

Appendix B - Relationship Marketing and Customer Relationship Management (CRM)

1. What type of marketing involves the development, growth, and maintenance of cost-effective, high-value interactions with individual customers, suppliers, and other partners over time?

- a. relationship
- b. transaction-based
- c. internal
- d. community

ANSWER: a

2. Which marketing exchange remains largely transaction based?

- a. leasing a car
- b. hiring an accountant
- c. visiting a doctor
- d. purchasing real estate

ANSWER: d

3. How does relationship marketing view customers?

- a. as short-term buyers that provide quick profits
- b. as part of a one-time buyer–seller relationship
- c. as equal partners in a buyer–seller transaction
- d. as potential employees

ANSWER: c

4. Which statement best describes relationship marketing?

- a. It focuses on short-term, one-time exchanges with limited communications.
- b. Its only goal is “sell something—now.”
- c. It views customers as equal partners in buyer–seller transactions.
- d. It involves little or no ongoing relationship between the buyers and sellers.

ANSWER: c

5. What is a characteristic of relationship marketing?

- a. the short-term goal of creating an immediate sale
- b. orientation toward added value through superior customer service
- c. making purchases based on promotions and other inducements
- d. limited communication between buyer and seller

ANSWER: b

6. Which of the following is NOT a characteristic of relationship marketing?

- a. long-term orientation
- b. emphasis on retaining customers
- c. low-to-moderate customer contact
- d. high degree of customer commitment

ANSWER: c

7. What kind of commitment is necessary in relationship marketing?

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- a. a reduction in the use of technology in favour of one-on-one communication
- b. an emphasis on new customers
- c. a company-wide initiative
- d. conflict between buyers and the company

ANSWER: c

8. What is an organizational culture steeped in customer focus more likely to be?
- a. old-fashioned and traditional
 - b. subjected to high turnover because of disgruntled employees
 - c. targeting the profitability of new customers rather than trying to maintain present ones
 - d. relationship oriented rather than transaction based

ANSWER: d

9. What type of marketing is described as managerial actions that enable all members of an organization to understand, accept, and fulfill their respective roles in implementing marketing strategy?
- a. organizational
 - b. employee
 - c. strategic
 - d. internal

ANSWER: d

10. What does an internal marketing program attempt to create?
- a. satisfied employees
 - b. employees who view each other as competitors
 - c. firms that share resources with business partners
 - d. significant annual revenue for a company

ANSWER: a

11. What is the main objective of an internal marketing program?
- a. to share resources with business partners
 - b. to encourage employees to view each other as competitors
 - c. to create satisfied employees
 - d. to facilitate a vertical integration

ANSWER: c

12. Which of the following is NOT part of the relationship marketing continuum?
- a. focus on price
 - b. focus on social interaction
 - c. focus on customer integration
 - d. focus on interdependent partnership

ANSWER: c

13. What is a potential drawback of a company focusing on price?
- a. It makes advertising and promotional expenses worthless.

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- b. It doesn't provide the firm with a competitive advantage.
- c. It cuts into profits.
- d. It will not motivate customers to enter into a buying relationship.

ANSWER: b

14. At the second level of the development of a buyer-seller relationship, what is the interaction focused on?
- a. price and other financial incentives
 - b. personalizing the relationship by reaching out to the customer with social interaction
 - c. transforming structurally into an interdependent partnership
 - d. analyzing data from the initial purchase to determine the chance of a repeat sale

ANSWER: b

15. In the context of the relationship marketing continuum, what is a drawback associated with the efforts that focus on pricing and other financial incentives to attract customers?
- a. It makes advertising and promotional expenses worthless.
 - b. It leads to hostile relationships with the suppliers.
 - c. It does not encourage creativity in advertising.
 - d. It is least likely to lead to a long-term relationship.

ANSWER: d

16. What type of interaction is usually created by a second-level relationship marketing program?
- a. social
 - b. financial
 - c. structural
 - d. motivational

ANSWER: a

17. Cannondale Bicycles has an owner's group called "The Chain Club." Members receive e-mails listing cycling-related tips, as well as access to a special website. What level of relationship marketing is this an example of?
- a. first
 - b. second
 - c. third
 - d. fourth

ANSWER: b

18. Which of the following is an example of a first-level relationship marketing program?
- a. a fan club for a famous entertainer
 - b. an alumni association
 - c. a club for owners of a particular model of car
 - d. a two-for-one deal on airline tickets

ANSWER: d

19. Which of the following is NOT a characteristic of the third level of relationship marketing?
- a. structural primary bond

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- b. medium to high degree of customization
- c. true buyer and seller partnership
- d. low potential for sustained competitive advantage

ANSWER: d

20. What do third-level relationship marketing programs usually aim to create?

- a. social interaction
- b. financial interaction
- c. structural changes
- d. traditional ties

ANSWER: c

21. Which of the following is an example of a typical third-level relationship marketing program?

- a. a newspaper ad trying to stimulate sales of health foods
- b. a frequent-user or frequent-flyer program
- c. an extensive training program for retailers of a manufacturer's goods
- d. a giveaway of tickets to a trade show

ANSWER: c

22. What is the first step in measuring customer satisfaction?

- a. finding out what customers need, want, and expect
- b. hiring a first-rate market research firm
- c. developing new products and placing them in the market
- d. mining the Web for blogs and discussion groups to obtain customer feedback

ANSWER: a

23. What is a proactive method a firm might use to assess customer satisfaction?

- a. visiting, calling, or mailing written surveys to clients
- b. soliciting complaints from dissatisfied customers
- c. using mystery shoppers to evaluate the quality of service provided
- d. monitoring Web discussion groups

ANSWER: a

24. Why do customers prefer to have continuing relationships with businesses or suppliers?

- a. Humans like to repeat processes.
- b. Businesses and suppliers always provide consistent high quality.
- c. By reducing the number of choices, the decision-making process is made easier.
- d. There are a limited number of suppliers in most industries.

ANSWER: c

25. What is one of the major forces driving the movement toward relationship marketing?

- a. the realization that retaining customers is far more profitable than losing them
- b. the need to reduce expenditures on marketing
- c. increased pressure from consumer lobby groups

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d. new customer prospects are more important than existing customers

ANSWER: a

26. The Best Buy Rewards Program tracks customer sales and periodically issues coupons to customers based on prior purchases. What kind of marketing is this program classified as?

- a. affinity
- b. database
- c. user segmentation
- d. frequency

ANSWER: d

27. Why do customers prefer to have continuing relationships with businesses or suppliers?

- a. It helps the consumers in the process of benchmarking.
- b. By nature, customers are resistant to change and prefer pre-existing relationships with businesses.
- c. The decision-making process becomes easier with the reduction in the number of choices.
- d. Most businesses have low switching costs which make them attractive to have continued relationships with.

ANSWER: c

28. Which of the following is an example of affinity marketing?

- a. University of Manitoba's branded credit card
- b. Hallmark's Gold Crown card
- c. Petro Canada's rewards card
- d. Air Canada's Aeroplan program

ANSWER: a

29. What type of marketing effort is sponsored by an organization that solicits responses from individuals who share common interests and activities?

- a. frequency
- b. affinity
- c. internal
- d. database

ANSWER: b

30. What type of marketing is the information-based approach that collects and analyzes data for specific information about markets and consumers?

- a. frequency
- b. affinity
- c. database
- d. customer service

ANSWER: c

31. What do databases have the capacity to do when used properly?

- a. calculate the amount of a customer's next purchase
- b. force customers or targeted customer groups to buy more

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- c. reduce customer retention and referral rates
- d. identify a firm's most profitable customers

ANSWER: d

32. Who assists marketers by providing software when it is needed to capture, manipulate, and analyze consumer data?
- a. application service providers
 - b. consumer data providers
 - c. database managers
 - d. Internet service providers

ANSWER: a

33. What type of marketing program enables satisfied customers to get the word out about products to other consumers?
- a. grassroots
 - b. viral
 - c. frequency
 - d. customer-based

ANSWER: a

34. What is customer relationship management?
- a. the process of maintaining good relationships between all wholesalers and/or retailers in the distribution channel
 - b. a process used to retain customers when purchases are based on low price or convenience
 - c. a system for handling late deliveries and damaged product returns
 - d. the process of re-orienting a business to a concentrated focus on satisfying customers

ANSWER: d

35. Which of the following implies the highest form of buyer–seller interactions?
- a. customer relationship management
 - b. transaction-based marketing
 - c. relationship marketing
 - d. internal marketing

ANSWER: a

36. What makes customer relationship management possible?
- a. the loyalty of consumers to businesses that manufacture their favourite products
 - b. the adoption of the marketing concept by a majority of businesses worldwide
 - c. the technological advances that result in strategic integration
 - d. the increasing demands made by the legal system on business operators

ANSWER: c

37. What do customer relationship management programs require to be successful?
- a. a focus on the technological process
 - b. implementation at the grassroots level
 - c. investment in training

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d. expectations set at the highest possible level

ANSWER: c

38. What is often the cause of failure with customer relationship management (CRM)?

- a. inability to organize the organization's people and processes
- b. a lack of interest from customers and potential customers
- c. business processes that are changed to support a customer focus
- d. competitors deciding to offer their own CRM system

ANSWER: a

39. What is a major drawback associated with customer relationship management systems?

- a. They are not effective in reducing the marketing and distribution costs for the products.
- b. The strategy needs to be thought out in advance, and everyone in the firm must be committed to it.
- c. They cannot provide a complete picture of the customers in order to understand their needs.
- d. They complicate simple business processes while trying to reorganize the focus on customer satisfaction.

