

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

- 1) You are directed to study the actors close to the company that affect its ability to serve its customers- departments within the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. What are you studying? 1) b
A) the marketing environment
B) the microenvironment
C) the demographic environment
D) the global environment
E) the macroenvironment
- 2) Which of the following terms is used to describe the factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers? 2) c
A) strategic planning
B) the cultural environment
C) the marketing environment
D) target markets
E) the marketing mix
- 3) You are directed to study the demographic, economic, natural, technological, political, and cultural factors that are larger societal forces affecting your company. What are you studying? 3) d
A) the internal environment
B) the marketing mix
C) the global environment
D) the macroenvironment
E) the microenvironment
- 4) Which of the following is NOT a type of factor in a company's macroenvironment? 4) c
A) political
B) demographic
C) competitive
D) economic
E) technological
- 5) All of the groups within a company are called the _____. 5) a
A) internal environment
B) diversity
C) climate
D) range
E) culture

- 6) Which type of organization helps companies stock and move goods from their points of origin to their destination? 6) d
- A) resellers
 - B) marketing services agencies
 - C) suppliers
 - D) physical distribution firms
 - E) financial intermediaries
- 7) Banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods and services are referred to as _____. 7) c
- A) physical distribution firms
 - B) marketing services agencies
 - C) financial intermediaries
 - D) resellers
 - E) wholesalers
- 8) Currently, Diego Calabresa is employed by a firm that conducts marketing research and creates ads for other companies that help them target and promote their products to the right markets. Who is Diego's employer? 8) e
- A) a financial intermediary
 - B) a reseller
 - C) a green marketer
 - D) a physical distribution firm
 - E) a marketing service agency
- 9) A _____ is defined as any group that has an actual or potential interest in, or impact on, an organization's ability to achieve its objectives. 9) c
- A) market
 - B) intermediary
 - C) public
 - D) competitor
 - E) team
- 10) Which of the following is NOT an example of the type of public that is part of a company's marketing environment? 10) c
- A) financial
 - B) media
 - C) marketing department
 - D) citizen-action
 - E) government
- 11) A radio station that carries news, features, and editorial opinions about your local area would be classified as a _____ public? 11) d
- A) citizen-action
 - B) financial
 - C) local
 - D) media
 - E) government

- 12) A consumer organization, environmental group, or minority group has challenged your firm's stand on a local issue. Your firm is being challenged by a _____ public. 12) b
- A) general
 - B) citizen-action
 - C) government
 - D) media
 - E) local
- 13) Workers, managers, and members of the board are all part of a company's _____ public. 13) e
- A) general
 - B) local
 - C) intermediary
 - D) market
 - E) internal
- 14) Percy Original caters to a market of individuals and households that buys goods and services for personal consumption. Percy Original caters to a _____ market. 14) e
- A) marketing intermediary
 - B) government
 - C) reseller
 - D) business
 - E) consumer
- 15) In a _____ market, goods and services are purchased for further processing or for use in the production process. 15) c
- A) wholesale
 - B) reseller
 - C) business
 - D) consumer
 - E) retail
- 16) In a _____ market, goods and services are purchased to produce public services or to transferred to others who need them. 16) b
- A) retail
 - B) government
 - C) wholesale
 - D) reseller
 - E) consumer
- 17) Rachel Patino works for a wholesale company called Distributors Unlimited. She is responsible for buying and selling goods at a profit to small retailers. What is her market? 17) b
- A) business
 - B) reseller
 - C) retail
 - D) consumer
 - E) wholesale
- 18) Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched? 18) e
- A) geographic
 - B) cultural
 - C) economic
 - D) psychographic
 - E) demographic

- 19) The three largest generational groups in Canada are the baby boomers, Generation Xers, and _____. 19) c
- A) teens
 - B) toddlers
 - C) Millennials
 - D) tweens
 - E) seniors
- 20) As a group, _____ are the most affluent North Americans. 20) d
- A) seniors
 - B) Generation Xers
 - C) the Millennials
 - D) baby boomers
 - E) echo boomers
- 21) Research has shown that the most important demographic trend in Canada is the _____. 21) _____
- A) slowing birth rate
 - B) increasing number of professional jobs
 - C) changing age structure of the population
 - D) mobility of families
 - E) aging population
- 22) The youngest of the baby boomers are now in their _____. 22) _____
- A) late 20s B) early 50s C) mid-40s D) mid-20s E) early 60s
- 23) Which of the following descriptions most accurately characterizes the baby boomers? 23) _____
- A) They control over 50 percent of the country's wealth.
 - B) They are past their peak earning and spending years.
 - C) They are a shrinking market for new housing and home remodeling.
 - D) They are increasingly likely to retire early.
 - E) They are uninterested in adapting new technologies.
- 24) Which of the following descriptions most accurately characterizes Gen Xers? 24) _____
- A) They rarely research a product before purchasing it.
 - B) They are more interested in acquiring goods than having experiences.
 - C) There are more Gen Xers than Millennials.
 - D) They were the first generation of latchkey kids.
 - E) They grew up during times of great economic growth.
- 25) Which demographic group is also referred to as the echo boomers? 25) _____
- A) Generation X
 - B) Generation Z
 - C) Millennials
 - D) baby boomers
 - E) baby busters

