

Marketing Management, 4e (Winer/Dhar)

Chapter 1 Marketing and the Job of the Marketing Manager

- 1) Identify the statement that supports ubiquitous marketing department concept.
- A) Marketing is performed by all departments and functions in an organization.
 - B) Marketing is what the people in the marketing department do.
 - C) Employees in an organization are collectively responsible for marketing efforts.
 - D) Marketing department should be integrated with service and sales.

Answer: B

Diff: 2 Page Ref: 4

- 2) Why is ubiquitous marketing concept considered to be dangerous?
- A) It has a negative impact on the performance of marketing department.
 - B) It would result in increased costs for the company.
 - C) It would reduce the importance of a distinct marketing department.
 - D) People from other departments may refrain from marketing efforts.

Answer: D

Diff: 1 Page Ref: 4

- 3) Marketing is involved and necessary when:
- A) the sellers have increased bargaining power.
 - B) the buyers have many choices.
 - C) there is no competition in the industry.
 - D) the market is monopolistic.

Answer: B

Diff: 1 Page Ref: 4

- 4) Marketing is pervasive in most developed economies due to:
- A) large disposable income.
 - B) increased competition.
 - C) increased consumer awareness.
 - D) intense economic activity.

Answer: B

Diff: 2 Page Ref: 5

- 5) Which of the following is a plausible marketing observation?
- A) Marketing managers must spend a considerable amount of time talking to customers.
 - B) New competitors' actions are easier to predict than existing competitors' actions.
 - C) Customers can always tell you what products they want and what features they need.
 - D) Unlike general societal trends, changes in customer tastes occur frequently.

Answer: A

Diff: 2 Page Ref: 5-6

6) The marketing concept philosophy emphasizes the need to have a:

- A) price advantage.
- B) unique product.
- C) sustainable strategy.
- D) customer focus.

Answer: D

Diff: 1 Page Ref: 6

7) Which of the following statements is not consistent with the marketing concept?

- A) The focus of a business is not profits but customers.
- B) A business should have competitor focus.
- C) Customer needs should be served at all costs.
- D) A business need not serve unprofitable customer segments.

Answer: C

Diff: 2 Page Ref: 7

8) A few customers cost more to serve than the revenues they generate. Identify the most appropriate way to handle these customers.

- A) Attempt to turn away the unprofitable customers.
- B) Provide services at a discounted rate to these customers.
- C) Avail preferential treatment to these customers.
- D) Design specific marketing messages for these customers.

Answer: A

Diff: 1 Page Ref: 7

9) A company that follows the marketing concept philosophy should:

- A) serve all customer needs at all costs.
- B) understand that the customer is always right.
- C) understand that there is no such thing as a bad customer.
- D) serve only profitable customers.

Answer: D

Diff: 1 Page Ref: 7

10) _____ driven approach is an aggressive, push-the-catalogue approach to marketing.

- A) Technology
- B) Sales
- C) Marketing
- D) Customer

Answer: B

Diff: 1 Page Ref: 8

11) Which of the following is the main focus of a sales driven organization?

- A) Creating and delivering customer value.
- B) Maximizing the profit generated.
- C) Increasing market share and volumes.
- D) Converting the marketing efforts to profits.

Answer: C

Diff: 2 Page Ref: 9

12) Which of the following is a disadvantage of sales driven approach?

- A) It is not suitable for services such as banking.
- B) It might not deliver long term value to customers.
- C) The company cannot make profits.
- D) It uses inexperienced sales personnel.

Answer: B

Diff: 1 Page Ref: 9

13) Which of the following statements supports the sales driven approach to the marketplace?

- A) Profit maximization is the ultimate motive of a business.
- B) A superior product can drive the sales in a company.
- C) Market capitalization is the ultimate motive of a business.
- D) Sales and profit maximization are dependent on customer value.

Answer: C

Diff: 3 Page Ref: 9

14) An organization spends heavy research and development and has a product focus. This organization is likely to have a _____ driven approach to the marketplace.