ANSWER: b

40. What is the term for the process of trying to rejuvenate lost relationships with customers?

- a. repositioning
- b. customer winbacks
- c. frequency marketing
- d. grassroots marketing

ANSWER: b

41. Which of the following would be the most desired effect in the development of a buyer–seller relationship between two companies?

- a. increase in inventories
- b. more favourable financing terms
- c. less competition
- d. lower barriers to market entry

ANSWER: b

42. In the business-to-business market, how do firms develop affiliations to assist each other in achieving common goals?

- a. by contracting to share the market between themselves
- b. by making every effort to keep out new competitors
- c. by forming partnerships
- d. by creating temporary agreements

ANSWER: c

43. What is the first priority in the decision to form a partnership?

- a. to locate companies that can add value to the relationship
- b. to locate companies that would otherwise compete, in order to eliminate them
- c. to locate companies that have weak management in order to pirate resources from them
- d. to locate companies that will avoid potential monopolistic situations

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ANSWER: a

44. Which of the following is a motive that prompt firms to enter into partnerships?
- a. creating longer distribution channels
 - b. raising barriers to entry
 - c. promoting the use of technology to facilitate customer orientation
 - d. avoiding vertical and horizontal integration

ANSWER: a

45. What needs do seller partnerships in the business-to-business market reflect?
- a. a firm's purchase of goods from a number of providers
 - b. a long-term exchange of products
 - c. two divisions of the same firm begin to sell to each other
 - d. a lack of buyer-seller interaction

ANSWER: b

46. A biotechnology company and a university have formed a partnership to develop a new class of cancer-fighting drugs. What type of partnership is this?
- a. buyer
 - b. seller
 - c. internal
 - d. lateral

ANSWER: d

47. Columbia is a sporting goods store and Jeep is an automobile. What is the Columbia edition of the Jeep Liberty an example of?
- a. co-branding
 - b. co-marketing
 - c. lateral partnership
 - d. internal partnership

ANSWER: a

48. How does Proctor & Gamble pay special attention to the needs of national retailers, such as Walmart and Canadian Tire?
- a. through national account selling
 - b. through business-to-business databases
 - c. through electronic data interchanges
 - d. through vendor-managed inventory

ANSWER: a

49. Which of the following is one of the advantages of national account selling?
- a. the buyer's ability to demonstrate its depth of commitment to the seller
 - b. a strengthened buyer-seller relationship through collaboration
 - c. demonstrated loyalty to a specific buyer through its favoured status

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- d. increased costs, but increased profits as well

ANSWER: b

50. Clayton Technologies has set up a sales team exclusively to serve one of its clients who account for a major share of its business. What is this strategy is an example of?

- a. vertical supply chain integration
- b. vendor-managed selling
- c. quick-response merchandising
- d. national account selling

ANSWER: d

51. How does electronic data interchange (EDI) compare with the traditional system of business-to-business communication?

- a. EDI has a smaller capacity to gather marketing information.
- b. EDI improves its users' efficiency and competitiveness.
- c. EDI produces a substantial amount of paper and waste.
- d. EDI is currently inefficient until the system can be updated.

ANSWER: b

52. What benefit does a retailer gain from the use of electronic data interchange (EDI) as a quick-response merchandising tool?

- a. It allows the retailer to order and store increased quantities of inventory so a shortfall doesn't occur.
- b. The system can forecast new consumer trends.
- c. It reduces the time merchandise is held in inventory, which translates into cost savings.
- d. The retailer does not have to feel tied to a particular supplier.

ANSWER: c

53. What system is in place when a seller determines how much product a buyer needs and then automatically ships new goods to that buyer?

- a. customer relationship management
- b. vendor-managed inventory
- c. national account selling
- d. business-to-business alliance

ANSWER: b

54. Which of the following is an important competitive advantage that results from effective supply-chain management?

- a. variable costs
- b. lower level of costly innovation
- c. autonomy and independence among the chain's members
- d. improved conflict resolution within the chain

ANSWER: d

55. Whirlpool and the Brick are working together on a collaborative effort involving forecasting, planning, and replenishment of merchandise in the store. What are the two companies using?

- a. co-marketing

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- b. collaborative planning, forecasting, and replenishment
- c. supply-chain management
- d. vendor-managed inventory

ANSWER: b

56. How can a firm improve the speed and efficiency of its supply-chain operations?
- a. by cultivating its upstream relationships and putting pressure on its downstream ones
 - b. by sacrificing the needs of upstream members of the chain in favour of those downstream
 - c. by keeping communication with suppliers to a minimum to avoid company leaks
 - d. by coordinating its operations with those of other members of the chain

ANSWER: d

57. What is the ultimate expression of relationship marketing in the business-to-business sector?
- a. a cartel
 - b. a strategic alliance
 - c. a monopolistic competition
 - d. an oligopoly

ANSWER: b

58. Why are strategic alliances formed?
- a. to satisfy corporate officers
 - b. to avoid problems related to antitrust legislation
 - c. to create a competitive advantage
 - d. to present a united front to labour unions

ANSWER: c

59. What is created when partners in a strategic alliance form a new business unit to implement their plans?
- a. joint venture
 - b. collusion organization
 - c. development team
 - d. merged organization

ANSWER: a

60. What is involved in the joint venture option for structuring a strategic alliance?
- a. rarely the formation of a new business unit
 - b. less formality than a cooperative relationship
 - c. a combined, new-product development team
 - d. the partners taking ownership positions

ANSWER: d

61. How does a cooperative relationship formed between businesses compare to a joint venture?
- a. It typically involves forming a new business unit.
 - b. It may involve partners taking ownership positions.
 - c. It is usually less formal than a joint venture.

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d. It would not be typified by a joint, new-product development team.

ANSWER: c

62. What is one of the most important measures for evaluating customer relationship programs?

- a. weekly cost of program administration
- b. average amount of each transaction the program generates
- c. lifetime value of a customer
- d. yearly income the program provides

ANSWER: c

63. Which statement best describes long-term customers?

- a. They are less valuable to a company than short-term customers.
- b. They are more difficult to deal with than short-term customers.
- c. They are expensive investments because the upkeep is costly.
- d. They are more valuable assets than new ones.

ANSWER: d

64. What do lifetime-value-of-a-customer and payback calculations recognize?

- a. that customers will always be there, regardless of the industry or product
- b. that customer complaints have little relevance to how people actually behave
- c. that long-term customers are usually more valuable than new ones
- d. that customer satisfaction is not the determinant of how loyal the customer will be

ANSWER: c

65. Since the Industrial Revolution, most manufacturers have focused on making products and then promoting them to customers in hopes of selling enough to cover costs and earn a profit.

- a. True
- b. False

ANSWER: True

66. Transaction-based marketing depends on the development of social ties between buyers and sellers.

- a. True
- b. False

ANSWER: False

67. The human resources director at Lowe Locks, Inc. has decided to restructure the evaluation process. She recommends that a percentage of feedback come from input provided by suppliers and distributors of their products. This restructuring process indicates that the focus of Lowe Locks is on transaction-based marketing.

- a. True
- b. False

ANSWER: False

68. The sale of a product to a customer via a vending machine is typical of a transaction-based relationship.

- a. True
- b. False

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1. What utility does Coach create when the company combines fabric and leather in the production of its high-fashion handbags?

- a. ownership
- b. form
- c. place
- d. time

ANSWER: b

2. What utility is NOT created when you purchase tickets to a Winnipeg Jets game over the Internet?

- a. place
- b. time
- c. form
- d. ownership

ANSWER: c

3. What must all organizations create in order to survive?

- a. a variety of goods or services
- b. utility
- c. an environment of ethics and social consciousness
- d. advertising, salesmanship, and consumer-focused sales promotion

ANSWER: b

4. Fame-us is a talent agency that focuses on youth looking to work in television and movies. As part of its marketing strategy, how will Fame-us generate time and place utility?

