

Chapter 2

Student: _____

1. Customer excellence focuses on:
 - A.
 - B.
 - C.
 - D.
 - E.

2. Emily regularly chooses Argo Airlines for her travels. The company values her preference and rewards her with loyalty points. It would entitle Emily for reduced ticket rates for certain flights. Through this offer, the company succeeds in retaining a regular user. In this scenario, which of the following is used by Argo Airlines to achieve sustainable competitive advantage?
 - A.
 - B.
 - C.
 - D.
 - E.

3. Operational excellence is achieved by:
 - A.
 - B.
 - C.
 - D.
 - E.

4. Tectron Computers Inc., a manufacturer of desktop computers and peripherals, focuses on efficient coordination in every stage of production and delivery and ensures that customers' demands are met within the target time. This precision makes Tectron a favourite choice among customers. Given this information, which of the following does the company use to achieve sustainable competitive advantage?
- A.
 - B.
 - C.
 - D.
 - E.
5. Davison Associates Inc. manufactures office furniture. The management of the company believes that developing a strong brand name is the primary strategy to compete in the market. Hence, it invests a significant share of its resources to position its brands through promotions and service. Which of the following does the company use to achieve sustainable competitive advantage?
- A.
 - B.
 - C.
 - D.
 - E.
6. Which of the following strategies involves focusing on having an Internet presence?
- A.
 - B.
 - C.
 - D.
 - E.

7. Foodstar Corp., a chain of restaurants, has outlets in the major residential areas of a town. It ensures that its outlets are well placed and easily accessible. It also maintains a strong Internet presence by updating the details of each day's menu on its website. Given this information, which of the following strategies is used by Foodstar to achieve sustainable competitive advantage?
- A.
 - B.
 - C.
 - D.
 - E.
8. The top managers of a firm prepare a marketing plan. They define the mission and objectives of the business and evaluate the present situation of the firm. Which of the following phases of the marketing plan includes these activities performed by the top managers?
- A.
 - B.
 - C.
 - D.
 - E.
9. Which of the following is an activity in the planning phase of a marketing plan?
- A.
 - B.
 - C.
 - D.
 - E.

10. The board of directors of an organization meets to redefine the mission and objectives of the business. They set long-term objectives and form a new mission statement. Which of the following phases of developing a marketing plan do the actions by the board of directors constitute?
- A.
 - B.
 - C.
 - D.
 - E.
11. Tech Niche Corp., a provider of IT services, has recorded a decrease in sales and profit over the past few months. The managers of the firm review the situation and conduct a SWOT analysis of the firm. This provides new insights into the ways to improve sales. In the context of developing a marketing plan, the organization is in the phase of:
- A.
 - B.
 - C.
 - D.
 - E.
12. The implementation phase of a marketing plan involves:
- A.
 - B.
 - C.
 - D.
 - E.

13. An organization appoints a marketing manager to study the effectiveness of the marketing plan that it has implemented. The manager analyzes organizational performance using various metrics and gives a final report. In the context of developing a marketing plan, the organization is in the phase of:
- A.
 - B.
 - C.
 - D.
 - E.
14. Which of the following is an activity in the control phase of a marketing plan?
- A.
 - B.
 - C.
 - D.
 - E.
15. Which of the following is true of the mission statement of a company?
- A.
 - B.
 - C.
 - D.
 - E.
16. Which of the following is true of situation analysis?
- A.
 - B.
 - C.
 - D.
 - E.

17. Which of the following is true of a SWOT analysis?
- A.
 - B.
 - C.
 - D.
 - E.
18. In which of the following phases of a marketing plan is a SWOT analysis performed?
- A.
 - B.
 - C.
 - D.
 - E.
19. In a SWOT analysis, which of the following is considered a company's strength?
- A.
 - B.
 - C.
 - D.
 - E.
20. In the context of a SWOT analysis, which of the following is considered a company's weakness?
- A.
 - B.
 - C.
 - D.
 - E.
21. In a SWOT analysis, which of the following is considered a threat to businesses?
- A.
 - B.
 - C.
 - D.
 - E.

22. In the context of a SWOT analysis, which of the following is considered an opportunity to businesses?
- A.
 - B.
 - C.
 - D.
 - E.
23. What is the next step that a business organization has to perform after completing situation analysis?
- A.
 - B.
 - C.
 - D.
 - E.
24. Which of the following terms refers to a group of consumers who respond similarly to a firm's marketing efforts?
- A.
 - B.
 - C.
 - D.
 - E.
25. Rockslide Inc., a manufacturer of sports equipment, classifies its customers into different age groups. Each of these groups is unique in terms of its preference for the company's products. Given this information, this classification is an example of:
- A.
 - B.
 - C.
 - D.
 - E.

26. Which of the following refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics?
- A.
 - B.
 - C.
 - D.
 - E.
27. Alchemistro Inc. is a firm that manufactures chemical detergents and associated products. The company decides to manufacture detergent products that cater to the needs of the high-income consumers. Which of the following best describes Alchemistro's decision to specifically cater to the high-income segment?
- A.
 - B.
 - C.
 - D.
 - E.
28. The process of evaluating the attractiveness of various segments and then deciding which to pursue as a market is called:
- A.
 - B.
 - C.
 - D.
 - E.

29. SleakTouch Inc., a manufacturer of mobile phones, conducts market research to understand the market situation. The research suggests that its customers are mostly young people between the ages of 30 and 40. The company decides to focus its resources on this market segment. Given this information, the company's decision is a part of:
- A.
 - B.
 - C.
 - D.
 - E.
30. Market positioning is the process of:
- A.
 - B.
 - C.
 - D.
 - E.
31. Lego Inc., a manufacturer of computers, has developed a brand image by delivering high-quality products at affordable prices. This image results in customers choosing Lego's products over competing products. In this case, which of the following refers to Lego's strategy of creating a distinct and desirable understanding in the minds of consumers of what its product represents?
- A.
 - B.
 - C.
 - D.
 - E.

32. In the context of marketing mix, which of the following aspects of customer value is closely associated with products?
- A.
 - B.
 - C.
 - D.
 - E.
33. TravelSmart Inc. offers a range of travel packages to tourist destinations across the world. The customers are charged according to the services provided during the tour. This allows the customers to choose a package proportionate to their income and requirements. Given this information, which of the following elements of a marketing mix is stressed upon by the company?
- A.
 - B.
 - C.
 - D.
 - E.
34. Which of the following Ps of marketing is associated with the delivery of value to customers?
- A.
 - B.
 - C.
 - D.
 - E.

35. Paralegal Consulting Inc., a firm that offers legal services, decides to open new branches in rural areas. The new branches would help the firm reach out to people who cannot travel to cities and avail legal help. In this case, this decision reflects the firm's strategy regarding:
- A.
 - B.
 - C.
 - D.
 - E.
36. Uncle Steve Inc., a chain of restaurants, opens a new outlet near an industrial complex. This helps it to attract many customers as there is no other restaurant in the vicinity. In this case, the decision to open a new outlet in this area is a part of the firm's strategy on:
- A.
 - B.
 - C.
 - D.
 - E.
37. Balter Technologies Inc. is a firm that manufactures innovative computer accessories. The company organizes a media campaign to increase the public awareness about its products. Which of the following elements of a marketing mix is used by Balter Technologies in this case to communicate the value of its offerings?
- A.
 - B.
 - C.
 - D.
 - E.