- 26) Large tween and teen markets belong to which demographic group? 26) _____
A) baby busters
B) Generation Z
C) baby boomers
D) Millennials
E) Generation X
- 27) Which of the following descriptions most accurately characterizes Millennials? 27) _____
A) They have reached their peak earning and spending years.
B) They are children of baby boomers.
C) They are less ethnically diverse than Gen Xers.
D) They have graduated from college and are taking over positions of power in the business world.
E) They were once labeled "the MTV generation."
- 28) Which demographic group is characterized by a total fluency and comfort with computer, digital, and Internet technology? 28) _____
A) the elderly
B) Generation X
C) baby boomers
D) Millennials
E) Generation Z
- 29) About 43.5 percent of young Canadians aged 20 to 29 now live with their parents. This is indicative of what syndrome? 29) _____
A) lone-parent family
B) shrinking household
C) crowded nest
D) empty nest
E) early independence
- 30) Ameriprise Financial has published a *Dream Book* guide, one of the first steps in their Dream > Plan > Track approach to financial planning, as part of their strategy to attract _____ as customers. 30) _____
A) Gen Xers
B) professionals
C) baby boomers
D) Millennials
E) echo boomers
- 31) Canadian women account for _____ percent of this country's workforce. 31) _____
A) 35 B) 40 C) 43 D) 59 E) 48
- 32) Which of the following is a trend that depicts the increasingly nontraditional nature of today's Canadian family? 32) _____
A) working women making up a smaller percentage of the workforce
B) dual-income families declining in number
C) the growth of lone-parent families headed by women
D) the declining reliance on convenience foods and services
E) stay-at-home dads declining in number

- 33) Which two Canadian provinces are now the top two choices when it comes to interprovincial moves? 33) _____
A) Saskatchewan and Manitoba
B) Newfoundland and Labrador
C) Nova Scotia and P.E.I.
D) Ontario and Quebec
E) Alberta and British Columbia
- 34) What percentage of people classified as "serious technology users" reside in Ontario? 34) _____
A) 46 B) 62 C) 12 D) 6 E) 25
- 35) Canadian cities are often surrounded by large suburban areas. Statistics Canada calls these combinations of urban and suburban populations _____. 35) _____
A) geographic combos
B) rural/urban areas
C) suburbs
D) census metropolitan areas
E) metropolises
- 36) Recent research has shown that interprovincial moves and income are correlated. People who moved from one province to another tended to _____ their earnings. 36) _____
A) double B) reduce C) limit D) increase E) reverse
- 37) Fifteen percent of Canadian households report that they have a home office. These workers are referred to as the _____ market. 37) _____
A) SOHO
B) contract
C) mobile
D) micropolitan
E) independent
- 38) The Canadian population is becoming better educated. As of 2004, 59.1 percent of the population had 38) _____
A) university degrees or post-secondary certificates.
B) an MBA.
C) a high school diploma.
D) post-graduate education.
E) some post-secondary education.
- 39) Because of increasing _____, Canadians will demand higher quality products, books, magazines, travel, personal computers, and Internet services. 39) _____
A) social class awareness
B) levels of education
C) family size
D) numbers of nontraditional families
E) ethnic diversity

- 40) Which of the following is an accurate statement about the diversity of the Canadian population? 40) _____
A) Over 5 million Canadians identified themselves as visible minorities in the 2006 census.
B) Members of visible minority groups could account for roughly half of the population by 2017.
C) Canadian ethnic populations are expected to slowly increase in the next few decades.
D) The Asian-Canadian percentage of the population is expected to remain steady in the next 50 years.
E) Less than 8 ethnic groups in Canada are growing significantly and have well-developed media.
- 41) IKEA learned that religion plays a key role for which growing ethnic community in Canada? 41) _____
A) Caribbean
B) Somalian
C) Chinese
D) Ukranian
E) South Asian
- 42) In Canada, marketers can use a variety of media vehicles introduced to serve ethnic marketplaces. 42) _____
There are now 18 ethnic-specific _____.
A) television networks
B) radio stations
C) web sites
D) magazines
E) newspapers
- 43) Which growing consumer group in Canada tends to be cosmopolitan and professional with high incomes? 43) _____
A) echo boomers
B) gays and lesbians
C) Millennials
D) environmentalists
E) Gen Xers
- 44) Which group has considerable spending power, as well as great need for tailored products and services, and represents 14.3 percent of the Canadian population (4.4 million people)? 44) _____
A) millennials
B) people with disabilities
C) visible minorities
D) gays and lesbians
E) environmentalists
- 45) The _____ environment consists of factors that affect consumer purchasing power and spending patterns. 45) _____
A) natural
B) cultural
C) economic
D) technological
E) political

- 46) A country with a(n) _____ economy consumes most of its own agricultural and industrial outputs and offers few market opportunities. 46) _____
A) industrial
B) technological
C) rural
D) service
E) subsistence
- 47) A country with a(n) _____ economy has rich markets for many different kinds of goods. 47) _____
A) industrial
B) developing
C) service
D) subsistence
E) multicultural
- 48) Which of the following factors has NOT contributed to today's age of the "tapped-out consumer"? 48) _____
A) rising incomes in the upper class
B) savings for retirement
C) debt repayment
D) savings for college tuition
E) increasing household expenses
- 49) Value marketing is the strategy of offering consumers _____. 49) _____
A) little quality at a low price
B) high quality at a high price
C) reasonable quality at a fair price
D) lesser quality at a low price
E) luxury quality at a high price
- 50) Which of the following statements about income distribution in Canada is true? 50) _____
A) The earnings of Canada's middle class are increasing.
B) This distribution of income has created an untiered market.
C) Wealth is widespread among Aboriginal reserves.
D) Canadians in the top 5 percent of wage earners account for approximately 25 percent of the total income earned.
E) The median earnings among the top 20 percent of Canadian full-time workers decreased over 16 percent since the last census.
- 51) In a tiered market, companies target which of the following? 51) _____
A) consumers of modest means only
B) professionals only
C) affluent consumers only
D) from the affluent to the less affluent
E) the middle class only
- 52) Which of the following groups of expenses uses up the most household income? 52) _____
A) food, housing, transportation
B) housing, insurance, taxes
C) housing, taxes, transportation
D) food, housing, retirement planning
E) food, travel, savings