- a. by creating a nationwide advertising campaign to attract applicants
- b. by launching roadshows across Canada and by conducting talent hunts at university campuses during holidays
- c. by endorsing its services using famous entertainers and celebrities
- d. by opening a well-equipped studio using pre- and post-production facilities

ANSWER: b

5. What is the want-satisfying power of a good or service called?

- a. utility
- b. price
- c. buyer's attraction
- d. function

ANSWER: a

6. What utility does Purolator create when the company offers a variety of package delivery services?

- a. time
- b. place
- c. ownership
- d. form

ANSWER: a

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7. What do we call the ability to transfer title to goods and services from marketer to buyer?
- ownership utility
 - place utility
 - time utility
 - form utility

ANSWER: a

8. What utility is created when a firm's production department converts raw materials and other inputs into finished products?
- ownership
 - time
 - form
 - place

ANSWER: c

9. Which statement best describes the idea of marketing?
- The marketing concept emphasizes creating and maintaining short-term successful relationships with customers and suppliers.
 - Marketing encompasses such a broad scope of activities and ideas that settling on one definition is often difficult.
 - Marketing refers to an activity in which two or more parties give something of value to each other to satisfy perceived needs.
 - The marketing concept is a belief that consumers will resist purchasing nonessential goods and services.

ANSWER: b

10. Which statement best describes the state of the global marketplace?
- The global marketplace is diminishing because of Internet technology.
 - The global marketplace is growing because of trade agreements.
 - The global marketplace is growing due to the threat of the ability of a single nation to manufacture, supply, and consume all that it produces.
 - The global marketplace is growing owing to the talent shortage in the home countries of national companies.

ANSWER: b

11. Which of the following is NOT a reason for a growing global marketplace?
- internet technology
 - trade agreements
 - no single country can manufacture, supply, and consume all that it produces
 - changing climate patterns

ANSWER: d

12. What do we call the organizational function and set of processes that create, communicate, and deliver value to customers, and that manages customer relationships in ways that benefit the organization and its stakeholders?
- marketing
 - finance
 - sales

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d. administration

ANSWER: a

13. When in marketing history did the production era end in North America?

- a. late 1800s, with the mass immigration of skilled workers to North America
- b. 1920s, with the improvement in production capabilities
- c. 1960s, with the establishment of overseas production facilities
- d. 21st century, with the introduction of robotics

ANSWER: b

14. What era of marketing history had a philosophy that could be summarized by the phrase “a good product will sell itself”?

- a. production
- b. sales
- c. development
- d. relationship

ANSWER: a

15. A company produces a high-quality product, with a maximum monthly output of 10,000 units. Production levels are constant and the company relies on its marketing department to find customers. What era of marketing history is this approach consistent with?

- a. production
- b. relationship
- c. sales era
- d. development

ANSWER: c

16. Which factor contributed to the transition from the production era to the sales era?

- a. significantly increased consumer demand
- b. improved production techniques
- c. increased urbanization
- d. the Great Depression

ANSWER: b

17. What type of orientation does a company have when it assumes that customers will resist purchasing products not deemed essential and, therefore, the marketing department must overcome this resistance through personal selling and advertising?

- a. production
- b. marketing
- c. sales
- d. relationship

ANSWER: c

18. Which statement best describes the marketing era?

- a. Marketing and selling would no longer be considered synonymous terms.

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- b. Marketing was relegated to a supplemental role performed after the production process.
- c. The marketing concept was linked to a shift from a buyer's market to a seller's market.
- d. Business success often was defined solely in terms of production successes.

ANSWER: a

19. What characterizes a buyer's market?
- a. more goods and services than buyers
 - b. more buyers than available goods and services
 - c. practically no competition in the marketplace
 - d. slow economic growth

ANSWER: a

20. What characterizes a seller's market?
- a. more goods and services than buyers
 - b. more buyers than available goods and services
 - c. practically no competition in the marketplace
 - d. slow economic growth

ANSWER: b

21. What best explains the emergence of the marketing concept?
- a. higher production levels
 - b. a shift from a production to a sales orientation
 - c. a shift from a seller's market to a buyer's market
 - d. a focus on product quality

ANSWER: c

22. Assume you want to increase the number of customers by applying the marketing concept. Which strategy would be most likely to use?
- a. Reduce product costs.
 - b. Offer more product variety than competitors.
 - c. Focus on understanding buying habits.
 - d. Employ inexpensive labour.

ANSWER: c

23. Indigo Ltd. wanted to increase its customers by applying the marketing concept. Which strategy would be an appropriate way to achieve this?
- a. Maximize production of goods.
 - b. Focus on meeting the needs of the consumers.
 - c. Offer more product variety than competitors.
 - d. Produce high quality goods.

ANSWER: b

24. When did relationship marketing emerge?
- a. right after the end of World War II

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- b. during the mid-1960s
- c. during the mid-1980s
- d. during the 1990s

ANSWER: d

25. Which statement best describes a strong market orientation?
- a. It reflects the adoption by a firm of a sales orientation.
 - b. It is consistent with a production orientation.
 - c. It becomes necessary with a shift from a buyer's market to a seller's market.
 - d. It generally improves market success and overall performance.

ANSWER: d

26. What type of relationships do firms focus on in the relationship era?
- a. short-term relationships with customers and suppliers
 - b. long-term relationships with customers and suppliers
 - c. short-term relationships with customers and distributors
 - d. long-term relationships with suppliers and distributors

ANSWER: b

27. Which of the following would be visible in relationship marketing?
- a. a focus on producing high quality goods
 - b. a sales orientation
 - c. a companywide consumer orientation
 - d. strategic alliances

ANSWER: d

28. What management approach would most likely endanger the future growth of a company?
- a. adopting a consumer orientation
 - b. becoming aware of the scope of its business
 - c. committing to maintaining a product-oriented philosophy
 - d. focusing on providing benefits rather than producing products

ANSWER: c

29. If a company such as Bison Transport wanted to avoid marketing myopia, how should it define its business?
- a. as transportation
 - b. as trucking
 - c. as materials handling
 - d. as freight hauling

ANSWER: a

30. Which statement would suggest that a firm has avoided marketing myopia?
- a. We write computer software.
 - b. We make our customers' dreams come true.
 - c. We manufacture high-quality machine tools.

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d. We handle freight for our customers.

ANSWER: b

31. How many not-for-profit and charity organizations are there in Canada?

- a. under 120,000
- b. between 120,000 and 149,000
- c. between 150,000 and 169,000
- d. over 170,000

ANSWER: c

32. Who often benefits from an alliance between a not-for-profit organization and a for-profit organization?

- a. neither party
- b. both parties
- c. competitor for-profits
- d. the general public

ANSWER: b

33. Which statement best exemplifies a comparison between not-for-profit organizations to for-profit organizations?

- a. Not-for-profit organizations cannot be impacted by contributors' personal agendas.
- b. Not-for-profit organizations may only market intangibles.
- c. Not-for-profit organizations may form partnerships with for-profit organizations that promote their cause.
- d. Not-for-profit organizations must try to find ways to market only their services.

ANSWER: c

34. Which statement best describes not-for-profit organizations?

- a. The sole common factor between not-for-profit organizations and for-profit firms is the financial bottom line.
- b. Not-for-profit organizations hope to generate as much revenue as possible to support their causes.
- c. Not-for-profit organizations are all found in the public sector.
- d. Historically, not-for-profit firms have had more exact goals and marketing objectives than for-profit firms.

ANSWER: b

35. Which statement is most accurate when considering not-for-profit organizations against for-profit organizations?

- a. Not-for-profit organizations tend to focus their marketing on just one public—their customers.
- b. Not-for-profit organizations often possess some degree of monopoly power in a given geographical area.
- c. Not-for-profit organizations depend on strategic alliances with for-profits to provide advertising and visibility.
- d. A service user of a not-for-profit organization may have more control over the organization's destiny than customers of a profit-seeking firm.

ANSWER: b

36. What does the term "bottom line" refer to?

- a. the overall company profitability
- b. a firm's social responsibility
- c. the limit on the marketing budget
- d. the ethical and social viability of marketing

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ANSWER: a

37. What is the biggest distinction between not-for-profit and for-profit organizations?

- a. For-profits have more exact marketing goals.
- b. Not-for-profits have a different view of what constitutes the bottom line.
- c. Customers of not-for-profits have more control.
- d. Not-for-profits market services, not goods.

