

Name _____ Class _____ Date _____
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Chapter 01: An Overview of Marketing

1. Which of the following statements is not true of marketing?
- a. Marketing focuses on practices that deliver value and benefits to customers.
 - b. Marketing focuses primarily on selling goods, services, and/or ideas to customers.
 - c. Marketing employs the combined use of communication, distribution, and pricing strategies.
 - d. Marketing involves building long-term, mutually rewarding relationships with customers.

ANSWER: b

2. Which statement expresses the American Marketing Association (AMA)'s core definition of marketing?
- a. Marketing is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction.
 - b. Marketing is an organization function and a set of processes implemented in order to ensure customer satisfaction.
 - c. Marketing refers to personal selling that focuses solely on selling goods, services, and/or ideas to customers.
 - d. Marketing involves building long-term, mutually rewarding relationships that are beneficial exclusively to the sellers.

ANSWER: b

3. Which activity/activities are involved in the process of marketing?
- a. Marketing focuses on practices that deliver value and benefits to customers.
 - b. Marketing employs the combined use of communication, distribution and pricing strategies.
 - c. Marketing involves building long-term, mutually rewarding relationships with customers.
 - d. Marketing focuses solely on selling goods, services, and/or ideas to customers.

ANSWER: a, b, c

4. When a firm focuses on its internal capabilities rather than on the desires and needs of the marketplace, then the firm is said to have adopted the _____ orientation.

- a. production
- b. sales
- c. market
- d. societal

ANSWER: a

5. A firm could benefit from a production orientation when _____.
- a. it produces exactly what the market wants
 - b. the market demand is less than the products supplied by the firm
 - c. it hopes that the product it produces is something customers want
 - d. it focuses on what company management thinks should be produced

ANSWER: a

6. Firm XYZ is known for adopting a strategy that focuses on designing new products based on their assessment of the capabilities of their engineers and on the easy availability of resources. The firm's approach, which emphasizes the ease of production and the talents of its resources rather than the needs and wants of the marketplace, can be attributed to its _____ orientation.

- a. production

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- b. sales
- c. market
- d. societal

ANSWER:

a

7. A production-oriented firm is one that focuses on _____.
- a. the needs and wants of the customers
 - b. aggressive sales techniques
 - c. enhancing individuals' and society's long-term best interests
 - d. the internal capabilities of the firm

ANSWER:

d

8. A production-orientated company can survive in a competitive market if _____.
- a. its goods and services meet the needs of the marketplace
 - b. it does not implement aggressive sales techniques
 - c. it focuses solely on society's long-term best interests
 - d. it does not assess the internal capabilities of the firm

ANSWER:

a

9. In most cases, in order for a firm to succeed in a competitive market, it needs to have a clear understanding of the marketplace and produce products based on the wants and needs of the customers, rather than expecting the customers to want the products manufactured solely based on the assessment of the firm's internal capabilities.

- a. True
- b. False

ANSWER:

True

10. Which of the following statements is true of a sales-oriented firm?
- a. Consumers can be convinced to buy goods or services even though they do not need them.
 - b. Sales-oriented firms understand the needs and wants of the marketplace.
 - c. Sales-oriented firms place maximum emphasis on society's long-term best interests.
 - d. Intermediaries are encouraged to aggressively push manufacturers' products.

ANSWER:

d

11. When a firm believes that employing aggressive sales techniques would help sell their product in the market and achieve high profits rather than designing their product based on the desires and needs of the consumers, then the firm is said to have adopted a _____ orientation.

- a. production
- b. sales
- c. market
- d. societal

ANSWER:

b

12. The management at ABC Computers believes that high sales will result in high profit. Together with the company sales force, management devises a sales strategy to promote their new line of convertible laptops based on the assumption

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that consumers will purchase a product if the company promotes it aggressively. This sales hypothesis can be attributed to the company's _____ orientation.

- a. production
- b. sales
- c. market
- d. societal

ANSWER:

b

13. A sales-oriented company is one that focuses on _____.

- a. the needs and wants of the customers
- b. aggressive sales techniques
- c. enhancing individuals' and society's long-term best interests
- d. the internal capabilities of the firm

ANSWER:

b

14. According to sales-oriented firms, marketing means _____.

- a. employing practices that deliver value and benefits to customers
- b. building long-term, mutually rewarding relationships with customers
- c. selling goods and services and reaping profits from them
- d. enhancing individuals' and society's long-term best interests

ANSWER:

c

15. With the help of an effective sales force that devises high-quality sales techniques, a sales-oriented firm can successfully convince customers to purchase goods and services that they neither wanted nor needed.