- 53) Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant. 53) _____
- A) food; transportation
 - B) clothing; recreation/entertainment
 - C) recreation/entertainment; savings
 - D) food; housing
 - E) food; clothing
- 54) The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____. 54) _____
- A) raw material market
 - B) endangered environment
 - C) green movement
 - D) natural environment
 - E) factors of production
- 55) What legislation did the Canadian government pass in order to establish stringent pollution-control measures as well as the means for their enforcement? 55) _____
- A) the Consumer Packaging and Labelling Act
 - B) the Competition Act
 - C) the Personal Information Protection Act
 - D) the Environmental Protection Act
 - E) the Food and Drug Act)
- 56) Which of the following has encouraged marketers to pursue environmentally sustainable strategies? 56) _____
- A) the black market
 - B) green intervention
 - C) deregulation
 - D) the green movement
 - E) the competition act
- 57) Which of the following marketing activities is forbidden by the Competition Act? 57) _____
- A) commodity labelling
 - B) disclosure of personal information
 - C) resale price maintenance
 - D) sales of misbranded food
 - E) cosmetics advertising
- 58) Marketers should be aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. This is most accurately described as the _____ environment. 58) _____
- A) political
 - B) legal- technological
 - C) economic
 - D) socio- legal
 - E) cultural

- 59) Even the most liberal advocates of free-market economies agree that the system works best with _____ regulation. 59) _____
- A) maximum
 - B) private
 - C) intermittent
 - D) no
 - E) at least some
- 60) Legislation affecting business around the world will continue to _____. 60) _____
- A) threaten the American domestic economy
 - B) become standardized
 - C) decrease
 - D) increase
 - E) remain steady
- 61) The legislation created that requires certain commodities to be properly labelled or described in advertising for the purpose of indicating material content or quality is called the _____. 61) _____
- A) Consumer Packaging and Labelling Act
 - B) Motor Vehicle Safety Act
 - C) National Trade-mark and True Labelling Act
 - D) Competition Act
 - E) Food and Drug Act
- 62) Business legislation has been created for three basic reasons: to protect companies from each other, to protect consumers, and to _____. 62) _____
- A) protect the interests of society
 - B) regulate monopolies
 - C) promote social responsibility
 - D) regulate prices
 - E) increase world trade
- 63) The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of _____ and _____. 63) _____
- A) ethics; promotion responsibility
 - B) ethics; social responsibility
 - C) finances; employee discrimination
 - D) promotion; pricing
 - E) management ethics; insider trading
- 64) Cause-related marketing is a(n) _____. 64) _____
- A) response to corporate legislative problems
 - B) primary form of corporate giving
 - C) response to customer needs
 - D) attempt to influence consumers' core beliefs
 - E) primary form of environmental awareness

- 65) A society's basic values, perceptions, preferences, and behaviours are all part of its _____ environment. 65) _____
 A) social
 B) cultural-economic
 C) political
 D) cultural
 E) natural
- 66) Marketers should understand that a society's core beliefs and values have a high degree of _____. 66) _____
 A) conformity
 B) persistence
 C) flexibility
 D) ethnocentrism
 E) similarity
- 67) Your company is making negotiations to enter a market in Lower Albania. You would most likely discover that _____ beliefs and values are open to change in this country. 67) _____
 A) core B) primary C) secondary D) traditional E) inherited
- 68) A society's _____ are expressed in how people view themselves, organizations, society, nature, and the universe. 68) _____
 A) economies
 B) social codes
 C) demographics
 D) cultural values
 E) public policies
- 69) Trends in people's views of organizations indicate that which of the following has increased in the past twenty years? 69) _____
 A) distrust in small, local businesses
 B) a loss of confidence in big businesses
 C) employees' loyalty to their employers
 D) confidence in Canadian political organizations
 E) employees' view of work as a source of satisfaction
- 70) Watching the cultural trends of how people view society, observers have noted that more and more Canadians have a sense of _____. 70) _____
 A) disenchantment
 B) ethnic awareness
 C) national pride
 D) global savvy
 E) foreign intolerance
- 71) Which trend related to people's attitudes towards others suggests less demand for theatre-going and greater demand for home improvement, home office, and home entertainment products? 71) _____
 A) the green movement
 B) renewed patriotism
 C) globalization
 D) sustainability
 E) cocooning

72) Which of the following statements regarding Canadians and spirituality is true? 72) _____
 A) 67 percent of adult Canadians regularly attend religious services.
 B) Canadians and Americans are going in opposite directions with regard to religion.
 C) Canadian marketers can't fail when picking up lifestyle ads from the United States.
 D) Attendance at religious services has been increasing gradually over the years.
 E) Canada is a very religious, almost puritanical country.

73) Marketers can take a(n) _____ by taking aggressive action to affect the publics and forces in their marketing environments. 73) _____
 A) proactive stance
 B) environmental stance
 C) relationship-building perspective
 D) natural perspective
 E) natural-management perspective

74) Which of the following explains why few companies have been successful in shutting down critics who post complaints on the Web? 74) _____
 A) The criticism is usually interpreted as protected speech.
 B) Registering domain names to prevent critical Web sites is a lengthy process.
 C) Web sites using "I hate" or "sucks" in the title along with a company's name can be easily confused with the company's actual Web site.
 D) The courts have typically refused to hear any cases against individual critics.
 E) Companies have found that it is more effective to respond in kind with attacks against critics.