38. Promotion, the fourth P of a marketing mix, is essentially used by marketers to:
- A.
 - B.
 - C.
 - D.
 - E.
39. Which of the following is the final step in the marketing planning process of an organization?
- A.
 - B.
 - C.
 - D.
 - E.
40. Which of the following refers to a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers?
- A.
 - B.
 - C.
 - D.
 - E.
41. Zorbo Furniture Inc. is a firm that manufactures and markets wooden furniture. One of the departments in the firm is devoted to the production and marketing of office furniture. The department is managed independently from other departments and is held accountable for its profitability. In this case, the office furniture department is an example of a(n):
- A.
 - B.
 - C.
 - D.
 - E.

42. Which of the following terms refers to a group of products that consumers are likely to use together or perceive as similar in some way?
- A.
 - B.
 - C.
 - D.
 - E.
43. Denthrill Inc. is a firm that manufactures dental products. Denthrill produces a range of products such as toothbrushes, toothpastes, and breath fresheners. These products form a:
- A.
 - B.
 - C.
 - D.
 - E.
44. Which of the following is a measure of a product's strength in a particular market?
- A.
 - B.
 - C.
 - D.
 - E.
45. Market growth rate is the:
- A.
 - B.
 - C.
 - D.
 - E.

46. Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has a high market share in a high-growth market?
- A.
 - B.
 - C.
 - D.
 - E.
47. The telecom sector in Slakavia has been growing at a fast pace in the last few years. Rex Telecom is the market leader in the Slakavian telecom market. In the context of the Boston Consulting Group (BCG) matrix, this firm is a:
- A.
 - B.
 - C.
 - D.
 - E.
48. In the context of the Boston Consulting Group (BCG) analysis, a firm whose offering is a star in an industry should:
- A.
 - B.
 - C.
 - D.
 - E.
49. In the Boston Consulting Group (BCG) portfolio analysis, a product that serves a low-growth market but has a high market share in the industry is a:
- A.
 - B.
 - C.
 - D.
 - E.

50. The growth rate of the soft-drink industry in the country of Norborg has been low for a few years now. Which of the following terms, according to the Boston Consulting Group (BCG) portfolio analysis, can be used to refer to Cranco Inc., the brand that has the highest market share in this industry?
- A.
 - B.
 - C.
 - D.
 - E.
51. MM Manufacturing is a small-scale firm that manufactures optical cables. The firm's market share is significantly lower than most other players in the market. However, optical cable manufacturing is a high-growth market. Hence, the management of the company has decided to allocate more resources for the production of cables. According to the Boston Consulting Group (BCG) matrix, the company's offering is a:
- A.
 - B.
 - C.
 - D.
 - E.
52. Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has low market share in a market characterized by high growth?
- A.
 - B.
 - C.
 - D.
 - E.

53. In the Boston Consulting Group (BCG) portfolio analysis, products that are in low-growth markets and have relatively low market shares are called:
- A.
 - B.
 - C.
 - D.
 - E.
54. In the context of the Boston Consulting Group (BCG) analysis, a firm whose product is a dog should:
- A.
 - B.
 - C.
 - D.
 - E.
55. Happy Puppy Inc., a manufacturer of toys, makes a wide variety of toys including board games, action figures, stuffed toys, and model airplanes. Since the market for board games is a low-growth market, the company decides to draw back its products in this market. In the context of the Boston Consulting Group (BCG) analysis, the company's offering of board games is a:
- A.
 - B.
 - C.
 - D.
 - E.
56. In the context of the Boston Consulting Group (BCG) portfolio analysis, which of the following is a similarity between the products represented by a star and a question mark?
- A.
 - B.
 - C.
 - D.
 - E.

57. Which of the following is the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers?
- A.
 - B.
 - C.
 - D.
 - E.
58. A company attempts to increase its market share by engaging in aggressive promotional activities. The company increases its spending on advertising and sales promotions. Which of the following strategies has been used by the company in the given scenario?
- A.
 - B.
 - C.
 - D.
 - E.
59. A market penetration strategy requires:
- A.
 - B.
 - C.
 - D.
 - E.
60. Which of the following best describes a market penetration strategy?
- A.
 - B.
 - C.
 - D.
 - E.

61. QuSoft Inc., a manufacturer of apparels, introduces bonus points for regular customers. With this offer, regular customers are entitled to faster delivery and exclusive discounts on the company's existing products. In this scenario, the strategy applied by the company is:
- A.
 - B.
 - C.
 - D.
 - E.
62. Which of the following is the growth strategy that employs an existing marketing offering to reach new market segments?
- A.
 - B.
 - C.
 - D.
 - E.
63. Adams Industries Inc. is a firm that manufactures and markets kitchen appliances in the northern part of Belvier. As part of its expansion program, the company decides to introduce its existing range of products in the southern parts of Belvier. In this scenario, the strategy applied by the company is:
- A.
 - B.
 - C.
 - D.
 - E.
64. Which of the following is the best example of applying a market development strategy?
- A.
 - B.
 - C.
 - D.
 - E.

65. Which of the following statements is true of the market development strategy?

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

66. Which of the following is the growth strategy that offers a new product or service to a firm's current target market?

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

67. Roltech Limited is a telecom company that operates GSM networks in six countries. Roltech's top managers identify that the company's growth has been idle for a few years and decide to take these steps to promote growth: (1) Increase the spending on advertising and intensify promotional activities. (2) Open telecom companies in more countries. (3) Introduce special tariffs to attract more customers from existing markets. Which of the following strategies have Roltech's top managers decided to adopt?

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

68. Paramount Electronics Inc. manufactures electronic measuring tools. The company invents a new type of multimeter, an electronic measuring instrument, and introduces the product to its current customers. Which of the following strategies does Paramount employ in this scenario?
- A.
 - B.
 - C.
 - D.
 - E.
69. Lava Scooters Inc. manufactures electric scooters with young women as its target customers. The company manufactures vehicles that have engine displacement ranging from 50 to 100 cubic centimetres. Of late, many customers have been preferring scooters that are more powerful. To satisfy such customers, the company introduces a powerful bike that has 200-cubic centimetres engine displacement. In this scenario, Lava Scooters uses the strategy of:
- A.
 - B.
 - C.
 - D.
 - E.
70. Dorbo Inc. a manufacturer of microprocessors, is known for innovation and holds more than 300 patents. The company invents a microprocessor based on nanotechnology and introduces it to its current customers. Which strategy does Dorbo use in this scenario?
- A.
 - B.
 - C.
 - D.
 - E.

71. The growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve is called:
- A.
 - B.
 - C.
 - D.
 - E.
72. Which of the following is a key difference between a market development strategy and a diversification strategy?
- A.
 - B.
 - C.
 - D.
 - E.
73. Which of the following is an example of a diversification strategy?
- A.
 - B.
 - C.
 - D.
 - E.
74. RON Inc. is a company that manufactures home appliances. The company has established a wide retail network to sell its products. As part of its growth strategy, the company launches a new subsidiary that manufactures office furniture. This division is expected to attract a new range of customers. In this scenario, the company applies the strategy of:
- A.
 - B.
 - C.
 - D.
 - E.

