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True / False

1. In the context of marketing, an exchange refers to people giving up something in order to receive something else they would rather have.

- a. True
- b. False

ANSWER: True

2. A production-oriented firm focuses on satisfying customer wants and needs.

- a. True
- b. False

ANSWER: False

3. A market-oriented organization states that the social and economic justification for an organization's existence is the satisfaction of customer wants and needs while meeting organizational objectives.

- a. True
- b. False

ANSWER: True

4. A market-oriented organization focuses on making products identical to its competitors' offerings.

- a. True
- b. False

ANSWER: False

5. The sales orientation extends the marketing concept by acknowledging that some products that customers want may not really be in their best interests or the best interests of society as a whole.

- a. True
- b. False

ANSWER: False

6. Relationship marketing assumes that many consumers and business customers prefer to switch relationships among different organizations rather than continuing with just one provider.

- a. True
- b. False

ANSWER: False

7. A market-oriented organization targets its products at "everybody" or "the average customer."

- a. True
- b. False

ANSWER: False

8. A local grocer groups his customers into specific groups based on what they buy and when they shop. The grocer then schedules shipments of specific items based on these customer segments and offers different kinds of promotions to different customer groups. This is an example of customer relationship management.

- a. True

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b. False

ANSWER:

True

9. Teamwork entails collaborative efforts of people to accomplish common objectives.

a. True

b. False

ANSWER:

True

10. Marketing career opportunities do not exist in nonbusiness organizations.

a. True

b. False

ANSWER:

False

Multiple Choice

11. Which of the following statements is true of marketing?

a. It is more of a philosophy rather than an organization function.

b. It is focused on just selling goods, services, and/or ideas.

c. It rewards the seller and not the buyer of a transaction.

d. It focuses on delivering value and benefits to customers.

ANSWER:

d

12. Researchers at Fresnas Inc. invented a new form of glass that filters harmful rays of sunlight and blocks heat. Without researching the market conditions, Fresnas Inc. went ahead and manufactured windshields with the new glass. It hopes that customers will like its new product. In this scenario, Fresnas Inc. has adopted a _____.

a. sales orientation

b. production orientation

c. market orientation

d. societal marketing orientation

ANSWER:

b

13. Identify a true statement about production-oriented firms.

a. They do not focus on their internal capabilities.

b. They lack an understanding of the needs and wants of the marketplace.

c. They focus on their customers and have quick cycle times.

d. They determine what products their customers want and then produce them.

ANSWER:

b

14. A firm would benefit from production orientation when _____.

a. competition is weak and demand exceeds supply

b. the market demand falls short of the firm's supply

c. the product it produces is not something that customers want

d. it wants to preserve society's long-term best interests

ANSWER:

a

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15. Which of the following is a sales-oriented organization?

- a. Fournotts Corp. that produces what the company management thinks should be produced
- b. Magnira Corp. that understands the needs and wants of the marketplace
- c. Fillets Inc. that believes in the philosophy that aggressive sales techniques can result in high sales
- d. Laelle Inc. that believes that a sale is based on a customer's decision to purchase a product

ANSWER:

c

16. Which of the following statements is true of a sales orientation?

- 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 give maximum emphasis to society's long-term best interests.
- d. Intermediaries are encouraged to push manufacturers' products aggressively.

ANSWER:

d

17. 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

18. Which of the following is a drawback of the sales-orientation philosophy?

- 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 little emphasis on the assessment of manufacturing plants and facilities.
- d. It gives importance to the production function over other functions.

ANSWER:

b

19. 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 objectives.
- b. It overlooks the importance of understanding the competitive arena and strengths and weaknesses of competition.
- 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

20. The management of Leyton Electronics Inc. always favors market orientation over the other marketing management philosophies. In this case, which of the following is most likely to be true of Leyton Electronics Inc.?

- a. Leyton Electronics Inc. overlooks the importance of market research.
- b. Leyton Electronics Inc. manufactures products that are similar to its competitors' offerings.
- c. Leyton Electronics Inc. satisfies its customers' wants and needs legally and responsibly.
- d. Leyton Electronics Inc. lacks an understanding of its competitors' strengths and weaknesses.

