Chapter 02 Developing Successful Marketing Strategies

Student: ____

1. Which of the following is NOT one of Canadian Tire's core businesses?

   A.
   B.
   C.
   D.

2. Canadian Tire is a Canadian success story. Canadian Tire employs more than 70,000 Canadians and has revenues of close to ________ annually.

   A.
   B.
   C.
   D.

3. Which new initiatives demonstrate an understanding of the direction of Canadian Tire of: "creating customers for life and shareholder value," by the marketing department?

   A.
   B.
   C.
   D.

4. In today's global competition, it is important to recognize the kinds of organizations that exist. Organizations can basically be divided into two categories:

   A.
   B.
   C.
   D.

5. Plan Canada, a nongovernmental organization that serves its customers but does not have profit as an organizational goal is considered a

A.
B.
C.
D.

6. Ford, GM, and Toyota, all develop automobiles. This group create a(n):

A.
B.
C.
D.

7. John's Auto Wreckers is a privately owned organization that serves its customers in order to earn a profit is called a:

A.
B.
C.
D.

8. George's Computer Repairs is focused on earning money for its owners, while Plan Canada is focused on solving community issues overseas and is not concerned about earning a profit. The contrast between these two is:

A.
B.
C.

9. While undertaking risk to offer the iPhone, Apple Computers is rewarded by receiving the following reward:

A.
B.
C.
D.

10. At Apple Computers, the financial department considers the profit earned at the end of the day as:

A.
B.
C.
D.

11. A legal entity of people who share a common mission is referred to as a(n):

A.
B.
C.
D.

12. Telus offers several mobile phone plans, which of the following best describes what constitutes their potential *offerings*?

A.
B.
C.
D.

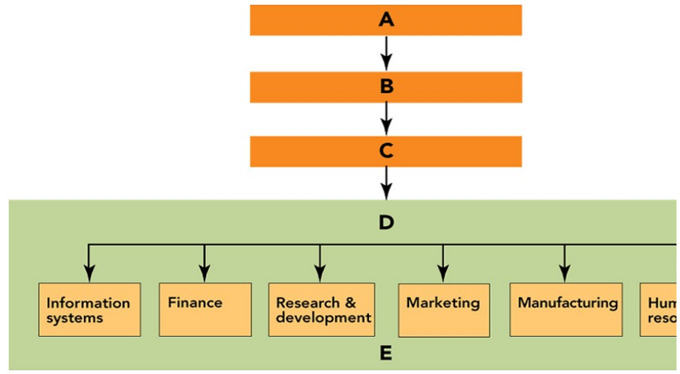
13. Telus' goal in offering a specific phone that is not offered by any of the other mobile phone carriers in Canada is focused on achieving a long term advantage to deliver a unique customer experience. This is known as:

A.
B.
C.
D.

14. Large organizations can be extremely complex. They usually consist of _______ organizational level(s) whose strategy is linked to marketing:

A.
B.
C.
D.

Figure 2-1



15. In Figure 2-1, "A" represents the:

A.
B.
C.
D.

16. In Figure 2-1, "B" represents the

A.
B.
C.
D.

17. In Figure 2-1, "C" represents the

A.
B.
C.
D.

18. In Figure 2-1, "D" represents the

A.
B.
C.
D.

19. In Figure 2-1, "E" represents

A.
B.
C.
D.

20. The ‘Alternative Energy Group' of GE likely has which focus:

A.
B.
C.
D.

21. In a new marketing role, your manager says: "You will be responsible for five SBUs." You give a puzzled look before remembering that SBU stands for:

A.
B.
C.
D.

22. The overall strategy for the entire organization is decided at which level in a complex organization.

A.
B.
C.
D.

23. Research Development Manager, Marketing Manager, and Audit Manager are specialist roles likely found at which business unit level?

A.
B.
C.
D.

24. The fundamental objective for the Marketing Manager and HR Manager is to:

A.
B.
C.
D.

25. Business unit managers at Bell Canada decide on the direction for their residential products and markets every six months. This decision making occurs at which unit level in the organization.

A.
B.
C.
D.

26. For less complex firms with a single business focus, which two organizational levels may merge?

A.
B.
C.
D.

27. Craig Conway is CEO of a software design company named PeopleSoft, a company that has automated many human resource functions such as tracking vacation time. Conway operates at the _____ level of his organization.

A.
B.
C.
D.

28. The marketing leadership group at Rogers Wireless that identifies value-creating opportunities is known as the:

A.
B.
C.
D.

29. In a large corporation with multiple business units, the marketing department may be called upon to:

A.
B.
C.
D.

30. Bill McDermott is President and CEO of SAP Americas and Asia Pacific Japan. SAP is a company that sells extremely expensive enterprise resource planning software to large and mid-sized companies. McDermott operates at the __________ level of his organization.

A.
B.
C.
D.

31. In the marketing department of Pepsi, the entry-level staff, such as Business Analysts, are responsible for doing most of the organization's work. Their level in the organization is known as?

A.
B.
C.
D.

32. In recent years, many large firms have changed the title of the head of marketing from vice president of marketing to

A.
B.
C.
D.

33. Specialists from all the functional units who analyze, implement, and control programs to accomplish the corporate and business strategic directions usually serve as members to a:

A.
B.
C.
D.

34. John is from the marketing department, Stephen is from the finance department, Jo is from the product department, and Janelle is from the customer service department. Together they are responsible for developing a new product to reach a company performance goal. These individuals are referred to as a(n):

A.
B.
C.
D.

35. In terms of an organization's vision, Kodak Eastman may have lost business because they:

A.
B.
C.
D.

36. Sometimes cross-functional teams will have representatives from outside the organization such as:

A.
B.
C.
D.

37. Which of the following statements regarding the strategic business unit level is most accurate?

A.
B.
C.
D.

38. Determining the target market and designing marketing programs to reach this target market is a specialized marketing function. This is accomplished by the marketing:

A.
B.
C.
D.

39. On the northern tip of Goose Island in the Chicago River sits the William Wrigley Jr. Company's Global Innovation Center. Here Wrigley can create new products—a joint effort by some 250 full-time food scientists, researchers, and marketers. The people who work in this center are most likely members of

A.
B.
C.
D.

40. Which of the following statements would *most likely* be heard at the functional level of an organization?

A.
B.
C.
D.

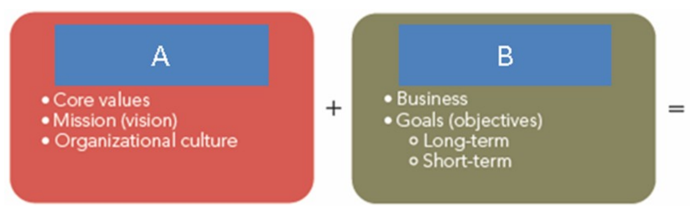
41. In terms of an organization's vision, railroads may have lost business because they:

A.
B.
C.
D.

42. Railroads may have let other forms of transportation take business away from them because their definition included only the railroad business, rather than the broader definition of:

A.
B.
C.
D.

Figure 2-2



43. In Figure 2-2, section "A" represents the "why" element of visionary organization. This is referred to as

A.
B.
C.
D.

44. In Figure 2-2, section "B" represents the "what" element of visionary organization. This is referred to as

A.
B.
C.
D.

45. In Figure 2-2, section "C" represents the "how" element of visionary organization. This is referred to as

A.
B.
C.
D.

46. Today's visionary organization uses key elements to (1) __________ and (2) set a direction using (3) its strategies that enable it to develop and market its offerings successfully.

A.
B.
C.
D.

47. One of the key differences between a vision statement and a mission statement is that the mission statement:

A.
B.
C.
D.

48. "To refresh the world/ To Inspire moments of optimism and happiness/ To create value and make a difference." This is an example of a(n):

A.
B.
C.
D.

49. "Holiday Inn Burlington is dedicated to providing quality hospitality product and service. Although we try to anticipate guest concerns before they arise, we understand that every customer is an individual who requires special attention." This is a part of their _____ statement.

A.
B.
C.
D.

50. All of the following are often contained in a company's mission statement except:

A.
B.
C.
D.

51. All of the following are considered an organization's internal stakeholders except:

A.
B.
C.
D.

52. Which of the following statements about stakeholders is true?

A.
B.
C.
D.

53. Which of the following would NOT be an example of stakeholders for a television production company like John Wells Productions?

A.
B.
C.
D.

54. Lululemon is known for having a youthful, energetic, health-focused, and sustainable system of shared attitudes and behaviours held by the employees that distinguish it from other organizations. This is known as their

A.
B.
C.
D.

55. PeopleSoft designs, produces, and markets software that enables companies to automate basic human-resources functions such as payroll. At its inception, the company's leaders encouraged employees to get in touch with their feelings. The work environment was laid back, employees' dogs roamed the halls, and sunny days found employees playing Frisbee on the corporate lawns. This is known as:

A.
B.
C.
D.

56. Which of the following statements about organizational goals is NOT true?

A.
B.
C.
D.

57. Pepsi-Co set out a task to earn $10 million (CDN) in sales on their new Odwalla beverage, which was accomplished by the date they set. This is an example of a(n):

A.
B.
C.
D.

58. Kodak wanting to be the top seller of digital cameras by 2013 is an example of an organizational:

A.
B.
C.
D.

59. Medtronic, a world leader in heart pacemakers, is not in the medical device business but is in the business of: alleviating pain, restoring health, and extending life. This conscious effort of Medtronic defining their business shows they are paying attention to:

A.
B.
C.
D.

60. Some corporations choose unit sales rather than sales revenue as an organizational goal. Sales revenues can be deceiving because of:

A.
B.
C.
D.

61. Which aspect of a firm, assuming classic economic theory, are shareholders most concerned about?

A.
B.
C.
D.

62. Brittany read on the second page of the stockholder's report for a manufacturer of automobile parts, "Our goal for the next five year period is to double our return on investment." She now knows the company has _____ goals.

A.
B.
C.
D.

63. Telus accepts their current profit level and focuses on increasing their market share, even though profitability may not be maximized. They are attempting to do what:

A.
B.
C.
D.

64. Terence, a small business owner was explaining how he was planning for the upcoming holiday season, "We've got to maximize our dollars of sales because profits are adequate at the moment." From this statement, he is most concerned with _____ goals.

A.
B.
C.
D.

65. Bell Canada issued a statement to their shareholders that said: "sales revenue is our focus over the next five years." Shareholders created a petition because they felt their concerns were not being met. The main reason why shareholders were concerned was because Bell Canada implicitly said: "we will ____________"

A.
B.
C.
D.

66. When the Federal Government places Carbon Tax Caps on oil sand producers in Alberta, they are trying to balance the profit goals of businesses with their _____ goals.

A.
B.
C.
D.

67. Facebook has a stated goal that they provide free, onsite day care for employee's children, and free, healthy lunches for employees. Facebook is concerned with:

A.
B.
C.
D.

68. Pfizer Canada offering day-care facilities to its employees; and BC Biomedical offering flex-work opportunities illustrates what type of goals?

A.
B.
C.
D.

69. Corporate executives and world leaders of each country need to find an ideal balance between protecting its environment and providing its citizens with the additional goods and services necessary to maintain and improve their standard of living. This demonstrates a concern for:

A.
B.
C.
D.

70. The "Big Three" wireless carriers in Canada are constantly battling each other for customers, as a result, they frequently determine the ratio of the sales revenue of their firm to the total sales revenue of all firms in the industry, including the firm itself. The ratio they are calculating is known as:

A.
B.
C.
D.

71. Market share is:

A.
B.
C.
D.

72. When Telus calculates their market share, they calculate the ratio of their sales revenue to the total sales revenue of all:

A.
B.
C.
D.

73. In a country like Zimbabwe, where inflation is a serious issue, such that, in the past, the country has experienced hyperinflation, a western company who opens an office in the country is likely to focus on which goal?

A.
B.
C.
D.

74. Assuming all ethical and legal principles are followed, what might be the cause of a company having decreased sales revenue next year, even though they sell the same number of products as last year?

A.
B.
C.
D.

75. Xbox video game consoles were developed through a joint venture between Microsoft and the WWF (World Wrestling Federation) and first marketed in the fall of 2001. Complaints about the video game began immediately after its introduction. These complaints ranged from missing parts to incorrect programming. It would seem obvious that the manufacturer of Xbox video game consoles should adopt _____ goals.

A.
B.
C.
D.

76. Lenovo Computers implemented a new manufacturing strategy that reduced warranty calls by 20 percent. This is an example of setting a ________ goal.

A.
B.
C.
D.

77. A firm that includes an ergonomic expert on staff, one that provides recommendations on chair choice to employees, is most likely concerned with:

A.
B.
C.
D.

78. Pfizer Pharmaceuticals is offering low-income senior citizens some of its most widely used prescriptions for $15 each a month - much below the regular costs for these drugs. This program to better serve senior citizens likely grew out of a _____ goal.

A.
B.
C.
D.

79. CIBC is focused on earning a profit for employees and shareholders, while also giving back to the community through their CIBC Run For the Cure campaign, this balance of conflicting goals is referred to as.

A.
B.
C.
D.

80. A nonprofit organization is a nongovernmental organization that does not have profit as an organizational goal. What other quality characterizes nonprofit organizations?