Surge Manufacturing Inc. is a firm that manufactures surgical equipment. The firm sells its products to various hospitals and health centres. The firm has adopted lean manufacturing techniques to minimize wastage in its production process. The company is known for the quality of its products and its efficient supply chain activities.

75. Which of the following overarching strategies are evident from the available description of Surge Manufacturing?

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

76. Surge Manufacturing sells its products by using a wide variety of channels, including the Internet. This gives the firm:

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

Arpin Stores Inc. is a wholesale food manufacturing company. The company markets packaged food products across the United States. The company appoints an external agency to perform a SWOT analysis of the company.

77. Which of the following observations, if made by the external agency, will indicate the company's strength?

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

78. Which of the following observations, if made by the external agency, will indicate the company's weakness?
- A.
B.
C.
D.
E.
79. Which of the following observations, if made by the external agency, will present the company with an opportunity?
- A.
B.
C.
D.
E.
80. Which of the following observations, if made by the external agency, will indicate that the company is facing a threat?
- A.
B.
C.
D.
E.

A table representing the elements considered in a SWOT analysis

Environment	Evaluation	
	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threats

81. In a SWOT analysis, which of the following is most likely to be considered as the strength of a fast-food chain?
- A.
 - B.
 - C.
 - D.
 - E.
82. Which of the following is considered a threat to an organization?
- A.
 - B.
 - C.
 - D.
 - E.
83. Which of the following is a weakness of an organization?
- A.
 - B.
 - C.
 - D.
 - E.
84. Which of the following is an opportunity for an organization?
- A.
 - B.
 - C.
 - D.
 - E.

Capricus Leathers Inc. is a company that manufactures leather apparel and accessories. The company sells two products, Indigo and Tango. Both the products serve in a low-growth market. While Indigo has significant market share in the market, Tango has less than 1 percent market share.

85. According to the Boston Consulting Group (BCG) matrix, Indigo is called a:
- A.
 - B.
 - C.
 - D.
 - E.
86. According to the Boston Consulting Group (BCG) matrix, Tango is called a:
- A.
 - B.
 - C.
 - D.
 - E.
87. Which of the following observations about Indigo is likely to be true?
- A.
 - B.
 - C.
 - D.
 - E.
88. Which of the following is a suitable course of action that Capricus Leathers should initiate?
- A.
 - B.
 - C.
 - D.
 - E.
- Lunar Inc. and Qwerty Inc. are competitors in the production of laptops for professionals. To improve sales, the management of Lunar decides to adopt the strategy of market penetration and the management of Qwerty decides to adopt market development.

89. Which of the following is Lunar Inc. most likely to do as part of its strategy?
- A.
 - B.
 - C.
 - D.
 - E.
90. Which of the following is Qwerty most likely to do as part of its strategy?
- A.
 - B.
 - C.
 - D.
 - E.
91. Operational excellence is achieved mostly by producing high-quality products.
- True False
92. Organizations achieve sustainable competitive advantage through operational excellence.
- True False
93. Product excellence occurs by having offerings with high perceived value and effective branding and positioning.
- True False
94. Nonprofit organizations state objectives and form mission statements.
- True False
95. Lack of financial resources is an example of a threat that a company is facing.
- True False
96. A company has access to many proprietary technologies. This is an example of the company's strength.
- True False

97. A company sells its product through the Internet and hence is able to access a wide range of customers. This statement is indicative of the company's strength.
- True False
98. Targeting is the process of selecting a segment to pursue as a market.
- True False
99. Promotion is associated with value creation.
- True False
100. Advertising campaigns by businesses is an example of promotion.
- True False
101. Actual strategic planning is a sequential process.
- True False
102. A product line consists of a group of dissimilar products.
- True False
103. A product with a low market share that competes in a high-growth market is called a dog.
- True False
104. Market penetration refers to introducing a new product in a new market.
- True False
105. Market development strategy employs the existing marketing mix and focuses the firm's efforts on existing customers.
- True False

106. Describe the four overarching strategies that focus on aspects of a marketing mix to create and deliver value and to develop sustainable competitive advantages.
107. Explain situation analysis.
108. Compare and contrast strengths and opportunities that apply to businesses.

109. What is a market segment?
110. Explain target marketing and provide an example of it.
111. What is market positioning?
112. Briefly explain the final step in the marketing planning process.

113. List a few financial performance metrics that an organization commonly uses.
114. Explain portfolio analysis.
115. Differentiate between relative market share and market growth rate.

116. Explain the various steps involved in developing a marketing plan.
117. As part of a study project, Rachel has to choose a firm and conduct a detailed SWOT analysis. Explain how Rachel will conduct the analysis.
118. Explain the processes of segmentation, targeting, and positioning that firms use to identify and evaluate opportunities for increasing sales and profits.

119.

Briefly explain the four Ps of marketing.

120.

Explain the four major growth strategies that organizations adopt.

Chapter 2 Key

1. Customer excellence focuses on:

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

Customer excellence focuses on retaining loyal customers and providing excellent customer service. Viewing customers with a lifetime value perspective is key to modern customer retention programs.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #1

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-01 Customer Excellence

2. Emily regularly chooses Argo Airlines for her travels. The company values her preference and rewards her with loyalty points. It would entitle Emily for reduced ticket rates for certain flights. Through this offer, the company succeeds in retaining a regular user. In this scenario, which of the following is used by Argo Airlines to achieve sustainable competitive advantage?

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

By retaining a loyal customer, Argo Airlines has used customer excellence to achieve sustainable competitive advantage. Customer excellence is achieved when a firm develops value-based strategies for retaining loyal customers and provides outstanding customer service.

Accessibility: Keyboard Navigation

Blooms: Apply

3. Operational excellence is achieved by:

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

Operational excellence is achieved by ensuring an excellent supply chain management. It helps firms to satisfy their customers through better service.

4. Tectron Computers Inc., a manufacturer of desktop computers and peripherals, focuses on efficient coordination in every stage of production and delivery and ensures that customers' demands are met within the target time. This precision makes Tectron a favourite choice among customers. Given this information, which of the following does the company use to achieve sustainable competitive advantage?

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

Tectron Computers achieves sustainable competitive advantage through operational excellence. It is achieved by ensuring an excellent supply chain management.

5.

Davison Associates Inc. manufactures office furniture. The management of the company believes that developing a strong brand name is the primary strategy to compete in the market. Hence, it invests a significant share of its resources to position its brands through promotions and service. Which of the following does the company use to achieve sustainable competitive advantage?

A.

B.

C.

D.

E.

In this scenario, Davison Associates uses product excellence to achieve sustainable competitive advantage. Product excellence focuses on having products with high perceived value and effective branding and positioning.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #5

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-05 Product Excellence

6.

Which of the following strategies involves focusing on having an Internet presence?

A.

B.

C.

D.

E.

Locational excellence focuses on having an Internet presence. A competitive advantage based on location is sustainable because it is not easily duplicated.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #6

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-06 Locational Excellence

7.

Foodstar Corp., a chain of restaurants, has outlets in the major residential areas of a town. It ensures that its outlets are well placed and easily accessible. It also maintains a strong Internet presence by updating the details of each day's menu on its website. Given this information, which of the following strategies is used by Foodstar to achieve sustainable competitive advantage?

A.

B.

C.

D.

E.

Foodstar uses locational excellence to achieve sustainable competitive advantage. Locational excellence involves having a good physical location and Internet presence.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #7

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-06 Locational Excellence

8.