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

75) Today's marketers must constantly watch and adapt to the changing environment in order to successfully build relationships with target customers. 75) _____

76) When the marketing manager, Suzie Kwan, discusses factors and forces outside marketing, such as political that affect marketing management's ability to build and maintain successful relationships with target customers, she is talking about the external marketing concept. 76) _____

77) The microenvironment consists of larger societal forces that affect a company, such as demographic, economic, political, and cultural forces. 77) _____

78) The macroenvironment consists of the factors close to the company that affect its ability to serve its customers, such as suppliers, customer markets, competitors, and publics. 78) _____

79) Trudie Jones works for a distribution channel firm that helps several electronics companies find customers or make sales to them. Trudie works for a reseller. 79) _____

80) Marketing research firms, advertising agencies, media firms, and marketing consulting firms are all referred to as marketing services agencies. 80) _____

81) Today's successful marketers recognize the importance of working with their intermediaries as channels through which they sell their products rather than as full-fledged partners. 81) _____

82) Consumer organizations such as environmental and minority groups that may question a company's marketing decisions are referred to as local publics. 82) _____

- 83) A company markets wild and crazy games for teens to play at parties. This company's customer market is a business market. 83) _____
- 84) The demographic environment is of major interest to marketers because it involves people, and people make up markets. 84) _____
- 85) The single most important demographic trend in Canada that marketers should understand is the changing family structure. 85) _____
- 86) As baby boomers reach their peak earning and spending years, they become lucrative markets for financial services, travel, and entertainment. 86) _____
- 87) Once thought of as slackers, Gen Xers are now displacing the lifestyles, culture, and materialistic values of the baby boomers. 87) _____
- 88) MEC has been highly successful in serving a segment of Gen Xers who value family, life experiences, and environmental sustainability. 88) _____
- 89) Millennials comprise the most commercially influential group in Canada today. 89) _____
- 90) Millennials represent a larger demographic segment than the baby boomers or Gen Xers. 90) _____
- 91) Marketers must increasingly consider the needs of traditional households because this segment of the population is growing more rapidly than nontraditional households. 91) _____
- 92) The Canadian workforce today is better educated but less white-collar than it was a generation ago. 92) _____
- 93) Companies in several industries have recognized the buying power of the gay and lesbian segment of the Canadian population and have begun explicitly targeting these consumers with gay-specific marketing efforts. 93) _____
- 94) Many marketers now recognize that the worlds of people with disabilities and those without disabilities will never be the same. 94) _____
- 95) According to Engel's laws, consumers tend to spend a larger percentage of income on savings as income rises. 95) _____
- 96) Significant trends in the natural environment include shortages of raw materials, increased pollution, and decreased government intervention. 96) _____
- 97) More government legislation and the green movement are the likeliest causes of a general decline in environmental concerns in the past decade. 97) _____
- 98) Every new technology replaces an older technology. 98) _____
- 99) Industry Canada and the National Research Council are funding new efforts to foster increased research. 99) _____

- 100) In Canada there are many laws created at the federal, provincial, and municipal levels, and these regulations often overlap. 100) _____
- 101) Cause-related marketing is a slowing trend as companies have abused the practice, using it more to increase sales than to support worthwhile causes. 101) _____
- 102) In the cultural environment, core values and beliefs and secondary values and beliefs differ in that the former are more open to change. 102) _____
- 103) Do-it-yourselfers rarely follow a single path or do the same thing twice. 103) _____
- 104) When a company hires lobbyists to influence legislation affecting its industry, it is taking a reactive approach to the marketing environment. 104) _____

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

- 105) Who are the major players in a company's microenvironment? Explain the role each major actor plays.
- 106) In a short essay, differentiate between the basic marketing intermediaries.
- 107) In marketing, what is a public? Briefly describe the seven main types of publics faced by marketers and explain how marketing might communicate with these publics.
- 108) How can marketers use information about the demographic environment?
- 109) Explain the impact of the baby boomers, Generation Xers, and Millennials on today's marketing strategies.
- 110) What are the major trends in today's natural environment? How do these trends affect companies?
- 111) Why is the technological environment such a dramatic force in today's market?
- 112) Explain the three main reasons the business legislation is enacted.
- 113) What is cause-related marketing? Give two examples of the practice and explain why companies participate in cause-related marketing.
- 114) What is the cultural trend in how people view nature? How does this affect marketers?

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

- 115) Innovations is a producer of electronic circuits that power a variety of technological devices produced by other companies. Innovations sells its products to _____ markets. 115) _____
- A) business
- B) consumer
- C) financial
- D) internal
- E) government

- 116) ING, an international insurance and financial services company, is the primary sponsor of the annual New York City Marathon, which is attended by over one million fans and watched by approximately 300 million viewers worldwide. The ING logo and name appear throughout the race course. ING most likely sponsors the event in order to appeal to which type of public? 116) _____
- A) financial
 - B) internal
 - C) general
 - D) government
 - E) local
- 117) If baby boomers are predictors of where product and service demand will be, increased demands will most likely be evident in _____ in the upcoming years. 117) _____
- A) financial services
 - B) beer and wine
 - C) the automobile industry
 - D) the apparel industry
 - E) university enrollment
- 118) Noora DeLange is helping her company develop a marketing program for a new product line. The program involves emphasizing experience over acquisition and uses a marketing pitch that is less overt than the company's previous programs. The marketing program is most likely designed to appeal to which of the following demographic groups? 118) _____
- A) manufacturing workers
 - B) Gen Xers
 - C) "micropolitan" populations
 - D) Millennials
 - E) nontraditional households
- 119) Which of the following best explains why Gen Xers as a group may be more economically cautious than baby boomers? 119) _____
- A) Gen Xers tend to seek more guidance from the financial services industry.
 - B) Gen Xers grew up during times of corporate downsizing and recession.
 - C) Gen Xers are more focused on saving for retirement than baby boomers are.
 - D) Gen Xers watched much of their savings evaporate during the recession of the late 1980s.
 - E) Gen Xers are not as materialistic as members of other generations.
- 120) Wholesome Soups, a maker of organic soups, is starting a new marketing campaign emphasizing the ease of preparing and eating Wholesome Soups on the go. Print, television, and Internet ads feature college-aged students enjoying Wholesome Soups in between classes and during study breaks. Wholesome Soups' new marketing campaign is most likely aimed at which of the following? 120) _____
- A) Gen Xers
 - B) baby boomers
 - C) the SOHO market
 - D) Millennials
 - E) seniors