ANSWER: b

38. What type of marketing is an example of traditional marketing, as opposed to non-traditional marketing?

- a. services
- b. cause
- c. event
- d. organization

ANSWER: a

39. Melissa is managing the campaign of her friend for the presidency of the student council. What type of marketing is Melissa's effort an example of?

- a. cause
- b. person
- c. place
- d. organization

ANSWER: b

40. You receive a flyer urging you to attend a rally for a local political candidate. You're asked to bring a can of food for the local food bank as the "price of admission." What two types of marketing is this a combination of?

- a. event and person
- b. event and organization
- c. organization and cause
- d. cause and person

ANSWER: d

41. A music star promotes her concerts, but also uses her concerts to promote a charitable cause. What two types of marketing is this example a combination of?

- a. event and person
- b. cause and person
- c. cause and event
- d. person and organization

ANSWER: c

42. What is the basic objective of place marketing?

- a. to attract visitors or new businesses to a particular area
- b. to influence others to accept the goals of the sponsoring organization
- c. to convince people to attend a sporting or cultural event

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d. to bring to the attention of the public some charitable issue

ANSWER: a

43. What type of marketing do federal and provincial departments of tourism typically engage in?

- a. organization
- b. person
- c. place
- d. cause

ANSWER: c

44. Wild Escape advertises jungle safaris, chimpanzee tracking, and gorilla tracking tours. What is this type of advertising an example of?

- a. form utility creation
- b. place marketing
- c. organization utility
- d. sports marketing

ANSWER: b

45. Mars Inc.'s M&M's division donates 50 cents of specially marked candy sales to the Special Olympics. What is this an example of?

- a. event marketing
- b. person marketing
- c. cause marketing
- d. place marketing

ANSWER: c

46. What type of marketing does the Coca-Cola Company engage in as an official sponsor of the Olympics?

- a. place marketing
- b. event marketing
- c. person marketing
- d. organization marketing

ANSWER: b

47. Which of the following is a combination of person, cause, and organization marketing?

- a. Tiger Woods' endorsement of Nike, a sports company and Accenture, a consulting company
- b. The Nobel Peace Prize for Al Gore for his work on global warming
- c. UNICEF's work to improve the living conditions of children across the world
- d. Angelina Jolie's role as a UN Goodwill Ambassador for refugees

ANSWER: d

48. A university sells customized sweat shirts, pull overs, and jerseys to its students and staff. What type of marketing is this an example of?

- a. cause
- b. organization

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- c. person
- d. event

ANSWER: b

49. An alumni association at a university sends out announcements promoting the upcoming football game and an alumni association function. What two types of marketing is this example a combination of?

- a. place and person
- b. event and organization
- c. person and organization
- d. event and place

ANSWER: b

50. Some Canadian drivers have decals of their college or university on their car windows. What type of marketing is this an example of?

- a. organization
- b. cause
- c. place
- d. event

ANSWER: a

51. What do we refer to when we discuss the revenues and intangible benefits accrued to the firm, minus the investment to attract and keep a customer?

- a. gradient of return on investment
- b. intangible benefit stream
- c. investment-benefit differential
- d. lifetime value of the customer

ANSWER: d

52. What are companies able to do by converting indifferent customers into loyal ones through relationship marketing?

- a. Minimize lifetime value.
- b. Start a process by which customers become bound contractually to the business.
- c. Avoid the necessity of improving customer service in the long run.
- d. Generate repeat sales.

ANSWER: d

53. In the practice of relationship marketing, the definition of a customer is taken to another level. Which scenario best illustrates how a company practising relationship marketing is different from a traditional transaction-based marketer?

- a. The city pool allows children aged 12 years and younger to swim for free on Fridays.
- b. A local coffee shop distributes coupons for \$.50 off each cup of coffee.
- c. The purchasing department of a defense contractor invites its suppliers to attend an annual golf outing.
- d. The heads of the financial departments meet with the Chief Financial Officer to discuss year-end financial reporting.

ANSWER: c

54. The application of relationship marketing requires attention to levels of customer loyalty. What is the highest level, as

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defined by this type of marketing?

- a. loyal supporter of the company and its goods and services
- b. advocate who buys the products and recommends them to others
- c. regular purchaser of the company's products
- d. shareholder who literally buys into the organization and its mission

ANSWER: b

55. Sally Myers, head of marketing at Sally's Salon, serviced six new customers over the past two weeks. Through a feedback form, Sally learned that all of them had acted upon the opinions of their friends and family members. What did Sally encounter?

- a. transaction-based marketing
- b. sales orientation
- c. marketing myopia
- d. buzz marketing

ANSWER: d

56. Which statement best describes relationship marketing?

- a. It applies only to individual consumers and employees.
- b. It affects distributors as well as other types of corporate partnerships.
- c. It does not allow marketers and customers to customize their communication.
- d. It is a buyer-seller communication in which the marketer controls the amount and type of information received from a customer.

ANSWER: b

57. What does interactive marketing refer to?

- a. sequential marketing efforts beginning with frontline salespersons and proceeding to detailed instructions by a technical expert
- b. marketing efforts through interactive programs where customers can post their queries directly to the management
- c. buyer-seller communications in which the customer controls the amount and type of information received from a marketer
- d. software-controlled marketing strategies which use central databases to segment the market on various demographic and psychographic factors

ANSWER: c

58. Which of the following would be an example of interactive marketing?

- a. a customer creating his or her own products, as in the case of Subway or Build-a-Bear
- b. an intermediary wholesaler who links sale of goods from manufacturer to consumer
- c. buyer-seller communication through the Internet and virtual reality kiosks
- d. sponsoring local sports teams

ANSWER: c

59. What does mobile marketing refer to?

- a. running promotional campaigns on transport media like trains and airplanes
- b. marketing messages transmitted via wireless technology

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- c. promoting associated products or services alongside mobile technologies
- d. the use of online social media as a communications channel for marketing messages

ANSWER: b

60. Why does relationship marketing focus more attention on existing customers?
- a. New customers are less expensive to acquire.
 - b. New customers are unnecessary.
 - c. New customers are more expensive to acquire.
 - d. New customers are more predictable.

ANSWER: c

61. Many hotel chains offer free stays and other perks to repeat customers. What is this an example of?
- a. relationship marketing
 - b. transaction-based marketing
 - c. team marketing
 - d. a strategic alliance

ANSWER: a

62. A biotechnology company and a university medical school work to develop a new drug to treat arthritis. What is this an example of?
- a. a joint marketing agreement
 - b. marketing research
 - c. a one-to-one marketing program
 - d. a strategic alliance

ANSWER: d

63. A gaming corporation and a mobile manufacturer work together to develop unique games which are made available for use on smartphones. What is this an example of?
- a. an exchange function
 - b. marketing research
 - c. social marketing
 - d. a strategic alliance

ANSWER: d

64. Schwann's Foods sells its products through both grocery stores and door-to-door sales. Selling, order taking, delivery, and limited customer service are all conducted by the drivers. What two marketing functions overlap as a result of the drivers' required responsibilities?
- a. facilitation and distribution
 - b. exchange and facilitation
 - c. distribution and exchange
 - d. exchange and financing

ANSWER: c

65. What function is Future Shop performing when it sells a person a new television or DVD player?

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- a. facilitation
- b. buying
- c. distribution
- d. risk taking

ANSWER: c

66. What is included in the facilitating functions of marketing?

- a. securing marketing information and risk taking
- b. buying and selling
- c. transportation and storage
- d. typing and separation

ANSWER: a

67. What is involved in the selling function of marketing?

- a. making sufficient quantities of goods available in the marketplace
- b. ensuring products meet established quality and quantity standards
- c. securing marketing information
- d. using advertising, personal selling, and sales promotion

ANSWER: d

68. What function is financing a part of?

- a. exchange
- b. pricing
- c. commercial
- d. facilitating

ANSWER: d

69. Honda Canada provides credit to Honda dealers, as well as buyers. What function is this an example of?

- a. financing
- b. exchange
- c. distribution
- d. securing marketing information

ANSWER: a

70. What are the physical distribution functions of marketing?

- a. storing and transporting
- b. standardization and grading
- c. financing and risk taking
- d. buying and selling

ANSWER: a

71. Why do marketers apply quality and quantity control standards?

- a. to engage in the process of exchange
- b. to reduce the need for purchasers to inspect each item they purchase

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- c. to determine the amount an individual will be allowed to buy on credit
- d. to develop channels of distribution for a product

ANSWER: b

72. Which function of marketing involves advertising?

- a. standardizing
- b. buying
- c. selling
- d. storing

ANSWER: c

73. Which function of marketing helps determine what potential consumers want and need, and how to offer goods and services to satisfy them?