- a. True
- b. False

ANSWER:

False

16. Which of the following is a similarity between a production orientation and a sales orientation?

- a. Both ignore the importance of assessing a firm's internal capabilities.
- b. Both lack an understanding of the needs and wants of the marketplace.
- c. Both place little emphasis on the assessment of manufacturing plants and facilities.
- d. Both fail in a market where demand exceeds supply.

ANSWER:

b

17. Which of the following is a drawback of a sales orientation?

- a. It gives excessive importance to the needs and wants of the marketplace.
- b. It cannot convince people to buy goods that are neither wanted nor needed.
- c. It places high emphasis on the assessment of manufacturing plants and facilities.
- d. It gives importance to the production function over other functions.

ANSWER:

b

18. Which of the following statements is true of the marketing concept?

- a. It states that an organization should satisfy customer wants and needs while meeting organizational

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objectives.

- b. It overlooks the importance of understanding the competitive arena and competitors' strengths and weaknesses.
- c. It states that firms should give maximum importance to aggressive promotional and advertising activities.
- d. It states that marketing solely means selling things and collecting money.

ANSWER:

a

19. When a firm believes that the sale of a product depends on the decision of the customer rather than on aggressive sales techniques, then the firm is said to be _____ oriented.

- a. production
- b. sales
- c. market
- d. societal

ANSWER:

c

20. The management of PQR Electronics believes that success can be achieved with a thorough understanding of its competitive arena and by developing products that satisfy the needs, wants, and expectations of customers. Therefore, PQR Electronics can be said to have a _____ orientation.

- a. production
- b. sales
- c. market
- d. societal

ANSWER:

c

21. Which of the following statements is true of market-oriented firms?

- a. They focus on their internal capabilities rather than on the desires and needs of the customers.
- b. They believe that people will buy more goods and services if aggressive sales techniques are used and that high sales result in high profits.
- c. They assume that the sale of goods or services does not depend on an aggressive sales force but rather on a customer's decision to purchase that product.
- d. They claim that people must give up something in order to receive something else they would rather have.

ANSWER:

c

22. Which of the following activities is not true of the marketing concept?

- a. Satisfying customer wants and needs legally and responsibly
- b. Integrating all the organization's activities to satisfy customer wants
- c. Implementing effective and high-quality sales techniques to sell goods and services
- d. Focusing on internal capabilities rather than on customer wants and needs

ANSWER:

d

23. When a firm believes that the social and economic validation for its existence is obtained from achieving their organizational objectives by satisfying customer wants and needs legally and responsibly, then that firm is said to be _____ oriented.

- a. production

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- b. sales
- c. market
- d. societal

ANSWER:

c

24. Which of the following activities is not required to achieve a market orientation?

- a. Obtaining information about customers, competitors, and markets
- b. Examining information about customers, competitors, and markets from a business perspective
- c. Employing a high-quality sales force to aggressively promote goods and services
- d. Determining and implementing actions to provide and deliver added value to customers

ANSWER:

c

25. Identify a critical component of a market-oriented firm.

- a. It understands the strengths and weaknesses of competitors.
- b. It employs a well-trained and effective sales force.
- c. It focuses primarily on the internal capabilities of the firm.
- d. It embraces marketing as a means of selling things and collecting money.

ANSWER:

a

26. When an organization believes that apart from achieving its targets and satisfying customers, it also needs to be responsible for preserving or enhancing individuals' and society's long-term best interests, then the organization is said to have a _____ marketing orientation.

- a. production
- b. sales
- c. customer
- d. societal

ANSWER:

d

27. The research and development team of BB Beverages has discovered that, during the testing process, one of their highly profitable new beverages contains ingredients that may cause liver damage in humans if consumed regularly over time. Additionally, the team also acknowledged that the plant that manufactures this beverage draws healthy groundwater which could cause a water shortage in areas surrounding the plant. Based on these findings, management has halted its production of this beverage until a solution can be found that does not adversely affect its consumers and the environment. Given this decision, it is evident that BB Beverages embraces a _____ orientation.

