

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

1) _____ is all about creating and delivering value to both customers and organisations. 1) _____

- A) Competitive advantage
- B) Value chain
- C) Demand
- D) Marketing
- E) Popular culture

AACSB: Application of knowledge

Difficulty: Easy

Topic: Why studying marketing will create value for you

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

2) Marketers may have backgrounds in which of the following? 2) _____

- A) Computer science
- B) English
- C) Merchandise or design
- D) Law
- E) All of the above

AACSB: Application of knowledge

Difficulty: Easy

Topic: The who and where of marketing

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

3) Marketers may find careers in which of the following? 3) _____

- A) Universities or colleges
- B) Non-profit organisations
- C) Governments
- D) Consumer goods companies
- E) All of the above

AACSB: Application of knowledge

Difficulty: Easy

Topic: The who and where of marketing

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

4) Which of the following statements about marketing's role in the company is not true? 4) _____

- A) In some companies, marketing is an afterthought.
- B) In large companies, the chief marketing officer is usually at the top of the organisational hierarchy.
- C) When the chief executive officer comes from marketing, companies tend to be more marketing oriented.
- D) Sometimes companies use the term marketing when they mean advertising and sales.
- E) In small organisations, there is never anyone specifically designated as the marketing person.

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

5) _____ is the only part of the business that generates revenue. 5) _____

- A) Finance
- B) Manufacturing
- C) Customer service
- D) Marketing
- E) Accounting

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

6) Marketers must work with _____ departments to determine if products are profitable, set marketing budgets and determine price. 6) _____

- A) manufacturing
- B) human resources
- C) finance and accounting
- D) sales
- E) customer service

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

7) Marketers must work with _____ departments to ensure products are produced on time and in the right quantities. 7) _____

- A) research and development
- B) sales
- C) customer service
- D) finance and accounting
- E) manufacturing

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

8) Marketers must work with _____ departments to create products that meet customers' needs. 8) _____

- A) sales
- B) production
- C) customer service
- D) finance and accounting
- E) research and development

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

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

9) Marketers come from a variety of backgrounds, including computer science and the law. 9) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: The who and where of marketing

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

10) Only large consumer goods companies employ marketers. 10) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: The who and where of marketing

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

11) Marketers tend to spend all of their time interacting with customers with almost no interaction with other

departments in the organisation. 11) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing's role in the company

Learning Obj.: Know who marketers are and where they work, and understand the role of marketing in the company.

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

12) Marketing is the activity, set of _____ and processes for creating, _____, delivering and exchanging offerings that have _____ for customers, clients, partners and society at large. 12) _____

A) institutions; communicating; value

B) procedures; serving; utility

C) guidelines; advertising; utility

D) procedures; communicating; costs

E) institutions; advertising; value

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The value of marketing

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

13) _____ is all about delivering value to everyone who is affected by a transaction. 13) _____

A) Value chain

B) Demand

C) Competitive advantage

D) Marketing

E) Popular culture

AACSB: Application of knowledge

Difficulty: Easy

Topic: The value of marketing

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

14) One of the more important parts of marketing is to _____. 14) _____

A) change prices every month based upon the rise or fall of the stock market

B) understand why consumers' demand of a product is not something that is important

C) meet the needs of diverse stakeholders

D) teach people ways to spend their money

E) help keep people employed

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

15) Which of the following would be considered as an organisation's stakeholders? 15) _____

A) Sellers

B) Investors

C) Community residents

D) Buyers

E) All of the above

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

16) The ultimate user of a good, idea or service is called a _____. 16) _____

- A) utility demander
- B) business operative
- C) owner
- D) title holder
- E) consumer

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

17) Employees at a local amusement park are told to treat everyone who purchases a ticket to get into the park as a guest. These guests are actually _____. 17) _____

- A) target marketers
- B) producers
- C) distributors
- D) service providers
- E) consumers

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

18) Which of the following is an example of a consumer? 18) _____

- A) Bill, who paid to attend the Big Day Out
- B) Robin, who bought a soft drink from a nearby vending machine
- C) Mia, who paid to have her digital photographs printed
- D) Tyler, who attends a marketing class for which she paid her tuition fees
- E) All of the above

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

19) Marketers first identify consumer needs and then provide products that satisfy those needs, ensuring the firm's long-term profitability. This practice is referred to as the _____. 19) _____

- A) consumer orientation
- B) marketing concept
- C) production orientation
- D) marketing mix
- E) total quality management orientation

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

20) A consumer has a _____ when there is a difference between their actual state and their ideal or desired state. 20) _____

- A) need B) want C) demand D) value E) benefit

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

21) Which of the following is an example of a need? 21) _____

- A) Marilyn decides she would like to have a Wendy's milkshake.
- B) Michael will only go to a movie if Bruce Willis is the lead actor.
- C) Although she claims to be thirsty, Joanna will not buy a soda from a vending machine that does not contain Diet Coke.
- D) Adam realises he is hungry.
- E) Even though there are many types of flour on the market, Brenda will buy only the Gold Medal brand when she decides to bake.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

22) A _____ is a desire for a particular product that can be culturally and socially influenced. 22) _____

- A) want
- B) need
- C) benefit
- D) value
- E) demand

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

23) Which of the following is an example of a want? 23) _____

- A) Jane is looking for an umbrella because it's raining.
- B) Before taking tennis lessons, Michelle has to buy herself a tennis racket.
- C) Marie needs some butter so she can bake cookies.
- D) Murray has to buy some nails to finish roofing his house.
- E) Thomas decides to buy a Big Mac Meal Deal for lunch.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

24) A _____ delivers a benefit when it satisfies a _____. 24) _____

- A) company; competitor
- B) product; demand
- C) marketplace; marketer
- D) service; utility
- E) product; need or want

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

25) When you couple desire with the buying power or resources to satisfy a want, the result is a _____. 25) _____

- A) demand
- B) benefit
- C) need
- D) differential benefit
- E) service

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

26) A/n _____ consists of all the consumers who share a common need that can be satisfied by a specific good or service and who have the resources, willingness, and authority to make the exchange. 26) _____

- A) demand centre
- B) buying centre
- C) exchange location
- D) mass market segment
- E) market

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

27) A fancy shopping centre, a mail-order catalogue, a television shopping network, an eBay auction, or an e-commerce website could all be examples of a _____. 27) _____

- A) marketplace
- B) distribution portfolio
- C) monopoly
- D) communication strategy
- E) strategic business unit

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

28) Judith can purchase books online at sites such as Amazon.com, or go to a bookstore at her local shopping centre. Both are examples of _____. 28) _____