A.
B.
C.
D.

81. An example of a private organization that does not seek profit is:

A.
B.
C.
D.

82. All oorganizational strategies are influenced by each of the following EXCEPT:

A.
B.
C.
D.

83. RIM has a number of patents around secure email technology. These patents are an example of their ________:

A.
B.
C.
D.

84. Rhone-Poulenc is an international French company that produces and markets a variety of chemicals and pharmaceuticals. Due to the resources it makes available to its scientists and researchers, the company has a number of Nobel Prize winners working in its laboratories. This ability to attract some of the finest minds in the world to its workforce is an example of a(n):

A.
B.
C.
D.

85. Nokia has an exclusive relationship with Microsoft for their Windows operating system for their mobile phones, where no other mobile phone companies can use the Windows OS. This is an example of:

A.
B.
C.
D.

86. 92 percent of the Canadian population lives with 15 minutes of a Canadian Tire Store; this ability to stay close to the customer is an example of Canadian Tire's _________:

A.
B.
C.
D.

87. A good product or service has features and characteristics that satisfy stated or implied needs. This is an example of a(n):

A.
B.
C.
D.

88. Which of the following statements about quality as a competitive advantage is true?

A.
B.
C.
D.

89. Designing a car is expensive and time-consuming even with the use of computers because until recently there was no way for all the varied departments that are involved in new car development to work together. DaimlerChrysler has created a central, Web-based system that cuts the design and production process by at least two years. This is an example of a(n):

A.
B.
C.
D.

90. Evergreen Air Center is the world's biggest parking lot for unwanted aircraft. Airlines pay a monthly fee from $750 to $5,000 to mothball airplanes at this site. Its location is on 1,600 acres of Arizona desert. The Southwest climate serves as a cheap and effective airplane preservative. Its location is its:

A.
B.
C.
D.

91. Netflix uses the internet to allow its customers to view movies and exclusive television shows. It jumped into an industry where there were no firm leaders but lots of competitors and established a loyal clientele by seizing the opportunity to provide a service that was simple to use and effective at delivering high-quality products to customers. The internet-delivery mechanism is an example of a(n) _________ for Netflix:

A.
B.
C.
D.

92. Toyota aggressively pushes their suppliers to follow strict delivery and production deadlines, corresponding to their Lean Manufacturing principles, allowing Toyota to have an efficient production line and offer high-value automobiles at cost-effective prices. This competence can give Toyota:

A.
B.
C.
D.

93. After Zierer GMBH, a German manufacturer of amusement park rides, built their first gravity ride, they studied the "Ride Satisfaction Scores" of their ride, along with various competitors and worked to include this information in future designs. They were engaging in:

A.
B.
C.
D.

94. Numerous consultancies provide ‘Customer Satisfaction' scores for various Canadian and International airlines. When Air Canada reviews their score, in comparison to WestJet, they are engaging in.

A.
B.
C.
D.

95. When General Mills introduced Frosted Cheerios, it wanted to launch the product in half the time taken by any cereal manufacturer to launch a new cereal. General Mills created a team that studied the successful product launch of other companies' cereals to determine what went well and what did not. To learn these lessons from other cereal launches, General Mills used:

A.
B.
C.
D.

96. Siemens manufacturing wanted to increase the efficiency of their turbine manufacturing process by implementing a lean-based methodology. In order to understand how best to do this, Siemens entered a ‘learning partnership' with Toyota, where managers from Siemens would act as ‘managers-for-a-week' at Toyota to learn about their lean manufacturing processes. This is an example of:

A.
B.
C.
D.

97. Which one of the following is NOT an example of the different goals that non-profit firms can pursue?

A.
B.
C.
D.

98. 3M has developed a quality program called ____________:

A.
B.
C.
D.

99. 3M uses a holistic approach to new and existing products that encompasses the whole product supply chain from raw materials to disposal. This approach is known as:

A.
B.
C.
D.

100. As a new employee with medium-sized business in Toronto focusing on home outfitting, you analyze each of the different business areas: flooring, lighting, and furniture separately to understand the profit margins in each area. Which tool did you likely use?

A.
B.
C.
D.

101. Which measure below is used when conducting a business portfolio analysis?

A.
B.
C.
D.

102. In the Boston Consulting Group (BCG) model for analysis of a firm's strategic business units, or SBUs, the horizontal axis reflects the:

A.
B.
C.
D.

103. All of the following are strategies to pursue after an SBU has been identified, except:

A.
B.
C.
D.

104. Gillette continues to manufacture Liquid Paper correction fluid for use with typewriters even though most of the world uses word processors. It is a small market that has little growth, but Liquid Paper has the largest market share, and Gillette invests no promotional monies in maintaining the declining product. Liquid Paper is an example of a:

A.
B.
C.
D.

105. Solarcom is a 25-year-old information technology company that owns several subsidiaries. One of its subsidiaries is Atlantix Global Systems, which is one of the leading wholesalers for refurbished computer equipment, an industry that is growing worldwide. According to the BCG portfolio matrix, Atlantix Global would most likely be classified as a:

A.
B.
C.
D.

106. Several years ago, Black & Decker purchased General Electric's small appliances product line. General Electric did not know what to do with the line. Black & Decker purchased the line because it needed the cash infusion from a product line that had a dominant market share. Since people replace small appliances infrequently and because many are handed down from parent to child, the industry is a slow-growth one. From this information and your knowledge about the BCG portfolio analysis, you should know this small appliance line would be classified as a:

A.
B.
C.
D.

107. In late 1993, the Honda Motor Company unveiled the Honda Passport, announcing their entrance into the sport-utility vehicle market. Competing automakers - General Motors, Ford, and Jeep had vehicles firmly entrenched in this highly competitive market. For years Honda experienced tremendous success with their Accords, Preludes, Civics and other passenger automobiles - in fact, Honda cars were repeatedly the top selling automobiles in the U.S. Where would the Honda Passport and the Honda Accords, Preludes, and Civics fall in the BCG product portfolio matrix?

A.
B.
C.
D.

108. At an executive-level meeting, the Chief Marketing Officer (CMO) tells the Production Manager: "even if we double our marketing budget, there is no way it will sell! If we continue this way we will go bankrupt!" The CMO is likely referring to an SBU classified as a(n):

A.
B.
C.
D.

109. The market for the fast car with so much horsepower that handling becomes an issue is decreasing. People are more interested in buying SUVs and pickups. As a result, General Motors is stopping production of its Camaro, a car that has had limited sales recently. Since the Camaro can no longer generate enough cash to sustain its manufacture, the BCG portfolio would classify it as a:

A.
B.
C.
D.

110. The market for energy efficient cars is increasing, despite the price-tag often associated with these newer models. The GM Volt, an electric call, falls in this category. The car is considered to GM a:

A.
B.
C.
D.

111. In some cases Walmart can sell Blu-Ray movies to consumers for less than it costs a consumer to rent Blu-Rays from RedBox, a vending machine-based rental unit in many grocery stores. In response, RedBox now allows consumers to keep their Blu-Rays longer and is pushing the sales of Blu-Rays instead of just rentals. RedBox is looking at their:

A.
B.
C.
D.

112. One of the strengths inherent in the use of the BCG portfolio analysis is the fact that it:

A.
B.
C.
D.

113. One of the weaknesses inherent in the use of the BCG portfolio analysis is that it:

A.
B.
C.
D.

114. The market for mobile phones can change very rapidly, if RIM uses a BCG portfolio analysis for their new BlackBerry, one downfall of using this tool may be:

A.
B.
C.
D.

115. When a firm decides to double their marketing budget for a product that sells consistently, they are using which strategy:

A.
B.
C.
D.

116. Kraft Foods decides to sell their Mac ‘N Cheese product to India, without changing the product formulation or design. Kraft is following which strategy?

A.
B.
C.
D.

117. Massachusetts-based BJ's Wholesale (third in sales among members-only retail chains) recently opened its first stores in Georgia in 2012. This is an example of:

A.
B.
C.
D.

118. When Gulfstream Aerospace Corp. (GAC) sold 3 Gulfstream V business jet aircraft to the Israeli Ministry of Defense for use as Special Electronic Mission Aircraft, the first sale to a Middle Eastern country, GAC followed which strategy?

A.
B.
C.
D.

119. Assume McDonald's is engaging in a market development strategy. Which of the following actions best illustrates a market development strategy?

A.
B.
C.
D.

120. Yorkdale Mall hopes to increase traffic in the shopping center by offering free lunches to children in mall restaurants on Tuesdays. This promotion is directed to families who currently do not shop at the mall. This is an example of the implementation of a _____ strategy.

A.
B.
C.
D.

121. The World Wrestling Federation (WWF) manages professional wrestling matches. In addition, the WWF owns and operates a successful club in NYC; it is partnered with Microsoft to manufacture Xbox video game consoles; it produced its own reality-based television show; and it has licensed and marketed a number of WWF-related toys and collectibles. All of these efforts have been targeted to fans of professional wrestling. From this description, you could say that the WWF has adopted a _____ strategy.

A.
B.
C.
D.

122. Which of the following actions would best illustrate a diversification strategy for McDonald's (the fast food restaurant)?

A.
B.
C.
D.

123. Nike offers a new version of a running shoe to an established shoe market; this product strategy is known as:

A.
B.
C.
D.

124. Matsura Industries distributes candy and coffee through its vending machines in Tokyo. The addition of sandwich vending machines to the same market is an example of a _____ strategy.

A.
B.
C.
D.

125. In its inception, Transportation Safety Technologies, Inc. produced and sold safety devices to make the trucking industry safer especially on long hauls across North America. It soon realized that transporting goods across U.S. borders by truck was expensive and time-consuming for the truckers. Dozens of government agency approvals and costly downtime hamper the process. Transportation Safety Technologies, Inc., has recently begun providing its trucking companies with International Trade Data Systems (ITDS). This system stores information about each shipment in a centralized database, which can be accessed at border checkpoints and eliminate the need for costly manual inspections. This is an example of the implementation of a _____ strategy.

A.
B.
C.
D.

126. Which of the following actions best illustrates a product development strategy for McDonald's?

A.
B.
C.
D.

127. Starbucks created a corporate strategy that said: For every town in North America that has a population of 50,000, we will have at least two Starbucks stores. This is an example of which strategy?

A.
B.
C.
D.

128. Assume McDonald's is engaging in a market penetration strategy. Which of the following actions best illustrates a market penetration strategy?

A.
B.
C.
D.

129. For several years, advertisements for Arm & Hammer baking soda have prompted consumers to place an opened box of the product in the refrigerator to lessen food odour and to replace that box monthly. The same ads advise customers to pour the used box down their kitchen sinks to freshen drains. Arm & Hammer employed a _____ strategy in its attempt to sell more baking soda.

A.
B.
C.
D.

130. Loyal consumers have found numerous uses for WD-40 lubricating spray beyond what its manufacturer intended. A few years ago, its manufacturer ran a contest asking people to send in ways that they used the product. For example, some respondents said they were using the product as an insect killing spray (and some people really were. By capitalizing on the unforeseen ways its product gets used, the WD-40 manufacturer could implement a _____ strategy.

A.
B.
C.
D.

131. NDCHealth Corp. is a U.S.-based company that provides pharmaceutical manufacturers with market research on prescription drug sales. It recently started distributing commonly-used prescription drugs in the United Kingdom. Since it was new to the wholesaling end of the pharmaceutical business, NDCHealth was implementing a _____ strategy.

A.
B.
C.
D.

132. Zippo, which traditionally manufactures lighters, is considering offering motorcycle helmets. This is an example of which strategy"?

A.
B.
C.
D.

133. Visiting Rollerblade's website shows that the company recently launched a new extendible children's skate. This is an example of which market-product strategy for Rollerblade?

A.
B.
C.
D.

134. If McDonald's Canada decided to diversify its business offerings into a new area like financial services, their marketing strategy would be:

A.
B.
C.
D.

135. If McDonald's Canada decided to diversify its business offerings by buying out and operating a company like Red Lobster, their marketing strategy would be.

A.
B.
C.
D.

136. Coca-Cola introducing a new line of chai tea is an example of which market-product strategy?

A.
B.
C.
D.

137. Every morning, the Marketing Manager for Whirlpool looks at an Excel spreadsheet that visually shows the sales of the previous day, categorized by retail outlet and advertising spend. This Manager is likely using which tool:

A.
B.
C.
D.

138. The Marketing Manager at Whirlpool assesses the difference in sales of two retail outlets based on the advertising spend by each outlet. This item the Manager is assessing is known as a(n):

A.
B.
C.
D.

139. An approach whereby an organization allocates its marketing mix resources to reach its target markets is known as:

A.
B.
C.
D.

140. The key steps of planning, implementation, and control are part of what is called:

A.
B.
C.
D.

141. The Marketing Manager at Pepsi describes to a new employee that her first major task is to develop a road map for Pepsi One. The new employee is confused, until he realizes that the Manager is referring to a(n) ______ for Pepsi One.

A.
B.
C.
D.

142. What are the three steps involved in the PLANNING phase of the strategic marketing process?

A.
B.
C.
D.

143. When Samsung considers launching a new smartphone, the first step the marketing department engages in is:

A.
B.
C.
D.

144. Taking stock of where an organization has been recently, where it is now, and where it is headed in light of the organization's plans and the external factors and trends affecting it is called the:

A.
B.
C.
D.

145. The components of strengths and weaknesses are often considered as which part of the situational analysis:

A.
B.
C.
D.

146. Myers Apple Farm discovers the trend that consumers are more focused about buying locally produced and heirloom varieties of apples. Which aspect of the situational analysis is this considered:

A.
B.
C.
D.

147. In the 1980s, poor quality and Japanese imports drove the Harley-Davidson motorcycle company to brink of bankruptcy. The company's share of the U.S. super-heavy-weight market - motorcycles with engine capacity of 850 cubic centimeters or more - collapsed from more than 40 percent in the mid-1970s to 23 percent in 1983. However, by 1989, Harley-Davidson controlled some 65 percent of the U.S. market; and both in the U.S. and overseas markets, the company won't be able to meet demand for years. From a marketing perspective, what was the likely first step in Harley-Davidson's resurgence?

A.
B.
C.
D.

148. A television production company was looking for an idea for a new show and approached Emeril Lagasse, a charismatic chef that frequently appears on the Food Channel. It was decided the production company would build a show based around Lagasse's life. While the casting of the popular Lagasse insured people would watch the first couple shows, poor scripts led to the cancellation of the show. In terms of the SWOT analysis, the casting of Lagasse was a ______, and the poor scripts were a ______.

A.
B.
C.
D.

149. In the early months of 2002, strikes throughout Nigeria almost led to the country's financial ruin. For a company trying to do business in Nigeria during those months, the strikes would be an example of a(n):

A.
B.
C.
D.

150. The terrorists' attack on the World Trade Center and the Pentagon led to many changes in the way people conducted their everyday lives. One outgrowth of this attack was a need to reconnect with old friends through the sending of greeting cards. American Greetings announced a significant increase in sales that it directly relates to events on September 11. For American Greetings the terrorists' attacks was an example of a(n):

A.
B.
C.
D.

151. Situation analysis requires a firm to consider both internal and external factors. Which of the following is NOT an example of an external factor?