- A) sales
- B) marketing
- C) customer
- D) technology

Answer: D

Diff: 1 Page Ref: 9

15) A company can maximize sales by offering the best product. This statement supports the _____ driven approach.

- A) marketing
- B) sales
- C) technology
- D) customer

Answer: C

Diff: 1 Page Ref: 9

- 16) Which of the following statements supports technology driven approach to the marketplace?
- A) Products should be tested and proven before releasing them.
 - B) Providing technology to salespeople can help increase volumes.
 - C) Quality improvement in products can result in customer value.
 - D) Customer information systems can be used to increase sales.

Answer: C

Diff: 3 Page Ref: 9

- 17) Which of the following is a disadvantage of an over-engineered product?
- A) The quality of the product will be low.
 - B) It is less robust for its application.
 - C) It is associated with operational problems.
 - D) The product will have unwanted features.

Answer: D

Diff: 2 Page Ref: 10

- 18) Cross-tab Research Inc. is a research services company that offers market research services to companies worldwide. Which of the following types of companies would be great customers of Cross-tab?

- A) marketing driven
- B) sales driven
- C) technology driven
- D) customer driven

Answer: A

Diff: 3 Page Ref: 10

- 19) Which of the following approaches has the least amount risk associated with it when developing a new product?
- A) marketing driven
 - B) sales driven
 - C) technology driven
 - D) customer driven

Answer: A

Diff: 1 Page Ref: 10

- 20) Which of the following observations is true about the market driven approach to marketplace?

- A) This kind of organization embraces marketing to excess.
- B) This approach is adopted by high-risk taking companies.
- C) This approach is not suited for consumer goods manufacturers.
- D) This kind of organization can quickly respond to changes in the marketplace.

Answer: A

Diff: 2 Page Ref: 10-11

- 21) Which of the following is the disadvantage of marketing driven approach to the marketplace?
- A) This kind of organization is slow to respond to changes.
 - B) This approach is associated with high level of risk.
 - C) It is not suited for high-scale products such as consumer goods.
 - D) This approach does not consider customer opinion.

Answer: A

Diff: 2 Page Ref: 10-11

- 22) Identify a criticism that is often associated with marketing.
- A) It makes customers buy things that they do not really want.
 - B) It is not helpful in creating customer value.
 - C) It fully ignores customer needs and wants.
 - D) Marketing is often restricted to branding and communication.

Answer: A

Diff: 1 Page Ref: 11

- 23) Strategic and tactical decisions in a customer-oriented organization should be made:
- A) cross-functionally and cross-divisionally.
 - B) by the marketing department.
 - C) by the services department.
 - D) by the customer relations department.

Answer: A

Diff: 1 Page Ref: 12

- 24) Which of the following observations is true regarding a customer-oriented organization?
- A) Marketing in these organizations translate benefits into products and services.
 - B) These organizations create needs for customers.
 - C) These organizations spend more on R&D than marketing.
 - D) These organizations spend heavily on research till the product is finely honed.

Answer: A

Diff: 1 Page Ref: 12

- 25) According to the text, organizations can become customer-oriented by:
- A) distributing information on all important buying influences only among marketing department personnel and brand managers.
 - B) making strategic and tactical decisions interfunctionally and interdivisionally.
 - C) spending large sums of money in research and development.
 - D) introducing line extensions rather than creating new products.

Answer: B

Diff: 1 Page Ref: 12

26) Identify the question that is least significant in determining whether your organization is customer-oriented.

- A) Are you easy to do business with?
- B) Do you keep your promises?
- C) Do you use frequent advertisement?
- D) Do you meet the standards you set?

Answer: C

Diff: 2 Page Ref: 13

27) The traditional value chain adopts a _____ oriented approach.

- A) company
- B) customer
- C) service
- D) competitor

Answer: A

Diff: 1 Page Ref: 13

28) Which of the following is the key difference between traditional value chain and the new versions of the value chain?

- A) The value chain starts with the customer in the new perspective.
- B) Customer needs are ignored in traditional value chain.
- C) Traditional versions are not focused on core competencies and assets.
- D) Outbound marketing chain is used in the new perspective.