- a. production
- b. sales
- c. market
- d. societal marketing

ANSWER:

d

28. A firm that has adopted a societal marketing orientation focuses on _____.

- a. the needs and wants of the customers
- b. aggressive sales techniques
- c. enhancing individuals' and society's long-term best interests

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- d. the internal capabilities of the firm

ANSWER:

c

29. The Internet and the extensive use of social media have fueled the change in power from consumers and business users to manufacturers and retailers.

- a. True
b. False

ANSWER:

False

30. Identify the situation(s) in which a production-oriented firm can survive or prosper in the market place.

- a. When competition is weak
b. When demand exceeds supply
c. When competition is strong
d. When supply exceeds demand

ANSWER:

a, b

31. Companies that place customers at the center of their business are those that follow a _____ orientation.

- a. production
b. sales
c. market
d. societal

ANSWER:

c

32. Which marketing philosophy could most help a company outperform its competitors in today's marketplace?

- a. A production orientation
b. A sales orientation
c. A market orientation
d. A societal marketing orientation

ANSWER:

c

33. ABC Apparel follows a market-oriented approach, whereas XYZ Apparel believes in a sales-oriented approach. Considering their approaches, it is evident that _____ has/have a competitive edge in today's market.

- a. ABC Apparel
b. XYZ Apparel
c. both
d. neither

ANSWER:

a

34. The relationship between benefits and the sacrifice necessary to obtain those benefits is known as _____.

- a. teamwork
b. customer value
c. customer satisfaction
d. empowerment

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ANSWER: b

35. Customers perceive high-quality products that are sold at high prices to be a good value.

- a. True
- b. False

ANSWER: False

36. Stacy, a customer of MMM Bank, is extremely pleased with the bank's efforts to please customers and its range of services. She gives the bank high ratings on their feedback form and also recommends the bank to her friends and family. Stacy's evaluation of MMM Bank is a reflection of _____.

- a. customer value
- b. customer satisfaction
- c. customer relations
- d. consumer management

ANSWER: b

37. A customer's assessment of whether a organization's goods or services have met his or her needs and expectations is defined as _____.

- a. customer satisfaction
- b. customer value
- c. customer relationship
- d. customer management

ANSWER: a

38. Which activity do flourishing companies consider as the launching point for building relationships with customers?

- a. Attracting new customers
- b. Increasing business with existing customers
- c. Retaining current customers
- d. Offering generous discounts to all customers

ANSWER: a

39. The strategy of improving relationships with existing customers, which is based on the assumption that most customers prefer to maintain an ongoing relationship with one organization rather than switch continually among providers in their search for value, is defined as _____.

- a. customer value
- b. relationship marketing
- c. teamwork
- d. empowerment

ANSWER: b

40. Which one of the following is a hallmark of relationship marketing?

- a. Aggressive sales techniques
- b. Focusing on internal capabilities of the firm
- c. Long-term focus on customer needs

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- d. Enhancing individuals' and society's long-term best interests

ANSWER:

c

41. The AB group of hotels is keen on building relationships with customers. To ensure success in this effort, the attitudes and actions of its employees need to be _____ oriented.

- a. sales
- b. production
- c. customer
- d. societal

ANSWER:

c

42. Training plays an important role in customer service and relationship building.

- a. True
- b. False

ANSWER:

True

43. The authority that employees are given to swiftly solve customers' problems is referred to as _____.

- a. empowerment
- b. teamwork
- c. customer value
- d. training

ANSWER:

a

44. Employees are more likely to take prudent risks to build stronger business and sustain the company's success in addition to taking responsibility for their actions when they are _____.

- a. empowered to immediately resolve customer problems
- b. offered extensive training
- c. given less work
- d. not pressurized with deadlines

ANSWER:

a

45. The organizations that are frequently noted for delivering superior customer value and providing high levels of customer satisfaction assign employees to teams and teach them team-building skills.

- a. True
- b. False

ANSWER:

True

46. Applying employees' collaborative efforts to accomplish common organizational objectives is known as _____.

- a. training
- b. empowerment
- c. teamwork
- d. relationship management

ANSWER:

c

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47. A sales-oriented firm defines its mission in terms of benefits its customers seek, while a market-oriented firm defines its business in terms of goods and services.