A.
B.
C.
D.

152. The goal of a SWOT analysis is to:

A.
B.
C.
D.

153. A June 1998 Congressional initiative mandated that the U.S. Department of Transportation (USDOT) establish a national traffic information collection system. The marketing manager of a company that provided traffic reports for local radio stations would most likely incorporate which aspect of this knowledge into its SWOT analysis as:

A.
B.
C.
D.

154. 154.When deciding how the products Pepsi One will differ from Diet Pepsi, Pepsi must develop an effective:

A.
B.
C.
D.

155. Ford Motor Company of Canada lumps together prospective buyers that share common needs for purchasing a new vehicle. What is Ford engaged in:

A.
B.
C.
D.

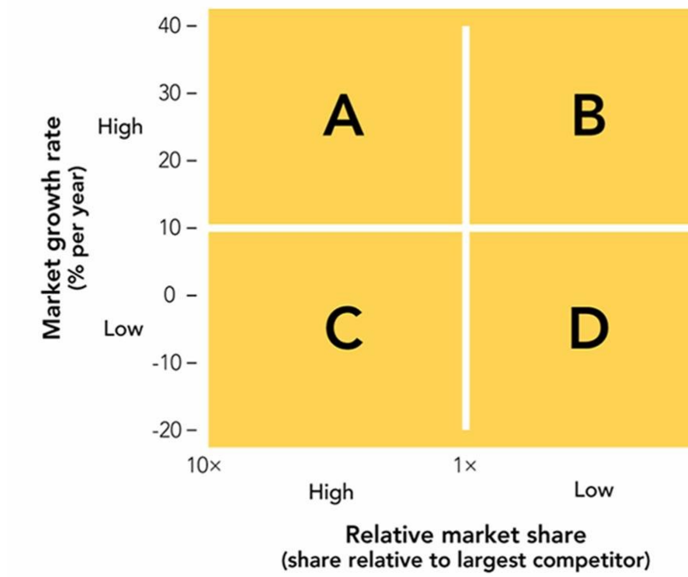
156. Categorizing a group of consumers for soda on the basis of whether they wanted sugar-free and caffeine-free, caffeine-free but with sugar, or regular with sugar and caffeine is an example of:

A.
B.
C.
D.

157. A toothbrush manufacturer sells several lines of toothbrushes. One line is for small children, one line is for people with gum problems, and one is for people who wear dentures. This product differentiation is the result of:

A.
B.
C.
D.

Figure 2-4



158. SBUs found in quadrant "A" (Figure 2-4) would be called

A.
B.
C.
D.

159. SBUs found in quadrant "B" (Figure 2-4) would be called

A.
B.
C.
D.

160. SBUs found in quadrant "C" (Figure 2-4) would be called

A.
B.
C.
D.

161. SBUs found in quadrant "D" (Figure 2-4) would be called

A.
B.
C.
D.

162. Goal setting as used in the text requires that the marketing manager set measurable _____ to be achieved.

A.
B.
C.
D.

163. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's manufacturer is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. This is an example of:

A.
B.
C.
D.

164. Having a high-definition (HD) screen on a computer tablet, when all competitive substitutes do not, is considered a:

A.
B.
C.
D.

165. At which step of the planning stage of the strategic marketing process does a firm develop the program's marketing mix?

A.
B.
C.
D.

166. All of the following are critical components of a cohesive marketing program, except:

A.
B.
C.
D.

167. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. What element of the marketing program is being considered when the company's owner decided initially to market the perfumes in a limited number of very exclusive specialty department stores?

A.
B.
C.
D.

168. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. Which element of the marketing program is being considered when the company's owner decides to add scents that evoke colors?

A.
B.
C.
D.

169. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. Which elements of the marketing program were being considered when the company's owner decided initially to market the perfume in 1-ounce coloured glass bottles that would not always be sold at list price?

A.
B.
C.
D.

170. Sheila Murray, brand director at Starbucks, had to determine how much to spend and then obtain funding to run a new national radio and print ad campaign. When it comes to implementing her plan, what component is Sheila paying attention to?

A.
B.
C.
D.

171. Two major elements of the implementation phase of the strategic marketing process are:

A.
B.
C.
D.

172. When BellSouth made plans to increase its presence in the lucrative Latin American market, some of its employees decided BellSouth needed to acquire the rest of Telefonia Cellular de Nicaragua, one of its subsidiaries in Latin America. To do so, they paid a substantial sum to the wife of a Nicaraguan legislator who was responsible for legal changes that were needed to allow Telefonia to become completely owned by BellSouth. This payment was in direct violation of U.S. law, and BellSouth had to pay a hefty fine and divest itself of its illegal acquisition. In which phase of the strategic marketing process did the BellSouth strategy fail?

A.
B.
C.
D.

173. Xbox video game consoles were developed through a joint venture between Microsoft and the WWF (World Wrestling Federation). Plans were made to rush the product to market to counter new Playstation and Nintendo consoles that were also being released about the same time. Complaints about the video game began immediately after its introduction. These complaints ranged from missing parts to incorrect programming.
In which phase of the strategic marketing process did the Xbox strategy fail?

A.
B.
C.
D.

174. A marketing strategy is the means by which a marketing goal is to be achieved. Two factors that usually characterizing a marketing strategy are:

A.
B.
C.
D.

175. Which of the following statements reflects both of the key elements in developing a marketing strategy for L. M. Schofield, Inc., a company that produces specialized concrete surfaces for heavily trafficked areas such as retail outlets and amusement parks?

A.
B.
C.
D.

176. Apple's marketing department has specified a target market for the iPhone 5C, the subsequent actions undertaken to realize their goal of strong sales in this market is known as:

A.
B.
C.
D.

177. Pizza-Pizza updates their Twitter and Facebook daily, highlighting local specials and interesting tid-bits about their products, these daily actions are known as marketing:

A.
B.
C.
D.

178. David and Cecilia Stanford, owners of Prairie Herb vinegars, decided to offer the product in 5-ounce and 13-ounce sizes as well as in a 16-ounce European glass bottle. They decided to sell the vinegar only through the mail and to price the smaller bottles at $4.45 and the largest bottles at $13.25. They were determining its:

A.
B.
C.
D.

179. At a recent executive meeting, the marketing manager said: "starting tomorrow, we will Tweet five times a day!" This decision is an example of a(n):

A.
B.
C.
D.

180. Six months into a new marketing program, the Manager assesses the current metrics of the plan to the original forecasted results. When she realizes that sales are not on target and the plan must be adjusted, she is:

A.
B.
C.
D.

181. McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to have a presence in over 100 countries, even if they are not profitable, their growth strategy is:

A.
B.
C.
D.

182. McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to branch out from the frozen foods category into the ready-to-serve beverage market, their growth strategy is:

A.
B.
C.
D.

183. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. What phase of the Strategic Marketing Process is Mars at?

A.
B.
C.
D.

184. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is _____________ in the implementation phase of the strategic marketing process.

A.
B.
C.
D.

185. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is _____________ in the second stage of the strategic marketing process.

A.
B.
C.
D.

186. Describe the composition of the three levels within organizations.
The three levels are:

187. There is a General Motors plant in Spring Hill, Tennessee, that is devoted solely to the production of Saturn cars. At which level is this plant operating? Explain your answer.

188. What is the source of cross-functional conflict and how can it be overcome?

189. What is a corporate mission? How can it be used as a motivational tool?

190. List potential stakeholders for the college or university that you attend.

191. Name and briefly describe the seven types of corporate goals set in advance of work?
The seven types of corporate goals set in advance of work are:

192. What are the three levels of strategy in organizations? Describe each.

193. One of the most recognized approaches to business portfolio analysis is the Boston Consulting Group's growth-share matrix. By dividing each dimension into high and low categories, the matrix contains four cells. Briefly describe the four quadrants of the matrix.

BCG has given specific names and descriptions to the four quadrants in its growth-share matrix. They are as follows:

194. The Boston Consulting Group's business portfolio analysis model can be used to guide a firm as it tries to change its relative market share (the factor on the horizontal axis). What conscious decisions can management make on the role each SBU should have in the future and how money should be budgeted for its operations?

195. Identify and describe the four market-product strategies an organization uses to identify alternative market opportunities.

The four market-product strategies an organization uses to identify alternative market opportunities are:

196. Identify the three phases of the strategic marketing process and briefly describe what happens during each phase.

The three phases of the strategic marketing process are the Planning Phase, the Implementation Phase, and the Control Phase.

197. Identify and describe the four critical factors in a SWOT analysis that help an organization identify the critical strategy-related factors that could have major effects on it.

The four critical factors in a SWOT analysis are:

198. What are the marketing mix elements that compose a cohesive marketing program?

199. A campus service organization annually raises money through the sale of t-shirts. What are the major components of the marketing program it should use? Give one example of each.

200. What are the four components of the implementation phase of the strategic marketing process?

The four components of the implementation phase of the strategic marketing process are:

201. What are the basic differences between marketing strategies and marketing tactics?

202. What is the purpose of the control phase of the strategic marketing process? How is control accomplished?

203. A SWOT analysis can be useful in helping Ben & Jerry's identify new ice cream flavours and social responsibility programs that will contribute to its mission. What elements might *their* SWOT analysis contain?

204. Many traditional educational institutions are facing budgetary constraints. Using the four market-product strategies as a framework for your answer, how might these institutions profitably expand in the new economy?

205. Describe the advantages of integrating social media metrics, such as website traffic sources, click-through-rates, cost-per-click, page views, and page-view-flows, into a marketing dashboard?

Chapter 02 Developing Successful Marketing Strategies Key

1. Which of the following is NOT one of Canadian Tire's core businesses?

A.
B.
C.
D.

(Chapter Opening Example) Canadian Tire's five core businesses are Canadian Tire Retail, which is a retail chain offering automotive parts, sports and leisure, and home products; PartSource, an automotive parts specialty chain store; Canadian Tire Financial Services, which manages the second largest MasterCard franchise; Canadian Tire Petroleum, Canada's largest independent gasoline retailer; and Mark's, a leading apparel retailer.

Blooms: Remember
Crane - Chapter 02 #1
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

2. Canadian Tire is a Canadian success story. Canadian Tire employs more than 70,000 Canadians and has revenues of close to _______ annually.

A.
B.
C.
D.

See chapter-opening article.

Blooms: Understand
Crane - Chapter 02 #2
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

3. Which new initiatives demonstrate an understanding of the direction of Canadian Tire of: "creating customers for life and shareholder value," by the marketing department?

A.
B.
C.
D.

(Chapter Opening Example) The organizational direction of the company is set by a focus on "creating customers for life and shareholder value." New initiatives to do so include its new digital initiatives, such as its highly rated mobile app, as well as a new store format called the Smart Store, which emphasizes creating and delivering customer experiences.

Blooms: Apply
Crane - Chapter 02 #3
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

4. In today's global competition, it is important to recognize the kinds of organizations that exist. Organizations can basically be divided into two categories:

A.
B.
C.
D.

Understanding the kinds of organizations, the levels that exist in them, and the functional areas help understand large organizations.

Blooms: Understand
Crane - Chapter 02 #4
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

5. Plan Canada, a nongovernmental organization that serves its customers but does not have profit as an organizational goal is considered a

A.
B.
C.
D.

Text term definition - non-profit organization

Blooms: Understand
Crane - Chapter 02 #5
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

6. Ford, GM, and Toyota, all develop automobiles. This group create a(n):

A.
B.
C.
D.

Organizations that develop similar offerings, when grouped together, create an *industry*, such as the computer industry or the automobile industry.

Blooms: Apply
Crane - Chapter 02 #6
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

7. John's Auto Wreckers is a privately owned organization that serves its customers in order to earn a profit is called a:

A.
B.
C.
D.

Text term definition - business firm

Blooms: Apply
Crane - Chapter 02 #7
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

8. George's Computer Repairs is focused on earning money for its owners, while Plan Canada is focused on solving community issues overseas and is not concerned about earning a profit. The contrast between these two is:

A.
B.
C.

A business firm is a privately owned organization that serves its customers in order to earn a profit. A nonprofit organization is a nongovernmental organization that serves its customers but does not have profit as an organizational goal.

Blooms: Apply
Crane - Chapter 02 #8
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

9. While undertaking risk to offer the iPhone, Apple Computers is rewarded by receiving the following reward:

A.
B.
C.
D.

Key term definition - profit

Blooms: Apply
Crane - Chapter 02 #9
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

10. At Apple Computers, the financial department considers the profit earned at the end of the day as:

A.
B.
C.
D.

Key term definition - profit

Blooms: Apply
Crane - Chapter 02 #10
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

11. A legal entity of people who share a common mission is referred to as a(n):

A.
B.
C.
D.

Key term definition - organization

Blooms: Remember
Crane - Chapter 02 #11
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

12. Telus offers several mobile phone plans, which of the following best describes what constitutes their potential *offerings*?

A.
B.
C.
D.

Key term definition - offerings

Blooms: Understand
Crane - Chapter 02 #12
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

13. Telus' goal in offering a specific phone that is not offered by any of the other mobile phone carriers in Canada is focused on achieving a long term advantage to deliver a unique customer experience. This is known as:

A.
B.
C.
D.

Key term definition - strategy

Blooms: Apply
Crane - Chapter 02 #13
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

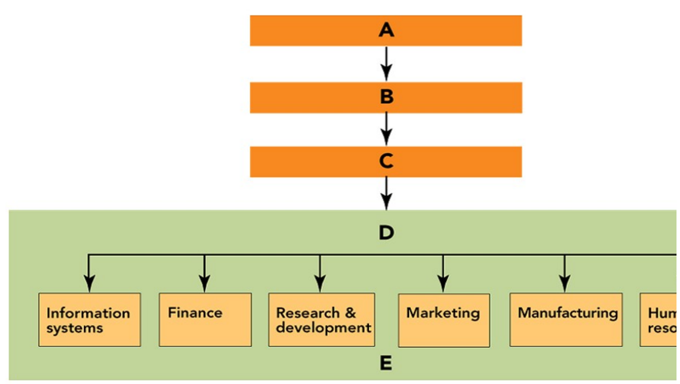
14. Large organizations can be extremely complex. They usually consist of _______ organizational level(s) whose strategy is linked to marketing:

A.
B.
C.
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #14
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

Figure 2-1



Crane - Chapter 02

15. In Figure 2-1, "A" represents the:

A.
B.
C.
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #15
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

16. In Figure 2-1, "B" represents the

A.
B.
C.
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #16
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

17. In Figure 2-1, "C" represents the

A.
B.
C.
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #17
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

18. In Figure 2-1, "D" represents the

A.
<u>B.</u>
C.
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #18
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

19. In Figure 2-1, "E" represents

A.
B.
<u>C.</u>
D.

Figure 2-1

Blooms: Understand
Crane - Chapter 02 #19
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

20. The ‘Alternative Energy Group' of GE likely has which focus:

A.
<u>B.</u>
C.
D.

Key term definition - strategic business unit

Blooms: Apply
Crane - Chapter 02 #20
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

21. In a new marketing role, your manager says: "You will be responsible for five SBUs." You give a puzzled look before remembering that SBU stands for:

A.
B.
C.
D.

Multimarket, multiproduct firms manage a portfolio of businesses, variously termed strategic business units (SBUs), strategic business segments, and product-market units.