Answer: A

Diff: 1 Page Ref: 13

29) Which of the following is not a component of the traditional value chain?

- A) inbound marketing programs
- B) raw materials
- C) product/services
- D) assets/core competencies

Answer: A

Diff: 1 Page Ref: 13

30) What are the two dimensions of the four-quadrant model as presented by Gary Hamel and C.K. Prahalad?

- A) customer needs and customer types
- B) consumer demand and perceived value
- C) value provided and cost incurred
- D) brand value and actual sales

Answer: A

Diff: 1 Page Ref: 14

- 31) The danger associated with remaining customer-led is that:
- A) businesses may ignore unexploited opportunities.
 - B) customer benefits may not be considered always.
 - C) businesses might ignore core competencies when serving customers.
 - D) the marketing programs would turn out to be outbound.

Answer: A

Diff: 1 Page Ref: 14

- 32) Customers will not always be able to tell you what products they want and need because:
- A) customers are aware of only the problems that they have.
 - B) customers are not conscious about the cost of product development.
 - C) a marketer may not have direct contact with the customer.
 - D) the solutions suggested by customers will not be feasible.

Answer: A

Diff: 1 Page Ref: 16

- 33) A lowest level manager in product management structure is termed:
- A) product manager.
 - B) marketing manager.
 - C) product group manager.
 - D) planning manager.

Answer: A

Diff: 1 Page Ref: 17

- 34) Product-focused organizational structure is not suited for:
- A) business-to-business products.
 - B) retail products.
 - C) consumer durables.
 - D) internationally focused products.

Answer: A

Diff: 1 Page Ref: 18

- 35) Which of the following organizational structures will be suited for a company that sells business to business products?
- A) market-based structure
 - B) product-focused structure
 - C) classic brand structure
 - D) internationally focused structure

Answer: A

Diff: 1 Page Ref: 18

36) Which of the following is an example of internal change?

- A) change in customer preferences
- B) a new regulation
- C) price change of raw materials
- D) automation decision

Answer: D

Diff: 1 Page Ref: 19

37) Which of the following is an example of external change?

- A) an automation decision
- B) employee strike
- C) change in customer preferences
- D) change in employees' attitude

Answer: C

Diff: 2 Page Ref: 19

38) The marketing manager's internal interactions include all of the following except:

- A) sales.
- B) finance.
- C) suppliers.
- D) public relations.

Answer: C

Diff: 1 Page Ref: 19

39) Demographic changes should be monitored by marketing managers because:

- A) they may find growth opportunities.
- B) it might effect a regulatory change.
- C) it might impact raw materials' prices.
- D) it might help to reduce production costs

Answer: A

Diff: 1 Page Ref: 20

40) _____ is a written document containing the guidelines for the product's marketing programs and allocations over the planning period.

- A) Marketing plan
- B) Brochure
- C) Market outline
- D) Procedures Manual

Answer: A

Diff: 1 Page Ref: 21

41) Marketing plans should be written because:

- A) it provides a concrete history of the product's strategies.
- B) it is mandatory for a registered firm to have a written marketing plan.
- C) it considers the external environment alone to make decisions.
- D) written marketing plans can be distributed to all stakeholders.

Answer: A

Diff: 1 Page Ref: 21

42) Which of the following is highest in the hierarchy of planning?

- A) corporate strategic planning
- B) group or sector planning
- C) SBU planning
- D) annual marketing plan

Answer: A

Diff: 1 Page Ref: 21

43) Which of the following is lowest in the hierarchy of planning?

- A) annual marketing plan
- B) corporate strategic planning
- C) group or sector planning
- D) SBU planning

Answer: A

Diff: 1 Page Ref: 21

44) More general strategic planning occurs at:

- A) corporate and group planning.
- B) annual marketing planning.
- C) monthly planning.
- D) SBU planning.

Answer: A

Diff: 1 Page Ref: 21

45) Marketing plans are constructed at:

- A) corporate and group planning.
- B) SBU planning.
- C) annual marketing planning.
- D) monthly planning.

