "parallel importing"?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Hard

Fahy - Chapter 02 #37

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Economic forces

38. Which company is perceived as the world's most ethical company?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #38

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

39. Which of the following is not a key social force that has implications for marketing?

- A.
- B.**
- C.
- D.

*Blooms: Understand
Difficulty: Medium*

Fahy - Chapter 02 #39

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Social forces*

40. When considering the social environment, two major aspects need to be examined: demographic changes and _____ differences that exist between nations.

- A.
- B.
- C.**
- D.

*Blooms: Understand
Difficulty: Medium*

Fahy - Chapter 02 #40

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Social forces*

41. The dramatic growth in the world's population presents _____ for marketers in the form of growing markets but also raises questions about the sustainability of this global growth.

- A.**
- B.
- C.
- D.

*Blooms: Evaluate
Difficulty: Easy*

Fahy - Chapter 02 #41

*Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Social forces*

42.

There is huge variation in population growth worldwide. Population growth is slowing in the _____ world and increases in population are forecast in Africa, Asia and Latin America.

- A.
- B.**
- C.
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #42

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

43.

_____ has given rise to significant movement of labour from poorer areas of Central and Eastern Europe to the wealthier Western European countries.

- A.
- B.**
- C.
- D.

Blooms: Apply

Difficulty: Medium

Fahy - Chapter 02 #43

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

44.

Recent demographic trends have led to a growth in the number of household units and a _____ in household sizes.

- A.**
- B.
- C.
- D.

Blooms: Apply

Difficulty: Medium

Fahy - Chapter 02 #44

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

45. International marketers must be aware of the significant differences that exist between cultures. For example, The East is deeply culturally bound in complex _____ networks, whereas greater levels of independence are more important for those living in the West.

- A.
- B.
- C.
- D.

*Blooms: Evaluate
Difficulty: Medium
Fahy - Chapter 02 #45
Topic: Social forces*

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

46. The rapid movement of global populations has meant that _____ based subcultures have sprung up in most developed countries, creating potentially lucrative niche markets for products and services.

- A.
- B.
- C.
- D.

*Blooms: Apply
Difficulty: Hard
Fahy - Chapter 02 #46
Topic: Social forces*

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

47. Demographic forces affect which of the following?

- A.
- B.
- C.
- D.

*Blooms: Evaluate
Difficulty: Easy
Fahy - Chapter 02 #47
Topic: Social forces*

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

48. What is meant by "grey purchasing power"?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #48

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

49. Which of the following is a major demographic which will affect demand for products and services

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #49

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

50. Which of the following is a major demographic force?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #50

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

51. Which of the following is a major demographic force?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #51

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

52. The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:

- A.
- B.
- C.**
- D.

*Blooms: Understand
Difficulty: Easy*

Fahy - Chapter 02 #52

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

53. Which of the following is a macroenvironmental force?

- A.
- B.
- C.
- D.**

*Blooms: Understand
Difficulty: Easy*

Fahy - Chapter 02 #53

Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment

Topic: The macroenvironment

54. Which of the following groups need to pay particular attention to the possible impact of culture?

- A.**
- B.
- C.
- D.

Blooms: Apply

Difficulty: Hard

Fahy - Chapter 02 #54

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

55. Corporate social responsibility refers to which of the following?

- A.**
- B.
- C.
- D.

*Blooms: Understand
Difficulty: Medium*

56. What is meant by the term "green marketing"?

- A.
- B.
- C.**
- D.

Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #56
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

57. Why is corporate social responsibility a key part of business strategy?

- A.
- B.
- C.
- D.**

Blooms: Evaluate
Difficulty: Easy
Fahy - Chapter 02 #57
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

58. What is meant by the term "social reporting"?

- A.**
- B.
- C.
- D.

Blooms: Understand
Difficulty: Hard
Fahy - Chapter 02 #58
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

59. What is meant by the term "cause- related marketing"?

- A.
- B.**
- C.
- D.

Blooms: Understand
Difficulty: Hard
Fahy - Chapter 02 #59
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

60. The moral principles and values that govern the actions and decisions of an individual or group refer to which of the following?