Blooms: Remember
Crane - Chapter 02 #21
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

22. The overall strategy for the entire organization is decided at which level in a complex organization.

A.
B.
C.
D.

Key term definition - corporate level

Blooms: Remember
Crane - Chapter 02 #22
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

23. Research Development Manager, Marketing Manager, and Audit Manager are specialist roles likely found at which business unit level?

A.
B.
C.
D.

Key term definition - functional level

Blooms: Apply
Crane - Chapter 02 #23
Difficulty: Medium

Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

24. The fundamental objective for the Marketing Manager and HR Manager is to:

A.
B.
C.
D.

key term definition - functional level.

Blooms: Apply
Crane - Chapter 02 #24
Difficulty: Understand
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

25. Business unit managers at Bell Canada decide on the direction for their residential products and markets every six months. This decision making occurs at which unit level in the organization.

A.
B.
C.
D.

Key term definition - strategic business unit level

Blooms: Apply
Crane - Chapter 02 #25
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

26. For less complex firms with a single business focus, which two organizational levels may merge?

A.
B.
C.
D.

Key term definition - strategic business unit level

Blooms: Remember
Crane - Chapter 02 #26
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

27. Craig Conway is CEO of a software design company named PeopleSoft, a company that has automated many human resource functions such as tracking vacation time. Conway operates at the _____ level of his organization.

A.
B.
C.
D.

The corporate level is where top management directs overall strategy for the entire organization.

Blooms: Apply
Crane - Chapter 02 #27
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

28. The marketing leadership group at Rogers Wireless that identifies value-creating opportunities is known as the:

A.
B.
C.
D.

Marketing's activities tie to each of the three levels (corporate, business unit, functional). At the strategic business unit level marketing may be asked to provide leadership in developing integrated programs across all business units based on identifying value-creating opportunities.

Blooms: Understand
Crane - Chapter 02 #28
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

29. In a large corporation with multiple business units, the marketing department may be called upon to:

A.
B.
C.
D.

In a large corporation with multiple business units, marketing may be called on to assess consumer trends as an aid to corporate planning.

Blooms: Understand
Crane - Chapter 02 #29
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

30. Bill McDermott is President and CEO of SAP Americas and Asia Pacific Japan. SAP is a company that sells extremely expensive enterprise resource planning software to large and mid-sized companies. McDermott operates at the __________ level of his organization.

A.
B.
C.
D.

The corporate level is where top management directs overall strategy for the entire organization.

Blooms: Apply
Crane - Chapter 02 #30
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

31. In the marketing department of Pepsi, the entry-level staff, such as Business Analysts, are responsible for doing most of the organization's work. Their level in the organization is known as?

A.
B.
C.
D.

See the lowest level of Figure 2-1 where marketing serves as part of a team of functional specialists. This is the level at which customers are listened to, products are designed and produced, and customers' needs are satisfied.

Blooms: Apply
Crane - Chapter 02 #31
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

32. In recent years, many large firms have changed the title of the head of marketing from vice president of marketing to

A.
B.
C.
D.

These chief marketing officers have an increasingly important role in top management because of their ability to think strategically. Most bring multi-industry backgrounds, cross-functional management expertise, analytical skills, and intuitive marketing insights to their job, which enables them to create and deliver value to the organization and its customers.

Blooms: Remember
Crane - Chapter 02 #32
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

33. Specialists from all the functional units who analyze, implement, and control programs to accomplish the corporate and business strategic directions usually serve as members to a:

A.
B.
C.
D.

The marketing department does not work alone but works with all departments to deliver customer value and satisfaction.

Blooms: Understand
Crane - Chapter 02 #33
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

34. John is from the marketing department, Stephen is from the finance department, Jo is from the product department, and Janelle is from the customer service department. Together they are responsible for developing a new product to reach a company performance goal. These individuals are referred to as a(n):

A.
B.
C.
D.

Key term definition - cross-functional team.

Blooms: Apply
Crane - Chapter 02 #34
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

35. In terms of an organization's vision, Kodak Eastman may have lost business because they:

A.
B.
C.
D.

Kodak Eastman famously did not see the ‘digital photography' trend happening because their vision at the time was too narrowly focused

Blooms: Apply
Crane - Chapter 02 #35
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

36. Sometimes cross-functional teams will have representatives from outside the organization such as:

A.
B.
C.
D.

Cross-functional team efforts involve specialists from all the functional units (different disciplines) who can analyze who implement, and control programs to accomplish the corporate and business strategic directions. Sometimes these teams will have representatives from outside the organization, such as suppliers or customers, to assist them.

Blooms: Apply
Crane - Chapter 02 #36
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

37. Which of the following statements regarding the strategic business unit level is most accurate?

A.
B.
C.
D.

At the strategic business unit level, managers set a more specific strategic direction for their businesses to exploit value-creating opportunities than at the corporate level.

Blooms: Apply
Crane - Chapter 02 #37
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

38. Determining the target market and designing marketing programs to reach this target market is a specialized marketing function. This is accomplished by the marketing:

A.
B.
C.
D.

Text term definition—department

Blooms: Understand
Crane - Chapter 02 #38
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

39. On the northern tip of Goose Island in the Chicago River sits the William Wrigley Jr. Company's Global Innovation Center. Here Wrigley can create new products—a joint effort by some 250 full-time food scientists, researchers, and marketers. The people who work in this center are most likely members of

A.
B.
C.
D.

Cross-functional teams are composed of a small number of people from different departments in an organization who are mutually accountable to accomplish a task or a common set of performance goals.

Blooms: Apply
Crane - Chapter 02 #39
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

40. Which of the following statements would *most likely* be heard at the functional level of an organization?

A.
B.
C.
D.

At the functional level, the organization's strategic direction becomes its most specific and focused.

Blooms: Apply
Crane - Chapter 02 #40
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

41. In terms of an organization's vision, railroads may have lost business because they:

A.
B.
C.
D.

Railroads may have let other forms of transportation take business away from them because they perceived themselves in the railroad business instead of the transportation business. This definition was too limited and it hurt railroads because they failed to design effective marketing strategies to compete with trucks, buses, airlines, and automobiles.

Blooms: Apply
Crane - Chapter 02 #41
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

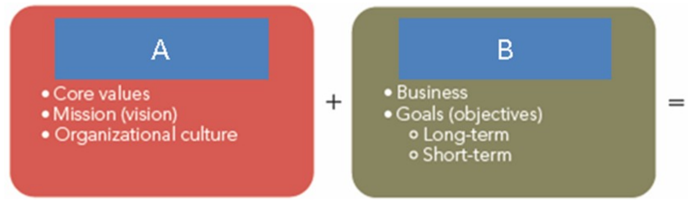
42. Railroads may have let other forms of transportation take business away from them because their definition included only the railroad business, rather than the broader definition of:

A.
B.
C.
D.

The narrow definition used by railroads hurt them because they failed to design effective strategies to compete with a broad range of transportation competitors, including airlines, trucks, bus lines, and cars.

Blooms: Apply
Crane - Chapter 02 #42
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

Figure 2-2



Crane - Chapter 02

43. In Figure 2-2, section "A" represents the "why" element of visionary organization. This is referred to as

A.
B.
C.
D.

Management experts stress that to be successful, today's organizations must be forward looking. They must both anticipate future events and respond quickly and effectively. This requires a visionary organization to specify its foundation (why does it exist?), set a direction (what will it do?), and formulate strategies (how will it do it?).

Blooms: Apply
Crane - Chapter 02 #43
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

44. In Figure 2-2, section "B" represents the "what" element of visionary organization. This is referred to as

A.
B.
C.
D.

Management experts stress that to be successful, today's organizations must be forward looking. They must both anticipate future events and respond quickly and effectively. This requires a visionary organization to specify its foundation (why does it exist?), set a direction (what will it do?), and formulate strategies (how will it do it?).

Blooms: Apply
Crane - Chapter 02 #44
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

45. In Figure 2-2, section "C" represents the "how" element of visionary organization. This is referred to as

A.
B.
C.
D.

Management experts stress that to be successful, today's organizations must be forward looking. They must both anticipate future events and respond quickly and effectively. This requires a visionary organization to specify its foundation (why does it exist?), set a direction (what will it do?), and formulate strategies (how will it do it?).

Blooms: Apply
Crane - Chapter 02 #45
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

46. Today's visionary organization uses key elements to (1) __________ and (2) set a direction using (3) its strategies that enable it to develop and market its offerings successfully.

A.
B.
C.
D.

This requires a visionary organization to specify its foundation (why does it exist?), set a direction (what will it do?), and formulate strategies (how will it do it?) as shown in Figure 2-2.

Blooms: Apply
Crane - Chapter 02 #46
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

47. One of the key differences between a vision statement and a mission statement is that the mission statement:

A.
B.
C.
D.

Key term definition - mission

Blooms: Understand
Crane - Chapter 02 #47
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

48. "To refresh the world/ To Inspire moments of optimism and happiness/ To create value and make a difference." This is an example of a(n):

A.
B.
C.
D.

Key term definition - mission

Blooms: Remember
Crane - Chapter 02 #48

Difficulty: Easy
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

49. "Holiday Inn Burlington is dedicated to providing quality hospitality product and service. Although we try to anticipate guest concerns before they arise, we understand that every customer is an individual who requires special attention." This is a part of their _____ statement.

A.
B.
C.
D.

A mission is a statement of the organization's scope. This statement often identifies its customers, markets, products, technology, and values.

Blooms: Apply
Crane - Chapter 02 #49
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

50. All of the following are often contained in a company's mission statement except:

A.
B.
C.
D.

A mission is a statement of the organization's scope. This statement often identifies its customers, markets, products, technology, and values.

Blooms: Apply
Crane - Chapter 02 #50
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

51. All of the following are considered an organization's internal stakeholders except:

A.
B.
C.
D.

Organizations must connect not just with their employees but with all their stakeholders. Stakeholders are individuals or groups, either within or outside an organization, that relate to it in what it does and how well it performs.

Blooms: Understand
Crane - Chapter 02 #51
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

52. Which of the following statements about stakeholders is true?

A.
B.
C.
D.

Organizations must connect not just with their employees but with all their stakeholders. Stakeholders are individuals or groups, either within or outside an organization, that relate to it in what it does and how well it performs.

Blooms: Understand
Crane - Chapter 02 #52
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

53. Which of the following would NOT be an example of stakeholders for a television production company like John Wells Productions?

A.
B.
C.
D.

Stakeholders include employees, suppliers, customers, and the general public.

Blooms: Apply
Crane - Chapter 02 #53
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

54. Lululemon is known for having a youthful, energetic, health-focused, and sustainable system of shared attitudes and behaviours held by the employees that distinguish it from other organizations. This is known as their

A.
B.
C.
D.

Key term definition - organizational culture

Blooms: Apply
Crane - Chapter 02 #54
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

55. PeopleSoft designs, produces, and markets software that enables companies to automate basic human-resources functions such as payroll. At its inception, the company's leaders encouraged employees to get in touch with their feelings. The work environment was laid back, employees' dogs roamed the halls, and sunny days found employees playing Frisbee on the corporate lawns. This is known as:

A.
B.
C.
D.

An organization's culture refers to a system of shared attitudes and behaviours held by the employees that distinguish it from other organizations.

Blooms: Apply
Crane - Chapter 02 #55
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

56. Which of the following statements about organizational goals is NOT true?

A.
B.
C.
D.

Goals or objectives (terms used interchangeably in the text) convert the mission into targeted levels of performance to be achieved, often by a specific time.

Blooms: Understand
Crane - Chapter 02 #56
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

57. Pepsi-Co set out a task to earn $10 million (CDN) in sales on their new Odwalla beverage, which was accomplished by the date they set. This is an example of a(n):

A.
B.
C.
D.

Key term definition - goal, objective

Blooms: Apply
Crane - Chapter 02 #57
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

58. Kodak wanting to be the top seller of digital cameras by 2013 is an example of an organizational:

A.
B.
C.
D.

Key term definition - goal, objective

Blooms: Remember
Crane - Chapter 02 #58
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

59. Medtronic, a world leader in heart pacemakers, is not in the medical device business but is in the business of: alleviating pain, restoring health, and extending life. This conscious effort of Medtronic defining their business shows they are paying attention to:

A.
B.
C.
D.

Companies must decide what type of business they are in. They must determine how narrow or broad their business is. Medtronic, a world leader in heart pacemakers, is *not* in the medical device business but *is* in the business of alleviating pain, restoring health, and extending life.

Blooms: Understand
Crane - Chapter 02 #59
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

60. Some corporations choose unit sales rather than sales revenue as an organizational goal. Sales revenues can be deceiving because of:

A.
B.
C.
D.

Sales revenue may be deceiving because the effects of inflation can cause dollar figures to increase while units sold decrease. So a firm may set goals for the number of units it will sell.

Blooms: Understand
Crane - Chapter 02 #60
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

61. Which aspect of a firm, assuming classic economic theory, are shareholders most concerned about?

A.
B.
C.
D.

The pattern of goals provides strategic direction because organizations often get what they measure: profit, sales revenue, market share, unit sales, quality, customer satisfaction, employee welfare, and social responsibility.

Blooms: Understand
Crane - Chapter 02 #61
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

62. Brittany read on the second page of the stockholder's report for a manufacturer of automobile parts, "Our goal for the next five year period is to double our return on investment." She now knows the company has _____ goals.

A.
B.
C.
D.

Classic economic theory assumes a firm seeks to maximize long-run profit, achieving as high a financial return on investment as possible.

Blooms: Apply
Crane - Chapter 02 #62
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

63. Telus accepts their current profit level and focuses on increasing their market share, even though profitability may not be maximized. They are attempting to do what:

A.
B.
<u>C.</u>
D.

Increased sales revenue may gain promotions for key executives.

Blooms: Understand
Crane - Chapter 02 #63
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

64. Terence, a small business owner was explaining how he was planning for the upcoming holiday season, "We've got to maximize our dollars of sales because profits are adequate at the moment." From this statement, he is most concerned with _____ goals.