Answer: B

Diff: 1 Page Ref: 21

46) Which of the following statements is true about marketing plans?

- A) Marketing plans are always forward looking.
- B) Plans should not be developed for specific customer segments.
- C) A typical marketing plan sequence starts with data analysis.
- D) Marketing plans contain objectives and strategies instead of financial details.

Answer: A

Diff: 1 Page Ref: 22

47) An audit is conducted:

- A) after the planning period is over.
- B) before finalizing the marketing plan.
- C) after the marketing plan is completed.
- D) before preparing the marketing plan.

Answer: A

Diff: 1 Page Ref: 22

48) The purpose of performing an audit of the plan is:

- A) to reveal why something went wrong and what can be improved the next time.
- B) to frame the objectives and strategies associated with the marketing plan.
- C) to finalize the financial resource and the budget of the marketing plan.
- D) to assess expenditure budgets, along with labor, raw material, and other assigned costs.

Answer: A

Diff: 1 Page Ref: 22

49) Based on _____, managers develop objectives, strategies, and programs for the product, product line, or closely related group of products.

- A) data analysis
- B) historical data
- C) final audit
- D) industry norms

Answer: A

Diff: 1 Page Ref: 22

50) During background assessment:

- A) historical data are collected and updated.
- B) a situation analysis is performed.
- C) an audit is initiated.
- D) estimates of market potential is forecasted.

Answer: A

Diff: 1 Page Ref: 22

51) Which of the following is not a major part of a typical marketing plan?

- A) Background assessment
- B) Situation analysis
- C) Forecast
- D) Production scheduling

Answer: D

Diff: 1 Page Ref: 22-23

52) The overall purpose of the marketing plan is to:

- A) enable managers to stay in touch with key aspects of business environment.
- B) act as a guideline when performing the final audit.
- C) serve as the mandatory document to be produced when registering a business.
- D) serve as the primary source of a company's financial information.

Answer: A

Diff: 1 Page Ref: 23

53) A major limitation of analog cellular technology was that:

- A) it was limited by its physical size.
- B) it lacked basic connectivity features.
- C) it is not compatible for text messages.
- D) it cannot be used with GSM technology.

Answer: A

Diff: 1 Page Ref: 24

54) Which of the following statements about mobile phone usage is true?

- A) Mobile phone usage is more in younger people than older people.
- B) Most of the youngsters between the ages of 18 and 29 do not use text messaging.
- C) A large majority of the American population access Internet using mobile phones.
- D) Majority of elders (65+) use mobile phones to listen to music.

Answer: A

Diff: 1 Page Ref: 24

55) _____ capabilities allow marketers to potentially locate customers when they are geographically proximate to a retail outlet.

- A) Global positioning
- B) Multimedia
- C) Storage
- D) Networking

Answer: A

Diff: 1 Page Ref: 25

56) You are running a retail apparel store. Which of the following technologies could help you locate customers so that you could send personalized messages and offers when they are geographically close to your store?

- A) GPS
- B) GPRS
- C) CDMA
- D) bluetooth

Answer: A

Diff: 2 Page Ref: 25

57) Products or services that solve a particular customer's problem at a given point in time are termed:

- A) solutions.
- B) experiences.
- C) interactions.
- D) relationships.

Answer: A

Diff: 1 Page Ref: 26

58) The interactions that a customer has with a company are termed:

- A) experiences.
- B) elucidations.
- C) relationships.
- D) solutions.

Answer: A

Diff: 1 Page Ref: 26

59) Which of the following refers to multi channel distribution of products?

- A) clicks and mortar
- B) buzz marketing
- C) organized retailing
- D) viral distribution

Answer: A

Diff: 1 Page Ref: 26

60) If you are a marketing manager and your home market is maturing, which of the following is the best strategy to follow?

- A) increase the advertising budget
- B) explore opportunities abroad
- C) terminate the product line
- D) follow the same strategies aggressively

Answer: B

Diff: 1 Page Ref: 27

61) Which of the following would persuade a firm to enter foreign markets?