The top managers of a firm prepare a marketing plan. They define the mission and objectives of the business and evaluate the present situation of the firm. Which of the following phases of the marketing plan includes these activities performed by the top managers?

A.

B.

C.

D.

E.

In the planning phase of the marketing plan, marketing executives and other top managers define the mission and objectives of the business and evaluate the situation by assessing how various players, both inside and outside the organization, affect the firm's potential for success.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

9.

Which of the following is an activity in the planning phase of a marketing plan?

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

The planning phase of a marketing plan involves defining the mission and objectives of a business. It also involves evaluating how different factors affect a firm's potential for success.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Grewal - Chapter 02 #9
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-08 Step 1: Define the Business Mission and Objectives

10.

The board of directors of an organization meets to redefine the mission and objectives of the business. They set long-term objectives and form a new mission statement. Which of the following phases of developing a marketing plan do the actions by the board of directors constitute?

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

The activities of the board of directors occur in the planning phase of developing a marketing plan. It involves defining the mission and objectives of the business.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Grewal - Chapter 02 #10
Learning Objective: 02-02 Describe the elements of a marketing plan.
Topic: 02-08 Step 1: Define the Business Mission and Objectives

11.

Tech Niche Corp., a provider of IT services, has recorded a decrease in sales and profit over the past few months. The managers of the firm review the situation and conduct a SWOT analysis of the firm. This provides new insights into the ways to improve sales. In the context of developing a marketing plan, the organization is in the phase of:

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

The organization is in the phase of planning. It involves defining the mission and objectives of a business and conducting a situation analysis.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #11

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-08 Step 2: Conduct a Situation Analysis

12.

The implementation phase of a marketing plan involves:

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

The implementation phase of a marketing plan involves identifying and evaluating different opportunities by engaging in a process known as segmentation, targeting, and positioning. It also involves developing and implementing the marketing mix by using the four Ps.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #12

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

13.

An organization appoints a marketing manager to study the effectiveness of the marketing plan that it has implemented. The manager analyzes organizational performance using various metrics and gives a final report. In the context of developing a marketing plan, the organization is in the phase of:

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

The organization is in the control phase of developing a marketing plan. The activities in this phase help a firm to determine why it achieved or did not achieve its performance goals.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #13

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-19 Step 5: Evaluate Performance by Using Marketing Metrics

14.

Which of the following is an activity in the control phase of a marketing plan?

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

The control phase of a marketing plan entails evaluating the performance of a marketing strategy. It also involves making the necessary corrective actions in a marketing strategy.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #14

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-19 Step 5: Evaluate Performance by Using Marketing Metrics

15. Which of the following is true of the mission statement of a company?

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

The mission statement of a company is formulated during the planning phase of developing a marketing plan. A key objective embedded in the mission statement is how a company is building a sustainable competitive advantage.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #15

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-08 Step 1: Define the Business Mission and Objectives

16. Which of the following is true of situation analysis?

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

A situation analysis is performed using a SWOT analysis. It requires a firm to undertake a critical assessment of resources, capabilities, organization, strategies, and performance in relation to competitors.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #16

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

17.

Which of the following is true of a SWOT analysis?

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

A SWOT analysis is designed to help a firm determine its strengths. It is used as a tool in situation analysis.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #17

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

18.

In which of the following phases of a marketing plan is a SWOT analysis performed?

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

A SWOT analysis is performed during the planning phase of developing a marketing plan. It helps an organization determine the potential of success in terms of its strengths and weaknesses.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #18

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

19. In a SWOT analysis, which of the following is considered a company's strength?

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

In a SWOT analysis, the presence of wide distribution networks is considered as a company's strength. It is an internal factor that contributes to the company's potential for success.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #19

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

20. In the context of a SWOT analysis, which of the following is considered a company's weakness?

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

In a SWOT analysis, the lack of financial resources is considered as a weakness of a company. It is an internal factor that is in the company's control.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #20

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

21. In a SWOT analysis, which of the following is considered a threat to businesses?

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

In a SWOT analysis, new entrants into the industry or market are considered a threat to businesses. It is an external negative factor outside a company's control.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #21

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

22. In the context of a SWOT analysis, which of the following is considered an opportunity to businesses?

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

In a SWOT analysis, favourable political changes are considered an opportunity for businesses. They constitute a change in external environment that works in a company's favour.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #22

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

23.

What is the next step that a business organization has to perform after completing situation analysis?

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

After completing situation analysis, an organization has to conduct segmentation, targeting, and positioning. It helps the organization to locate its target customers and design appropriate strategies.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #23

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

24.

Which of the following terms refers to a group of consumers who respond similarly to a firm's marketing efforts?

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

A market segment refers to a group of consumers who respond similarly to a firm's marketing efforts. Identifying appropriate market segments helps a company develop suitable marketing strategies.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #24

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-11 Segmentation

25. Rockslide Inc., a manufacturer of sports equipment, classifies its customers into different age groups. Each of these groups is unique in terms of its preference for the company's products. Given this information, this classification is an example of:

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

The classification is an example of segmentation. It is the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #25

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-11 Segmentation

26. Which of the following refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics?

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

Segmentation refers to the process of classifying a market into distinct groups of customers where each individual group has similar needs, wants, or characteristics. It is important to identify customer requirements to locate target customers.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #26

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-11 Segmentation

27.

Alchemistro Inc. is a firm that manufactures chemical detergents and associated products. The company decides to manufacture detergent products that cater to the needs of the high-income consumers. Which of the following best describes Alchemistro's decision to specifically cater to the high-income segment?

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

The decision to cater to a particular market segment is a part of targeting. Targeting is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #27

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-12 Targeting

28.

The process of evaluating the attractiveness of various segments and then deciding which to pursue as a market is called:

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

Targeting is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market. It helps a company to decide how to allocate its resources.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #28

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-12 Targeting

29.

SleakTouch Inc., a manufacturer of mobile phones, conducts market research to understand the market situation. The research suggests that its customers are mostly young people between the ages of 30 and 40. The company decides to focus its resources on this market segment. Given this information, the company's decision is a part of:

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

The company's decision is a part of targeting. Targeting is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #29

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-12 Targeting

30.

Market positioning is the process of:

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

Market positioning is the process of defining the marketing mix variables to give target customers a distinct and desirable understanding of what a product represents. It helps customers to compare a product with competing products.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #30

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-13 Positioning

31.

Lego Inc., a manufacturer of computers, has developed a brand image by delivering high-quality products at affordable prices. This image results in customers choosing Lego's products over competing products. In this case, which of the following refers to Lego's strategy of creating a distinct and desirable understanding in the minds of consumers of what its product represents?

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

Lego's strategy is a part of market positioning. It is the process of defining the marketing mix variables to give target customers a distinct and desirable understanding of what a product represents.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #31

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-13 Positioning

32.

In the context of marketing mix, which of the following aspects of customer value is closely associated with products?

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

The aspect of value creation is most closely associated with products. Firms develop products and services that customers perceive as valuable enough to buy.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #32

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-15 Product and Value Creation

33.

TravelSmart Inc. offers a range of travel packages to tourist destinations across the world. The customers are charged according to the services provided during the tour. This allows the customers to choose a package proportionate to their income and requirements. Given this information, which of the following elements of a marketing mix is stressed upon by the company?