A.
<u>B.</u>
C.
D.

If profits are acceptable, a firm may elect to maintain or increase its sales level even though profitability may not be at its maximum.

Blooms: Understand
Crane - Chapter 02 #64
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

65. Bell Canada issued a statement to their shareholders that said: "sales revenue is our focus over the next five years." Shareholders created a petition because they felt their concerns were not being met. The main reason why shareholders were concerned was because Bell Canada implicitly said: "we will ____________"

A.
B.
C.
D.

If profits are acceptable, a firm may elect to maintain or increase its sales level even though profitability may not be maximized. Increased sales revenue may gain promotions for key executives.

Blooms: Apply
Crane - Chapter 02 #65
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

66. When the Federal Government places Carbon Tax Caps on oil sand producers in Alberta, they are trying to balance the profit goals of businesses with their _____ goals.

A.
B.
C.
D.

Sustainable development is a term that refers to having each country find an ideal balance between protecting its environment and providing its citizens with the additional goods and services necessary to maintain and improve their standard of living.

Blooms: Apply
Crane - Chapter 02 #66
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

67. Facebook has a stated goal that they provide free, onsite day care for employee's children, and free, healthy lunches for employees. Facebook is concerned with:

A.
B.
C.
D.

A firm may recognize the critical importance of its employees by having an explicit goal stating its commitment to provide good employment opportunities and working conditions.

Blooms: Apply
Crane - Chapter 02 #67
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

68. Pfizer Canada offering day-care facilities to its employees; and BC Biomedical offering flex-work opportunities illustrates what type of goals?

A.
B.
C.
D.

A firm may recognize the critical importance of its employees by having an explicit goal stating its commitment to provide good employment opportunities and working conditions.

Blooms: Understand
Crane - Chapter 02 #68
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

69. Corporate executives and world leaders of each country need to find an ideal balance between protecting its environment and providing its citizens with the additional goods and services necessary to maintain and improve their standard of living. This demonstrates a concern for:

A.
B.
C.
D.

Today this often involves adding jobs in highly polluting industries, thereby pushing cleanup actions into the future.

Blooms: Understand
Crane - Chapter 02 #69
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

70. The "Big Three" wireless carriers in Canada are constantly battling each other for customers, as a result, they frequently determine the ratio of the sales revenue of their firm to the total sales revenue of all firms in the industry, including the firm itself. The ratio they are calculating is known as:

A.
B.
C.
D.

Key term definition - market share

Blooms: Apply
Crane - Chapter 02 #70
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

71. Market share is:

A.
B.
C.
D.

Key term definition - market share

Blooms: Remember
Crane - Chapter 02 #71
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

72. When Telus calculates their market share, they calculate the ratio of their sales revenue to the total sales revenue of all:

A.
B.
C.
D.

Key term definition - market share

Blooms: Apply
Crane - Chapter 02 #72
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

73. In a country like Zimbabwe, where inflation is a serious issue, such that, in the past, the country has experienced hyperinflation, a western company who opens an office in the country is likely to focus on which goal?

A.
B.
C.
D.

Inflation affects the dollar values attributed to sales and therefore the calculations based on sales, such as profit, market share (based on dollars sold) and ROI.

Blooms: Apply
Crane - Chapter 02 #73
Difficulty: Medium

Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

74. Assuming all ethical and legal principles are followed, what might be the cause of a company having decreased sales revenue next year, even though they sell the same number of products as last year?

A.
B.
C.
D.

Sales revenue may be deceiving because of the effects of inflation, so a firm may choose as its goal to maintain or increase the number of units it sells.

Blooms: Understand
Crane - Chapter 02 #74
Difficulty: Difficult
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

75. Xbox video game consoles were developed through a joint venture between Microsoft and the WWF (World Wrestling Federation) and first marketed in the fall of 2001. Complaints about the video game began immediately after its introduction. These complaints ranged from missing parts to incorrect programming. It would seem obvious that the manufacturer of Xbox video game consoles should adopt _____ goals.

A.
B.
C.
D.

Keyword definition: Quality

Blooms: Apply
Crane - Chapter 02 #75
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

76. Lenovo Computers implemented a new manufacturing strategy that reduced warranty calls by 20 percent. This is an example of setting a ________ goal.

A.
B.
C.
D.

Customer satisfaction can be measured directly with surveys or tracked with proxy measures like number of customer complaints or percent of orders shipped within 24 hours of receipt.

Blooms: Apply
Crane - Chapter 02 #76
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

77. A firm that includes an ergonomic expert on staff, one that provides recommendations on chair choice to employees, is most likely concerned with:

A.
B.
C.
D.

Employee welfare is an important goal, insofar as it affects not only goodwill, but also morale, and hence productivity.

Blooms: Apply
Crane - Chapter 02 #77
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

78. Pfizer Pharmaceuticals is offering low-income senior citizens some of its most widely used prescriptions for $15 each a month - much below the regular costs for these drugs. This program to better serve senior citizens likely grew out of a _____ goal.

A.
B.
C.
D.

Costs are subsidized by other more profitable products in order to provide a needed medication even when it is not in itself profitable.

Blooms: Apply
Crane - Chapter 02 #78
Difficulty: Easy
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

79. CIBC is focused on earning a profit for employees and shareholders, while also giving back to the community through their CIBC Run For the Cure campaign, this balance of conflicting goals is referred to as.

A.
B.
C.
D.

A firm trying to balance these conflicting goals aims to promote overall welfare of all these groups, even at the expense of profits.

Blooms: Apply
Crane - Chapter 02 #79
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

80. A nonprofit organization is a nongovernmental organization that does not have profit as an organizational goal. What other quality characterizes nonprofit organizations?

A.
B.
C.
D.

Nonprofit organizations strive to serve customers with the greatest efficiency and the least cost and seek to serve the public good.

Blooms: Remember
Crane - Chapter 02 #80
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

81. An example of a private organization that does not seek profit is:

A.
B.
C.
D.

Only the Montreal Museum for Fine Arts is a private organization that strives to provide goods or services to consumers with the greatest efficiency at the least cost without seeking a profit.

Blooms: Apply
Crane - Chapter 02 #81
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

82. All oorganizational strategies are influenced by each of the following EXCEPT:

A.
B.
C.
D.

Fig. 2-2, but non-profit organizations would not have their strategies influenced by a profit motive.

Blooms: Apply
Crane - Chapter 02 #82
Difficulty: Difficult
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

83. RIM has a number of patents around secure email technology. These patents are an example of their ________:

A.
B.
C.
D.

Key term definition - competencies

Blooms: Apply
Crane - Chapter 02 #83
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

84. Rhone-Poulenc is an international French company that produces and markets a variety of chemicals and pharmaceuticals. Due to the resources it makes available to its scientists and researchers, the company has a number of Nobel Prize winners working in its laboratories. This ability to attract some of the finest minds in the world to its workforce is an example of a(n):

A.
B.
C.
D.

Competencies are an organization's special capabilities, including skills, technology, and resources that distinguish it from other organizations.

Blooms: Apply
Crane - Chapter 02 #84
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

85. Nokia has an exclusive relationship with Microsoft for their Windows operating system for their mobile phones, where no other mobile phone companies can use the Windows OS. This is an example of:

A.
B.
C.
D.

Key term definition - competitive advantage

Blooms: Apply
Crane - Chapter 02 #85
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

86. 92 percent of the Canadian population lives with 15 minutes of a Canadian Tire Store; this ability to stay close to the customer is an example of Canadian Tire's _________:

A.
B.
C.
D.

Competitive Advantage is a unique strength relative to competitors.

Blooms: Apply
Crane - Chapter 02 #86
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

87. A good product or service has features and characteristics that satisfy stated or implied needs. This is an example of a(n):

A.
B.
C.
D.

Key term definition - quality

Blooms: Remember
Crane - Chapter 02 #87
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

88. Which of the following statements about quality as a competitive advantage is true?

A.
B.
C.
D.

Competitive advantage is a unique strength relative to competitors, often based on quality, time, cost, or innovation.

Blooms: Understand
Crane - Chapter 02 #88
Difficulty: Medium

Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

89. Designing a car is expensive and time-consuming even with the use of computers because until recently there was no way for all the varied departments that are involved in new car development to work together. DaimlerChrysler has created a central, Web-based system that cuts the design and production process by at least two years. This is an example of a(n):

A.
B.
C.
D.

Competencies are an organization's special capabilities that distinguish it from other organizations.

Blooms: Apply
Crane - Chapter 02 #89
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

90. Evergreen Air Center is the world's biggest parking lot for unwanted aircraft. Airlines pay a monthly fee from $750 to $5,000 to mothball airplanes at this site. Its location is on 1,600 acres of Arizona desert. The Southwest climate serves as a cheap and effective airplane preservative. Its location is its:

A.
B.
C.
D.

Competences are an organization's special capabilities (in this case, the climate gives it the capabilities to preserve planes cheaply and efficiently) that distinguish it from other organizations.

Blooms: Apply
Crane - Chapter 02 #90
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

91. Netflix uses the internet to allow its customers to view movies and exclusive television shows. It jumped into an industry where there were no firm leaders but lots of competitors and established a loyal clientele by seizing the opportunity to provide a service that was simple to use and effective at delivering high-quality products to customers. The internet-delivery mechanism is an example of a(n) _________ for Netflix:

A.
B.
C.
D.

Competitive advantage is a unique strength relative to competitors, often based on quality, time, cost, or innovation.

Blooms: Apply
Crane - Chapter 02 #91
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

92. Toyota aggressively pushes their suppliers to follow strict delivery and production deadlines, corresponding to their Lean Manufacturing principles, allowing Toyota to have an efficient production line and offer high-value automobiles at cost-effective prices. This competence can give Toyota:

A.
B.
C.
D.

Competitive advantage is a unique strength relative to competitors, often based on quality, time, cost, or innovation.

Blooms: Apply
Crane - Chapter 02 #92
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

93. After Zierer GMBH, a German manufacturer of amusement park rides, built their first gravity ride, they studied the "Ride Satisfaction Scores" of their ride, along with various competitors and worked to include this information in future designs. They were engaging in:

A.
B.
C.
D.

The text explains that benchmarking is discovering how others do something better than you do so your firm can imitate, or leapfrog, their techniques.

Blooms: Apply
Crane - Chapter 02 #93
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

94. Numerous consultancies provide ‘Customer Satisfaction' scores for various Canadian and International airlines. When Air Canada reviews their score, in comparison to WestJet, they are engaging in.

A.
B.
C.
D.

Key term definition - benchmarking

Blooms: Remember
Crane - Chapter 02 #94
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

95. When General Mills introduced Frosted Cheerios, it wanted to launch the product in half the time taken by any cereal manufacturer to launch a new cereal. General Mills created a team that studied the successful product launch of other companies' cereals to determine what went well and what did not. To learn these lessons from other cereal launches, General Mills used:

A.
B.
C.
D.

Benchmarking is the process of discovering how other firms do something better than your firm so you can imitate, or leapfrog competition.

Blooms: Apply
Crane - Chapter 02 #95
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

96. Siemens manufacturing wanted to increase the efficiency of their turbine manufacturing process by implementing a lean-based methodology. In order to understand how best to do this, Siemens entered a 'learning partnership' with Toyota, where managers from Siemens would act as 'managers-for-a-week' at Toyota to learn about their lean manufacturing processes. This is an example of:

A.
B.
C.
D.

Benchmarking is discovering how others do something better than you do so your firm can imitate, or leapfrog, their techniques.

Blooms: Apply
Crane - Chapter 02 #96
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

97. Which one of the following is NOT an example of the different goals that non-profit firms can pursue?

A.
B.
C.
D.

See description of different goals of business firms, non-profit and many private organizations as well as government agencies on pages 33-34.

Blooms: Understand
Crane - Chapter 02 #97
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

98. 3M has developed a quality program called ____________:

A.
B.
C.
D.

A firm may target the highest quality products or services in its industry, as 3M does with its Six Sigma program.

Blooms: Understand
Crane - Chapter 02 #98
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

99. 3M uses a holistic approach to new and existing products that encompasses the whole product supply chain from raw materials to disposal. This approach is known as:

A.
B.
C.
D.

Life cycle management; see call-out box ‘Making Responsible Decisions'

Blooms: Understand
Crane - Chapter 02 #99
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

100. As a new employee with medium-sized business in Toronto focusing on home outfitting, you analyze each of the different business areas: flooring, lighting, and furniture separately to understand the profit margins in each area. Which tool did you likely use?

A.
B.
C.
D.

Text term definition - business portfolio analysis

Blooms: Understand
Crane - Chapter 02 #100
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

101. Which measure below is used when conducting a business portfolio analysis?

A.
B.
C.
D.

The BCG's business portfolio analysis uses quantified performance measures and growth targets to analyze a firm's business units as though they were a collection of separate investments.

Blooms: Understand
Crane - Chapter 02 #101
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

102. In the Boston Consulting Group (BCG) model for analysis of a firm's strategic business units, or SBUs, the horizontal axis reflects the:

A.
B.
C.
D.

The horizontal axis is the relative market share, defined as the sales of the SBU divided by the sales of the largest firm in the industry.

Blooms: Remember
Crane - Chapter 02 #102
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

103. All of the following are strategies to pursue after an SBU has been identified, except:

A.
B.
C.
D.

See Figure 2-3.

Blooms: Understand
Crane - Chapter 02 #103

104. Gillette continues to manufacture Liquid Paper correction fluid for use with typewriters even though most of the world uses word processors. It is a small market that has little growth, but Liquid Paper has the largest market share, and Gillette invests no promotional monies in maintaining the declining product. Liquid Paper is an example of a:

A.
B.
C.
D.

Liquid Paper has a large market share in a low growth market.

Blooms: Apply
Crane - Chapter 02 #104
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

105. Solarcom is a 25-year-old information technology company that owns several subsidiaries. One of its subsidiaries is Atlantix Global Systems, which is one of the leading wholesalers for refurbished computer equipment, an industry that is growing worldwide. According to the BCG portfolio matrix, Atlantix Global would most likely be classified as a:

A.
B.
C.
D.

Atlantix Global Systems has a large share of a high-growth industry.