- A.
- B.
- C.**
- D.

Blooms: Understand
Difficulty: Medium

Fahy - Chapter 02 #60

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

61. The "consumer movement" refers to which of the following?

- A.**
- B.
- C.
- D.

Blooms: Understand
Difficulty: Medium

Fahy - Chapter 02 #61

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

62. The "consumer movement" represents which of the following to marketing managers?

- A.
- B.**
- C.
- D.

Blooms: Evaluate
Difficulty: Hard

Fahy - Chapter 02 #62

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

63. How can political and legal forces influence marketing decisions?

- A.
- B.
- C.
- D.**

Blooms: Apply
Difficulty: Hard

64. Marketers need to be aware of consumer legislation. Many countries throughout Europe have some form of Consumer Protection Act that outlaws practices that are deemed to be unfair, misleading or _____.

- A.
- B.
- C.**
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #64

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Political and legal forces

65. Control of monopolies in Europe increased in 1990 when the EU introduced its first direct mechanism for dealing with mergers and takeovers: the Merger _____.

- A.
- B.**
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #65

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Political and legal forces

66. Political action may translate directly into legislation. One key area in Europe where regulators act is ensuring that competition is fair, legal and operates in a way so that consumers and _____ benefit.

- A.**
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #66

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Political and legal forces

67. The self-regulatory Code of Advertising Standards and Practice is designed to do which of the following?

- A.
- B.
- C.
- D.**

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #67

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

68. Consumer groups can exert enormous power on companies by influencing which of the following?

- A.**
- B.
- C.
- D.

Blooms: Apply

Difficulty: Medium

Fahy - Chapter 02 #68

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

69. The process of monitoring and analysing the marketing environment of a company is called:

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #69

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

70.

When monitoring and analysing the marketing environment, what are the two key decisions to be made?

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #70

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

71.

Potentially relevant environmental forces are those that:

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #71

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

72.

In general, who in the organization is not responsible for monitoring and analyzing the company's marketing environment?

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #72

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

73. Why is the monitoring and analysis of the marketing environment so essential?

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Hard

Fahy - Chapter 02 #73

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

74. Which of the following is not part of a complete environment scanning system?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #74

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

75. Pollution, climate change and animal testing are all examples of which of the following macroenvironmental forces?

- A.
- B.
- C.**
- D.

Blooms: Evaluate

Difficulty: Easy

Fahy - Chapter 02 #75

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

76. Explosion in the world's population and the resulting economic growth has brought the issue of environmental sustainability to centre stage and as a result _____ forces have become of greater concern.

- A.
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Easy

Fahy - Chapter 02 #76

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

77. _____ change has the potential to have a major impact on business and society. Many commentators argue that human activity is hastening the depletion of the ozone layer and impacting negatively on our ecology.

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #77

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

78. Pollution is an ecological issue that has become relevant in recent years. Rapidly growing economies like China and India have particular problems in this regard, with China having overtaken the USA as the world's biggest emitter of _____.

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Easy

Fahy - Chapter 02 #78

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

79. Recognition of the finite nature of the world's resources has stimulated a drive towards conservation. This is reflected in the demand for _____.

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Easy

Fahy - Chapter 02 #79

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

80. The Body Shop's initial success was due to its consideration of ecological issues, in particular that its products were not subject to _____.

- A.
- B.
- C.**
- D.

Blooms: Apply

Difficulty: Medium

Fahy - Chapter 02 #80

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Ecological forces

81. Corporate Social Responsibility (CSR) is a widely used term that describes a form of self-regulation by businesses based on the ethical principle that a person or organization should be accountable for how its actions might affect the _____ environment and the general public.

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #81

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

82. Companies are increasingly conscious of the need to communicate their socially responsible activities. The term '_____ marketing' is used to describe marketing efforts to produce, promote and reclaim environmentally sensitive products.

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #82

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

83. The _____ concept is a label often used to describe how the activities of companies should not only consider the needs of customers, but also society at large.

- A.
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #83

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

84. Corporate Social Responsibility (CSR) has become a key part of a company's business strategy. Two outcomes of this growth in CSR have been the growth in social reporting and _____-related marketing.