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ANSWER:

c

21. Firms that are _____ assume that a sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product.

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

ANSWER:

b

22. Unlike a production-oriented firm, a market-oriented firm:

- a. uses aggressive sales techniques to increase sales.
- b. focuses on its internal capabilities rather than the needs of marketplace.
- c. focuses on satisfying customer wants and needs.
- d. produces what company management thinks should be produced.

ANSWER:

c

23. Which of the following strategies is most closely associated with the societal marketing orientation?

- a. Competing in the market
- b. Fostering opportunism
- c. Using clean energy sources
- d. Increasing overhead production costs

ANSWER:

c

24. Allied Inc., a beverage manufacturer, follows a societal marketing orientation. It now wants to revamp its existing containers as they were found to be harmful to its users. In this case, Allied Inc. will:

- a. change the label of the old containers and use them.
- b. sell containers that will leave high amounts of chemical wastes when burned.
- c. produce containers that are less toxic than its previous containers.
- d. manufacture containers that cannot be reused.

ANSWER:

c

25. Unlike personnel in market-oriented firms, personnel in sales-oriented firms:

- a. tend to be inward looking.
- b. focus on making what the market wants.
- c. enhance individuals' and society's long-term best interests.
- d. determine the needs of both the final buyer and intermediaries.

ANSWER:

a

26. Nessca Corp. manufactures electronic gadgets. It instructs its marketing team to competitively advertise and promote its gadgets. The company, instead of believing in market research, believes that the market will absorb more products if customers are made aware of the products. The workforce of Nessca Corp. is most likely to:

- a. be inward looking, focusing on selling what the firm makes.
- b. take responsibility for its customers' well-being and interests.

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- c. assume that sales depend on a customer's decision to purchase a product.
- d. focus on determining the needs of its customers rather than selling aggressively.

ANSWER:

a

27. Livin' Styles is a home décor company well-known for its varieties of designs. The management of Livin' Styles collaborates with its customers and co-creates designs. This is an example of _____.

- a. following sales orientation
- b. focusing on environmental value
- c. delegating authority
- d. creating customer value

ANSWER:

d

28. A firm that extensively uses relationship marketing strategies is most likely to:

- a. focus on the internal rather than the external business environment.
- b. rely on aggressive sales strategies.
- c. focus on short-term goals of increasing sales.
- d. encourage teamwork among employees.

ANSWER:

d

29. A market-oriented firm defines its business in terms of:

- a. the benefits its customers seek.
- b. goods and services.
- c. minimal promotion for high-quality products.
- d. targeting the average customer.

ANSWER:

a

30. Unlike a market-oriented firm, a sales-oriented firm:

- a. puts customers at the center of its business.
- b. focuses on relationship marketing strategies.
- c. gives little emphasis to promotion activities.
- d. targets its products at the average customer.

ANSWER:

d

31. Which of the following statements is true of customer relationship management?

- a. It involves targeting the average customer or everybody.
- b. It involves establishing and tracking customer interactions with the company.
- c. It considers all customers as one large group that should be targeted with a single promotional strategy.
- d. It is used by sales-oriented firms to convince customers to buy their products.

ANSWER:

b

32. Which of the following statements is true of customer relationship management?

- a. It involves linking all processes of a company from its customers through its suppliers.
- b. It tries to convince potential customers to buy, even if the seller knows that the customer and the product are

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mismatched.

- c. It is used more by sales-oriented firms than market-oriented firms.
- d. It is most extensively used by production-oriented firms.

ANSWER:

a

33. Which of the following is used in customer relationship management?

- a. Sales-orientation philosophy
- b. Production-oriented philosophy
- c. Communicator valence
- d. On-demand marketing

ANSWER:

d

34. 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 gives maximum emphasis to aggressive personal selling strategies.
- c. It is aimed at enhancing customer relationships.
- d. It is used by sales-oriented firms.