- A) low-growth markets
- B) decreased domestic competition
- C) increased growth rate
- D) sensitive regulations

Answer: A

Diff: 1 Page Ref: 27

62) Traditional marketing focused on:

- A) transactions.
- B) relationships.
- C) solutions.
- D) experiences.

Answer: A

Diff: 1 Page Ref: 28

63) Modern managers have to focus on:

- A) relationships with the customer.
- B) transactions that are beneficial.
- C) increased and instantaneous profit.
- D) increased market share.

Answer: A

Diff: 1 Page Ref: 28

64) _____ refers to the present value of a stream of revenue that can be produced by a customer.

- A) Net present value
- B) Actual customer value
- C) Market potential
- D) Lifetime customer value

Answer: D

Diff: 1 Page Ref: 28

65) Lifetime customer value refers to:

- A) the present value of the total revenue that can be produced by a customer.
- B) actual value of the total revenue that can be produced by a customer.
- C) the total number of products purchased by a customer in his lifetime.
- D) actual value of the total profit that can be produced by a customer.

Answer: A

Diff: 1 Page Ref: 28

66) The value of a product or service can be quantified by calculating:

- A) the lifetime value of the customer base.
- B) the total sales value of the product.
- C) the total number of active customers.
- D) the total cost of the product/service.

Answer: A

Diff: 2 Page Ref: 29

67) Dell allows its customers to add or remove functionalities from a core product while placing the order. This is an example of:

- A) mass customization.
- B) selective marketing.
- C) user modeling.
- D) behavioral targeting.

Answer: A

Diff: 2 Page Ref: 29

68) A company takes a product or service that is widely marketed and develops a system for customizing it to each customer's specifications. This is referred to as:

- A) mass customization.
- B) selective marketing.
- C) user modeling.
- D) behavioral targeting.

Answer: A

Diff: 1 Page Ref: 29

69) Which of the following media were traditionally used by consumer products companies?

- A) TV advertising
- B) podcasts advertisements
- C) Internet advertisements
- D) interactive advertisements

Answer: A

Diff: 1 Page Ref: 29

70) Ubiquitous marketing department concept gives people who are not in marketing the sense that they are also responsible for performing marketing activities.

Answer: FALSE

Diff: 2 Page Ref: 4

71) Marketing can create and deliver value, but customer choices should be influenced by salespeople.

Answer: FALSE

Diff: 1 Page Ref: 4

72) Customers are not always able to tell you what products they want.

Answer: TRUE

Diff: 1 Page Ref: 5

73) A marketing manager cannot be successful without spending a considerable amount of time talking to customers.

Answer: TRUE

Diff: 1 Page Ref: 5

74) The environment in which marketing and marketers operate is dynamic and usually outside the control of marketing managers.

Answer: TRUE

Diff: 1 Page Ref: 6

75) Customer focused marketing advocate serving all customers' needs at all costs.

Answer: FALSE

Diff: 1 Page Ref: 7

76) The marketing concept is entirely consistent with serving only segments of the customer population.

Answer: TRUE

Diff: 1 Page Ref: 7

77) Marketing driven organizations use push-the-catalogue approach to marketing.

Answer: FALSE

Diff: 1 Page Ref: 8

78) The sales organization is interested in volume, not profits.

Answer: TRUE

Diff: 2 Page Ref: 9

79) Having a great technology guarantees that a company will have many customers.

Answer: FALSE

Diff: 1 Page Ref: 9

80) Over-engineered products will contain features that customers do not need or want.

Answer: FALSE

Diff: 1 Page Ref: 10

81) A "marketing-driven" organization can quickly react to changes in the marketplace.

Answer: FALSE

Diff: 1 Page Ref: 11

82) For a company to dominate its industry in the future, it must lead the customer rather than being customer led.

Answer: TRUE

Diff: 1 Page Ref: 14

83) A major disadvantage of the marketing concept is that it is limited to current, expressed needs.

Answer: FALSE

Diff: 1 Page Ref: 15

84) In most occasions, customers will be able to tell what products they want and need.