- A) buying centres
- B) virtual reality malls
- C) marketplaces
- D) demand centres
- E) market convergence

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

29) Marketing activities play a major role in the creation of _____, which means that a product provides benefits when it is used. 29) _____

- A) utility
- B) engagement
- C) optimisation
- D) synergy
- E) functionality

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

30) All of the following are forms of utility EXCEPT _____. 30) _____

- A) time utility
- B) price utility

- C) form utility
- D) place utility
- E) possession utility

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

31) _____ utility occurs when you reach the petrol station just as your fuel gauge drops below empty. 31) _____

- A) Form
- B) Creation
- C) Marketing
- D) Place
- E) Possession

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

32) Three university students were renting for the first time and needed white goods, but none of them had the money to purchase a refrigerator or washing machine. They decided to rent the white goods from a company specialising in white goods packages for renters. The company also delivered the white goods to the flat and agreed to pick it up again at the end of the lease. The rental company created both _____ utility for the renters. 32) _____

- A) place and creation
- B) time and place
- C) creation and possession
- D) possession and time
- E) form and place

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

33) For an exchange to occur, _____. 33) _____

- A) at least two people or organisations must be willing to make a trade, and each must have something the other wants
- B) the item must be tangible
- C) there must be one winner and one loser
- D) a time utility factor must be provided
- E) someone must make a financial profit

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about exchange relationships

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

34) Which of the following is an example of an exchange? 34) _____

- A) Hamish uses his credit card to pay for his weekly groceries.
- B) Isabella lets Mercedes copy her class notes and Mercedes, in return, buys lunch for Isabella.
- C) Judi buys a plane ticket through an airline's website.
- D) Kendra purchased petrol with her credit card.
- E) All of the above

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about exchange relationships

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

35) Levi Strauss tries to meet the psychological _____ of consumers to look good. 35) _____
A) needs B) benefits C) wants D) values E) demands

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

36) Joe skipped breakfast and decides that he needs a Mars bar NOW from the vending machine at his university. Joe's hunger is a _____, the Mars bar a _____, and the vending machine a _____. 36) _____

A) need; demand; convenience

B) want; need; marketplace

C) want; benefit; service

D) need; want; marketplace

E) want; utility; market

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

37) Jillian and Frank are moving tomorrow, and they decide to rent a truck and move themselves. They look up truck rental companies in the *Yellow Pages*, deciding that they will rent from the first company that has any type of truck available. They start by calling AAAAAA-Rents. For Jillian and Frank, renting a truck for moving is an example of a/n _____. 37) _____

A) want

B) need

C) industrial product

D) heterogeneous product

E) benefit

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

38) Ruth Jones is a realtor. In her ads, Jones offers the free use of a moving truck to every customer she helps to either buy or sell a house. This free use of a moving truck is an example of a _____. 38) _____

A) need

B) demand

C) production orientation

D) homogeneous product

E) benefit

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

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

39) Marketers define a *need* as the difference between a consumer's actual state and some ideal or desired state. 39) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

40) Although a *want* may be something to eat or drink, the desire for a specific brand name is referred to as a *need*.
40) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

41) Products that satisfy needs or wants deliver benefits to consumers. 41) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

42) When desire is coupled with the buying power or resources to satisfy a want, the result is demand. 42) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

43) The terms *market* and *marketplace* are used as synonyms. 43) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

44) Marketing activities create form, purpose, time, place and possession utility. 44) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

45) For an exchange to take place, each party must have something the other party wants. 45) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing is about exchange relationships

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

46) Barbara bases her shopping on the theory that shampoo is shampoo, bread is bread, etc. and brand name and product claims make no difference to her. How would a marketer explain Barbara's behaviour, what changes would they want her to make, and how might this be achieved?

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

47) Explain how marketing creates utility and the different types of utility created. Illustrate using the example of an ice cream vendor at Bondi Beach.

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

48) Explain how 'exchange relationships' occur in marketing. Use the example of illegal online film or music downloading to illustrate.

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about exchange relationships

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

49) What is marketing?

AACSB: Application of knowledge

Difficulty: Easy

Topic: The value of marketing

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

50) Select one company whose products you purchase on a regular basis. How does the company address and deal with its stakeholders—buyers, sellers, investors in the company, community residents and citizens of the nations where the goods and or services are made or sold?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

51) Can stakeholders be consumers and can consumers be stakeholders?

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

52) An ad for 'Acne b Gone' states that most acne will be visibly reduced within two weeks of using the cream. How does this ad illustrate the marketing concept?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

53) Needs relate to either physical or psychological functions. How does Levi Strauss satisfy both of these needs with their jeans?

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

54) It has often been said in the movies and songs that 'diamonds are a girl's best friend'. Does that mean that every female will purchase a diamond?

AACSB: Analytical thinking

Difficulty: Difficult

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

55) How did Seek address the needs of their customers when they created www.seek.co.nz and www.seek.com.au?

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

56) What value would human resource departments receive in utilising the resources of www.seek.co.nz or www.seek.com.au?

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about meeting needs

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

57) How does a website such as www.seek.com.au create both place and time utility?

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing is about creating utility

Learning Obj.: Define what marketing is, and describe how it provides value to everyone involved in the marketing process.

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

58) In which kind of market would a production orientation be most successful? 58) _____

- A) A market that sells only intangible products
- B) A seller's market when demand exceeds supply
- C) A buyer's market when supply exceeds demand
- D) A market where there are more sellers than buyers
- E) There is no market in which a product orientation can be used successfully.

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The production era

Learning Obj.: Describe the evolution of the marketing concept.

59) A television manufacturer that identified its mission as 'the production of television sets in the most efficient and low-cost manner possible' would most likely have a _____ orientation. 59) _____

- A) selling
- B) marketing
- C) new era
- D) customer
- E) production

AACSB: Analytical thinking

Difficulty: Moderate

Topic: The production era

Learning Obj.: Describe the evolution of the marketing concept.

60) Companies that have a _____ orientation tend to be more successful at making one-time sales than they are at building repeat business. 60) _____

- A) marketing
- B) production
- C) new era
- D) consumer
- E) selling

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The selling era

Learning Obj.: Describe the evolution of the marketing concept.

61) A _____ orientation is a management philosophy that focuses on ways to satisfy customers' needs and wants. 61) _____

- A) production

- B) selling
- C) promotion
- D) consumer
- E) new millennium

AACSB: Application of knowledge

Difficulty: Easy

Topic: The relationship era

Learning Obj.: Describe the evolution of the marketing concept.