- a. financing
- b. securing market information
- c. risk taking
- d. physical distribution

ANSWER: b

74. Manufacturers create goods and services based on research and their belief that consumers need them. In doing so, what marketing function are they performing?

- a. financing
- b. standardizing and grading
- c. risk taking
- d. physical distribution

ANSWER: c

75. What is a facilitating function of marketing?

- a. buying
- b. selling
- c. standardization and grading
- d. distribution

ANSWER: a

76. What does the financing function of marketing involve?

- a. making sufficient quantities of goods available in the marketplace
- b. ensuring products meet established quality and quantity standards
- c. providing funds to buyers for building inventories prior to sales
- d. using advertising, personal selling, and sales promotion to match goods and services to customers

ANSWER: c

77. What are the moral standards of behaviour expected by society called?

- a. social responsibilities
- b. marketing concepts

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- c. facilitating functions of marketing
- d. ethics

ANSWER: d

78. Approximately what percentage of large companies offer some sort of ethics training for workers?
- a. less than one-quarter
 - b. around one-third
 - c. around one-half
 - d. more than one-half

ANSWER: d

79. Which of the following involves marketing philosophies, policies, procedures, and actions whose primary objective is the enhancement of society?
- a. social responsibility
 - b. green marketing
 - c. ethics
 - d. relationship marketing

ANSWER: a

80. When a firm contributes to environment protection and human welfare programs, which type of behaviour is it exhibiting?
- a. relationship marketing
 - b. social responsibility
 - c. economic neutrality
 - d. one-to-one marketing

ANSWER: b

81. What term refers to items that can be produced, used, and disposed of with minimal impact on the environment?
- a. non-renewable products
 - b. bio-gradable products
 - c. sustainable products
 - d. modulated effluents

ANSWER: c

82. What is the role of marketing in sustainability efforts?
- a. Firms stand to exploit newer markets that are opened up to them.
 - b. Firms gain credibility from their efforts to protect the environment.
 - c. Firms can expect to save on costs incurred in discarding older, ineffective technology in favour of newer, state-of-the-art technology.
 - d. Firms can increase their profitability by enhancing their carbon-footprint.

ANSWER: b

83. What type of behaviour does Walmart Canada exhibit by contributing to local scholarships and community programs?
- a. relationship marketing

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- b. social responsibility
- c. green marketing
- d. one-to-one marketing

ANSWER: b

84. Production and marketing of goods and services are two basic functions that create utility.

- a. True
- b. False

ANSWER: True

85. Information technologies give organizations fast new ways to interact and develop long-term relationships with their customers and suppliers.

- a. True
- b. False

ANSWER: True

86. By combining fabric, thread, wood, springs, and other components, a furniture maker creates time utility for its consumers.

- a. True
- b. False

ANSWER: False

87. Buying an iPod generates ownership utility; however, buying a concert ticket does not.

- a. True
- b. False

ANSWER: False

88. All organizations must create utility to survive.

- a. True
- b. False

ANSWER: True

89. Form utility refers to conversion of raw materials and components into finished goods and services.

- a. True
- b. False

ANSWER: True

90. Taylor purchased a new TV at Best Buy. Later that evening he invited his cousin, Marshall, to watch a baseball game. Impressed with the TV's performance, Marshall went home and purchased the same TV on Best Buy's website. Time, place, and ownership utility were created for Marshall.

- a. True
- b. False

ANSWER: True

91. Successful marketing specialists must approach the marketplace in a three-step method: determine consumer wants,

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1. What is the process of anticipating future events and conditions and determining the best way to achieve organizational objectives called?

- a. researching
- b. planning
- c. controlling
- d. managing

ANSWER: b

2. What do product lines, pricing decisions, selection of appropriate distribution channels, and decisions relating to promotional campaigns all depend on?

- a. technology available to the firm
- b. decisions made within the accounting department
- c. plans formulated within the marketing department
- d. industry-wide planning programs

ANSWER: c

3. What does marketing planning establish?

- a. the resource base provided by the firm's strategy
- b. the economic impact of additional sales
- c. the tactical plans that must be implemented by the entire organization
- d. the basis for attaining marketing objectives

ANSWER: d

4. How can relationship marketing help a company?

- a. by creating long-term links with individual customers for mutual benefit
- b. by reducing its strategic planning effort because the need for such planning is greatly diminished
- c. by finding more effective media for use in advertising and mass marketing
- d. by cutting through the planning process and moving into tactical plans

ANSWER: a

5. What is effective relationship marketing partly built upon the use of?

- a. inside information about competitors
- b. databases to track customer preferences
- c. larger advertising budgets
- d. knowledge about changes in economic conditions

ANSWER: b

6. Best Buy wanted to open a new store in Fredericton, New Brunswick, but instead of building a new store a decision was made to renovate a grocery superstore that had closed. What type of planning was this decision the result of?

- a. tactical
- b. marketing
- c. strategic
- d. economic

ANSWER: a

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7. ADA Inc. stopped its production of oral care goods after determining apparel production to be its new primary objective. What planning process at ADA Inc. is this a direct result of?

- a. tactical
- b. research
- c. strategic
- d. economic

ANSWER: c

8. Strategic planning has a critical impact on a firm's destiny. What does it provide to its decision makers?

- a. customer input
- b. individual goals
- c. departmental goals
- d. long-term direction

ANSWER: d

9. Suppose Toyota was planning to introduce a sports car powered by a hydrogen-oxygen fuel cell when the price of gasoline in Canada reached \$1.50 per litre. What type of plan does this best describe?

- a. economic
- b. strategic
- c. technological
- d. tactical

ANSWER: b

10. Sport Canada is determining where it should build its permanent training facility. The organization wants it near a populated centre but in a rural location enough to provide ample room. What type of planning is the organization engaged in?

- a. strategic
- b. travel
- c. marketing
- d. economic

ANSWER: a

11. What type of plan does a company have when it focuses largely on current and near-future activities?

- a. strategic
- b. marketing
- c. economic
- d. tactical

ANSWER: d

12. Which statement best describes operational planning?

- a. It should be used to establish the fundamental strategies of the organization.
- b. It is used to determine departmental rules and procedures.
- c. It is the primary responsibility of top management.

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d. It should be completed at the same time that the total budget is prepared.

ANSWER: b

13. Which statement best describes tactical planning?

- a. It is conducted exclusively by supervisory personnel.
- b. It is used to generate weekly plans, unit budgets, departmental rules and procedures.
- c. It is designed to determine annual budgets and long-range strategic goals.
- d. It is performed to substitute the strategic planning process in smaller organizations.

ANSWER: c

14. What type of plans in the planning hierarchy would deal with organization-wide objectives, long-term plans, and the total budget?

- a. annual
- b. tactical
- c. operational
- d. strategic

ANSWER: d

15. What is a result of tactical planning?

- a. total budget
- b. long-term plans
- c. divisional budgets
- d. departmental rules

ANSWER: c

16. What are an organization's basic objectives or goals derived from?

- a. its strategic plan
- b. its tactical plan
- c. its corporate strategy
- d. its mission statement

ANSWER: d

17. Compared with other organization personnel, who devotes more time to long-range strategic planning?

- a. middle management
- b. manufacturing labour
- c. top management
- d. supervisory management

ANSWER: c

18. FreshFarm Market, a small grocery store chain, is working on its tactical plans. Which personnel would be most involved in this operational planning process?

- a. top management, such as the owner
- b. middle management, such as the merchandiser and advertising manager
- c. store managers

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d. supervisory management, such as shift managers and night auditors

ANSWER: b

19. Who should complete operational planning?

- a. top management
- b. mid-level managers
- c. supervisory management
- d. lower management

ANSWER: b

20. Loblaw Companies acquired Shoppers Drug Mart and the highest executive who approved this acquisition was most likely the company's CEO. What planning process within Loblaw Companies was this decision the direct result of?

- a. tactical
- b. strategic
- c. operational
- d. technological

ANSWER: b

21. Which of the following is NOT a company objective?

- a. to increase sales by 10 percent per year
- b. to be the quality and market leader of the global hotel industry
- c. to reduce product errors to less than one percent
- d. to add five new properties to the company portfolio

ANSWER: b

22. What is the first step in the corporate-level marketing planning process?

- a. writing the mission statement
- b. formulating a marketing plan
- c. assessing strengths, weaknesses, and opportunities
- d. establishing organizational objectives

ANSWER: a

23. What is the third step in the corporate-level marketing planning process?

- a. determining the necessary financing objectives and support
- b. writing a marketing plan
- c. assessing strengths, weaknesses, and opportunities
- d. establishing organizational objectives

ANSWER: c

24. Which of the following best represents a mission statement?

- a. Sobeys: Better food for all.
- b. Kellogg's: Breakfast cereals at a price everyone can afford.
- c. Bass Pro Shop: To be the leading merchant of outdoor recreational products, inspiring people to love, enjoy, and conserve the great outdoors.