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

The company stresses on the element of price. Value-based marketing requires that firms charge a price that customers perceive as giving them good value for the products and services they receive.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #33

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-16 Price and Value for Money

34.

Which of the following Ps of marketing is associated with the delivery of value to customers?

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

The variable of place is associated with the delivery of value to customers. For the proper delivery of value, a firm makes a product or service readily accessible when and where a customer wants it.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #34

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-17 Place and Value Delivery

35.

Paralegal Consulting Inc., a firm that offers legal services, decides to open new branches in rural areas. The new branches would help the firm reach out to people who cannot travel to cities and avail legal help. In this case, this decision reflects the firm's strategy regarding:

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

The company's strategy regarding place is reflected in its decision to start new branches in rural areas. The variable of place determines the accessibility of a product or service.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #35

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-17 Place and Value Delivery

36.

Uncle Steve Inc., a chain of restaurants, opens a new outlet near an industrial complex. This helps it to attract many customers as there is no other restaurant in the vicinity. In this case, the decision to open a new outlet in this area is a part of the firm's strategy on:

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

The decision is a part of the firm's strategy on place. It is associated with the delivery of value of a product.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #36

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-17 Place and Value Delivery

37. Balter Technologies Inc. is a firm that manufactures innovative computer accessories. The company organizes a media campaign to increase the public awareness about its products. Which of the following elements of a marketing mix is used by Balter Technologies in this case to communicate the value of its offerings?

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

The element of promotion helps marketers communicate the value of their offering, or the value proposition, to their customers. In this scenario, Balter technologies uses media to promote its products.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #37

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-18 Promotion and Value Communication

38. Promotion, the fourth P of a marketing mix, is essentially used by marketers to:

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

Promotion is used by marketers to communicate the value of their offering. Marketers use a variety of media, including television, radio, and Internet to promote their products.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #38

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-18 Promotion and Value Communication

39.

Which of the following is the final step in the marketing planning process of an organization?

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

Evaluating the performance using marketing metrics is the final step in the marketing planning process of an organization. A firm can determine why it achieved or did not achieve its performance goals with the help of these metrics.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #39

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-19 Step 5: Evaluate Performance by Using Marketing Metrics

40.

Which of the following refers to a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers?

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

A strategic business unit is a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers. A portfolio analysis is typically done at the strategic business unit of a company.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #40

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

41.

Zorbo Furniture Inc. is a firm that manufactures and markets wooden furniture. One of the departments in the firm is devoted to the production and marketing of office furniture. The department is managed independently from other departments and is held accountable for its profitability. In this case, the office furniture department is an example of a(n):

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

The department for office furniture is an example of a strategic business unit. A strategic business unit is a division of a company that can be managed somewhat independently from other divisions of the company since it markets a specific set of products to a clearly defined group of customers.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #41

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

42.

Which of the following terms refers to a group of products that consumers are likely to use together or perceive as similar in some way?

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

A product line refers to a group of products that consumers are likely to use together or perceive as similar in some way. A portfolio analysis is frequently done at the product line level of an organization.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #42

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

43.

Denthrill Inc. is a firm that manufactures dental products. Denthrill produces a range of products such as toothbrushes, toothpastes, and breath fresheners. These products form a:

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

The products under the dental hygiene section of the company constitute a product line. A product line refers to a group of products that consumers are likely to use together or perceive as similar in some way.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #43

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

44.

Which of the following is a measure of a product's strength in a particular market?

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

Relative market share is the measure of a product's strength in a particular market. It is defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #44

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

45.

Market growth rate is the:

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

Market growth rate is the annual rate of growth of the specific market in which a product competes. It measures how attractive a particular market is.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #45

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

46.

Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has a high market share in a high-growth market?

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

In the Boston Consulting Group (BCG) product portfolio analysis, a star refers to a product that has a high market share in a high-growth market. It requires a heavy resource investment to fuel its rapid growth.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #46

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

47.

The telecom sector in Slakavia has been growing at a fast pace in the last few years. Rex Telecom is the market leader in the Slakavian telecom market. In the context of the Boston Consulting Group (BCG) matrix, this firm is a:

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

In the context of the Boston Consulting Group (BCG) analysis, Rex Telecom is a star. A star enjoys a high market share in a high-growth market.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Grewal - Chapter 02 #47
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-25 Portfolio Analysis

48.

In the context of the Boston Consulting Group (BCG) analysis, a firm whose offering is a star in an industry should:

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

A firm whose offering is a star in an industry should consider resource investments to fuel rapid growth. Since a star serves in a high-growth market, there is always potential for higher market share.

Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: Medium
Grewal - Chapter 02 #48
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-25 Portfolio Analysis

49.

In the Boston Consulting Group (BCG) portfolio analysis, a product that serves a low-growth market but has a high market share in the industry is a:

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

In the Boston Consulting Group (BCG) portfolio analysis, a product that serves a low-growth market but has a high market share in the industry is a cash cow. The resources for such a product can be reallocated to other products in need of resources.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #49

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

50.

The growth rate of the soft-drink industry in the country of Norborg has been low for a few years now. Which of the following terms, according to the Boston Consulting Group (BCG) portfolio analysis, can be used to refer to Cranco Inc., the brand that has the highest market share in this industry?

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

In the context of the Boston Consulting Group (BCG) portfolio analysis, Cranco Inc. is a cash cow. A cash cow enjoys a high market share in a low-growth market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #50

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

51. MM Manufacturing is a small-scale firm that manufactures optical cables. The firm's market share is significantly lower than most other players in the market. However, optical cable manufacturing is a high-growth market. Hence, the management of the company has decided to allocate more resources for the production of cables. According to the Boston Consulting Group (BCG) matrix, the company's offering is a:

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

According to the Boston Consulting Group (BCG) matrix, the company's offering is a question mark. A company can decide either to allocate more resources or phase out the product depending on the market situation.

Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: Hard
Grewal - Chapter 02 #51
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.
Topic: 02-25 Portfolio Analysis

52. Which of the following terms is used in the Boston Consulting Group (BCG) product portfolio analysis to refer to a product that has low market share in a market characterized by high growth?

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

In a BCG portfolio analysis, a product that has low market share in a market characterized by high growth is known as a question mark. Such products require significant resources to maintain and potentially increase their market share.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: Easy
Grewal - Chapter 02 #52
Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

53.

In the Boston Consulting Group (BCG) portfolio analysis, products that are in low-growth markets and have relatively low market shares are called:

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

In the BCG portfolio analysis, products that are in low-growth markets and have relatively low market shares are called dogs. They generate just enough revenue to sustain themselves and are not profitable.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #53

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

54.

In the context of the Boston Consulting Group (BCG) analysis, a firm whose product is a dog should:

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

The firm should phase out the product and concentrate on other strategic business units. A product that is a dog does not generate any profit for a company.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #54

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

55. Happy Puppy Inc., a manufacturer of toys, makes a wide variety of toys including board games, action figures, stuffed toys, and model airplanes. Since the market for board games is a low-growth market, the company decides to draw back its products in this market. In the context of the Boston Consulting Group (BCG) analysis, the company's offering of board games is a:
- A.
 - B.**
 - C.
 - D.
 - E.

The company's offering of board games is a dog. It has a low market share in a low-growth industry.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #55

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

56. In the context of the Boston Consulting Group (BCG) portfolio analysis, which of the following is a similarity between the products represented by a star and a question mark?
- A.**
 - B.
 - C.
 - D.
 - E.