62) A businessperson who only produces a product when it is ordered is referred to as a/n _____. 62) _____

- A) turn-key operator
- B) intrapreneur
- C) total quality manager
- D) interpreneur
- E) All of the above

AACSB: Application of knowledge

Difficulty: Easy

Topic: The relationship era

Learning Obj.: Describe the evolution of the marketing concept.

63) In an attention economy, a company's success is measured by its share of _____ rather than its share of _____.
63) _____

- A) market; mind
- B) value chains; market
- C) value propositions; profit
- D) differential benefits; mind
- E) mind; market

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The triple bottom line orientation

Learning Obj.: Describe the evolution of the marketing concept.

64) The _____ maintains that marketers must satisfy customers' needs in ways that benefit society and are profitable for the company. 64) _____

- A) marketing orientation
- B) consumer orientation
- C) selling orientation
- D) societal marketing concept
- E) new era orientation

AACSB: Application of knowledge

Difficulty: Easy

Topic: The triple bottom line orientation

Learning Obj.: Describe the evolution of the marketing concept.

65) Today, companies place a greater emphasis on _____, measuring how much value is created by marketing activities. 65) _____

- A) management accounting
- B) accessibility
- C) value accounting
- D) responsibility
- E) accountability

AACSB: Application of knowledge

Difficulty: Easy

Topic: Focusing on accountability

Learning Obj.: Describe the evolution of the marketing concept.

66) Surf's Up, a surfboard manufacturer, negotiates a long-term contract for pink waterproof paint and floral decals at an extremely low price. Surf's Up decides to produce only pink floral surfboards, as these will provide the highest level of profit. In making this decision, Surf's Up has adopted a _____ orientation. 66) _____

A) marketing

B) consumer

C) sustainability

D) production

E) selling

AACSB: Analytical thinking

Difficulty: Moderate

Topic: The production era

Learning Obj.: Describe the evolution of the marketing concept.

67) Hunger Busters, a chain of sandwich shops, have determined that for every \$5000 that has been invested, each sandwich shop returns on average \$500 after tax. Hunger Busters have calculated their _____. 67) _____

A) value chain inputs

B) differential benefit

C) distinctive competency ratings

D) Return On Investment (ROI)

E) utility projections

AACSB: Analytical thinking

Difficulty: Easy

Topic: Focusing on accountability

Learning Obj.: Describe the evolution of the marketing concept.

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

68) A production orientation works best in a buyer's market when supply exceeds demand. 68) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The production era

Learning Obj.: Describe the evolution of the marketing concept.

69) Companies that have a selling orientation rely heavily on customer relationship management. 69) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: The selling era

Learning Obj.: Describe the evolution of the marketing concept.

70) Companies that do all they can to satisfy customer needs and wants have adopted a segmentation orientation. 70) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The relationship era

Learning Obj.: Describe the evolution of the marketing concept.

71) The societal marketing concept maintains that marketers must satisfy customers' needs in ways that also benefit society. 71) _____

AACSB: Application of knowledge
Difficulty: Easy
Topic: The triple bottom line orientation
Learning Obj.: Describe the evolution of the marketing concept.

72) ROI is a marketing acronym for customers who *rely on instinct* when making purchases. 72) _____

AACSB: Application of knowledge
Difficulty: Easy
Topic: Focusing on accountability
Learning Obj.: Describe the evolution of the marketing concept.

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

73) Compare and contrast production, selling and consumer orientations. Illustrate using examples from your own marketplace experiences.

AACSB: Analytical thinking
Difficulty: Moderate
Topic: The production era; The selling era; The relationship era
Learning Obj.: Describe the evolution of the marketing concept.

74) A company decides that it will only offer two colours of its product; each with the same three features because this will reduce their costs. The company makes these decisions with no input from consumers. Discuss the orientation the company is following and when such an orientation would be most successful.

AACSB: Analytical thinking
Difficulty: Moderate
Topic: The production era
Learning Obj.: Describe the evolution of the marketing concept.

75) A company tells their staff that the only thing that matters is sales. Salespeople are paid commissions, travel extensively, and are encouraged to use hard sell techniques. Discuss the orientation the company is following and why such an orientation may not be successful in the long term.

AACSB: Analytical thinking
Difficulty: Moderate
Topic: The selling era
Learning Obj.: Describe the evolution of the marketing concept.

76) At Direct Tyre Sales the customer lounge is clean, there is free coffee with fresh milk and biscuits, employees wear ties, and the company will even pay taxi fares home if cars aren't ready at the agreed upon time. People don't mind paying 10 to 15 percent more for these extra services. What marketing philosophy has the management of Direct Tyre Sales adopted?

AACSB: Analytical thinking
Difficulty: Moderate
Topic: The relationship era
Learning Obj.: Describe the evolution of the marketing concept.

77) Explain what is meant by a 'triple bottom line orientation'.

AACSB: Application of knowledge
Difficulty: Easy
Topic: The triple bottom line orientation
Learning Obj.: Describe the evolution of the marketing concept.

78) How has the internet facilitated the implementation of customer relationship management programs (CRM)?

AACSB: Application of knowledge
Difficulty: Easy
Topic: The triple bottom line orientation
Learning Obj.: Describe the evolution of the marketing concept.

79) For many years, Avon Products have raised money for breast cancer programs through a variety of fundraising channels. How has Avon adopted the societal marketing concept?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: The triple bottom line orientation

Learning Obj.: Describe the evolution of the marketing concept.

80) Marketers only need to focus on building long-term relationships with customers and behaving in a socially responsible manner. Discuss.

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Focusing on accountability

Learning Obj.: Describe the evolution of the marketing concept.

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

81) The impact on society of reality TV shows like *Survivor*, with its catchphrase 'the tribe has spoken', reflect how _____ can influence what we consume. 81) _____

- A) market convergence
- B) subcultures
- C) popular culture
- D) ethical boundaries
- E) the societal marketing concept

AACSB: Analytical thinking

Difficulty: Easy

Topic: From lasers to Lady Gaga

Learning Obj.: Discuss the range of services and goods that are marketed.

82) Marketing messages often communicate _____, stories containing symbolic elements that express the shared emotions and ideals of a culture. 82) _____

- A) myths
- B) marketing concepts
- C) utility
- D) total quality management
- E) value

AACSB: Application of knowledge

Difficulty: Easy

Topic: From lasers to Lady Gaga

Learning Obj.: Discuss the range of services and goods that are marketed.

83) Which of the following can be marketed? 83) _____

- A) The local chapter of the Cancer Society
- B) A political candidate
- C) An idea for a new television show based on a popular series of books
- D) A particular religion
- E) All of the above

AACSB: Analytical thinking

Difficulty: Moderate

Topic: From lasers to Lady Gaga

Learning Obj.: Discuss the range of services and goods that are marketed.