- 121) What demographic shift in Canada has been a major factor in the success of Epicerie Direct, an Internet grocer serving the greater Montreal area since 2007? 121) _____
- A) Canadian becoming increasingly mobile and moving from province to province
 - B) Visible minorities representing an even larger portion of Canada's population
 - C) Baby boomers hitting retirement age
 - D) The significant number of women in the workforce
 - E) Millennials increasing their earning power
- 122) Which of the following demographic trends is likely the most responsible for the increasing number of people who telecommute? 122) _____
- A) the migration toward micropolitan and suburban areas
 - B) the increasing number of nontraditional households
 - C) the move from rural to metropolitan areas
 - D) the declining number of manufacturing workers
 - E) the growing percentage of married couples who do not have children
- 123) TD Bank demonstrated the power of providing information in potential customers' native language by launching _____. 123) _____
- A) an Aboriginal newspaper
 - B) a multi-lingual teller service
 - C) Spanish-only ATM's
 - D) Cantonese web pages
 - E) a Chinese Green Info Line
- 124) Jack Weiss recently won a \$10 million lottery. Jack's life will change a great deal, particularly how he spends money. According to Engel's laws, Jack is LEAST likely to change the percentage of his income that he spends on which of the following? 124) _____
- A) savings
 - B) utilities
 - C) food
 - D) housing
 - E) entertainment
- 125) As a marketer of pesticides, which of the following should give you the LEAST amount of concern? 125) _____
- A) persistence of cultural values
 - B) increased pollution
 - C) increased government intervention
 - D) chemical pollutants in the food supply
 - E) shortages of raw materials
- 126) Chet Hoffman's chain of travel agencies has identified the lesbian, gay, bisexual, and transgender community as a growing market that spends an increasing percentage of its income on travel. Which of the following would be the LEAST effective component of a marketing plan for Chet to take advantage of this opportunity? 126) _____
- A) develop a presence on social networking sites
 - B) sponsor social events in metropolitan areas
 - C) position his agency as focused on specialized experiences
 - D) implement a mass marketing campaign
 - E) place specially-targeted ads in gay-themed publications

- 127) In 2008, the Canadian Standards Association published guidelines for the business community to ensure that _____ advertising and labelling were not false and misleading. 127) _____
- A) GLBT
 - B) environmental
 - C) disability
 - D) digital
 - E) global
- 128) As indicated in the chapter opener, change in the _____ environment has had the most impact on the marketing strategy at Xerox. 128) _____
- A) natural
 - B) technological
 - C) political
 - D) economic
 - E) cultural
- 129) Thanks to using RFID, otherwise known as " _____ ", Wal-Mart can improve its inventory accuracy by 13 percent, saving millions and millions of dollars a year. 129) _____
- A) paper back-up
 - B) bar codes
 - C) smart phones
 - D) transistors
 - E) smart chips
- 130) A regional supermarket chain runs print, radio, and television advertisements announcing that 1% of each of its sales is donated to local after-school programs for underprivileged youth. This is an example of _____ marketing. 130) _____
- A) cause-related
 - B) generational
 - C) tiered
 - D) sustainable
 - E) cultural
- 131) Which of the following is an example of a core belief? 131) _____
- A) The comforts of home are more important than entertainment outside of the home.
 - B) Extended warranties are never worth the money consumers pay for them.
 - C) Americans should display their patriotism.
 - D) Professionals should wear business clothes to work.
 - E) Marriage is important.
- 132) Consumers undertaking which of the following would be LEAST likely to be identified as "Adventurers" by the Yankelovich *Monitor*? 132) _____
- A) having a home entertainment centre installed
 - B) traveling to Asia
 - C) hiking the Grand Canyon
 - D) taking a cruise
 - E) taking up a new sport

- 133) Toyota's Prius was the first mass-produced hybrid vehicle, known for its fuel efficiency and environmental friendliness. The Prius was initially most likely marketed to which of the following groups? 133) _____
- A) the Millennials market
 - B) the LGBT market
 - C) the LOHAS market
 - D) the SOHO market
 - E) the Asian American market
- 134) Assume that you are a manager at a firm that has hired lobbyists to influence legislation affecting your firm's industry to its advantage. Your firm takes a(n) _____ approach to the marketing environment. 134) _____
- A) reactive
 - B) adversarial
 - C) proactive
 - D) team work
 - E) passive
- 135) What tool has BuzzLogic created in order to track not just who's talking about a company's product but also which opinions matter most? 135) _____
- A) feedback wheels
 - B) talk diaries
 - C) conversation maps
 - D) product blogs
 - E) smart chips

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 136) If there is one overall lesson to be learned from the opening Xerox scenario, what would it be? 136) _____

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

- 137) How have large retailers such as Wal-Mart changed the dynamics behind partnering with resellers?

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 138) What are two potential drawbacks of creating separate products and marketing programs for each generation? 138) _____
- 139) How do baby boomers today differ from previous generations as they neared and reached their sixties? 139) _____
- 140) Why might marketers want to target segments of the population based on lifestyles rather than age groups? 140) _____
- 141) How might geographic shifts in population impact marketers? 141) _____
- 142) Why is it imperative that Canadian marketers be aware of increasing ethnic diversity in our country? 142) _____