The similarity between products represented by a star and a question mark is that they serve high growth-rate markets. Both require intense resource investment to improve production.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #56

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

57. Which of the following is the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers?
- A.
 - B.
 - C.
 - D.**
 - E.

Market penetration refers to the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers. It requires intense marketing efforts.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #57

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

58. A company attempts to increase its market share by engaging in aggressive promotional activities. The company increases its spending on advertising and sales promotions. Which of the following strategies has been used by the company in the given scenario?
- A.
 - B.**
 - C.
 - D.
 - E.

The company is using the strategy of market penetration. It refers to the marketing strategy that employs an existing marketing mix and focuses a firm's efforts on existing customers.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #58

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

59. A market penetration strategy requires:

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

A market penetration strategy requires intensified distribution efforts in existing markets. It involves employing an existing marketing mix and focusing a firm's efforts on existing customers.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #59

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

60. Which of the following best describes a market penetration strategy?

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

A market penetration strategy involves obtaining new customers from an existing target market. It requires intensive marketing efforts.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #60

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

61. QuSoft Inc., a manufacturer of apparels, introduces bonus points for regular customers. With this offer, regular customers are entitled to faster delivery and exclusive discounts on the company's existing products. In this scenario, the strategy applied by the company is:

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

QuSoft's bonus offer is an example of a market penetration strategy. It involves employing the existing marketing mix and focusing a firm's efforts on its existing customers.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #61

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

62. Which of the following is the growth strategy that employs an existing marketing offering to reach new market segments?

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

A market development strategy employs an existing marketing offering to reach new segments. The expansion can be domestic or international.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #62

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

63. Adams Industries Inc. is a firm that manufactures and markets kitchen appliances in the northern part of Belvier. As part of its expansion program, the company decides to introduce its existing range of products in the southern parts of Belvier. In this scenario, the strategy applied by the company is:

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

Adams Industries Inc. has applied a market development strategy. It involves employing an existing marketing offering to reach new segments.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #63

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

64. Which of the following is the best example of applying a market development strategy?

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

A market development strategy is applied by G&T Leather when it introduces its existing offering in a different market. The new markets may be domestic, international, or segments not currently served by a company.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #64

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

65. Which of the following statements is true of the market development strategy?

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

A market development strategy focuses on segments that are not currently served by a firm. It involves introducing an existing offering in a new market.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #65

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

66. Which of the following is the growth strategy that offers a new product or service to a firm's current target market?

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

Product development is the strategy that offers a new product or service to a firm's current target market. This involves employing diverse tactics to attract and retain existing customers.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #66

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-28 Product Development

67.

Roltech Limited is a telecom company that operates GSM networks in six countries. Roltech's top managers identify that the company's growth has been idle for a few years and decide to take these steps to promote growth: (1) Increase the spending on advertising and intensify promotional activities. (2) Open telecom companies in more countries. (3) Introduce special tariffs to attract more customers from existing markets. Which of the following strategies have Roltech's top managers decided to adopt?

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

The managers have decided to adopt market penetration and market development. Market penetration involves retaining an existing marketing mix in an existing market and market development involves introducing an existing product in a new market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #67

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

Topic: 02-27 Market Development

68. Paramount Electronics Inc. manufactures electronic measuring tools. The company invents a new type of multimeter, an electronic measuring instrument, and introduces the product to its current customers. Which of the following strategies does Paramount employ in this scenario?

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

Paramount Electronics employs the strategy of product development. It involves offering a new product to a firm's current target market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #68

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-28 Product Development

69. Lava Scooters Inc. manufactures electric scooters with young women as its target customers. The company manufactures vehicles that have engine displacement ranging from 50 to 100 cubic centimetres. Of late, many customers have been preferring scooters that are more powerful. To satisfy such customers, the company introduces a powerful bike that has 200-cubic centimetres engine displacement. In this scenario, Lava Scooters uses the strategy of:

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

Lava Scooters uses the strategy of product development. It involves introducing a new product to an existing customer base.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #69

Learning Objective: 02-06 Describe how firms grow their businesses.

70.

Dorbo Inc. a manufacturer of microprocessors, is known for innovation and holds more than 300 patents. The company invents a microprocessor based on nanotechnology and introduces it to its current customers. Which strategy does Dorbo use in this scenario?

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

Dorbo Inc. uses the strategy of product development. It involves offering new products to existing target customers.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #70

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-28 Product Development

71.

The growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve is called:

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

Diversification is the growth strategy whereby a firm introduces a new product or service to a market segment that it does not currently serve. Diversification is classified as related or unrelated depending on the relation between the current marketing mix and the current target market with the new opportunity.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #71

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-29 Diversification

72.

Which of the following is a key difference between a market development strategy and a diversification strategy?

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

Market development and diversification differ in that diversification involves the development of a new product, whereas market development uses an existing product. Both introduce products in a new market.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #72

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

Topic: 02-29 Diversification

73.

Which of the following is an example of a diversification strategy?

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

A firm that introduces a new product to a segment that is currently not served uses a diversification strategy. It involves high risk as firms do not possess any prior knowledge in terms of products or market.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #73

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-29 Diversification

74.

RON Inc. is a company that manufactures home appliances. The company has established a wide retail network to sell its products. As part of its growth strategy, the company launches a new subsidiary that manufactures office furniture. This division is expected to attract a new range of customers. In this scenario, the company applies the strategy of:

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

RON Inc. applies the strategy of diversification. It involves introducing a new product to an existing customer base.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #74

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-29 Diversification

Surge Manufacturing Inc. is a firm that manufactures surgical equipment. The firm sells its products to various hospitals and health centres. The firm has adopted lean manufacturing techniques to minimize wastage in its production process. The company is known for the quality of its products and its efficient supply chain activities.

Grewal - Chapter 02

75. Which of the following overarching strategies are evident from the available description of Surge Manufacturing?

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

Surge Manufacturing employs the strategies of operational excellence and product excellence. This helps the firm to produce quality goods through efficient means of production.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #75

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-04 Operational Excellence

Topic: 02-05 Product Excellence

76. Surge Manufacturing sells its products by using a wide variety of channels, including the Internet. This gives the firm:

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

By utilizing the Internet, the firm achieves locational excellence. A competitive advantage based on location is sustainable because it is not easily duplicated.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #76

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-06 Locational Excellence

Arpin Stores Inc. is a wholesale food manufacturing company. The company markets packaged food products across the United States. The company appoints an external agency to perform a SWOT analysis of the company.

Grewal - Chapter 02

77.

Which of the following observations, if made by the external agency, will indicate the company's strength?

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

The conclusion that the company has exclusive market reach in the packaged food industry will indicate its strength. It is a positive internal attribute of the firm.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #77

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

78.

Which of the following observations, if made by the external agency, will indicate the company's weakness?

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

The conclusion that the company incurs high transportation costs will indicate its weakness. It is an internal factor that is in company's control.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #78

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

79. Which of the following observations, if made by the external agency, will present the company with an opportunity?

A.

B.

C.

D.

E.

The conclusion that one of the company's major competitors has gone bankrupt will present the company with an opportunity. It is an external factor that the company can utilize to its advantage.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #79

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

80. Which of the following observations, if made by the external agency, will indicate that the company is facing a threat?

A.