84) All of the following would be classified as consumer goods EXCEPT _____. 84) _____

- A) value products
- B) tangible products

- C) intangible products
- D) popular culture products
- E) competitive advantage products

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Consumer goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

85) Which of the following is an example of a consumer good? 85) _____

- A) Art supplies purchased for the primary school art centre
- B) Disposable nappies purchased by a new mother for her baby
- C) A riding lawn mower purchased by a landscape company
- D) Paint purchased by a house-painting contractor
- E) Toys purchased for the day-care centre

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Consumer goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

86) Which of the following is the best example of a service? 86) _____

- A) A CD Monica purchased online
- B) The haircut Jonathon had yesterday
- C) The t-shirt you received when you entered a 5K fun run
- D) Sheet music purchased by a piano teacher
- E) Cleaning supplies purchased for a veterinarian's office

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Consumer goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

87) _____ marketing is the marketing of goods and services from one organisation to another. 87) _____

- A) Business-to-business
- B) Customer
- C) Distributive
- D) Target
- E) Consumer

AACSB: Application of knowledge

Difficulty: Easy

Topic: Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

88) Which of the following is an example of a transaction that might occur in business-to business marketing? 88) _____

- A) Max buys a new razor on his way home from work
- B) A professional chef bakes a birthday cake for her son
- C) An amateur gardener buys a new wheelbarrow
- D) Robyn's mother hires a math tutor to help Robyn pass algebra
- E) A retailer buys athletic shoes to sell in its store

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

89) A bakery buys sugar, flour and yeast to make bread, and a retailer buys racks and a cash register. The sugar, flour,

yeast, racks and cash register, are all examples of _____. 89) _____

- A) industrial goods
- B) intangible goods
- C) distributive goods
- D) homogeneous products
- E) consumer goods

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

90) _____ is the buying and selling of products such as books, CDs and clothing on the internet. 90) _____

- A) Consumer relationship management
- B) E-marketers
- C) Business-to-business
- D) Selling orientation
- E) E-commerce

AACSB: Application of knowledge

Difficulty: Easy

Topic: Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

91) Which of the following is an example of a not-for-profit organisation that could use marketing principles? 91) _____

- A) A local museum
- B) Local governments and education institutions, such as universities
- C) The Leukaemia Foundation
- D) The Auckland or Sydney Zoo
- E) All of the above

AACSB: Analytical thinking

Difficulty: Easy

Topic: Not-for-profit marketing

Learning Obj.: Discuss the range of services and goods that are marketed.

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

92) Automobiles, haircuts, car repairs, lighting fixtures and chocolate bars are all examples of consumer goods. 92) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Consumer goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

93) Consumer goods are bought for further processing, for on-selling or use in an organisation. 93) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

94) The marketing concept does not apply to not-for-profit organisations and government agencies. 94) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Not-for-profit marketing

Learning Obj.: Discuss the range of services and goods that are marketed.

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

95) Explain how marketers make use of popular culture and myths, and illustrate how a soft drink marketer could use both.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: From lasers to Lady Gaga

Learning Obj.: Discuss the range of services and goods that are marketed.

96) The Macadamia Nut Marketing Board promotes the fact that their nuts are a good addition to a low-carbohydrate diet. How are they making use of popular culture trends?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: From lasers to Lady Gaga

Learning Obj.: Discuss the range of services and goods that are marketed.

97) Explain the difference between consumer and business-to-business marketing, providing examples to illustrate.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Consumer goods and services; Business-to-business goods and services

Learning Obj.: Discuss the range of services and goods that are marketed.

98) Marketing concepts only apply to the selling of goods and services. Discuss and use examples to illustrate.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Not-for-profit marketing; Idea, place and people marketing

Learning Obj.: Discuss the range of services and goods that are marketed.

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

99) _____ refer(s) to the tangible and _____ benefits a customer receives from buying a product or service. 99)

A) Utility; monetary

B) Exchange; intangible

C) Needs; consumer

D) Value; intangible

E) Consumer orientation; intangible

AACSB: Application of knowledge

Difficulty: Moderate

Topic: The marketing of value

Learning Obj.: Understand value from the perspectives of customers, producers and society.

100) The challenge for marketers is to create an attractive _____, a marketplace offering that fairly and accurately sums up the value that will be realised if the good or service is purchased. 100) _____

A) product position

B) target market

C) mass market

D) value proposition

E) market segment

AACSB: Application of knowledge

Difficulty: Easy

Topic: The marketing of value

Learning Obj.: Understand value from the perspectives of customers, producers and society.

101) When companies calculate the lifetime value of a customer they look at _____. 101) _____

- A) the lifetime expectancy of the product the customer purchased
- B) the career path of the customer to see if they may move to a different geographic area and no longer purchase from this company
- C) the commission amount the company must pay the sales representative who worked with the customer
- D) the age of the customer to see if they may live long enough to utilise the product being sold
- E) how much profit they expect to make from a particular customer, including each and every purchase they will make from them now and in the future

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

102) A television advertisement for a particular brand of laundry detergent lists all the benefits consumers will enjoy if they use that particular brand instead of other brands of laundry detergent. The company is using the television advertisement to help them to achieve _____. 102) _____

- A) marketing segmentation
- B) competitive advantage
- C) form utility
- D) a production orientation
- E) popular culture

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

103) Coca-Cola commands 50 percent of the world's soft-drink business because of its _____ in distribution and marketing communications. 103) _____

- A) positioning
- B) distinctive competency
- C) return on investments
- D) customer relationship management
- E) market segmentation

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

104) When a firm's capability is superior to that of its competition, the firm has a _____. 104) _____

- A) want but not a need
- B) service exchange
- C) distinctive competency
- D) social benefit
- E) limited sales volume

AACSB: Application of knowledge

Difficulty: Easy

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

105) The second step in developing a competitive advantage is to turn a distinctive competency into a _____, one that is _____ to customers. 105) _____

- A) service; important
- B) differential benefit; important
- C) need; differential
- D) popular culture; salient
- E) demand; significant

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

106) _____ provide reasons for customers to pay a premium for a firm's products and exhibit a strong brand preference. 106) _____

- A) Exchanges
- B) Marketing mixes
- C) Differential benefits
- D) Industrial goods
- E) Myths

AACSB: Application of knowledge

Difficulty: Easy

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

107) A _____ is a series of activities involved in designing, producing, marketing, delivering and supporting any product. 107) _____

- A) marketing mix
- B) value chain
- C) manufacturing process
- D) want
- E) utility

AACSB: Application of knowledge

Difficulty: Easy

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

108) Apple relies on innovative design in products such as the iPad and iPod to create a _____ for customers. 108) _____

- A) differential benefit
- B) value chain
- C) marketing concept
- D) service
- E) promotion

AACSB: Analytical thinking

Difficulty: Easy

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

109) The main activities of value chain members include all of the following EXCEPT _____. 109) _____

- A) operations
- B) pricing
- C) inbound logistics
- D) outbound logistics
- E) servicing customers

AACSB: Application of knowledge
Difficulty: Moderate
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

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

110) A value proposition is a marketplace offering that fairly and accurately sums up the value that the customer will not realise if they purchase the goods or services. 110) _____

AACSB: Application of knowledge
Difficulty: Moderate
Topic: The marketing of value
Learning Obj.: Understand value from the perspectives of customers, producers and society.