- a. True
- b. False

ANSWER: False

48. A market-oriented firm has a competitive advantage over its sales-oriented counterpart because _____.

- a. it focuses on aggressive sales techniques to sell its products
- b. it focuses primarily on the internal capabilities of the firm
- c. it enhances individuals' and society's long-term best interests
- d. it defines its business in terms of benefits its customers seek

ANSWER: d

49. All of the following are advantages of defining a firm's mission in terms of benefits that customers seek except for which one?

- a. Keeping the firm focused on its customer, instead of becoming preoccupied with its internal needs
- b. Encouraging innovation, creativity, and developing new ways to satisfy customer expectations
- c. Stimulating an awareness of changes in customer desires and preferences so that product offerings remain relevant
- d. Satisfying customer wants and needs may not always be in the best interests of society as a whole

ANSWER: d

50. PQR Corporation is a sales-oriented firm that focuses on high sales. It does not take into account the customer's wants and needs, and instead concentrates on manufacturing products that will reap high profits. This attitude might lead to the firm's missing business opportunities because _____.

- a. its narrow focus on manufacturing specific products does not meet customer needs and wants for a wider range of products
- b. it focuses on providing value and benefits to its customers instead of meeting company objectives
- c. it emphasizes enhancing individuals' and society's long-term best interests
- d. it concentrates on relationship building, empowerment, and teamwork

ANSWER: a

51. A sales-oriented firm targets its products at everybody, while a market-oriented organization aims at selling its products to a specific customer group.

- a. True
- b. False

ANSWER: True

52. The management of GH Apparel has thoroughly analyzed the market and recognizes the wants and needs of different customer groups. It takes all these findings into consideration and develops different types of goods that cater to each group. From this scenario, it is evident that GH Apparel is a _____ organization.

- a. market-oriented
- b. societal-oriented
- c. production-oriented
- d. sales-oriented

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ANSWER:

a

53. The company-wide business strategy designed to optimize profitability, revenue, and customer satisfaction by focusing on highly defined and precise customer groups is called _____.

- a. customer orientation
- b. customer value
- c. customer relationship management
- d. customer satisfaction

ANSWER:

c

54. The process of delivering relevant experiences that are integrated across both physical and virtual environments, throughout the consumer's decision and buying process, is known as _____.

- a. empowerment
- b. team-building
- c. customer relationship management
- d. on-demand marketing

ANSWER:

d

55. Which of the following statements is true of on-demand marketing?

- a. It requires firms to focus on the internal rather than the external business environment.
- b. It places maximum emphasis on aggressive personal selling strategies.
- c. It is aimed at enhancing customer relationships.
- d. It is the most important strategy used by sales-oriented firms.

ANSWER:

c

56. In the context of on-demand marketing, which statement is true of a sales-oriented firm?

- a. It carefully identifies market segments.
- b. It extensively uses relationship marketing strategies.
- c. It extensively uses personal selling and advertising.
- d. It increases sales by creating customer value and satisfaction.

ANSWER:

c

57. High-quality customer-friendly experiences such as sales, service, product use, and marketing are crucial to the success of _____.

- a. relationship building
- b. empowerment
- c. relationship marketing
- d. on-demand marketing

ANSWER:

d

58. An organization that devises strategies to convince a customer to buy their product in spite of acknowledging the mismatch between the customer and the product is said to be a _____ organization.

- a. sales-oriented
- b. market-oriented

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- c. customer-oriented
- d. societal-oriented

ANSWER:

a

59. In the context of marketing, which of the following statements is true of nonprofit organizations?

- a. They market tangible products.
- b. They aim to maximize market share and investment returns.
- c. They make use of extensive advertising and promotional activities.
- d. They exist to achieve goals other than business-related goals.

ANSWER:

d

60. Thrift stores seek to achieve profitability through high sales volumes.

- a. True
- b. False

ANSWER:

False

61. A firm that acknowledges the importance of all four marketing mix decisions (product decisions, place or distribution decisions, promotion decisions, and pricing decisions) is a _____ firm.

- a. sales-oriented
- b. market-oriented
- c. production-oriented
- d. societal-oriented

ANSWER:

b

62. Marketing determines prices and pricing policies that contribute to achieving the fundamental objectives of most businesses.

- a. True
- b. False

ANSWER:

True

63. Marketing career opportunities almost exclusively exist in nonbusiness organizations.

- a. True
- b. False

ANSWER:

False