B.

C.

D.

E.

The conclusion that a recent regulation has increased the tax rates for packaged food products will indicate that the company is facing a threat. It is an external factor outside the company's control.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #80

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

A table representing the elements considered in a SWOT analysis

Environment	Evaluation	
	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threats

Grewal - Chapter 02

81. In a SWOT analysis, which of the following is most likely to be considered as the strength of a fast-food chain?

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

A wide distribution network is a strength of a fast-food chain. It is an internal positive attribute of a firm.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #81

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

82. Which of the following is considered a threat to an organization?

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

A new technology invented by a competitor is a threat for an organization. It is an external factor outside a company's control.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #82

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

83. Which of the following is a weakness of an organization?

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

The lack of financial resources is a weakness of an organization. It is an internal factor in the control of the company.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #83

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

84. Which of the following is an opportunity for an organization?

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

Reduced competition is a company's opportunity. It is an external factor that a firm can utilize to its benefit.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #84

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

Capricus Leathers Inc. is a company that manufactures leather apparel and accessories. The company sells two products, Indigo and Tango. Both the products serve in a low-growth market. While Indigo has significant market share in the market, Tango has less than 1 percent market share.

Grewal - Chapter 02

85. According to the Boston Consulting Group (BCG) matrix, Indigo is called a:

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

Indigo is called a cash cow. It enjoys a high market share in a low-growth market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #85

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

86. According to the Boston Consulting Group (BCG) matrix, Tango is called a:

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

Tango is called as a dog. It has a low market share in a low-growth market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #86

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

87. Which of the following observations about Indigo is likely to be true?

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

Since Indigo is a cash cow, it has already received heavy investments to develop its market share. It has excess resources that can be diverted to other products if the need arises.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #87

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

88. Which of the following is a suitable course of action that Capricus Leathers should initiate?

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

Since Indigo is a cash cow and Tango a dog, Capricus Leathers should phase out Tango if it is not needed to complement Indigo. This will help the company in proper reallocation of resources to gain more profit.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #88

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

Lunar Inc. and Qwerty Inc. are competitors in the production of laptops for professionals. To improve sales, the management of Lunar decides to adopt the strategy of market penetration and the management of Qwerty decides to adopt market development.

Grewal - Chapter 02

89.

Which of the following is Lunar Inc. most likely to do as part of its strategy?

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

The management of Lunar Inc. will declare a discount on its products. It helps to improve the sales of the existing product in the existing market.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #89

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

90.

Which of the following is Qwerty most likely to do as part of its strategy?

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

The management of Qwerty will expand its operation to new countries. This will help the company to serve new markets with the existing product.

Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: Hard

Grewal - Chapter 02 #90

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

91. Operational excellence is achieved mostly by producing high-quality products.

FALSE

Operational excellence is achieved through efficient operations and excellent supply chain and human resource management. It helps firms to ensure good value to their customers, earn profitability for themselves, and satisfy their customers' needs.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #91

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-04 Operational Excellence

92. Organizations achieve sustainable competitive advantage through operational excellence.

TRUE

Organizations achieve sustainable competitive advantage through operational excellence. It is achieved through efficient operations and excellent supply chain and human resource management.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #92

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-04 Operational Excellence

93. Product excellence occurs by having offerings with high perceived value and effective branding and positioning.

TRUE

Product excellence occurs by having offerings with high perceived value and effective branding and positioning. It involves creating a clear, distinctive brand image and constantly reinforcing it.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #93

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-05 Product Excellence

94. Nonprofit organizations state objectives and form mission statements.

TRUE

Nonprofit organizations state objectives and form mission statements. A mission statement is a broad description of a firm's objectives and the scope of activities it plans to undertake.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #94

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-08 Step 1: Define the Business Mission and Objectives

95. Lack of financial resources is an example of a threat that a company is facing.

FALSE

Lack of financial resources is an example of a weakness of a company. It is an internal factor that is in company's control.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #95

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

96. A company has access to many proprietary technologies. This is an example of the company's strength.

TRUE

A company's access to many proprietary technologies is its strength. It is an internal positive attribute.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #96

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

97. A company sells its product through the Internet and hence is able to access a wide range of customers. This statement is indicative of the company's strength.

TRUE

A company's Internet presence and ability to access a wider range of customers is its strength. It is an internal factor in the company's control.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #97

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

98. Targeting is the process of selecting a segment to pursue as a market.

TRUE

Targeting is the process of selecting a segment to pursue as a market. This helps a firm to design appropriate strategies for the chosen segment.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #98

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-12 Targeting

99. Promotion is associated with value creation.

FALSE

Promotion is associated with value communication. Marketers communicate the value of their offering through a variety of media.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #99

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-18 Promotion and Value Communication

100.

Advertising campaigns by businesses is an example of promotion.

TRUE

Advertising campaigns by businesses is an example of promotion. Promotion is associated with value communication.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #100

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-18 Promotion and Value Communication

101.

Actual strategic planning is a sequential process.

FALSE

Actual strategic planning is not sequential. It can move back and forth as part of a continuous process.

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #101

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-24 Strategic Planning is Not Sequential

102.

A product line consists of a group of dissimilar products.

FALSE

A product line consists of a group of products that consumers may use together or perceive as similar in some way. A portfolio analysis is frequently done at the product line level of a company.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #102

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

103. A product with a low market share that competes in a high-growth market is called a dog.

FALSE

A product with a low market share that competes in a high-growth market is called a question mark. It requires significant resources to maintain and potentially increase its market share.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #103

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

104. Market penetration refers to introducing a new product in a new market.

FALSE

Market penetration refers to a growth strategy that employs the existing marketing mix and focuses a firm's efforts on existing customers. It requires intensive marketing efforts.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #104

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

105. Market development strategy employs the existing marketing mix and focuses the firm's efforts on existing customers.

FALSE

Market development is a growth strategy that employs the existing marketing offering to reach new market segments. The expansion can be either domestic or international.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #105

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-27 Market Development

106. Describe the four overarching strategies that focus on aspects of a marketing mix to create and deliver value and to develop sustainable competitive advantages.

The four overarching strategies are the following:

Customer excellence: Focuses on retaining loyal customers and excellent customer service

Operational excellence: Achieved through efficient operations and excellent supply chain and human resource management

Product excellence: Having products with high perceived value and effective branding and positioning

Locational excellence: Having a good physical location and Internet presence

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #106

Learning Objective: 02-01 Define a marketing strategy.

Topic: 02-01 Customer Excellence

Topic: 02-04 Operational Excellence

Topic: 02-05 Product Excellence

Topic: 02-06 Locational Excellence

107. Explain situation analysis.

After developing its mission, a firm must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis. Additionally, the firms should assess the opportunities and uncertainties of the marketplace caused by changes in cultural, demographic, social, technological, economic, and political forces.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #107

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

108. Compare and contrast strengths and opportunities that apply to businesses.

Strengths are positive attributes that are internal to businesses. Businesses can control strengths. Opportunities are external to businesses and businesses cannot control them. A superior product is a strength, whereas a conducive market is an opportunity.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #108

Learning Objective: 02-03 Analyze a marketing situation using a SWOT analysis.

Topic: 02-09 Step 2: Conduct a Situation Analysis

109. What is a market segment?

A market segment is a group of consumers who respond similarly to a firm's marketing efforts.