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d. Walmart: Stores big enough to make shopping interesting for every family member.

ANSWER: c

25. Which of the following defines an organization's mission?

- a. process of anticipating future events and conditions
- b. companywide program for scaling down the product-lines that are low on profitability
- c. essential purpose that differentiates one company from others
- d. collection of limited periods during which key requirements of a market and a firm's particular competencies best fit together

ANSWER: c

26. What part of the organization should be most involved in formulating strategy for success of the good or service in the marketplace?

- a. corporate executive team
- b. potential customer
- c. vendors and channel members
- d. firm's marketing personnel

ANSWER: d

27. How can a company modify a strategy when its actual performance is not in line with expected results?

- a. by redefining the firm's mission
- b. by focusing exclusively on long-range strategic issues
- c. by putting the marketing strategy into action and monitoring performance
- d. by interpreting the mission, vision, and values of the company differently

ANSWER: d

28. What goal do all planning strategies have?

- a. creating sustainable competitive advantage
- b. creating short-term competitive advantage
- c. creating a strategic window
- d. creating leverage

ANSWER: a

29. Which of the following is a dimension of Porter's Five Forces model?

- a. bargaining power of buyers
- b. existence of second movers
- c. existing firms in the business environment
- d. rivalry among strategic business units

ANSWER: a

30. What characteristic would a less competitive market have?

- a. high barriers to entry
- b. increased number of potential substitutes
- c. strong bargaining power among buyers

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d. strong bargaining power among suppliers

ANSWER: a

31. Business strategies are impacted by the widespread use of the Internet. Which statement best describes the Internet's impact?

- a. The Internet has eliminated all forms of substitution threats.
- b. The Internet has reduced barriers to market entry.
- c. The Internet has reduced the bargaining power of end-users.
- d. The Internet has reduced consumer awareness about the differences among competitors.

ANSWER: b

32. An automobile manufacturer is dependent on a single supplier for tires. Based on this information, which statement best describes the situation faced by the manufacturer?

- a. The barriers to market entry are low.
- b. The buyer has greater bargaining power.
- c. The threat of new entrants is high.
- d. The supplier has significant bargaining power.

ANSWER: d

33. A shoe manufacturer has multiple suppliers for leather. Based on this information, which statement best describes the situation faced by the manufacturer?

- a. The suppliers have lesser bargaining than the buyer.
- b. The barriers to market entry are high.
- c. The rivalry among competitors is low.
- d. The buyer has lesser bargaining power than the suppliers.

ANSWER: a

34. Which condition would lead a company's marketers to find a new market, change prices, or compete in other ways to maintain an advantage?

- a. the bargaining power of suppliers is low
- b. the bargaining power of buyers is low
- c. the threat of substitute products is high
- d. the threat of new entrants is low

ANSWER: c

35. Which company has followed a second mover strategy?

- a. Apple
- b. Facebook
- c. IBM
- d. Ford Motor Company

ANSWER: b

36. Which statement describes a first mover strategy in comparison to a second mover strategy?

- a. The first mover strategy is more risky but offers higher reward.

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- b. The first mover strategy is more risky and offers lower reward.
- c. The first mover strategy is less risky and offers higher reward.
- d. The first mover strategy is less risky but offers lower reward.

ANSWER: a

37. Which of the following is indicative of a second mover strategy?
- a. entering new markets with existing products
 - b. making significant innovations that turn old products into new ones
 - c. observing closely the innovations of first movers and then improving on them
 - d. entering new markets with new products before any other entrants

ANSWER: c

38. What is SWOT an acronym for?
- a. strategy, work, opinions, tactics
 - b. strengths, weaknesses, opportunities, threats
 - c. strategy, work, openness, toughness
 - d. strategy, weakness, opinions, tactics

ANSWER: b

39. In SWOT analysis, what are situations in which organizations are unable to capitalize on opportunities because of internal limitations referred to as?
- a. strategic windows
 - b. strategic leverage
 - c. constraints
 - d. vulnerability

ANSWER: c

40. General Motors has difficulty competing with other car makers because of its lack of responsiveness to changing consumer preferences. In SWOT terms, what does this constitute?
- a. strategic window
 - b. leveraged situation
 - c. productivity challenge
 - d. constraint on its activity

ANSWER: d

41. Assume a firm would like to expand its product line. A complete expansion would cost \$100 million, but the firm can raise only \$75 million in financing. What is this best classified as?
- a. a constraint
 - b. an opportunity
 - c. a threat
 - d. a vulnerability

ANSWER: a

42. In a SWOT analysis, when is a constraint present?

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- a. when internal organizational weaknesses prevent taking advantage of an opportunity
- b. when environmental threats attack organizational weaknesses
- c. when organizational weaknesses are effectively addressed
- d. when environmental threats are stronger than organizational strengths

ANSWER: a

43. In SWOT analysis, when does vulnerability occur?

- a. when internal organizational weaknesses prevent taking advantage of an opportunity
- b. when environmental threats attack organizational weaknesses
- c. when weaknesses are effectively addressed
- d. when environmental threats are stronger than organizational strengths

ANSWER: d

44. In a SWOT analysis, when does a problem exist?

- a. when internal organizational weaknesses prevent taking advantage of an opportunity
- b. when environmental threats attack organizational weaknesses
- c. when weaknesses are effectively addressed
- d. when environmental threats are stronger than organizational strengths

ANSWER: b

45. Which of the following is an example of a firm's weakness discovered by a SWOT analysis?

- a. changing buyer tastes in the marketplace
- b. the presence of modern production facilities
- c. inadequate financing capabilities
- d. likely entry of new competitors

ANSWER: c

46. Which of the following is an example of a firm's strength discovered by a SWOT analysis?

- a. ownership of valuable patents
- b. a narrow current product line
- c. changing buyer tastes in the marketplace
- d. existing government policies adverse to the industry

ANSWER: a

47. Which of the following is an example of a firm's weakness discovered by a SWOT analysis?

- a. a bill passed by the government regarding the work timings of all organizations
- b. a competitor planning to open a new branch close to the firm's place of operations
- c. the firm's failure to pay its taxes on time leading to a poor reputation in the market
- d. a ban imposed on the use of animals for testing cosmetics

ANSWER: c

48. What term refers to a SWOT analysis that is designed to reveal, among other things, a firm's core competencies?

- a. financial resources
- b. strengths

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- c. leverage
- d. vulnerabilities

ANSWER: b

49. WestJet Airlines has one of the lowest levels of operating expenses in the airline industry. In a SWOT analysis, what is this classified as?

- a. opportunity
- b. constraint
- c. strength
- d. threat

ANSWER: c

50. Which of the following is an example of a threat to a firm discovered by a SWOT analysis?

- a. inadequate financing capabilities
- b. the chance to acquire firms with needed technology
- c. likely entry of new competitors in the industry
- d. too narrow a product line for the firm

ANSWER: c

51. What is one of the major problems with strategic windows?

- a. They are presented when the market stays relatively stable for long periods.
- b. Acquiring competencies for the firm is usually a major flaw.
- c. They are not affected by a firm's competencies, constraints, or vulnerabilities.
- d. They exist for only a limited time.

ANSWER: d

52. Which of the following best describes limited occasions when the key requirements of a market and the particular competencies of a firm best fit?

- a. marketing planning
- b. strategic window
- c. strategic planning
- d. tactical door

ANSWER: b

53. At a time when computer users were having trouble storing, sending, and displaying photos, Apple introduced the iMac computer, which was equipped with a digital camera interface and photo-handling software. What did Apple recognize, which resulted in this product?

- a. product innovations
- b. competitive constraints
- c. strategic window
- d. financial opportunities

ANSWER: c

54. Jonathan is part of a team analyzing current demographic trends. The team will make a recommendation concerning the groups of consumers toward whom the firm should direct its marketing effort. What element of the firm's marketing

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strategy is Jonathan's team involved in?

- a. target market
- b. distribution
- c. product
- d. promotion

ANSWER: a

55. What type of market is the group of people to whom a firm directs its marketing efforts?

- a. captive
- b. consumer
- c. home
- d. target

ANSWER: d

56. Which of the following is NOT a marketing mix variable?

- a. distribution
- b. product
- c. target market
- d. pricing

ANSWER: c

57. Which of the following describes the term marketing mix?

- a. a composite analysis of all environmental factors inside and outside the firm
- b. a series of business decisions that aid in selling a product
- c. the relationship between a firm's marketing strengths and its business weaknesses
- d. a blending of four strategic elements to satisfy specific target markets

ANSWER: d

58. How is the term "product" best described?

- a. It refers only to tangible items that can be seen, tasted, or touched.
- b. It is a broad concept encompassing the satisfaction of consumer needs.
- c. It is limited to include goods, services, and ideas only.
- d. It never refers to such things as package design, brand name, or warranty.