ANSWER:

c

35. Which of the following statements 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

36. Which of the following statements is true of marketing?

- a. A consumer does not pay for the marketing costs.
- b. Marketing offers great career opportunities in business and nonbusiness organizations.
- c. Only two percent of the entire civilian workforce in the U.S. performs marketing activities.
- d. Marketing is limited to the people of the marketing department of a firm.

ANSWER:

b

37. Marley & Co. is a popular and successful sofa manufacturing company in the United States. It manufactures an exclusive variety of upholstery and linen for sofas and armchairs. Its collection has not changed much in the past few years, and it mostly focusses on manufacturing the designs that are cost efficient. In this scenario, it has adopted a _____.

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

ANSWER:

b

38. Researchers at Fiz Co. have invented a new alternative for plastic. The new material is biodegradable and cost efficient. The company ignores current market conditions and manufactures an entire stock of sippers and bottles with it.

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The company hopes that customers will like this product. In this scenario, Fiz Co. has adopted a _____.

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

ANSWER:

b

39. Harvey is an auto dealer at Vonga Automobiles. As part of his team, he is required to directly call potential customers and convince them to buy the products of the company. He is very persuasive while communicating with his customers. In this scenario, Harvey works for a company that adopts a _____.

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

ANSWER:

b

40. Mark and his friends have opened a new bookstore. The first hundred customers get a flat 50% discount on anything they buy. Mark and his friends sent out a bunch of flyers in order to gather customers and spread the word. In this scenario, Mark and his friends have adopted a _____.

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

ANSWER:

b

41. Knofler, an electronic store, has opened recently. The company has put up billboards all over town, announcing its launch. It claims to offer its customers the best deals on cell phones and laptops. In addition, every fifth customer gets a special discount on his or her purchase. In this scenario, Knofler has adopted a _____.

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

ANSWER:

a

42. Proteens is a competitive health drink manufacturing company that caters to the nutritional needs of teenagers. It recently launched an interactive page on Facebook that helps the company communicate with its customers about why and when they should consume health drinks. The page acts as a guide to a healthy lifestyle. In this scenario, Proteens is a _____ firm.

- a. market-oriented
- b. partnership
- c. production-oriented
- d. diversified

ANSWER:

a

43. Betty's Shop is an exclusive gift store that is preparing for Christmas sales. It is planning to launch a collection of gift

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items that are popular among its target audience. The company has started a new WhatsApp group through which it intends to interact with its customers and find out what they would like to gift their loved ones this Christmas. In this scenario, Betty's Shop is a _____ company.

- a. market-oriented
- b. partnership
- c. production-oriented
- d. diversified

ANSWER:

a

44. Nurture-U is an organic and natural beauty brand. It manufactures a varied stock of skin and environment-friendly products. It believes that the environment should be protected for future generations. The company is against the use of animal products and uses plant extracts. In this scenario, Nurture-U best illustrates a _____.

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

ANSWER:

d

45. Sky High Builders is a sustainable construction company that uses eco-friendly materials to repair or construct infrastructure in the city. The company's products are made from recycled plastic. In this scenario, Sky High Builders best illustrates a _____.

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

ANSWER:

d

46. Happy Eating is a catering company that offers organic food. It serves eatables that are made from organic and locally grown fresh ingredients at private events and corporate functions. The company avoids using plastic and paper products for packaging. It also promotes awareness of the environmental benefits of choosing chemical free, organic food. In this scenario, Happy Eating has adopted a _____.

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

ANSWER:

a

47. Fresh Looks is a beauty salon that uses organic products to minimize the environmental impact of chemical-based products. It uses natural soaps and shampoos and other vegan beauty products such as vegan moisturizers, nail polishes, and spa treatments. This eco-friendly beauty business has adopted a _____.

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

ANSWER:

c

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48. Adorn is a fashion brand that uses recycled materials to create its products. It produces eco-friendly dress materials, handbags, and other accessories from organic cotton, reused fabric pieces, and recycled plastic bottles. Adorn's policies clearly reflect its aim to protect the environment. In this scenario, Adorn is adopting a _____.

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

ANSWER: d

49. Jojo is a bath and body product manufacturer. This company produces handmade soaps and other products that are made of organic ingredients such as natural, herbal, and fruit extracts. It purchases its raw materials from local farmers and businesses. In this scenario, Jojo has adopted a _____.