Blooms: Apply
Crane - Chapter 02 #105
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

106. Several years ago, Black & Decker purchased General Electric's small appliances product line. General Electric did not know what to do with the line. Black & Decker purchased the line because it needed the cash infusion from a product line that had a dominant market share. Since people replace small appliances infrequently and because many are handed down from parent to child, the industry is a slow-growth one. From this information and your knowledge about the BCG portfolio analysis, you should know this small appliance line would be classified as a:

A.
B.
C.
D.

Cash cows dominate a slow-growth market.

Blooms: Apply
Crane - Chapter 02 #106
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

107. In late 1993, the Honda Motor Company unveiled the Honda Passport, announcing their entrance into the sport-utility vehicle market. Competing automakers - General Motors, Ford, and Jeep had vehicles firmly entrenched in this highly competitive market. For years Honda experienced tremendous success with their Accords, Preludes, Civics and other passenger automobiles - in fact, Honda cars were repeatedly the top selling automobiles in the U.S. Where would the Honda Passport and the Honda Accords, Preludes, and Civics fall in the BCG product portfolio matrix?

A.
B.
C.
D.

The BCG matrix is based upon market growth rate and market share. The sport-utility market is a high growth market with substantial competition; GM, Ford, and Jeep products have a dominant share of this market. The Honda Passport, a new competitor in this high-growth market, has a low share of this market. The vehicle will require large injections of cash from other products in the Honda line to maintain or increase market share. The Honda Accord, Prelude, and Civic autos are well established in slower-growth markets and control a significant percentage of market share. Thus, these autos will be cash cows for Honda, and the revenues generated from the sale of these cars will be used to finance the cash-intensive marketing of the new Passport problem child in the BCG matrix.

Blooms: Apply
Crane - Chapter 02 #107
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

108. At an executive-level meeting, the Chief Marketing Officer (CMO) tells the Production Manager: "even if we double our marketing budget, there is no way it will sell! If we continue this way we will go bankrupt!" The CMO is likely referring to an SBU classified as a(n):

A.
B.
C.
D.

Dropping SBUs in the dog quadrant from a business portfolio is generally advocated except when relationships with other SBUs, competitive considerations, or potential strategic alliances exist. Also see Figure 2-3.

Blooms: Apply
Crane - Chapter 02 #108
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

109. The market for the fast car with so much horsepower that handling becomes an issue is decreasing. People are more interested in buying SUVs and pickups. As a result, General Motors is stopping production of its Camaro, a car that has had limited sales recently. Since the Camaro can no longer generate enough cash to sustain its manufacture, the BCG portfolio would classify it as a:

A.
B.
C.
D.

A dog has a low market share in a low-growth industry.

Blooms: Apply
Crane - Chapter 02 #109
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

110. The market for energy efficient cars is increasing, despite the price-tag often associated with these newer models. The GM Volt, an electric call, falls in this category. The car is considered to GM a:

A.
B.
C.
D.

A dog is an SBU with a low share of low-growth markets.

Blooms: Apply
Crane - Chapter 02 #110
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

111. In some cases Walmart can sell Blu-Ray movies to consumers for less than it costs a consumer to rent Blu-Rays from RedBox, a vending machine-based rental unit in many grocery stores. In response, RedBox now allows consumers to keep their Blu-Rays longer and is pushing the sales of Blu-Rays instead of just rentals. RedBox is looking at their:

A.
B.
C.
D.

Redbox competes directly against other Blu-Ray rental retailers, but at the same time, it competes with Wal-Mart, which can actually sell Blu-Rays nearly as cheaply as it costs to rent them from Redbox. This has changed Redbox's approach to Blu-Ray rentals, which now includes allowing consumers to keep the Blu-Rays longer and pushing the sales of Blu-Rays instead of rentals.

Blooms: Apply
Crane - Chapter 02 #111
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

112. One of the strengths inherent in the use of the BCG portfolio analysis is the fact that it:

A.
B.
C.
D.

It is often difficult to locate an SBU on the BCG matrix. One of the weaknesses of this analysis method is other factors that the portfolio analysis does not consider as organizational synergy. Actually a BCG portfolio analysis can be a demotivator to people who work in SBUs classified as dogs or problem children.

Blooms: Understand
Crane - Chapter 02 #112
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

113. One of the weaknesses inherent in the use of the BCG portfolio analysis is that it:

A.
B.
C.
D.

There are problems or weaknesses with the business portfolio analysis approach including the fact that it is often difficult to get needed information on market growth and market share and generally difficult to include competitive information into the analysis. It can also be time consuming, and by the time decisions are made, market conditions have may changed.

Blooms: Understand
Crane - Chapter 02 #113
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

114. The market for mobile phones can change very rapidly, if RIM uses a BCG portfolio analysis for their new BlackBerry, one downfall of using this tool may be:

A.
B.
C.
D.

There are problems or weaknesses with the business portfolio analysis approach including the fact that it is often difficult to get needed information on market growth and market share and generally difficult to include competitive information into the analysis. It can also be time consuming, and by the time decisions are made, market conditions have may changed.

Blooms: Understand
Crane - Chapter 02 #114
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

115. When a firm decides to double their marketing budget for a product that sells consistently, they are using which strategy:

A.
B.
C.
D.

Market penetration is increasing the sales of present products in existing markets and market development is selling existing products in new markets. Neither of these requires new products. This is also shown in Figure 2-4.

Blooms: Apply
Crane - Chapter 02 #115
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

116. Kraft Foods decides to sell their Mac ‘N Cheese product to India, without changing the product formulation or design. Kraft is following which strategy?

A.
B.
C.
D.

Text term definition - market development

Blooms: Apply
Crane - Chapter 02 #116
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

117. Massachusetts-based BJ's Wholesale (third in sales among members-only retail chains) recently opened its first stores in Georgia in 2012. This is an example of:

A.
B.
C.
D.

Market development is the process of taking present products to new markets.

Blooms: Apply
Crane - Chapter 02 #117
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

118. When Gulfstream Aerospace Corp. (GAC) sold 3 Gulfstream V business jet aircraft to the Israeli Ministry of Defense for use as Special Electronic Mission Aircraft, the first sale to a Middle Eastern country, GAC followed which strategy?

A.
B.
C.
D.

Market development is the process of taking present products to new markets.

Blooms: Apply
Crane - Chapter 02 #118
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

119. Assume McDonald's is engaging in a market development strategy. Which of the following actions best illustrates a market development strategy?

A.
B.
C.
D.

Opening a McDonald's is taking the present product (menu and restaurant) to a new market, a market development strategy.

Blooms: Apply
Crane - Chapter 02 #119
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

120. Yorkdale Mall hopes to increase traffic in the shopping center by offering free lunches to children in mall restaurants on Tuesdays. This promotion is directed to families who currently do not shop at the mall. This is an example of the implementation of a _____ strategy.

A.
B.
C.
D.

Market development is the act of selling a company's product to new customers.

Blooms: Apply
Crane - Chapter 02 #120
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

121. The World Wrestling Federation (WWF) manages professional wrestling matches. In addition, the WWF owns and operates a successful club in NYC; it is partnered with Microsoft to manufacture Xbox video game consoles; it produced its own reality-based television show; and it has licensed and marketed a number of WWF-related toys and collectibles. All of these efforts have been targeted to fans of professional wrestling. From this description, you could say that the WWF has adopted a _____ strategy.

A.
B.
C.
D.

Product development is a market-product strategy of developing new products to sell to existing markets.

Blooms: Apply
Crane - Chapter 02 #121
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

122. Which of the following actions would best illustrate a diversification strategy for McDonald's (the fast food restaurant)?

A.
B.
C.
D.

The McDonald's toys sold through Toys R Us stores mainly involved selling new products (toys) to new (toy) customers, a diversification strategy. Even though many of these people may have eaten at a McDonald's restaurant, the company leaves the restaurant business and goes into the toy marketing business, which is a new business for McDonald's.

Blooms: Apply
Crane - Chapter 02 #122
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

123. Nike offers a new version of a running shoe to an established shoe market; this product strategy is known as:

A.
B.
C.
D.

Text term definition - product development

Blooms: Understand
Crane - Chapter 02 #123
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

124. Matsura Industries distributes candy and coffee through its vending machines in Tokyo. The addition of sandwich vending machines to the same market is an example of a _____ strategy.

A.
B.
C.
D.

Product development is a market-product strategy that sells a new product to existing markets.

Blooms: Understand
Crane - Chapter 02 #124
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

125. In its inception, Transportation Safety Technologies, Inc. produced and sold safety devices to make the trucking industry safer especially on long hauls across North America. It soon realized that transporting goods across U.S. borders by truck was expensive and time-consuming for the truckers. Dozens of government agency approvals and costly downtime hamper the process. Transportation Safety Technologies, Inc., has recently begun providing its trucking companies with International Trade Data Systems (ITDS). This system stores information about each shipment in a centralized database, which can be accessed at border checkpoints and eliminate the need for costly manual inspections. This is an example of the implementation of a _____ strategy.

A.
B.
C.
D.

Product development is a market-product strategy that sells a new product to existing markets.

Blooms: Apply
Crane - Chapter 02 #125
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

126. Which of the following actions best illustrates a product development strategy for McDonald's?

A.
B.
C.
D.

The deli sandwiches (a new product) involve a new product for present restaurant customers, a product development strategy. (A secondary, minor effect might be to attract new customers.)

Blooms: Apply
Crane - Chapter 02 #126
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

127. Starbucks created a corporate strategy that said: For every town in North America that has a population of 50,000, we will have at least two Starbucks stores. This is an example of which strategy?

A.
B.
C.
D.

Text term definition - market penetration

Blooms: Apply
Crane - Chapter 02 #127
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

128. Assume McDonald's is engaging in a market penetration strategy. Which of the following actions best illustrates a market penetration strategy?

A.
B.
C.
D.

The Monopoly promotion involves selling more of McDonald's existing menu to its present customers by encouraging more visits to the restaurant, a market penetration strategy. If you played the game in 2001, you may also remember a customer got additional game pieces on larger drink and French fries containers.

Blooms: Apply
Crane - Chapter 02 #128
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

129. For several years, advertisements for Arm & Hammer baking soda have prompted consumers to place an opened box of the product in the refrigerator to lessen food odour and to replace that box monthly. The same ads advise customers to pour the used box down their kitchen sinks to freshen drains. Arm & Hammer employed a _____ strategy in its attempt to sell more baking soda.

A.
B.
C.
D.

Arm & Hammer is attempting to sell more of their present product in current markets. The company is not creating new products nor are they seeking new markets for their product. They are attempting to create new uses for their product within existing markets.

Blooms: Apply
Crane - Chapter 02 #129
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

130. Loyal consumers have found numerous uses for WD-40 lubricating spray beyond what its manufacturer intended. A few years ago, its manufacturer ran a contest asking people to send in ways that they used the product. For example, some respondents said they were using the product as an insect killing spray (and some people really were. By capitalizing on the unforeseen ways its product gets used, the WD-40 manufacturer could implement a _____ strategy.

A.
B.
C.
D.

A market penetration strategy increases sales to existing market.

Blooms: Apply
Crane - Chapter 02 #130
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

131. NDCHealth Corp. is a U.S.-based company that provides pharmaceutical manufacturers with market research on prescription drug sales. It recently started distributing commonly-used prescription drugs in the United Kingdom. Since it was new to the wholesaling end of the pharmaceutical business, NDCHealth was implementing a _____ strategy.

A.
B.
C.
D.

Diversification involves developing new products and selling them in new markets.

Blooms: Apply
Crane - Chapter 02 #131
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

132. Zippo, which traditionally manufactures lighters, is considering offering motorcycle helmets. This is an example of which strategy"?

A.
B.
C.
D.

Text term definition - diversification

Blooms: Apply
Crane - Chapter 02 #132
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

133. Visiting Rollerblade's website shows that the company recently launched a new extendible children's skate. This is an example of which market-product strategy for Rollerblade?

A.
B.
C.
D.

Text term definition - product development

Blooms: Apply
Crane - Chapter 02 #133
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

134. If McDonald's Canada decided to diversify its business offerings into a new area like financial services, their marketing strategy would be:

A.
B.
C.
D.

Unrelated diversification means the new products and new markets have nothing in common with existing operations. In this case, McDonald's Canada might diversify into completely new business areas such as financial services.

Blooms: Apply
Crane - Chapter 02 #134
Difficulty: Easy
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

135. If McDonald's Canada decided to diversify its business offerings by buying out and operating a company like Red Lobster, their marketing strategy would be.

A.
B.
C.
D.

Related diversification occurs when new products and new markets have something in common with the firm's existing operations. For example, McDonald's Canada could buy out and operate Red Lobster restaurants.

Blooms: Understand
Crane - Chapter 02 #135
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

136. Coca-Cola introducing a new line of chai tea is an example of which market-product strategy?

A.
B.
C.
D.

Text term definition - product development

Blooms: Remember
Crane - Chapter 02 #136
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

137. Every morning, the Marketing Manager for Whirlpool looks at an Excel spreadsheet that visually shows the sales of the previous day, categorized by retail outlet and advertising spend. This Manager is likely using which tool:

A.
B.
C.
D.

Text term definition - marketing dashboard

Blooms: Apply
Crane - Chapter 02 #137
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

138. The Marketing Manager at Whirlpool assesses the difference in sales of two retail outlets based on the advertising spend by each outlet. This item the Manager is assessing is known as a(n):

A.
B.
C.
D.

Text term definition - marketing metric

Blooms: Apply
Crane - Chapter 02 #138
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

139. An approach whereby an organization allocates its marketing mix resources to reach its target markets is known as:

A.
B.
C.
D.

Key term definition - strategic marketing process

Blooms: Remember
Crane - Chapter 02 #139
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

140. The key steps of planning, implementation, and control are part of what is called:

A.
B.
C.
D.

Key term definition - strategic marketing process

Blooms: Remember
Crane - Chapter 02 #140
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

141. The Marketing Manager at Pepsi describes to a new employee that her first major task is to develop a road map for Pepsi One. The new employee is confused, until he realizes that the Manager is referring to a(n) ______ for Pepsi One.

A.
B.
C.
D.

The strategic marketing process is so central to the activities of most organizations that they formalize it as a marketing plan, which is a road map for the marketing activities of an organization for a specified future period of time, such as one year or five years.

Blooms: Understand
Crane - Chapter 02 #141
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

142. What are the three steps involved in the PLANNING phase of the strategic marketing process?

A.
B.
C.
D.

"Planning; implementation; and control" describes the strategic marketing process; the question is only about one phase of that process. "Set market and product goals; select target markets; find points of difference; and position the product" describes the activities involved in second part of the market-product and goal setting portion (Step 2) of the planning phase. "Identify where we have been; where we are headed; and where we are now" lists are the questions to resolve during the situation (SWOT) analysis portion (Step 1) of the planning phase.