- 143) Briefly explain why Canadians recently amassed record amounts of debt and why the free-spending trend has ended. 143) _____
- 144) Why might it be beneficial for marketers to help develop solutions to problems facing the natural environment, such as increased pollution and shortages of raw material? 144) _____
- 145) One purpose of government regulation is to protect consumers from unfair business practices. List two areas in which this may occur. 145) _____
- 146) How might a marketer act in a socially responsible way toward the general public? 146) _____
- 147) Explain the controversy surrounding cause-related marketing. 147) _____
- 148) What is the difference between a core belief and a secondary belief? Give an example of each. 148) _____
- 149) Why is it important for marketers to understand people's views of themselves? 149) _____
- 150) What steps might a marketer take to shift from a reactive stance to the marketing environment to a more proactive stance? 150) _____
- 151) Why have several large marketers, including Johnson & Johnson, Avis, GM, and Ford, signed on as Disaboom.com marketing partners? 151) _____
- 152) Explain what type of marketing intermediary a store like Winners represents and why this group is increasingly important to marketers. 152) _____
- 153) In Canada, Ronald McDonald House Charities recognize the importance of which of the seven types of publics? 153) _____
- 154) Explain the trend in the Canadian marketplace that has been a large factor in the success of Montreal's Epicerie Direct. 154) _____
- 155) How does Tim Hortons proactively manage rumours and negative word of mouth? 155) _____

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

Refer to the scenario below to answer the following questions.

Casey Brickly opened The Landing on the north shore of Witmer Lake in 1962. With a sandwich counter on one side and a bait shop and grocery on the other, The Landing was an immediate hit with weekend lake visitors and local residents alike. In the summer, boaters parked at the piers and bought all their lake needs—rods and reels, bait, fishing licenses, snacks, soft drinks—at The Landing. Even during the winter months, snowmobilers and ice fishermen were lured to The Landing for a snack and hot coffee or hot chocolate.

As time passed, the business changed and grew tremendously. What was formerly a weekend tourist area gradually became a year-round residential area. Many of the houses, which were built as cottages in the 1950s and 1960s, were being remodeled into year-round homes. By the end of the 1970s, the days of small motor boats and 10 mile-per-hour speed limits were gone; skiing and fast speed boats became all the rage. And The Landing continued to attract flocks of patrons.

In the 1980s, however, Casey started to realize that the grocery area in The Landing could not compete with larger local retailers. He eventually enlarged the sandwich counter, transforming the bait shop and grocery into a restaurant with a full menu typical of any diner.

"Getting rid of the bait shop was hard to do," Casey admitted. "I still had a summer crowd that relied on us for their fishing needs, but we couldn't survive a whole year on four months of profit."

As the 1990s approached, the atmosphere of Witmer Lake and the neighboring lakes became upscale. "I could see that people were spending more on their speed boats than what they had originally paid for their cottages!" Casey exclaimed. Many of the cottages were being inherited by children and grandchildren of the original owners. Once again, the scene started to change as many of the lake houses were used only as weekend lake homes. Unlike the previous generation, a vast number of the current owners could afford to live closer to their jobs while maintaining lake homes. "At this point, business wasn't growing," Casey said.

As local competition continued to increase, Casey converted the diner atmosphere of The Landing into a bar with a lounge area. "The change might have been too drastic," Casey said, "but it was the only way we could maintain a strong, year-round business in spite of the population shifts and competitive forces."

- 156) Which microenvironment actors have affected The Landing the most? 156) _____
A) competitors
B) intermediaries
C) suppliers
D) economic environment
E) natural environment
- 157) Which of the following macroenvironmental forces has had the greatest effect on The Landing? 157) _____
A) the demographic environment
B) the sustainable environment
C) the political environment
D) the technological environment
E) the social responsibility environment
- 158) Which macroenvironmental force is most responsible for The Landing's 43-year survival? 158) _____
A) the political environment
B) the demographic environment
C) the natural environment
D) the legal environment
E) the economic environment

- 159) Which of the following demographic forces has most likely influenced the recent upscale atmosphere of the area surrounding Witmer Lake? 159) _____
- A) Gen Xers displacing the lifestyles of baby boomers
 - B) the changing structure of the American family
 - C) Millennials beginning to assert their buying power
 - D) baby boomers reaching their peak earning and spending years
 - E) the growing ethnic diversity of the country
- 160) Though the baby boomers currently represent the largest market for The Landing, the next age cohort, raised in the shadow of the boomers, to be of interest will be _____. 160) _____
- A) the Baby Boom echo
 - B) the Millennials
 - C) the Gen Xers
 - D) the Gen Yers
 - E) the Slackers
- 161) What geographic shift impacting where and how people work could result in some customers for The Landing spending more time at cottage properties instead of at the office? 161) _____
- A) telecommuting
 - B) SOHOs
 - C) interprovincial mobility
 - D) home province return
 - E) urban migration
- 162) Which of the following facts could convince Casey Brickly to pursue the LGBT market for The Landing? 162) _____
- A) Between 2001 and 2006, the visible minority population increased five times faster than the population as a whole, mainly due to immigration.
 - B) 14.3 percent of the Canadian population (4.4 million people) have some form of disability.
 - C) As of 2004, 59.1 percent of the population had university degrees or postsecondary certificates.
 - D) In 2007, more than 370 800 Canadian residents changed province.
 - E) The 2006 census enumerated 45 300 same-sex couples, up from 34 200 in 2001.
- 163) As property values increase on Witmer Lake, new owners will need higher incomes in order to purchase cottages. Who will be least likely to afford to buy? 163) _____
- A) boomers with inheritances
 - B) "tapped-out" consumers
 - C) Same-sex couples
 - D) new Canadians
 - E) Canada's top wage earners
- 164) There is a group of property-owners on Witmer Lake who are petitioning against the use of motorboats. This is likely due to the increasing impact of 164) _____
- A) technology.
 - B) geographic shifts.
 - C) the green movement.
 - D) millennials.
 - E) immigration.