111) To calculate lifetime value, a company would estimate the amount the person would spend and then subtract what it will cost them to maintain this relationship. 111) _____

AACSB: Application of knowledge
Difficulty: Easy
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

112) A firm provides customers with a differential benefit when it offers products that are essentially the same as its competitors'. 112) _____

AACSB: Application of knowledge
Difficulty: Moderate
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

113) The term *inbound logistics* refers to converting materials into final products. 113) _____

AACSB: Application of knowledge
Difficulty: Easy
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

114) Servicing the product or customer is not an activity associated with the value chain. 114) _____

AACSB: Application of knowledge
Difficulty: Moderate
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

115) Explain the concept of 'value' from the perspective of marketers, buyers, sellers and society. Illustrate with marketplace examples.

AACSB: Analytical thinking
Difficulty: Moderate
Topic: The marketing of value
Learning Obj.: Understand value from the perspectives of customers, producers and society.

116) Why would a company calculate the lifetime value of a customer? Should the company fight to retain every customer?

AACSB: Analytical thinking
Difficulty: Moderate
Topic: Value from the seller's perspective
Learning Obj.: Understand value from the perspectives of customers, producers and society.

117) Firms adopting the marketing concept identify consumer needs and provide products that satisfy these needs with the aim of long-term profitability. Why must firms also consider the competition?

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

118) A consumer can purchase a can of soft drink from a local convenience store or a supermarket. Discuss two areas where the convenience store may have competitive advantage.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

119) A consumer can purchase a can of soft drink from a local convenience store or a supermarket. Discuss two areas where the supermarket may have competitive advantage.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

120) Discuss how an athletic shoe manufacturer such as Nike can add value through value chain activities.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from the seller's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

121) A beer company ran a series of ads featuring scantily clad women playing volleyball. Many consumers felt that the beer campaign demeaned women in order to appeal to men. Discuss the objections to the campaign from a societal perspective.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Value from society's perspective

Learning Obj.: Understand value from the perspectives of customers, producers and society.

122) Discuss how today's consumers interact with marketers. Illustrate using examples.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Consumer-generated value: from audience to community

Learning Obj.: Understand value from the perspectives of customers, producers and society.

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

123) When it's done right, _____ is a decision _____ in which marketing managers determine the strategies that will help the firm meet its long-term objectives and then execute those strategies using the tools they have at their disposal.

123) _____

A) marketing; process

B) e-commerce; situation

C) a differential benefit; making stage

D) popular culture; process

E) a product orientation; position

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing as a process

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

124) The _____ is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy. 124) _____

- A) marketing plan
- B) value proposition
- C) marketing orientation
- D) marketing mix
- E) value chain

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

125) A _____ consists of all possible customers in a market, regardless of the differences in their specific needs and wants. 125) _____

- A) popular culture
- B) marketing mix
- C) marketing concept
- D) value chain
- E) mass market

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

126) Which of these statements about mass marketing is true? 126) _____

- A) Movie production and distribution companies typically use mass marketing strategies.
- B) A mass marketing strategy is always preferable to a target marketing strategy.
- C) Mass marketing allows marketers to develop products to satisfy the specific needs and wants of specific groups of customers.
- D) The success of any organisation's marketing efforts depends only on its ability to engage in mass marketing.
- E) Mass marketing can be cost-effective.

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

127) A _____ is a distinctive group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. 127) _____

- A) popular culture
- B) market segment
- C) mass market
- D) value chain
- E) stakeholder

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

128) A product's market position refers to _____. 128) _____

- A) the specific means the organisation uses to distribute its products
- B) the organisation's decision to use no more than two elements of the marketing mix
- C) how the organisation wants its products perceived in relation to competitors' products
- D) the strategic planning and execution of the marketing mix
- E) the location where the organisation sells its products

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

129) The marketing mix consists of tools that are used to create a desired response from a set of predefined consumers. These tools include _____. 129) _____

- A) the price of the product
- B) the product itself
- C) the place where it is available
- D) the promotional activities
- E) All of the above

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

130) The Four Ps are _____. 130) _____

- A) product, production, possession, and promotion
- B) price, product, place, and promotion
- C) the four classifications of consumer goods
- D) the steps used to identify target markets
- E) the tactics used to connect competitors and marketplaces

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

131) The benefits the product provides are referred to as the _____ product while supporting features such as warranties and delivery are referred to as the _____ product? 131) _____

- A) actual; augmented
- B) actual; core
- C) core; augmented
- D) basic; additional
- E) utility; extended

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

132) _____ is the value the customer gives up or exchanges to obtain the desired product. 132) _____

- A) Benefit B) Product C) Utility D) PriceE) Need

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

133) The _____ element of the marketing mix is used to communicate the value proposition. 133) _____

- A) price
- B) promotion
- C) production
- D) distribution
- E) place

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

134) The _____ element of the marketing mix refers to the availability of the product to the consumer at the desired time and location. 134) _____

- A) place
- B) position
- C) production
- D) price
- E) distribution

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

135) A catalogue retailer has identified female professionals between the ages of 35 and 45 as a potential market for its products. The retailer has identified a _____. 135) _____

- A) market aggregation
- B) product mix
- C) marketing mix
- D) market segment
- E) mass market

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

136) An organic farmer has identified three distinct groups for his products: vegetarians, people who are concerned about chemicals in their foods, and people who consider themselves innovators and trendsetters. These three groups are examples of _____. 136) _____

- A) market aggregations
- B) market segments
- C) product mixes
- D) mass markets
- E) marketing mixes

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

137) A catalogue retailer has identified married females between the ages of 25 and 45 with at least one child as the market segment toward which it will direct its marketing efforts. This group has become its _____. 137) _____