Blooms: Understand
Crane - Chapter 02 #142
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

143. When Samsung considers launching a new smartphone, the first step the marketing department engages in is:

A.
B.
C.
D.

Although marketing consultants often want to establish the budget first, and many people think it is fun to do advertising, the planning for a strategic marketing program should always begin with the situation analysis.

Blooms: Apply
Crane - Chapter 02 #143
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

144. Taking stock of where an organization has been recently, where it is now, and where it is headed in light of the organization's plans and the external factors and trends affecting it is called the:

A.
B.
C.
D.

Key term definition - situation analysis

Blooms: Remember
Crane - Chapter 02 #144
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

145. The components of strengths and weaknesses are often considered as which part of the situational analysis:

A.
B.
C.
D.

Key term definition - SWOT analysis

Blooms: Understand
Crane - Chapter 02 #145
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

146. Myers Apple Farm discovers the trend that consumers are more focused about buying locally produced and heirloom varieties of apples. Which aspect of the situational analysis is this considered:

A.
B.
C.
D.

Key term definition - SWOT analysis

Blooms: Apply
Crane - Chapter 02 #146
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

147. In the 1980s, poor quality and Japanese imports drove the Harley-Davidson motorcycle company to brink of bankruptcy. The company's share of the U.S. super-heavy-weight market - motorcycles with engine capacity of 850 cubic centimeters or more - collapsed from more than 40 percent in the mid-1970s to 23 percent in 1983. However, by 1989, Harley-Davidson controlled some 65 percent of the U.S. market; and both in the U.S. and overseas markets, the company won't be able to meet demand for years. From a marketing perspective, what was the likely first step in Harley-Davidson's resurgence?

A.
B.
C.
D.

Prior to making changes in either product or marketing strategy, the firm would have needed to ascertain its internal strengths and weaknesses and its external threats and opportunities. Such an analysis would show that the Harley-Davidson motorcycle company had problems in product quality, performance, and marketing strategies. Its primary strength was brand loyalty and brand recognition. Opportunities existed for Harley-Davidson in both domestic and foreign markets. A major threat came from imported motorcycles.

Blooms: Apply
Crane - Chapter 02 #147
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

148. A television production company was looking for an idea for a new show and approached Emeril Lagasse, a charismatic chef that frequently appears on the Food Channel. It was decided the production company would build a show based around Lagasse's life. While the casting of the popular Lagasse insured people would watch the first couple shows, poor scripts led to the cancellation of the show. In terms of the SWOT analysis, the casting of Lagasse was a ______, and the poor scripts were a ______.

A.
B.
C.
D.

A weakness is an internal negative influence on an organization, such as poor scripts. A strength would be an internal positive influence casting of Lagasse. Lagasse's popularity before he became part of the project could have been viewed as an opportunity.

Blooms: Apply
Crane - Chapter 02 #148
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

149. In the early months of 2002, strikes throughout Nigeria almost led to the country's financial ruin. For a company trying to do business in Nigeria during those months, the strikes would be an example of a(n):

A.
B.
C.
D.

A threat is an external negative influence on organizations.

Blooms: Apply
Crane - Chapter 02 #149
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

150. The terrorists' attack on the World Trade Center and the Pentagon led to many changes in the way people conducted their everyday lives. One outgrowth of this attack was a need to reconnect with old friends through the sending of greeting cards. American Greetings announced a significant increase in sales that it directly relates to events on September 11. For American Greetings the terrorists' attacks was an example of a(n):

A.
B.
C.
D.

Keyword: SWOT (Opportunity)

Blooms: Apply
Crane - Chapter 02 #150
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

151. Situation analysis requires a firm to consider both internal and external factors. Which of the following is NOT an example of an external factor?

A.
B.
C.
D.

Departmental objectives as well as departmental resources and organizational strengths are examples of internal factors. The other choices are external factors.

Blooms: Understand
Crane - Chapter 02 #151
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

152. The goal of a SWOT analysis is to:

A.
B.
C.
D.

SWOT analysis refers to a simple, effective technique to appraise problems and opportunities as a first step toward developing marketing objectives and goals.

Blooms: Understand
Crane - Chapter 02 #152
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

153. A June 1998 Congressional initiative mandated that the U.S. Department of Transportation (USDOT) establish a national traffic information collection system. The marketing manager of a company that provided traffic reports for local radio stations would most likely incorporate which aspect of this knowledge into its SWOT analysis as:

A.
B.
C.
D.

A working relationship with the USDOT would be an internal force that would positively impact the company. If the information were provided directly to the radio stations so that the stations will no longer need to pay for the information, it would be a threat. It would be a weakness if there were no employees capable of using the equipment that could be overcome fairly easily. The creation of a network of companies like the local one would be an external positive influence and would therefore be an opportunity.

Blooms: Apply
Crane - Chapter 02 #153
Difficulty: Difficult
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

154. 154.When deciding how the products Pepsi One will differ from Diet Pepsi, Pepsi must develop an effective:

A.
B.
C.
D.

This is Step 2 in the strategic marketing process.

Blooms: Apply
Crane - Chapter 02 #154
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

155. Ford Motor Company of Canada lumps together prospective buyers that share common needs for purchasing a new vehicle. What is Ford engaged in:

A.
B.
C.
D.

Key term definition - market segmentation

Blooms: Apply
Crane - Chapter 02 #155
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

156. Categorizing a group of consumers for soda on the basis of whether they wanted sugar-free and caffeine-free, caffeine-free but with sugar, or regular with sugar and caffeine is an example of:

A.
B.
C.
D.

Market segmentation is the terms for aggregating prospective buyers into groups that have common needs and will respond similarly to a marketing action.

Blooms: Apply
Crane - Chapter 02 #156
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

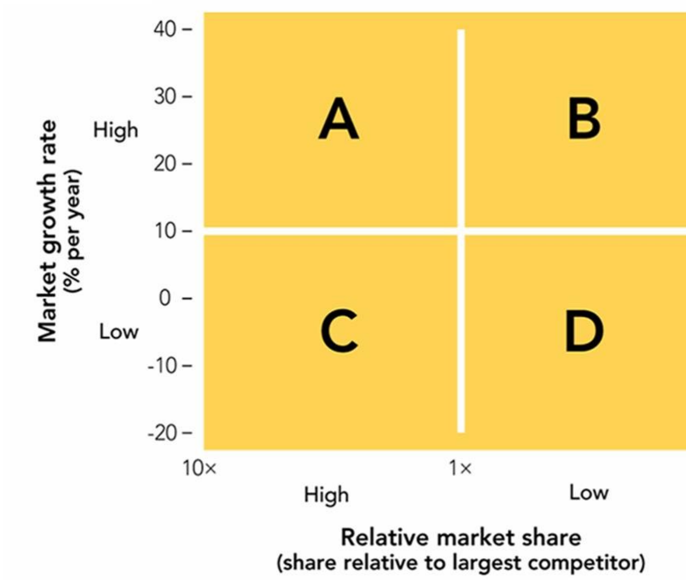
157. A toothbrush manufacturer sells several lines of toothbrushes. One line is for small children, one line is for people with gum problems, and one is for people who wear dentures. This product differentiation is the result of:

A.
B.
C.
D.

Market segmentation involves aggregating prospective buyers into groups that have common needs and will respond similarly to a marketing action.

Blooms: Apply
Crane - Chapter 02 #157
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

Figure 2-4



Crane - Chapter 02

158. SBUs found in quadrant "A" (Figure 2-4) would be called

A.
B.
C.
D.

SBUs with high growth rate and high relative market share are called stars.

Blooms: Apply
Crane - Chapter 02 #158
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

159. SBUs found in quadrant "B" (Figure 2-4) would be called

A.
B.
C.
D.

SBUs with high growth rate and low relative market share are called question marks.

Blooms: Apply

Crane - Chapter 02 #159
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

160. SBUs found in quadrant "C" (Figure 2-4) would be called

A.
B.
C.
D.

SBUs with low growth rate and high relative market share are called cash cows.

Blooms: Apply
Crane - Chapter 02 #160
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

161. SBUs found in quadrant "D" (Figure 2-4) would be called

A.
B.
C.
D.

SBUs with low growth rate and low relative market share are called dogs.

Blooms: Apply
Crane - Chapter 02 #161
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

162. Goal setting as used in the text requires that the marketing manager set measurable _____ to be achieved.

A.
B.
C.
D.

Goal setting here involves setting measurable marketing objectives to be achieved possibly for a specific market, a specific product or brand, or an entire marketing program.

Blooms: Remember
Crane - Chapter 02 #162
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

163. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's manufacturer is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. This is an example of:

A.
B.
C.
D.

Points of difference are those characteristics of a product that make it superior to competitive substitutes this case, the ability to capture a smell with which there is an emotional tie.

Blooms: Apply
Crane - Chapter 02 #163
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

164. Having a high-definition (HD) screen on a computer tablet, when all competitive substitutes do not, is considered a:

A.
B.
C.
D.

Key term definition - points of difference

Blooms: Apply
Crane - Chapter 02 #164
Difficulty: Easy
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

165. At which step of the planning stage of the strategic marketing process does a firm develop the program's marketing mix?

A.
B.
C.
D.

The marketing program represents the "how" part of the strategic marketing process. At this point, an organization develops both its marketing mix and budget.

Blooms: Understand
Crane - Chapter 02 #165
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

166. All of the following are critical components of a cohesive marketing program, except:

A.
B.
C.
D.

A cohesive marketing program is composed of all of the 4 Ps, also known as "the marketing mix."

Blooms: Understand
Crane - Chapter 02 #166
Difficulty: Easy

167. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. What element of the marketing program is being considered when the company's owner decided initially to market the perfumes in a limited number of very exclusive specialty department stores?

A.
B.
C.
D.

Where to sell the product would be decided with place strategy.

Blooms: Apply
Crane - Chapter 02 #167
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

168. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. Which element of the marketing program is being considered when the company's owner decides to add scents that evoke colors?

A.
B.
C.
D.

The product strategy deals with features consumers might desire.

Blooms: Apply
Crane - Chapter 02 #168
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

169. There are many perfumes on the market, but only one that breaks down fragrances into elements so people can wear the particular scents with which they have emotional ties. The perfume's name is Demeter, and it makes over 150 different fragrances with names like Dirt, Lobster, Dandelion, Sugar Cookie, Brownie, Woodsmoke, Leather, and Turpentine. According to people who use Demeter perfume, its memorable scents would be what makes it superior to other perfumes. Which elements of the marketing program were being considered when the company's owner decided initially to market the perfume in 1-ounce coloured glass bottles that would not always be sold at list price?

A.
B.
C.
D.

All packaging issues relate to product strategy. The decision to sell at list price or not is a part of the pricing strategy.

Blooms: Apply
Crane - Chapter 02 #169
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

170. Sheila Murray, brand director at Starbucks, had to determine how much to spend and then obtain funding to run a new national radio and print ad campaign. When it comes to implementing her plan, what component is Sheila paying attention to?

A.
B.
C.
D.

The four components of the implementation phase are: (1) obtaining resources, (2) designing the marketing organization, (3) developing schedules, and (4) actually executing the marketing program designed in the planning phase. Sheila Murray, brand and category director at Starbucks, had to determine how much to spend and then obtain funding from the company to run a new national radio and print ad Because she had to find funds, this fits into the obtaining resources component of the implementation phase.

Blooms: Understand
Crane - Chapter 02 #170
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

171. Two major elements of the implementation phase of the strategic marketing process are:

A.
B.
C.
D.

The two key elements in the implementation phase are executing the program described in the marketing plan, and designing the marketing organization needed, as George Fisher did at Kodak.

Blooms: Understand
Crane - Chapter 02 #171
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

172. When BellSouth made plans to increase its presence in the lucrative Latin American market, some of its employees decided BellSouth needed to acquire the rest of Telefonia Cellular de Nicaragua, one of its subsidiaries in Latin America. To do so, they paid a substantial sum to the wife of a Nicaraguan legislator who was responsible for legal changes that were needed to allow Telefonia to become completely owned by BellSouth. This payment was in direct violation of U.S. law, and BellSouth had to pay a hefty fine and divest itself of its illegal acquisition. In which phase of the strategic marketing process did the BellSouth strategy fail?

A.
B.
C.
D.

The best-planned marketing strategy is virtually worthless if the plan cannot be successfully implemented and executed. Successful implementation includes careful planning and attention to specific tactics.

Blooms: Apply
Crane - Chapter 02 #172
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

173. Xbox video game consoles were developed through a joint venture between Microsoft and the WWF (World Wrestling Federation). Plans were made to rush the product to market to counter new Playstation and Nintendo consoles that were also being released about the same time. Complaints about the video game began immediately after its introduction. These complaints ranged from missing parts to incorrect programming.
In which phase of the strategic marketing process did the Xbox strategy fail?

A.
B.
C.
D.

The best-planned marketing strategy is virtually worthless if the plan cannot be successfully implemented and executed. Successful implementation includes careful planning and attention to specific tactics.

Blooms: Apply
Crane - Chapter 02 #173
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

174. A marketing strategy is the means by which a marketing goal is to be achieved. Two factors that usually characterizing a marketing strategy are:

A.
B.
C.
D.

Strategy implies both the end sought (target market), and the means to achieve it (marketing program), such as pricing or promotional strategy.

Blooms: Understand
Crane - Chapter 02 #174
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

175. Which of the following statements reflects both of the key elements in developing a marketing strategy for L. M. Schofield, Inc., a company that produces specialized concrete surfaces for heavily trafficked areas such as retail outlets and amusement parks?

A.
B.
C.
D.

"Communicate using direct mail about the various walking surfaces Schofield can create for contractors who are building riding and walking paths" is the only answer that both identifies a target market (contractors building riding and walking paths) and describes the program to reach it (direct mail to communicate the variety of surfaces). All the other answers are examples of marketing tactics only.