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #109

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-11 Segmentation

110. Explain target marketing and provide an example of it.

Target marketing is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market. For example, Beau, a manufacturer of cosmetics, realizes that its products are mostly sought by teenagers and directs the bulk of its marketing efforts towards that group. Students' examples will vary.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #110

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-12 Targeting

111.

What is market positioning?

Market positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinct, desirable understanding of what the product does or represents in comparison with competing products.

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #111

Learning Objective: 02-04 Explain how a firm chooses what consumer group(s) to pursue with its marketing efforts.

Topic: 02-13 Positioning

112.

Briefly explain the final step in the marketing planning process.

The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #112

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-19 Step 5: Evaluate Performance by Using Marketing Metrics

113.

List a few financial performance metrics that an organization commonly uses.

Some commonly used metrics to assess performance include revenues, or sales, and profits. A firm can determine why it achieved or did not achieve its performance goals using this metrics.

Blooms: Remember

Difficulty: Easy

Grewal - Chapter 02 #113

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-22 Financial Performance Metrics

114.

Explain portfolio analysis.

In portfolio analysis, a management evaluates a firm's portfolio and allocates resources according to which products are expected to be the most profitable for the firm in the future. Portfolio analysis is typically performed at the strategic business unit (SBU) or product line level of the firm, though managers can also use it to analyze brands or even individual items. An SBU is a division of the company that can be managed somewhat independently from other divisions since it markets a specific set of products to a clearly defined group of customers.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #114

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

115.

Differentiate between relative market share and market growth rate.

Relative market share is a measure of a product's strength in a particular market, defined as the sales of the focal product divided by the sales achieved by the largest firm in the industry. Market growth rate is the annual rate of growth of the specific market in which a product competes. Market growth rate is a measure of an industry, whereas relative market share is a measure of a product's strength in a particular market.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #115

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-25 Portfolio Analysis

Explain the various steps involved in developing a marketing plan.

There are five steps in developing a marketing plan.

- Step 1, Define the Business Mission and Objectives: The mission statement, a broad description of a firm's objectives and the scope of activities it plans to undertake, attempts to answer two main questions: What type of business are we? and What do we need to do to accomplish our goals and objectives? These fundamental business issues must be answered at the highest corporate levels before marketing executives can get involved.
- Step 2, Conduct a Situation Analysis: After developing its mission, a firm next must perform a situation analysis, using a SWOT analysis that assesses both the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Situation analysis also includes an examination of market trends, customer analysis, and competitive analysis.
- Step 3, Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning): After completing the situation analysis, the next step is to identify and evaluate opportunities for increasing sales and profits by using STP. With STP, the firm must first understand customer needs and wants through market research, then divide the market or customers into distinct subgroups or segments, determine which of those segments it should pursue or target, and finally decide how it should position its products and services to best meet the needs of those chosen targets.
- Step 4, Implement Marketing Mix and Allocate Resources: When the firm has identified and evaluated different growth opportunities by performing an STP analysis, the real action begins. The company has decided what to do, how to do it, and how many resources the firm should allocate to it. In the fourth step of the planning

process, marketers implement the marketing mix—product, price, promotion, and place—for each product and service on the basis of what it believes its target markets will value. At the same time, it makes important decisions about how it will allocate its scarce resources to its various products and services. Each element of the four Ps must be fully integrated to achieve a coherent strategy.

- Step 5, Evaluate Performance by Using Marketing Metrics: The final step in the planning process includes evaluating the results of the strategy and implementation program by using marketing metrics. A metric is a measuring system that quantifies a trend, dynamic, or characteristic. Metrics are used to explain why things happened and to project the future. They make it possible to compare results across regions, business units, product lines, and time periods. The firm can determine why it achieved or did not achieve its performance goals with the help of these metrics.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #116

Learning Objective: 02-02 Describe the elements of a marketing plan.

Topic: 02-08 Step 1: Define the Business Mission and Objectives

Topic: 02-09 Step 2: Conduct a Situation Analysis

Topic: 02-10 Step 3: Identify and Evaluate Opportunities by Using STP (Segmentation, Targeting, and Positioning)

Topic: 02-14 Step 4: Implement Marketing Mix and Allocate Resources

Topic: 02-19 Step 5: Evaluate Performance by Using Marketing Metrics

117.

As part of a study project, Rachel has to choose a firm and conduct a detailed SWOT analysis. Explain how Rachel will conduct the analysis.

Student answers will vary. A SWOT analysis is designed to help the firm determine areas in which it is strong and can compete effectively and areas where it is weak and vulnerable to competitive attacks. A SWOT analysis assesses the internal environment with regard to its strengths and weaknesses (internal analysis) and the external environment in terms of its opportunities and threats (external analysis). Students should select a firm and analyze its strengths, weaknesses, opportunities, and threats.

Blooms: Apply

118.

Explain the processes of segmentation, targeting, and positioning that firms use to identify and evaluate opportunities for increasing sales and profits.

Segmentation is the process of dividing the market into distinct groups of customers where each individual group has similar needs, wants, or characteristics and therefore might appreciate products or services geared especially for them in similar ways. Targeting is the process of evaluating the attractiveness of various market segments and then deciding which to pursue as a market.

Positioning involves the process of defining the marketing mix variables so that target customers have a clear, distinct, desirable understanding of what a product does or represents in comparison with competing products.

The four Ps are as follows:

- **Product:** Products, which include services, constitute the first of the four Ps. Because the key to the success of any marketing program is the creation of value, firms attempt to develop products and services that customers perceive as valuable enough to buy.
- **Price:** The second element of the marketing mix is price. As part of the exchange process, a firm provides a product or a service, or some combination thereof, and in return it receives money. Value-based marketing requires that firms charge a price that customers perceive as giving them good value for the products and services they receive.
- **Place:** For the third P, place, the firm must be able to, after it has created value through a product and/or service, make the product or service readily accessible when and where the customer wants it.
- **Promotion:** The fourth P of the marketing mix is promotion. Marketers communicate the value of their offering, or the value proposition, to their customers through a variety of media, including TV, radio, magazines, buses, trains, blimps, sales promotion, publicity, the sales force, and the Internet.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #119

Learning Objective: 02-05 Outline the implementation of the marketing mix as a means to increase customer value.

Topic: 02-15 Product and Value Creation

Topic: 02-16 Price and Value for Money

Topic: 02-17 Place and Value Delivery

Topic: 02-18 Promotion and Value Communication

Explain the four major growth strategies that organizations adopt.

The four major growth strategies are as follows.

A market penetration strategy employs the existing marketing mix and focuses the firm's efforts on existing customers. Such a growth strategy might be achieved by encouraging current customers to patronize the firm more often or buy more merchandise on each visit or by attracting new consumers from within the firm's existing target market.

A market development strategy employs the existing marketing offering to reach new market segments, whether domestic or international or segments not currently served by the firm.

The third growth strategy option, a product development strategy, offers a new product or service to a firm's current target market.

A diversification strategy, the last of the growth strategies, introduces a new product or service to a market segment that is currently not served.

Blooms: Understand

Difficulty: Medium

Grewal - Chapter 02 #120

Learning Objective: 02-06 Describe how firms grow their businesses.

Topic: 02-26 Market Penetration

Topic: 02-27 Market Development

Topic: 02-28 Product Development

Topic: 02-29 Diversification

Chapter 2 Summary