- A) market position
- B) target market

- C) CRM
- D) market aggregation
- E) segment target

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

138) According to one artist, "My average total cost for making a small stained glass window is \$200, and I typically bargain with my customers. I feel that I have done well if I can earn a profit of \$150 on each stained glass window I sell". This artist is referring to the _____ element of the marketing mix. 138) _____

- A) cost
- B) price
- C) distribution
- D) production
- E) promotion

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

139) An article about the Morning Dove Spa in a local newspaper talks about how relaxed and without stress you feel after being at the spa and that relaxation is important for busy professionals. The article is part of the _____ element of the Spa's marketing mix. 139) _____

- A) promotion
- B) place
- C) production
- D) distribution
- E) price

AACSB: Analytical thinking

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

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

140) The first phase of marketing planning is the development of an organisational mission. 140) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

141) A product's market position refers to a distinct group of customers who share particular characteristics. 141) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

142) A marketer wanting to achieve a competitive advantage over its rivals cannot use the marketing mix to achieve this goal. 142) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

143) The pricing element of the marketing mix always involves monetary exchanges. 143) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

144) The promotion element of the marketing mix includes product design, labels and advertising. 144) _____

AACSB: Application of knowledge

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

145) Within the context of the marketing mix, *place* refers to the availability of the product to the customer at the desired time and location. 145) _____

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

146) Explain the marketing planning process.

AACSB: Application of knowledge

Difficulty: Easy

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

147) Identify the 4Ps in the following description: Ice Cream Nation markets 23 different varieties of ice cream in half-litre and one litre tubs at supermarkets in Australia and New Zealand. The half-litre tub sells for \$2.95 and the larger size sells for \$4.95. Periodically, Ice Cream Nation sets up stands in supermarkets to provide customers with free samples and gives them coupons for 50¢ off the one-litre tubs. Ice Cream Nation has just won a 'Clean Green' award for its environmentally friendly policies.

How might the 4Ps be changed to specifically appeal to children under the age of 8?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

148) A market segment is a distinct group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. Automakers such as Ford and Holden offer different automobiles for different market segments. Select one car made by Ford and one car made by Holden. What customer segment would each car benefit and why?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing planning

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

149) Discuss the marketing mix as it applies to your local McDonald's or Pizza Hut.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

150) Apply the three levels of the product to a product of your choice.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

151) An athletic shoe company decides to price its product higher than those of its competitors. Why might it do this?

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

152) A company decides to add additional features to its product and sell it at a higher price than its competitors, but does not allocate any funds for promotion. Advise the company.

AACSB: Analytical thinking

Difficulty: Moderate

Topic: Marketing tools: the marketing mix

Learning Obj.: Understand the basics of marketing planning and the marketing mix tools used in the marketing process.

- 1) D
- 2) E
- 3) E
- 4) E
- 5) D
- 6) C
- 7) E
- 8) E
- 9) TRUE
- 10) FALSE
- 11) FALSE
- 12) A
- 13) D
- 14) C
- 15) E
- 16) E
- 17) E
- 18) E
- 19) B
- 20) A
- 21) D
- 22) A
- 23) E
- 24) E
- 25) A
- 26) E
- 27) A
- 28) C
- 29) A
- 30) B
- 31) D
- 32) B
- 33) A
- 34) E
- 35) A
- 36) D
- 37) B
- 38) E
- 39) TRUE
- 40) FALSE
- 41) TRUE
- 42) TRUE
- 43) FALSE
- 44) FALSE
- 45) TRUE

46) Barbara views products simply as needs (the difference between a consumer's actual state and some ideal or desired state). For example, when her hair is dirty (actual state), she needs shampoo to clean it (ideal or desired state). She does not care which brand of shampoo she uses and would likely purchase one most conveniently available or the least expensive, as Barbara believes they are essentially all the same. Marketers, however, would like Barbara to develop wants in terms of products, such as shampoo—desire for specific products. In this case, when Barbara's hair is dirty she would purchase Pantene or Herbal Essence shampoo—specific brands. To do this, marketers have to educate (and convince) Barbara that there are in fact differences between the different shampoos on offer and that their particular brand provides

more benefits than competing brands. Marketers would accomplish this through all aspects of their marketing mix. For example, they would research and add particular features and benefits during product design (e.g. conditioners, travel sizes), price the product competitively (considering the benefits offered), make it available in convenient locations, and develop promotional campaigns that stressed the benefits their brand offered compared to competing shampoos.

47) Utility refers to the usefulness or benefit consumers receive from the purchase and use of goods and services. Utility is what creates value for consumers and, as such, is an integral part of the value proposition. There are four basic types of utility that can be created through marketing processes:

- Form utility, which is the benefit provided by transforming raw materials into finished products.
 - Place utility, which is the benefit provided by making products available where consumers need or want them.
 - Time utility, which is the benefit provided by storing products and making them available when consumers need or want them.
 - Possession utility, which is the benefit provided by allowing consumers to own, use and enjoy products.
- Form utility could be created by offering milkshakes or sundaes — where 'raw materials' such as ice cream, nuts and sprinkles are transformed into the finished product of a sundae. Place utility would mean the ice cream is available where the customer wants it; e.g., the vendor could either locate at the most popular spot or change locations during the day. Time utility would mean the ice cream is available when the customer wants it; for many beach goers this would mean all day, for others it would mean at lunch and snack times. Possession utility refers to the enjoyment consumers have purchasing and eating the ice cream.

48) An exchange occurs when something is obtained for something else in return. The buyer receives an object, service or idea that satisfies a need, and the seller receives something they feel is of equivalent value. For an exchange to occur, at least two people or organisations must be willing to make a trade, and each must have something the other wants. Both parties must agree on the value of the exchange and how it will be carried out. Each party also must be free to accept or reject the other's terms for the exchange.

In the case of illegal film downloading, there is no agreement on the terms of exchange. Those downloading films for free may argue it is a fair exchange as they are getting a movie (and after all, the movie industry makes millions of dollars a year), but this opinion would not be shared by the film industry. The film industry would argue that they are getting nothing in return, as there are no royalties or ticket sales.

49) Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. Basically, marketing is about delivering value to everyone who is affected by a transaction.

50) Student answers will differ depending on the company selected, but most will likely select supermarkets or food/beverage companies as their products are purchased on a regular basis. The purpose of this question is for students to quickly apply theory to the marketplace and see the marketing process in action. For example, students might point to sponsorship of a local sporting team as an example of the way McDonald's meets the needs of community residents. Students should be encouraged to visit the corporate website for their selected company to gather information about the company's interactions with investors and suppliers.