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

ANSWER: d

50. Happy Holiday International, a chain of hotels and resorts, keeps in constant touch with its existing customer network over social media. Every holiday season, it ensures that its customers are aware and informed about what the company has in store for them. This is an example of _____.

- a. relationship marketing
- b. guerrilla marketing
- c. traditional marketing
- d. societal marketing

ANSWER: a

51. Far Out Group, a popular chain of 5 star hotels, recently launched a smartphone app that combines and customizes travel experience. Customers may input the desired budget for their stay and the app presents them with a list of suitable options. With the help of mobile communication services, prospects can easily locate these properties. This is an example of _____.

- a. ambient marketing
- b. on-demand marketing
- c. traditional marketing
- d. stealth marketing

ANSWER: b

Essay

52. Briefly discuss the concept of marketing.

ANSWER: Answers will vary. Marketing has two facets. First, it is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction. Second, marketing is an organization function and a set of processes used to implement this philosophy.
The American Marketing Association's (AMA) definition of marketing focuses on the second facet.

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According to the AMA, 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.

Marketing involves more than just activities performed by a group of people in a defined area or department. Marketing entails processes that focus on delivering value and benefits to customers, not just selling goods, services, and/or ideas. It uses communication, distribution, and pricing strategies to provide customers and other stakeholders with the goods, services, ideas, values, and benefits they desire when and where they want them. It involves building long-term, mutually rewarding relationships when these benefit all parties concerned. Marketing also entails an understanding that organizations have many connected stakeholder "partners," including employees, suppliers, stockholders, distributors, and others. REJ: Please see the section "What is Marketing?" for more information.

53. List and define four marketing management philosophies.

ANSWER: Answers will vary. Four competing philosophies strongly influence an organization's marketing processes. These philosophies are commonly referred to as production, sales, market, and societal marketing orientations.

- A production orientation is a philosophy that focuses on the internal capabilities of a firm rather than on the desires and needs of the marketplace.
- A sales orientation is based on the belief that people will buy more goods and services if aggressive sales techniques are used and that high sales result in high profits.
- The marketing concept is a simple and intuitively appealing philosophy that articulates a market orientation.

The societal marketing orientation extends the marketing concept by acknowledging that some products that customers want may not really be in their best interests or the best interests of society as a whole. REJ: Please see the section "Marketing Management Philosophies" for more information.

54. Define customer value and ways to provide customer value.

ANSWER: Answers will vary. Customer value is the relationship between benefits and the sacrifice necessary to obtain those benefits.

Marketers who want to be perceived by their customers as offering value can (1) offer products that perform, (2) earn trust, (3) avoid unrealistic pricing of their products, (4) give the buyer facts, (5) offer organization-wide commitment in service and after-sales support, and (6) co-create with customers. REJ: Please see the section "Differences between Sales and Market Orientations" for more information.

55. Why should people study marketing?

ANSWER: Answers will vary. There are several important reasons to study marketing: Marketing plays an important role in society, marketing is important to businesses, marketing offers outstanding career opportunities, and marketing affects your life every day.

A typical U.S. family, for example, consumes two and a half tons of food a year. Marketing makes food available when we want it, in desired quantities, at accessible locations, and in sanitary and convenient packages and forms (such as instant and frozen foods).

The fundamental objectives of most businesses are survival, profits, and growth. Marketing contributes directly to achieving these objectives. Marketing includes the following activities, which are vital to business organizations: assessing the wants and satisfactions of present and potential customers, designing and managing product offerings, determining prices and pricing policies, developing distribution strategies, and communicating with present and potential customers.

Between one-fourth and one-third of the entire civilian workforce in the U.S. performs marketing activities. Marketing offers great career opportunities in such areas as professional selling, marketing research,

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advertising, retail buying, distribution management, product management, product development, and wholesaling. Marketing career opportunities also exist in a variety of nonbusiness organizations, including hospitals, museums, universities, the armed forces, and various government and social service agencies. REJ: Please see the section "Why Study Marketing?" for more information.