- A.
- B.
- C.
- D.

Blooms: Remember

Difficulty: Hard

Fahy - Chapter 02 #84

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

85. Cause-related marketing is a commercial, activity by which businesses and charities or causes form a partnership with each other in order to market an image, product or service for mutual benefit. Cause-related marketing works well when the business and charity have a similar _____.

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #85

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

86. Which best describes the distinction between ethics and laws?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Hard

Fahy - Chapter 02 #86

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

87. Consumer movements have been active in which of the following areas?

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #87

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

88. The consumer movement has led many companies to change their approach to conducting business. For example, growing concerns about _____ levels in the developed world has led McDonalds to make significant changes to its menu items and marketing approach, introducing healthier options.

- A.
- B.**
- C.
- D.

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #88

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

89. Which of the following is a benefit of formal environmental scanning?

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #89

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

90. People's lives and companies' fortunes have been affected significantly by _____ advances which has given us robotics, computers, body scanners etc which have contributed to our quality of life.

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Easy

Fahy - Chapter 02 #90

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Technological forces

91. Monitoring the technological environment resulted in new opportunities and major investments. For example, Google has invested heavily in the development of Google _____, a miniature computer that is worn like a pair of spectacles.

- A.
- B.
- C.
- D.

Blooms: Remember
Difficulty: Medium

Fahy - Chapter 02 #91

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Technological forces

92. Technology has impacted on how consumers pay for goods or services. For example, in Japan there has been a huge growth in the use of _____-cash facilities where consumers buy smart cards which are topped up on a monthly basis and can be used for everything from transport systems to shops and cafes.

- A.
- B.
- C.
- D.

Blooms: Remember
Difficulty: Medium

Fahy - Chapter 02 #92

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Technological forces

93. The key to successful technological investment is _____ potential, not technological sophistication for its own sake. For example, although the Concorde was technologically sophisticated, management knew before its launch that it wasn't commercially viable.

- A.
- B.
- C.
- D.

Blooms: Evaluate
Difficulty: Hard

Fahy - Chapter 02 #93

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Technological forces

94. Environmental scanning provides the essential informational input to create strategic fit between which of the following?

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Hard

Fahy - Chapter 02 #94

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

95. How can companies respond to environmental change?

- A.
- B.
- C.
- D.**

Blooms: Remember

Difficulty: Hard

Fahy - Chapter 02 #95

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

96. An environmental response where a company continues as normal, in spite of environmental forces is called?

- A.
- B.**
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #96

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

97. An environmental response where a company cuts costs in response to declining sales is called?

- A.
- B.
- C.
- D.**

Blooms: Understand

Difficulty: Medium

98. What is the main difference between gradual strategic repositioning and radical strategic repositioning?

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Hard

Fahy - Chapter 02 #98

Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning

99. What is "marketing myopia"?

- A.**
- B.
- C.
- D.

Blooms: Understand

Difficulty: Medium

Fahy - Chapter 02 #99

Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning

100. Which of the following is a source of delay when responding to environmental change?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Hard

Fahy - Chapter 02 #100

Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning

101. "Gradual Strategic Repositioning" involves which of the following?

- A.
- B.
- C.**
- D.

Blooms: Understand

102.

"Technological Myopia" refers to which of the following?

- A.
- B.
- C.**
- D.

103.

When managers see a change as a threat and thus defend the status quo, this is seen as which of the following?

- A.**
- B.
- C.
- D.

104.

A "retrenchment" response to environmental change focuses on which of the following?

- A.
- B.**
- C.
- D.

105. What is "environmental scanning"?

- A.
- B.
- C.
- D.**

Blooms: Remember

Difficulty: Medium

Fahy - Chapter 02 #105

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

106. Which of the following is not a response to environmental change?

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #106

Learning Objective: 02-06 Explain how companies respond to environmental change

Topic: Environmental scanning

107. Which of the following is not a macroenvironmental force?

- A.**
- B.
- C.
- D.