51) Stakeholders can be consumers just as consumers can be stakeholders. Stakeholders are buyers, sellers, investors in a company, community residents, and even citizens of the nations where goods and services are made or sold. Any of these can be and are consumers—the ultimate user of a good or service. Consumers as buyers are stakeholders in the companies from which they purchase goods and services.

52) Companies practicing the marketing concept first identify consumer needs and then provide products that satisfy those needs. 'Acne b Gone' has identified the need for those with acne to have blemish-free skin. According to this ad, 'Acne b Gone' is a product that will visibly reduce acne, satisfying the need for blemish-free skin.

53) Levi Strauss & Co. jeans meet physical needs in that people need to wear clothes for warmth, protection from the elements and social conformity/modesty. Psychological needs are fulfilled in the way people may feel or think they look, or the image they portray when wearing these jeans.

54) While diamonds may be a girl's best friend, this does not mean that every female feels the need for a diamond (difference between actual and desired state) or want a diamond (e.g. preference for emeralds or sapphires). Even those who need and want a diamond may not have the necessary purchasing power or resources to satisfy their wants (demand). As such, not every female would be within the market for diamonds.

55) Students should be encouraged to go online and review the Seek websites. Seek websites allow job seekers (actual state = no job; desired state = employed) to search for jobs by area or classification (wants), making the task of finding a

job easier.

56) Human resource department managers could save time and money as they can post open positions on the site. The time value would be in the speed of searching for potential employee candidates. The money value would be in the need for fewer department employees working on the recruitment process.

57) Place utility is the benefit marketing provides by making products available where customers want them. Interested employee candidates can learn about open company posted position information on Seek. Time utility is the benefit marketing provides by storing products until they are needed. Both employers and job seekers can visit the Seek website when each has an employment need.

58) B

59) E

60) E

61) D

62) B

63) E

64) D

65) E

66) D

67) D

68) FALSE

69) FALSE

70) FALSE

71) TRUE

72) FALSE

73) With a production orientation, the focus is internal to the company focusing on cost cutting and efficiency. These companies search for the most efficient ways to produce and distribute products with little attention paid to marketing; a case of 'sell what you can make'. Such an orientation works best in seller's markets where demand is greater than supply and consumers are faced with the choice of take it or leave it. In situations where supply is greater than demand, companies often adopt a selling orientation, focusing on aggressively pushing their products onto consumers. These companies are more interested in moving stock and individual sales than building long-term customer relationships. Companies adopting a consumer orientation focus on satisfying customer needs and wants. To do this, they need to research and understand consumers, tailor products to meet these specific needs and put consumers and their needs at the centre of all marketing communications and programs; again, 'make what you can sell'.

Students should be able to provide examples of companies apparently adopting each of these orientations, e.g. the selling orientation in evidence with the stereotypical 'used car' salesperson or aggressive telemarketer who is only interested in making an immediate sale.

74) In this case the company is following a production orientation as the focus is on the company (e.g. reducing costs and increasing efficiency), not the consumer (e.g. no research with consumers to determine needs and wants) or competitors (e.g. would this generate competitive advantage?). The production orientation works best when demand is greater than supply, as consumers essentially have to take whatever is on offer or go without.

75) The company has adopted a selling orientation where marketing is viewed solely as a sales function or a way of moving products out of warehouses so that inventories do not pile up. Such an approach may not be successful in the long-term as most consumers do not like being 'pushed' into purchases with hard sell techniques, and salespeople tend to view sales as 'one-off' so don't focus on building repeat business.

76) The management at Direct Tyre Sales has adopted a marketing philosophy known as the consumer orientation. This philosophy focuses on a way to satisfy customers' needs and wants. Stronger students may argue the case for the new era or new millennium orientation by considering the impact of such activities on long-term customer relationships and from a quality perspective relative to competitors.

77) This is a business orientation that looks at financial profits, the community in which the organisation operates, and creating sustainable business practices. The emphasis is on maximising each component: the financial bottom line, the social bottom line and the environmental bottom line.

78) Customer relationship management involves systematically tracking consumers' preferences and behaviours over time in order to tailor the value proposition as closely as possible to each individual's unique wants and needs. The use of

the internet has enabled companies to maintain a database of information to implement this marketing practice. It also allows a firm to personalise its messages and products to better meet the needs of each individual consumer.

79) Avon sells its products to consumers (primary target market is women) who feel that they will benefit by fulfilling a want or need by using these products. The company sponsors fundraising activities and donates the money to breast cancer research. Many women may use Avon products as well as have or know someone who has, or has had, breast cancer. The company is satisfying customers' needs in ways that also benefit society.

80) Marketers certainly need to develop long-term relationships and behave in socially responsible ways, but they also have to be accountable for their actions and able to both measure and demonstrate that their activities are creating value for the organisation. Marketers are increasingly considering return on investment as one measure of the impact of their marketing activities, assessing the amounts they are spending and concrete results achieved.

81) C

82) A

83) E

84) C

85) B

86) B

87) A

88) E

89) A

90) E

91) E

92) FALSE

93) FALSE

94) FALSE

95) The products that are available at any point in time often mirror changes in the larger society as marketers try to satisfy consumer needs wants and desires. For example, as more women returned to the workplace, marketers realised there was less time for cooking and that consumers would pay a premium for convenience. Popular culture consists of the music, movies, sports, books, celebrities and other forms of entertainment that the mass market consumes. Myths are stories containing symbolic elements that express the shared emotions and ideals of a culture. The soft drink marketer could use celebrity endorsers, have product tie-ins with current movies, or sponsor sporting events. Australian 'myths' could be incorporated into advertising themes, e.g. Ned Kelly's last stand.

96) Popular culture mirrors changes in society. With the eating trend focusing on low-carb foods, the macadamia nut industry is educating consumers that their products will meet these dietary requirements.

97) Consumer marketing involves the marketing of goods and services to end consumers who use them for personal or family use, e.g. an individual purchases a jar of pickles for their own consumption. Business-to-business marketing is the marketing of goods and services from one organisation to another. In business-to-business, goods and services are purchased for further processing (e.g. pickles purchased by McDonald's in bulk to be used in Big Macs), or for use in their own business operations (e.g. pens and photocopier paper).

98) Marketing concepts can be applied to not-for-profit organisations such as charities, e.g. advertisements and sponsorship of the Cancer Society's annual Daffodil Day fundraiser. Marketing concepts can also be applied to ideas (e.g. the Australian Government's Ministry of Health stop smoking campaigns), places (e.g. Tourism Australia's promotional campaigns), and people (e.g. Brand Beckham where David Beckham has turned sporting prowess into endorsement and product sales).