- 165) It may seem to the cottagers who frequent The Landing that time has stood still, and yet Casey Brickly can track electronically their purchases at the store and their favourite menu items at the restaurant/lounge. This is a testament to the impact of which factor of the macroenvironment?
- A) political and social environment
 - B) demographic environment
 - C) economic environment
 - D) technological environment
 - E) cultural environment

165) _____

Answer Key

Testname: UNTITLED3

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

Answer Key

Testname: UNTITLED3

- 51) D
- 52) A
- 53) D
- 54) D
- 55) D
- 56) D
- 57) C
- 58) A
- 59) E
- 60) D
- 61) C
- 62) A
- 63) B
- 64) B
- 65) D
- 66) B
- 67) C
- 68) D
- 69) B
- 70) C
- 71) E
- 72) B
- 73) A
- 74) A
- 75) TRUE
- 76) FALSE
- 77) FALSE
- 78) FALSE
- 79) TRUE
- 80) TRUE
- 81) FALSE
- 82) FALSE
- 83) FALSE
- 84) TRUE
- 85) FALSE
- 86) TRUE
- 87) TRUE
- 88) TRUE
- 89) FALSE
- 90) TRUE
- 91) FALSE
- 92) FALSE
- 93) TRUE
- 94) FALSE
- 95) TRUE
- 96) FALSE
- 97) FALSE
- 98) TRUE
- 99) TRUE
- 100) TRUE

Answer Key

Testname: UNTITLED3

101) FALSE

102) FALSE

103) FALSE

104) FALSE

105) Within the company, marketing management takes other groups into account, such as top management, finance, research and development, purchasing, operations, and accounting. Decisions made and implemented by any of these groups have the power to affect marketing. Suppliers form an important link in the company's overall customer value-delivery system. Problems with supply, such as labour or material shortages, will negatively affect the company. Marketing intermediaries help the firm to promote, sell, and distribute its goods to final buyers. They include resellers, physical distribution firms, marketing services agencies, and financial intermediaries. Competitors are also part of the microenvironment, as they can affect the company's ability to serve its customers. The company's microenvironment is also made of various publics, including financial, media, government, citizen-action, and local groups. One or several of the five types of markets—consumer, business, reseller, government, and international—may be part of the company's microenvironment, depending on the company's products.

106) These groups help the company to promote, sell, and distribute its goods and services to final buyers. Resellers are distribution channel firms that help the company find customers or make sales to them. Physical distribution firms help the company to stock and move goods from their points of origin to their destinations. Marketing service agencies are the marketing research firms, advertising agencies, media firms, and marketing consulting firms that help the company target and promote its products to the right markets. Financial intermediaries include banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods.

107) A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives. We can identify seven types of publics. Financial publics influence the company's ability to obtain funds. Media publics carry news, features, and editorial opinions. Government publics develop public policy to guide commerce with sets of laws and regulations. Citizen-action publics include consumer, minority, and environmental groups. Local publics include neighborhood residents and community organizations. The general public has concerns about the company's products and actions. Internal publics include workers, managers, volunteers, and the board of directors. Marketing can treat these influential publics like consumer markets, creating marketing plans to build relationships and elicit a desired response.

108) Marketers can learn much about human populations in terms of changing age and family structures, geographic population shifts, educational characteristics, population diversity, and other statistics. The baby boomer market of 9.8 million people is one of the most powerful forces shaping the marketing environment. Generation Xers and Millennials have different needs and wants and have money to satisfy those wants. Marketers can learn the differences in the generations and in the changing American family. The mobility and geographic shifts open new marketing opportunities for many companies. A better-educated and more white-collar population in the Canada means a shift in emphasis on many goods and services. As diversity increases, marketers can learn about the characteristics of different segments of the population and design products and marketing programs designed for each segment.

109) The baby boomers hold three-quarters of the nation's financial assets, making them an attractive market for financial services, new housing and home remodeling, travel and entertainment, and health and fitness products. Generation Xers carry a more cautious outlook; they are less materialistic than baby boomers, so marketers must use a different approach to appeal to them. Millennials are children of the baby boomers. The group includes three age cohorts: tweens, teens, and young adults. Millennials are highly computer literate. The demands of these population groups set marketing trends.

110) The natural environment shows three major trends: shortages of certain raw materials, higher pollution levels, and more government intervention in natural resource management. Environmental concerns create marketing opportunities for alert companies. As concern about global warming and other environmental issues continues to grow, more and more consumers are demanding environmentally responsible products. Companies who heed these demands will benefit, as environmentally responsible actions are today linked with good business.

Answer Key

Testname: UNTITLED3

- 111) The technological environment changes rapidly, as evidenced by all of the technologies that are widespread today - such as cell phones, laptops, digital cameras, etc. - that did not exist thirty years ago. Each new technology creates a new market, and at the same time replaces an older technology. Because of this, marketers must keep a careful watch on the technological environment so that they can adjust to new technologies and take advantage of new opportunities.
- 112) Business legislation has been enacted for a number of reasons. The first is to *protect companies* from each other. Although business executives may praise competition, they sometimes try to neutralize it when it threatens them. So laws are passed to define and prevent unfair competition. The second purpose of government regulation is to *protect consumers* from unfair business practices. Some firms, if left alone, would make shoddy products, invade consumer privacy, tell lies in their advertising, and deceive consumers through their packaging and pricing. Unfair business practices have been defined and are enforced by various agencies.
The third purpose of government regulation is to *protect the interests of society* against unrestrained business behaviour. Profitable business activity does not always create a better quality of life. Regulation arises to ensure that firms take responsibility for the social costs of their production or products.
- 113) Companies link themselves to a worthwhile cause by connecting a purchase of the company's product or service with fund-raising for a cause or charitable organization. This has become a primary form of corporate donations, as the company can gain a more positive public image while exercising its social responsibility. Cause-related marketing benefits the chosen charitable organization or cause and may increase sales for the company, a win-win situation. Examples of cause-related marketing include Ethos water from Starbucks, which is linked to bringing clean water to children around the world; Easy Buttons at Staples, which are connected to donations to the Boys and Girls Club; and the Pantene Beautiful Lengths campaign, which has raised donations for the Women's Cancer Research Fund and encouraged the donation of hair to make free wigs for women who have experienced hair loss from cancer treatments.
- 114) Recently people have moved away from the view of mastering nature through technology and begun to think of nature as finite and susceptible to destruction by human activities. The renewed love of nature has created a new market, called "lifestyles of health and sustainability" (LOHAS), of consumers who seek organic and natural products, fuel-efficient cars, and alternative medicines. Niche marketers, such as Planet Organic Market, serve the new LOHAS market with organic offerings, while many traditional chains now market separate lines of organic products.
- 115) A
116) C
117) A
118) B
119) B
120) D
121) D
122) A
123) E
124) D
125) A
126) D
127) B
128) B
129) E
130) A
131) E
132) A
133) C
134) C
135) C