Blooms: Evaluate

Difficulty: Easy

Fahy - Chapter 02 #107

Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment

Topic: The macroenvironment

108. The promotion of a pan-European marketing concept has occurred due to which of the following?

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #108

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Political and legal forces

109. Which of the following is a major future demographic change in the E.U. that will affect the demand for products and services?

- A.
- B.
- C.
- D.**

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #109

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

110. Which of the following can be classified as social forces affecting the marketing environment?

- A.
- B.**
- C.
- D.

Blooms: Evaluate

Difficulty: Medium

Fahy - Chapter 02 #110

Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions

Topic: Social forces

111. Social reporting is where firms conduct independent audits of their social performance. The audits usually involve surveys of which of these key stakeholders:

- A.
- B.**
- C.
- D.

Blooms: Understand

Difficulty: Hard

Fahy - Chapter 02 #111

Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices

Topic: Ecological forces

112. CRM stands for which of the following?

- A.
- B.
- C.**
- D.

Blooms: Remember

113. Environmental scanning is the process of monitoring and analyzing the marketing environment of a company.

TRUE

Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #113
Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning

114. Ethics are the moral principles and values that govern the actions and decisions of an individual or group.

TRUE

Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #114
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

115. The macroenvironment contains a number of broader forces that affect not only the company, but also other actors in the environment, e.g. social, political, commercial and economic.

TRUE

Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #115
Learning Objective: 02-02 Explain the distinction between the microenvironment and the macroenvironment
Topic: The macroenvironment

116. Cause-related marketing is a philanthropic activity by which businesses and charities or causes form a partnership with each other to market an image, goods or service for mutual benefit

FALSE

Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #116
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces

117. The marketing environment contains the actors and issues that affect a company's capability to operate effectively in providing products and services to its customers.
- TRUE**
- Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #117
Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'
Topic: The macroenvironment*
118. Social reporting is where firms acknowledge and rectify any ethical or environmental misdemeanours.
- FALSE**
- Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #118
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces*
119. Corporate social responsibility refers to the ethical principle that a person or an organization should be accountable for how its acts might affect the physical environment and the general public.
- TRUE**
- Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #119
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces*
120. A marketing-orientated firm looks internally at the organization and adapts, taking advantages of strengths, and minimising potential weaknesses.
- FALSE**
- Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #120
Learning Objective: 02-05 Analyse the impact of customers, distributors, suppliers and competitors on marketing decisions
Topic: The microenvironment*
121. Radical strategic positioning refers to companies who fundamentally change the direction of their entire business.
- TRUE**
- Blooms: Understand
Difficulty: Medium
Fahy - Chapter 02 #121
Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning*

122. Marketing myopia is a powerful contributor to inertia.
- TRUE**
- Blooms: Evaluate
Difficulty: Hard
Fahy - Chapter 02 #122
Learning Objective: 02-06 Explain how companies respond to environmental change
Topic: Environmental scanning*
123. World population growth, the changing age distribution, and the rise in the number of two-income households are major demographic forces.
- TRUE**
- Blooms: Evaluate
Difficulty: Easy
Fahy - Chapter 02 #123
Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Social forces*
124. The rise of two-income households among professional and middle-class households means that this market segment has high disposal income leading to increased price sensitivity.
- FALSE**
- Blooms: Evaluate
Difficulty: Easy
Fahy - Chapter 02 #124
Learning Objective: 02-03 Analyse the impact of economic, social, political and legal, physical and technological forces on marketing decisions
Topic: Social forces*
125. The term 'green marketing' is used to describe marketing efforts to produce, promote, and reclaim environmentally sensitive products.
- TRUE**
- Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #125
Learning Objective: 02-04 Critique the nature of corporate social responsibility and ethical marketing practices
Topic: Ecological forces*
126. The marketing environment can be divided into the microenvironment, which consists of suppliers, distributors, customers and competitors, and the macroenvironment, which can be grouped under economic, social, political and legal, physical, and technological forces.
- TRUE**
- Blooms: Understand
Difficulty: Easy
Fahy - Chapter 02 #126
Learning Objective: 02-01 Understand what is meant by the term 'marketing environment'*

Chapter 2 Summary