Blooms: Apply
Crane - Chapter 02 #175
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

176. Apple's marketing department has specified a target market for the iPhone 5C, the subsequent actions undertaken to realize their goal of strong sales in this market is known as:

A.
B.
C.
D.

Key term definition - marketing strategy

Blooms: Apply
Crane - Chapter 02 #176
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

177. Pizza-Pizza updates their Twitter and Facebook daily, highlighting local specials and interesting tid-bits about their products, these daily actions are known as marketing:

A.
B.
C.
D.

Key term definition - marketing tactics

Blooms: Apply
Crane - Chapter 02 #177
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

178. David and Cecilia Stanford, owners of Prairie Herb vinegars, decided to offer the product in 5-ounce and 13-ounce sizes as well as in a 16-ounce European glass bottle. They decided to sell the vinegar only through the mail and to price the smaller bottles at $4.45 and the largest bottles at $13.25. They were determining its:

A.
B.
C.
D.

Marketing tactics are operational decisions essential to the success of a marketing strategy.

Blooms: Apply
Crane - Chapter 02 #178
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

179. At a recent executive meeting, the marketing manager said: "starting tomorrow, we will Tweet five times a day!" This decision is an example of a(n):

A.
B.
C.
D.

Marketing tactics are detailed day-to-day operational decisions essential to the overall success of marketing strategies. Actions must be taken as conditions change and special situations occur. They may or may not have been previously implemented.

Blooms: Understand
Crane - Chapter 02 #179
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

180. Six months into a new marketing program, the Manager assesses the current metrics of the plan to the original forecasted results. When she realizes that sales are not on target and the plan must be adjusted, she is:

A.
B.
C.
D.

The control phase of the strategic marketing process seeks to keep the marketing program moving in the direction set for it. Accomplishing this requires the marketing manager to (1) compare the results of the marketing program with the goals in the written plans to identify deviations and (2) act on these deviations correcting negative deviations and exploiting positive ones.

Blooms: Apply
Crane - Chapter 02 #180
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

181. McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to have a presence in over 100 countries, even if they are not profitable, their growth strategy is:

A.
B.
C.
D.

It also grows by constantly launching new products to meet the changing needs of its' customers. The company also continues to develop new markets (market development) with a presence in over 100 countries.

Blooms: Understand
Crane - Chapter 02 #181
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

182. McCain is the largest French Fries provider to the food service and institutional market segment. When McCain decides to branch out from the frozen foods category into the ready-to-serve beverage market, their growth strategy is:

A.
B.
C.
D.

Finally, McCain also uses a diversification strategy, branching out from the frozen foods category into the ready-to-serve beverage market.

Blooms: Apply
Crane - Chapter 02 #182
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

183. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. What phase of the Strategic Marketing Process is Mars at?

A.
B.
C.
D.

Mars bar is in the implementation phase when it is executing the marketing program. In this case Mars is promoting the bars as "45% less fat" which is part of the four marketing mix variables.

Blooms: Apply
Crane - Chapter 02 #183
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

184. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is ____________ in the implementation phase of the strategic marketing process.

A.
B.
C.
D.

Mars bar is in the implementation phase when it is executing the marketing program. In this case Mars is promoting the bars as "45% less fat" which is part of the four marketing mix variables.

Blooms: Understand
Crane - Chapter 02 #184
Difficulty: Easy
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

185. Mars Incorporated targets health-conscious females by advertising its 3 MUSKETEERS→ Bar which has "45 percent less fat than average of the leading chocolate brands." It uses clever television ads to promote this product benefit and is achieving good sales results using this strategy. Mars is ____________ in the second stage of the strategic marketing process.

A.
B.
C.
D.

The implementation phase is the second stage of the strategic marketing process. Mars bar is in the implementation phase when it is executing the marketing program. In this case Mars is promoting the bars as "45% less fat" which is part of the four marketing mix variables

Blooms: Apply
Crane - Chapter 02 #185
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

186. Describe the composition of the three levels within organizations.
The three levels are:

Answers will vary

Feedback: (1) corporate level where the top management directs overall strategy for the entire organization
(2) business unit (business units refers to the subsets of the organization that market a set of products to a clearly defined segment) level where business unit managers set the direction for their products and markets to exploit value-creating opportunities
(3) functional level where groups of specialists actually create value for the organization. (The term department is generally used to refer to those functional areas.)

Blooms: Remember
Crane - Chapter 02 #186
Difficulty: Medium

Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

187. There is a General Motors plant in Spring Hill, Tennessee, that is devoted solely to the production of Saturn cars. At which level is this plant operating? Explain your answer.

Answers will vary

Feedback: The Saturn plant operates as a business unit of General Motors. It is an organization that markets a set of related products (in this case various Saturn models) to a clearly defined group of customers (people who want to own Saturn cars).

Blooms: Apply
Crane - Chapter 02 #187
Difficulty: Easy
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

188. What is the source of cross-functional conflict and how can it be overcome?

Answers will vary

Feedback: Cross-functional conflict can arise because of marketing's drive to implement the marketing concept and increase customer value. Other departments may see this as making their jobs more difficult. It is marketing's job to make these departments understand that without satisfied customers who buy the organization's products, there is no company.

Blooms: Understand
Crane - Chapter 02 #188
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

189. What is a corporate mission? How can it be used as a motivational tool?

Answers will vary

Feedback: A corporate mission is a statement of the organization's scope, often identifying its customers, markets, products, technology, and values. It is often used interchangeably with vision. A well-crafted mission statement can have an inspirational theme that ignites the loyalty of the employees and makes them willing to work harder to see that the company achieves its mission.

Blooms: Remember
Crane - Chapter 02 #189
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

190. List potential stakeholders for the college or university that you attend.

Answers will vary

Feedback: Students' answers will vary, but each answer should recognize that there are both external and internal stakeholders for each organization. Their lists could include students, deans, instructors, the community in which the institution is located, boards or governments that regulate campus activities, guest speakers, and graduates.

Blooms: Apply
Crane - Chapter 02 #190
Difficulty: Easy
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

191. Name and briefly describe the seven types of corporate goals set in advance of work?
The seven types of corporate goals set in advance of work are:

Answers will vary

Feedback: (1) Profit. Economic theory assumes a firm seeks to maximize long-run profit.
(2) Sales Revenue. A firm may elect to maintain or increase its sales level, even though profitability may not be maximized.
(3) Market Share. A firm may choose to maintain or increase its market share-sometimes at the expense of greater profits.
(4) Unit Sales. The effects of inflation may cause a firm to focus on the number of units it sells.
(5) Quality. A firm may emphasize the need to maintain or improve the quality of its products and services, especially if quality has been poor in the past.
(6) Employee welfare. A firm may recognize the critical importance of its employees by having an explicit goal stating its commitment to good employment opportunities and working conditions.
(7) Social responsibility. A firm may seek to balance conflicting goals of consumers, employees, and stockholders to promote overall welfare of all these groups.

Blooms: Remember
Crane - Chapter 02 #191
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

192. What are the three levels of strategy in organizations? Describe each.

Answers will vary

Feedback: See Figure 2-1 on page 27.

Blooms: Remember
Crane - Chapter 02 #192
Difficulty: Medium
Learning Objective: 02-01 Describe two kinds of organizations that exist and the three levels of strategy in them.

193. One of the most recognized approaches to business portfolio analysis is the Boston Consulting Group's growth-share matrix. By dividing each dimension into high and low categories, the matrix contains four cells. Briefly describe the four quadrants of the matrix.

BCG has given specific names and descriptions to the four quadrants in its growth-share matrix. They are as follows:

Answers will vary

Feedback: (1) Cash Cows - (lower left quadrant) have a dominant share of a slow growth market; they typically generate large amounts of cash to invest in other SBUs.
(2) Stars - (upper left quadrant) have a high share of high-growth markets; they may not generate enough cash to support their own needs to support future growth.
(3) Question Marks or Problem Children - (upper right quadrant) are SBUs with a low share of high growth markets; they require large amounts of money just to maintain their market share.
(4) Dogs - (lower right quadrant) have a low share of low-growth markets; although they may generate enough cash to sustain themselves, they hold little promise of becoming winners for the firm.

Blooms: Understand
Crane - Chapter 02 #193
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

194. The Boston Consulting Group's business portfolio analysis model can be used to guide a firm as it tries to change its relative market share (the factor on the horizontal axis). What conscious decisions can management make on the role each SBU should have in the future and how money should be budgeted for its operations?

Answers will vary

Feedback: The firm can invest more in the SBU in order to build its share, it can invest just enough to hold the SBU's share at about its current level, it can harvest the SBU trying to milk its short-term cash flow, even though it may lose share and become a dog in the longer run, or the firm can divest the SBU by phasing it out or actually selling it to gain cash to invest in the remaining SBUs.

Blooms: Understand
Crane - Chapter 02 #194
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

195. Identify and describe the four market-product strategies an organization uses to identify alternative market opportunities.
The four market-product strategies an organization uses to identify alternative market opportunities are:

Answers will vary

Feedback: (1) market penetration, which involves selling more of an existing product to existing market segments
(2) product development, which involves developing a new product for existing market segments
(3) market development, which involves selling an existing product to new market segments
(4) diversification, which involves selling a new product to new market segments

Blooms: Understand
Crane - Chapter 02 #195
Difficulty: Medium
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

196. Identify the three phases of the strategic marketing process and briefly describe what happens during each phase.

The three phases of the strategic marketing process are the Planning Phase, the Implementation Phase, and the Control Phase.

Answers will vary

Feedback: (1) Planning Phase includes

(a) situation (SWOT) analysis to identify industry trends, analyze competitors, assess own company, and research customer
(b) market-product focus and goal setting, which involves setting market and product goals, selecting target markets, finding points of difference, and positioning the product
(c) marketing program development, which involves developing the program's marketing mix, and developing the budget by estimating revenues, expenses, and profits.
(2) Implementation Phase involves
(a) obtaining resources
(b) designing the marketing organization
(c) developing schedules
(d) executing the marketing program.
(3) Control Phase involves
(a) comparing the results of the marketing program plans to the results achieved to identify deviations
(b) acting to correct negative deviations, and exploit positive ones

Blooms: Understand
Crane - Chapter 02 #196
Difficulty: Difficult
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

197. Identify and describe the four critical factors in a SWOT analysis that help an organization identify the critical strategy-related factors that could have major effects on it.

The four critical factors in a SWOT analysis are:

Answers will vary

Feedback: (1) internal strengths, such as the quality, brand name prominence, and technical leadership of its products
(2) internal weaknesses, such as unfocused mission, poor responsiveness to customer needs, and revenues derived from slow-growth businesses
(3) external opportunities, such as growing international markets, and cooperative joint ventures
(4) external threats, such as increasing local or foreign competition resulting in declining market share, lower production costs from foreign manufacturers, and adverse governmental regulations

Blooms: Remember
Crane - Chapter 02 #197
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

198. What are the marketing mix elements that compose a cohesive marketing program?

Answers will vary

Feedback: Figure 2-7 illustrates the principal components under each of the four Ps. Product features, brand name, packaging, service, warranty. Price list price, discounts, allowances, credit terms, payment period. Promotion advertising, personal selling, sales promotion, publicity. Place outlets, channels, coverage, transportation, and stock level. The instructor should probably not expect students to recall every item, but can set a reasonable number of items correctly identified, according to his or her expectations.

Blooms: Remember
Crane - Chapter 02 #198
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

199. A campus service organization annually raises money through the sale of t-shirts. What are the major components of the marketing program it should use? Give one example of each.

Answers will vary

Feedback: A marketing program should include product, price, promotion, and place strategies. Students' examples will vary. The product strategy would include packaging and design of shirts. Promotion strategy would encompass how the group plans to communicate information about the sale to other students. Price strategy would include list price and any quantity discounts. Place strategy would include how the shirts will arrive at the point of sale and selection of the point of sale.

Blooms: Apply
Crane - Chapter 02 #199
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

200. What are the four components of the implementation phase of the strategic marketing process?
The four components of the implementation phase of the strategic marketing process are:

Answers will vary

Feedback:
(1) obtaining resources
(2) designing the marketing organization
(3) developing schedules
(4) actually executing the marketing program designed in the planning phase

Blooms: Understand
Crane - Chapter 02 #200
Difficulty: Difficult
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

201. What are the basic differences between marketing strategies and marketing tactics?

Answers will vary

Feedback: A marketing strategy is the means by which a marketing goal is to be achieved, usually characterized by
(1) a specified target market
(2) a marketing program to reach it; it implies both the end sought (target market) and the means to achieve it (marketing program).
Marketing tactics, on the other hand, are detailed day-to-day operational decisions essential to the overall success of marketing strategies, such as writing advertising copy or selecting the amount for temporary price reductions. Compared with marketing strategies, marketing tactics generally involve actions that must be taken right away.

Blooms: Understand
Crane - Chapter 02 #201
Difficulty: Medium
Learning Objective: 02-05 Explain the three steps of the planning phase of the strategic marketing process.

202. What is the purpose of the control phase of the strategic marketing process? How is control accomplished?

Answers will vary

Feedback: The control phase of the strategic marketing process seeks to keep the marketing program moving in the direction it is set for. Accomplishing this requires the marketing manager to compare the results of the marketing program with goals in the written plans to identify deviations and to act on these deviations - correcting negative deviations and exploiting positive ones.

Blooms: Understand
Crane - Chapter 02 #202
Difficulty: Difficult
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

203. A SWOT analysis can be useful in helping Ben & Jerry's identify new ice cream flavours and social responsibility programs that will contribute to its mission. What elements might *their* SWOT analysis contain?

Answers will vary

Feedback: See Figure 2-6, page 44. Student answers will likely vary.

Blooms: Understand
Crane - Chapter 02 #203
Difficulty: Medium
Learning Objective: 02-04 Explain why managers use marketing dashboards and marketing metrics.

204. Many traditional educational institutions are facing budgetary constraints. Using the four market-product strategies as a framework for your answer, how might these institutions profitably expand in the new economy?

Answers will vary

Feedback: See Figure 2-4, page 38. Student answers will likely vary.

Blooms: Understand
Crane - Chapter 02 #204
Difficulty: Difficult
Learning Objective: 02-03 Discuss how an organization assesses where it is now and where it seeks to be.

205. Describe the advantages of integrating social media metrics, such as website traffic sources, click-through-rates, cost-per-click, page views, and page-view-flows, into a marketing dashboard?

Answers will vary

Feedback: Two major reasons, cited on page 40: (1) spot deviations from plans and (2) take corrective actions

Blooms: Understand
Crane - Chapter 02 #205
Difficulty: Medium
Learning Objective: 02-02 Describe how core values; mission; organizational culture; business; and goals are important in organizations.

Chapter 02 Developing Successful Marketing Strategies

Summary