Answer Key

Testname: UNTITLED3

- 136) As the marketing environment and consumers' needs change, marketers must change with them.
- 137) More and more large retailers have tremendous bargaining power with suppliers; the "giants" often set their own terms and can shut the manufacturer out of large markets.
- 138) A brand's image could be damaged if members of one generation respond negatively to a marketing campaign designed to appeal to members of another generation. Each generation spans decades of time, so members of one generation are actually at diverse life stages.
- 139) Baby boomers are more likely to retire later and to work more after retiring; instead of seeing themselves as getting older, the baby boomers see this as another new phase of life with opportunities for reinvention.
- 140) Too much might be assumed about people in the same age group, and grouping people by lifestyle may eliminate some of the inaccurate assumptions made regarding age.
- 141) People in different regions buy differently. If tastes and preferences are taken with consumers as they disperse geographically at increasing rates, predicting specific consumption patterns in certain geographic areas may become difficult over time.
- 142) Over 5 million Canadians (16 percent) identified themselves as visible minorities in the 2006 census and over 200 ethnic origins were reported. Between 2001 and 2006, the visible minority population increased five times faster than the population as a whole, mainly due to immigration. According to Statistics Canada's population projections, members of visible minority groups could account for roughly one-fifth of the total population by 2017. The purchasing power of visible minorities is huge, so it is not surprising that there has been a dramatic increase in spending directed at these markets.
- 143) In recent years, Canadian consumers fell into a consumption frenzy, fuelled by income growth, a boom in the stock market, rapid increases in housing values, and other economic good fortune. They bought and bought, seemingly without caution, amassing record levels of debt. However, the free spending and high expectations of those days were dashed by the recent economic downturn. Today's "tapped-out" consumers are now repaying debts acquired during earlier spending splurges, sweating out increased mortgage and household expenses, and saving ahead for children's university tuition payments and retirement.
- 144) Marketers who help to develop solutions to these problems can gain the advantage of becoming market leaders, as increasingly strict environmental regulations can be expected in the Canada and elsewhere. Environmentally responsible actions will help a company's public image; they will also help to create a more sustainable market.
- 145) Some firms, if left to their own devices, may produce shoddy products, mislead consumers in their advertising, or deceive consumers through packaging and pricing in order to increase profits.
- 146) Marketers may work to protect the long-run interests of their consumers and the environment by making products safer, interacting responsibly with the natural environment, and supporting social organizations through cause-related marketing.
- 147) Companies using cause-related marketing may be perceived as trying to merely increase sales or improve their images if their connection to the cause is not accurately explained or understood or if they appear to be exploiting a cause in order to increase sales.
- 148) A core belief is a stronger, overall belief; an example might be a strong work ethic. A secondary belief is more open to change; an example might be one's idea that a strong work ethic can be maintained even while working only part-time.
- 149) People select and use products and services as a means of self-expression; knowledge of these self-views will help marketers position their products to be most attractive to target markets.
- 150) To take a proactive stance, marketers need to take action to affect the different actors and forces in their marketing environment. These steps might include running advertorials or other campaigns to influence public opinion and hiring lobbyists to influence legislation.

Answer Key

Testname: UNTITLED3

- 151) Many marketers now recognize that the worlds of people with disabilities and those without disabilities are one and the same. The new website Disaboom.com reaches people with disabilities through social networking features akin to Facebook combined with relevant information—everything from medical news to career advice, dating resources, and travel tips.
- 152) Winners is one of many *resellers* — distribution channel firms that help the company find customers or make sales to them. These include wholesalers and retailers who buy and resell merchandise. Selecting and partnering with resellers is not easy. No longer do manufacturers have many small, independent resellers from which to choose. They now face large and growing reseller organizations that frequently have enough power to dictate terms or even shut smaller manufacturers out of large markets.
- 153) Ronald McDonald House Charities recognize the importance of community publics. This group includes neighbourhood residents and community organizations. Large companies usually appoint a community relations officer to deal with the community, attend meetings, answer questions, and contribute to worthwhile causes.
- 154) Responsibility for household tasks and the care of children is also changing. There are now more dual-income families as more and more women enter the workforce. Using www.epiceriedirect.com instead of trekking to the grocery store, battling traffic, and waiting in line, busy working moms and dads can simply buy their groceries online. Epicerie Direct offers a virtual selection of products from more than 20 categories and delivers customers' orders to their doorsteps, providing a "grocery cart at your fingertips."
- 155) Tim Hortons has had to deal with a persistent and potentially damaging rumour linking its coffee to nicotine addiction. The company was quick to respond to this false allegation and even addresses the question on the FAQ page of their corporate website, stating "Tim Hortons would like to clearly state that there is absolutely NO nicotine or MSG in our coffee. Tim Hortons coffee has NO ADDITIVES whatsoever." In fact, all their products must pass independent testing by the Canadian Food Inspection Agency, so additives of any kind in their coffee would just not be possible. Still, the rumour persists and Tim Hortons must continue to proactively manage this type of negative word of mouth.
- 156) A
- 157) A
- 158) C
- 159) D
- 160) C
- 161) A
- 162) E
- 163) B
- 164) C
- 165) D