ANSWER: b

59. Jenny has been appointed marketing manager for Sparkling Cleaning Products. Her job focuses on decisions involving customer service, package design, brand names, and warranties. What area of the marketing strategy does Jenny most likely work in?

- a. product strategy
- b. resource valuation and pricing
- c. retailing and distribution strategy
- d. target market development

ANSWER: a

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60. What strategy do decisions involving transportation, warehousing, inventory control, and order processing relate to?
- pricing
 - competitive
 - product
 - distribution

ANSWER: d

61. Miranda has been named to an upper-level management position at social media company TextUS Services. She will be working with transportation media, order processing, and development of marketing channels. What strategies would Miranda be involved in developing?

- product
- distribution
- promotional
- marketing

ANSWER: b

62. Which of the following best fits the activity of promotion?

- making products available
- finding a convenient location
- maintaining a high level of regulation
- communicating between buyers and sellers

ANSWER: d

63. What marketing mix activity are newsletters, catalogues, and invitations to company-sponsored events most closely associated with?

- pricing
- distribution
- product development
- promotion

ANSWER: d

64. What type of strategy do the marketing mix decisions that are most closely regulated and subject to public scrutiny usually relate to?

- product
- promotional
- distribution
- pricing

ANSWER: d

65. According to the rule of three, what percentage of the market will the three leading firms in an industry have?

- less than 25 percent
- between 30 and 50 percent
- between 70 and 90 percent
- nearly 100 percent

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ANSWER: c

66. An international apparel manufacturer changed its pricing strategy as it entered a new market where recessionary trends are being observed. What factor of the marketing environment led the firm to change its pricing decisions?

- a. legal-political
- b. social-cultural
- c. technological
- d. economic

ANSWER: d

67. Ying is a marketer for a global consumer products company. She is designing a promotional campaign for a foreign market and wants to ensure that the promotional campaign is clearly understood by the target consumers. She is also taking special care to see that the campaign is free from controversies and does not inadvertently offend anyone. In this scenario, Ying is specifically trying to take into account variables in which of the country's environments?

- a. social-cultural
- b. political-legal
- c. economic
- d. competitive

ANSWER: a

68. As chief executive of Stalwart Shipfitting Company, a diversified producer of marine supplies and equipment, John needs a method for spotting promising product lines that warrant commitment of additional resources, as well as those that should be removed from the firm's product portfolio. What would be a good choice for this firm?

- a. computer models
- b. strategic business units
- c. marketing audit
- d. inventory audit

ANSWER: b

69. Which of the following best describes the strategic business unit (SBU) concept?

- a. a planning tool that separates tactical and operational issues for analysis
- b. a device used primarily to separate marketing costs from production expenses
- c. a marketing planning tool best suited to the needs of large, diversified organizations
- d. a way to create units of business activity based solely on sales potential

ANSWER: c

70. What does each strategic business unit (SBU) within a firm have?

- a. advertising consultant
- b. government "watch dog" agency
- c. board of directors
- d. competitors

ANSWER: d

71. Which of the following is a marketing planning tool?

- a. market share/market growth matrix

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- b. consumer scanning model
- c. market vulnerability/business opportunity matrix
- d. market sheet analysis

ANSWER: a

72. To evaluate an organization's SBUs, the Boston Consulting Group developed a portfolio performance framework. How did they characterize some of the SBUs?

- a. question marks
- b. quick winners
- c. charging bulls
- d. cash-outs

ANSWER: a

73. What does the quadrant of the market share/market growth matrix that represents both a high market share and a high rate of market growth include?

- a. cash cows
- b. achievers
- c. stars
- d. strivers

ANSWER: c

74. Microsoft Windows generates considerable income for the parent company but is also expensive to support. However, the expense is acceptable because Windows is the world's dominant operating system. How would Windows be classed under the market share/market growth matrix?

- a. as a star
- b. as a cash cow
- c. as a question mark
- d. as a dog

ANSWER: a

75. According to the BCG market share/market growth matrix, what type of firms should the revenues earned from cash cows be used to finance?

- a. stars and dogs
- b. dogs and question marks
- c. stars and question marks
- d. question marks and other cash cows

ANSWER: a

76. According to the market share/market growth matrix, what is the SBU that produces strong cash flows that can be used to finance the growth of other SBUs?

- a. dog
- b. question mark
- c. cash cow
- d. star

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ANSWER: c

77. According to the market share/market growth matrix, how does a successful product typically begin?
- as a question mark, then a star, and eventually moves to the status of cash cow
 - as a star, fades to a question mark, and finally becomes a dog and is dropped
 - as a cash cow, moves to a question mark, and finally becomes a star
 - as a cash cow and fades to a dog when it's dropped

ANSWER: a

78. How does the market share/market growth matrix classify products with a low relative share of a high-growth rate market?
- stars
 - question marks
 - cash cows
 - dogs

ANSWER: b

79. The product manager for a new mousetrap informs the board of directors at its annual meeting that the product has been classified as a dog. What does this mean about the product?
- It requires a "go/no go" decision within the next several years.
 - It has low market share of a high-growth rate market.
 - It should be withdrawn from the market.
 - It needs heavy investment to make it a star.

ANSWER: c

80. A food chain has a promotion where each purchaser of a large, rather than a medium-sized beverage, gets a chance to win a prize. Which of the following best describes the strategic growth opportunity that is being used?
- product development
 - diversification
 - market penetration
 - market development

ANSWER: c

81. A company notices that its customers enjoy the chicken burger with meals but often only purchase fries at mid-day for a snack. A decision is taken to provide a mini-chicken burger for the purpose of snacking to these customers. Which of the following best describes the strategic growth opportunity that is being used?
- product development
 - diversification
 - market penetration
 - market development

ANSWER: a

82. What is the most risky growth strategy for a company to pursue?
- product development
 - diversification

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- c. market penetration
- d. market development

ANSWER: b

83. Initially, cellphones had no limiters as to the regions that could be dialed or the number of different phone numbers that could be dialed. Based on this, many parents would not purchase a phone for their younger children. Next, cellphone manufacturers created phones and plans that limited the number of phone numbers programmed into the phone and no other numbers could be dialed. Only local calling would be available. Which of the following best describes the strategic growth opportunity that is being used?

- a. product development
- b. diversification
- c. market penetration
- d. market development

ANSWER: d

84. The planning process identifies objectives and determines which actions are needed to attain those objectives.

- a. True
- b. False

ANSWER: False

85. The planning process creates a blueprint that everyone in the organization must follow in order to achieve the organizational objectives.

- a. True
- b. False

ANSWER: True

86. The planning process is an intermittent process held after substantial intervals.

- a. True
- b. False

ANSWER: False

87. Relationship-building goals and strategies are seldom included in the plans of business firms.

- a. True
- b. False

ANSWER: False

88. Good relationships with customers can equip a firm with vital strategic weapons.

- a. True
- b. False

ANSWER: True

89. Strategic planning has a minimal impact on a firm's destiny because it provides only short-term direction for decision makers.

- a. True
- b. False

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1. What is the term for the process of collecting information about the external marketing environment?
- a. environmental management
 - b. marketing research
 - c. marketing management
 - d. environmental scanning

ANSWER: d

2. What would monitoring local newspapers and television news shows for general information relating to a firm's business be an example of?
- a. environmental scanning
 - b. economic analysis
 - c. social-political manipulation
 - d. technological development

ANSWER: a

3. What is Kevin engaged in when he analyzes recent data from Statistics Canada to uncover new markets for his firm's product?
- a. research and development
 - b. environmental scanning
 - c. environmental management
 - d. marketing management

ANSWER: b

4. Why must marketers constantly monitor their competitors' products, prices, distribution, and promotional efforts?
- a. because the competitors may be violating laws
 - b. because the actions of competitors may threaten the firm's monopoly position
 - c. because the actions of competitors may create an oligopoly within a particular industry
 - d. because new competitor product offerings may require a marketing mix adjustment

ANSWER: d

5. Why might a domestic business form a strategic alliance with a firm in a foreign market?
- a. to act socially responsible by giving jobs to local citizens
 - b. to squeeze out the competition
 - c. to acquire local expertise for company expansion abroad
 - d. to avoid currency fluctuations when converting gross and net revenue

ANSWER: c

6. Which of the following is NOT an external environment that marketers must consider?
- a. political-legal
 - b. social-cultural
 - c. competitive
 - d. creative

ANSWER: d

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7. What is the term for organizational objectives that include predicting and influencing competitive, political-legal, economic, technological, and socio-cultural components?