Answer: FALSE

Diff: 1 Page Ref: 16

85) Marketing managers' interactions with suppliers are treated as external transactions.

Answer: TRUE

Diff: 1 Page Ref: 19

86) Marketing plans contain guidelines for a product's marketing programs.

Answer: TRUE

Diff: 1 Page Ref: 20

87) A key feature of the marketing plan is that it is written.

Answer: TRUE

Diff: 1 Page Ref: 21

88) During background assessment stage of a marketing plan, the manager analyzes the current competitive, customer, and category situation and determines how the firm's capabilities match these three external elements.

Answer: FALSE

Diff: 1 Page Ref: 22

89) The overall purpose of the marketing plan is to enable the marketing manager to stay in touch with the three key parts of the business environment crucial to his or her success: customers, competitors, and factors outside the control of both customers and competitors.

Answer: TRUE

Diff: 1 Page Ref: 23

90) Mobile phones are available to almost every socioeconomic stratum.

Answer: TRUE

Diff: 1 Page Ref: 25

91) Price fluctuations in the Internet are slow compared to price increases offline.

Answer: FALSE

Diff: 1 Page Ref: 26

92) Personalization is a key attribute of mass customization.

Answer: FALSE

Diff: 1 Page Ref: 29

93) Do you think marketing can influence choices? Explain your answer.

Answer: Marketing is involved and necessary whenever an individual or organization has a choice to make. Choices are made in a wide variety of contexts and the influences and influencers can vary from context to context, and also from each other in the same situation. Marketing efforts should tempt an individual to choose one product over another.

Diff: 1 Page Ref: 4-5

94) Name three reasons why marketing is a challenge within organizations.

Answer: Unlike successful corporate financial, accounting, or production personnel, a marketing manager cannot be successful without spending a considerable amount of time talking to customers.

At the same time, customers are not always able to tell you what products they want with 100 percent accuracy.

Competitors' actions are difficult to predict, particularly those of new competitors from other countries.

Changes in consumer tastes and general societal trends occur frequently. Implementing strategies precisely as they are written in the marketing plan is difficult.

Diff: 1 Page Ref: 6

95) What are the different strategic approaches to the marketplace?

Answer: There are four different strategic approaches to the marketplace. They are sales driven, technology driven, marketing driven, and customer driven.

Diff: 1 Page Ref: 8

96) Which strategic approach is consistent with the customer-focused marketing concept? Explain the concept.

Answer: Customer driven approach is consistent with the customer-focused marketing concept. The concept believes that customers buy products for the benefits that the product features provide. This is a critical distinction in understanding how you and your organization can become customer oriented.

Diff: 1 Page Ref: 11

97) What is the major difference between the traditional version of value chain and the new perspective of value chain?

Answer: The traditional version of the value chain dictates that the company starts with its core competencies and assets to decide what products to make or services to sell. This then dictates the selection of inputs and raw materials, which are then made into a product and sold through channels to the end customer. This is clearly a company-centric approach. The new perspective is to change the thought process by starting with the customer rather than the firm. This will result in a company that is structured around the customer.

Diff: 1 Page Ref: 14

98) What are the different types of interactions needed in a marketing managers job?

Answer: The marketing manager's job can be described by a large number of interactions both within and outside of the organization. External interactions include working with the company's or brand's advertising agency, dealing with suppliers, improving relationships with members of the channel of distribution system, talking about the firm's prospects with members of the media (e.g., business press, trade journals), and interacting with government agencies for export/import licenses. Marketing managers also interact with the legal department, financial management, senior management, and board of trust.

Diff: 1 Page Ref: 19-20

99) What is a marketing plan?

Answer: A marketing plan is a written document containing the guidelines for the product's marketing programs and allocations over the planning period.

Diff: 1 Page Ref: 21

100) Explain the concept of lifetime customer value.

Answer: The present value of a stream of revenue that can be produced by a customer is referred to as lifetime customer value. Marketers who can retain more customers by satisfying them better than competitors will have profitable products in the long run, not just in the short run.

Diff: 1 Page Ref: 28