99) D

100) D

101) E

102) B

103) B

104) C

105) B

106) C

107) B

- 108) A
- 109) B
- 110) FALSE
- 111) TRUE
- 112) FALSE
- 113) FALSE
- 114) FALSE

115) Value refers to the tangible and intangible benefits consumers receive from purchasing and using products, e.g. particular product features or social benefits. Marketers communicate these benefits through the value proposition. The challenge to marketers is to create value propositions that are more attractive than their competitors, remembering that 'value is in the eye of the beholder'—in other words, the consumer decides whether what is offered is of value to them. From the buyer's perspective, products have to provide sufficient value for what must be exchanged, e.g. time and money. From the seller's perspective, exchanges must be profitable. Other types of value include prestige amongst competitors, returns to shareholders, creation of competitive advantage and development of long-term customer relationships. From a societal perspective, marketing activities either add or take away value, e.g. adding value through sustainable marketing activities or taking away value by marketing products that have a negative impact on society, e.g. tobacco.

116) Calculating lifetime value reinforces that marketers are not just interested in one-off or individual sales. Rather, marketers are interested in developing long-term relationships with customers and brand loyalty so that consumers purchase their product whenever the need arises. A company must look at how much profit they expect to make from a particular customer, including each and every purchase they will make from them now and in the future. To calculate lifetime value, they estimate the amount the person will spend and then subtract what it will cost them to maintain this relationship.

Not all customers are worth keeping. Some customers cost companies more in time and effort than the profit generated from sales. Companies acknowledge that some customers will be attracted to competitors and other customers will not be worth pursuing—this is the 'churn rate'. When resources are tight, in particular, marketers have to seriously evaluate the value of some customers, often making difficult decisions to divest.

117) Firms must compete for customers so seek to achieve competitive advantage relative to their competitors. A firm has a competitive advantage when it is able to outperform the competition, providing customers with a benefit the competition cannot. A competitive advantage gives consumers a reason to choose one product over another again and again. Distinctive competencies to the company are its capabilities that are superior to that of its competition.

118) The customer may be able to park their car close to the door of the convenience store and make the purchase in only a few minutes; as the name implies, convenience stores provide convenience. The parking lot of the supermarket may require the customer to walk a distance before entering the store. The volume of customers in the supermarket may add extra time to the actual purchase of the soft drink, e.g. waiting in queues to check out.

119) Given the purchasing power and volume buying of the supermarket, it is likely that the cost of the soft drink will be lower at the supermarket. The supermarket may also have a larger selection of soft drinks in a range of sizes for the customer to choose from.

120) The value chain refers to the series of activities involved in designing, producing, marketing, delivering and supporting any product and companies can look to add value at any stage. For example, an athletic shoe manufacturer can ensure that they purchase the best supplies and have them delivered on time (inbound logistics) so they can ensure that the manufactured shoes are at the retailers when the customer wants them (outbound logistics). By focusing on operations, an athletic shoe manufacturer can ensure that they convert raw materials such as leather into shoes that satisfy consumer needs and wants.

121) Marketing transactions add or subtract value from society. Marketers have a bond of trust with consumers that they will behave in ethical, legal and socially responsible ways. While some might argue that the use of sexuality to attract attention is acceptable, others would argue that it demeans those being used and is, as such, not socially responsible.

122) Consumers generate value instead of just buying it, e.g. creating their own ads or other types of consumer-generated content and posting them on YouTube, buying and selling merchandise on eBay, sharing ideas on blogs etc. Consumers actively engage with marketers and other consumers through social networking.

- 123) A
- 124) A

- 125) E
- 126) E
- 127) B
- 128) C
- 129) E
- 130) B
- 131) C
- 132) D
- 133) B
- 134) A
- 135) D
- 136) B
- 137) B
- 138) B
- 139) A
- 140) FALSE
- 141) FALSE
- 142) FALSE
- 143) FALSE
- 144) FALSE
- 145) TRUE

146) The first phase in marketing planning is to analyse the marketing environment—understanding the company's current strengths and weaknesses by assessing factors that might help or hinder the marketing of products. Analysis also looks at the opportunities and threats the company might face in the marketplace, such as the actions of competitors and cultural and technological changes. The marketing planning document is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy. Often, scenarios are included looking at how the dynamic marketplace might impact on the particular company. Marketers need to decide whether they will develop one product and a single marketing strategy to appeal to a mass market, or whether they will design specific strategy/strategies to appeal to distinct market segments. These distinct market segments or target markets become the focus of all marketing efforts. Marketers also consider the competition in determining the product's position—how it is perceived by consumers relative to competitive offerings.

147) Product: 23 different varieties of ice cream in half-litre and one-litre tubs.

Price: \$2.95 for smaller size and \$4.95 for larger size.

Place: supermarkets in Australia and New Zealand.

Promotion: sampling, coupons (sales promotion) and public relations.

Students should realise that children under the age of 8 would likely not be purchasing the ice cream themselves; parents/others would actually be providing the funds and would be making the purchase decision. As such, the 4P mix could stay the same, with the addition of a child-focused promotional campaign, e.g. comic character, perhaps with an environmentally friendly theme to appeal to both adults and children. That does not mean that the company would not design a 4P mix specifically for children, e.g. child-friendly flavours, single child sized portions and concurrently lower prices and distribution through convenience stores, schools, zoos, and through child-focused promotions.

148) Student answers will vary depending on the specific cars selected. For example, students might identify cars such as the Holden Barina and Ford Festiva as appealing to customers wanting fuel efficiency and lower price, with automobiles such as SUVs and station wagons appealing to sportspeople or families. The key is that students are able to identify specific market segments and specific benefits that would appeal to that particular segment for each of the cars selected.

149) Student answers should make reference to product, place, price and promotion. For example, McDonald's has a range of products on offer (e.g. the Big Mac). Each product has its own particular price—either singly or as part of a value meal. McDonald's ensures that it has convenient locations with facilities specifically designed for children (place) and engages in a range of promotions such as television ads and public relations activities.

150) The three levels of the product are the core product—the benefits the product provides; the actual product—the physical good or delivered service; and the augmented product—the actual product plus supporting features such as warranties. For example, with a car, the core benefit would be transport from point A to B; the actual product the physical

car with its particular features, such as air conditioning; and the augmented product would be the 3-year warranty and roadside assistance.

151) Price is often used as a way to increase interest in a product or communicate the value of particular product's characteristics. In this case, the company might be trying to communicate to consumers that its athletic shoes are of a higher quality (e.g. materials and workmanship) or make use of cutting edge technology.

152) Without promotion, how will consumers know that there are additional features, especially if they are not easily discernible on physical inspection? Without knowing about the additional features, will consumers feel they are getting value for money with the higher price?