- a. research and development
- b. environmental management
- c. marketing research
- d. environmental analysis

ANSWER: b

8. A firm is negotiating with the Canadian Radio-television Telecommunications Commission over new regulations that affect one of the firm's products. What is the firm engaging in?

- a. research and development
- b. marketing management
- c. environmental management
- d. environmental analysis

ANSWER: c

9. Why must Canadian companies form strategic alliances with firms in China when doing business in that country?

- a. because such alliances are required by the laws of China
- b. because without such a relationship, the firm will not be trusted in either country
- c. because it is necessary to have employees who speak Chinese fluently
- d. because there are differences in engineering and technology between the two countries

ANSWER: a

10. What have many domestic firms found desirable when acquiring regional expertise and complying with local laws in the global market?

- a. forming political action committees
- b. forming strategic alliances with companies in foreign countries
- c. buying foreign products to beat tariff restrictions
- d. relocating manufacturing facilities to that market

ANSWER: b

11. What type of environment would be most significantly affected by a research and development project that results in a patent being granted?

- a. competitive
- b. economic
- c. international
- d. political

ANSWER: a

12. Friums & You, a Canadian firm, together with its subsidiaries, manufactures and markets snacks, confectionery, and quick meal products worldwide. The firm has been trying to expand its business into China, but Chinese laws require foreign firms to do business with local companies. What will Friums & You need to be involved in to start operations in China?

- a. limited liability partnership
- b. buyout

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- c. strategic alliance
- d. hostile takeover

ANSWER: c

13. Corea Inc., a pharmaceutical company, is involved in the research, development, manufacture, and marketing of prescription medicines. A new drug developed by them has been awarded patent rights in Canada. The patent grants them exclusive rights to manufacture and market the drug for three years. Based on this information, which statements best describes Corea Inc.'s situation?

- a. Corea Inc. will operate in a market with monopolistic competition.
- b. Corea Inc. will operate in an oligopolistic market.
- c. Corea Inc. will operate in a perfectly competitive market.
- d. Corea Inc. will have a temporary monopoly in the market for this drug.

ANSWER: d

14. Pharmaceutical companies are often able to secure patents for new drugs. Which of the following best describes the outcome of these patents?

- a. non-exclusive rights to produce the drug for a contractually limited time period
- b. protection for marketing the product forever
- c. rewards for the money invested in research and development
- d. probably of little use due to the short timeline for protection

ANSWER: c

15. Over the past years, what change have most utilities experienced regarding total monopoly protection?

- a. They have slightly decreased.
- b. They have greatly increased.
- c. They have remained the same.
- d. They have ended.

ANSWER: a

16. What is the term for an industry with only a few competing firms?

- a. regulated monopoly
- b. pure monopoly
- c. perfect competition
- d. oligopoly

ANSWER: d

17. Which statement best describes the competition between Petro-Canada and Esso?

- a. It is a form of oligopoly because they are the only companies to purchase from.
- b. It is monopolistic since the companies are selling in different markets and not competing.
- c. It is direct because both are targeting consumers who want to purchase gasoline products.
- d. It is substitution because of various gasoline formulations manufactured.

ANSWER: c

18. What does the decision about whether to have lunch at a fast-food restaurant, such as McDonald's, Subway, or Wendy's, illustrate?

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- a. how direct competition affects consumer behaviour
- b. how some products and services are competitive substitutes
- c. how indirect competition works
- d. how competition has a universal nature

ANSWER: b

19. Last summer, the Thompson family had to decide whether to buy a new car to upgrade their one-year-old luxury car, go to Disney World, or put in a swimming pool. They chose the vacation. What does this decision best illustrate?

- a. how competition can involve dissimilar products vying for discretionary income
- b. how each of these products are essential items
- c. how competition for essential items leaves limited discretionary funds for nonessentials
- d. how discretionary spending decisions are made

ANSWER: a

20. Kelly has the option of going to Cancun, Mexico or Quebec City during spring break. In this context, what type of competition are Cancun and Quebec City in?

- a. direct
- b. indirect
- c. pure
- d. monopolistic

ANSWER: b

21. Where does indirect competition occur?

- a. among marketers of similar products
- b. among marketers of products that satisfy different needs
- c. among marketers of products that can be easily substituted
- d. among marketers of products that belong to different categories

ANSWER: c

22. Which of the following is an example of indirect competition?

- a. a Sony home entertainment system competing with a Jacuzzi hot tub
- b. a Petro-Canada station across the road from an Esso station
- c. the Honda Accord and the Toyota Camry
- d. competition among Telus, Rogers, and Bell

ANSWER: a

23. In Canada, three major music companies receive 85 percent of recording revenues. These companies operate in what type of market structure?

- a. monopsony
- b. oligopoly
- c. monopoly
- d. duopoly

ANSWER: a

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24. Lockheed Martin won the world's largest ever military contract by proving it could be the first company to develop and fly a new model plane in just four years. What does this illustrate?

- a. the importance of rapid prototyping of new products
- b. the importance of time-based competition
- c. the importance of demarketing
- d. the importance of the legal environment

ANSWER: b

25. What would a computer-chip company that follows the time-based competition strategy most likely do?

- a. imitate what its competitors do, only a little later
- b. develop a timely and uninterrupted flow of products for target markets
- c. work on several generations of technology simultaneously
- d. be reactive rather than proactive in the competitive arena

ANSWER: c

26. Which of the following helps time-based competitors to improve product quality, reduce costs, and expand product offerings to satisfy new market segments and enhance customer satisfaction?

- a. validity and reliability
- b. flexibility and responsiveness
- c. rigidity and vision
- d. profitability and coverage

ANSWER: b

27. What important act was passed in 1975 that has a mission to foster a growing, knowledge-based Canadian economy?

- a. the Competition Act
- b. the Consumer Packaging and Labelling Act
- c. the Broadcasting Act
- d. the Boards of Trade Act

ANSWER: a

28. Which area is NOT covered by the Competition Act?

- a. misleading advertising
- b. bait-and-switch selling
- c. exclusive dealing
- d. international marketing

ANSWER: d

29. What does the "cooling-off" period allow?

- a. pharmaceutical research companies to exclusively sell their drugs for a number of years
- b. telecommunications companies to be protected from bankruptcy for 365 days
- c. buyers to reconsider a purchase decision that was made under sales pressure
- d. business owners to dismiss employees within a probationary time period

ANSWER: c

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30. Company ACME believes that another company, called Positioner, is selling a product well under cost in order to drive ACME and others out of the industry. What federal law could Positioner be guilty of violating?

- a. the North American Free Trade Agreement
- b. the Competition Act
- c. the Patent Act
- d. the Broadcasting Act

ANSWER: b

31. Which federal organization concerns itself with the regulation of mobile phones and cable?

- a. the Canadian Radio-television Telecommunications Commission
- b. the Consumer Products Safety Commission
- c. the Federal Power Commission
- d. the Environmental Protection Agency

ANSWER: a

32. Which of the following best describes the Canadian Marketing Association (CMA)?

- a. an association for the development of pharmaceutical advertisements
- b. a regulatory body that is responsible for overseeing the selling practices of the food and drug industries within Canada
- c. a self-regulatory group that represents industries' attempts to set guidelines for responsible business practices
- d. an agency that protects competitors within the industry

ANSWER: c

33. What federal organization has the broadest powers of any organization to influence the assignment of patents and trademarks in Canada?

- a. the Canadian Radio-television Telecommunications Commission
- b. the Consumer Products Safety Commission
- c. Health Canada
- d. the Canadian Intellectual Property Office

ANSWER: d

34. Which of the following is NOT a business cycle stage?

- a. recovery
- b. recession
- c. depression
- d. inflation

ANSWER: d

35. Which component of the marketing environment consists of factors that influence consumer buying power and marketing strategies?

- a. competitive
- b. cultural
- c. economic
- d. regulatory

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ANSWER: b

36. Which of the following factors is NOT studied by marketers analyzing the economic environment?
- a. unemployment
 - b. inflation and deflation
 - c. stock and bond markets
 - d. resource availability

ANSWER: c

37. Camp Gear, Inc. introduces a new line of rough-terrain clothing. The company increases the number of advertisements in several outdoor magazines and establishes a new, updated website for online orders. What stage of the business cycle is most likely occurring at this time?
- a. low unemployment and low inflation
 - b. depression and high inflation
 - c. growing unemployment and recession
 - d. recession and deflation

ANSWER: a

38. How do marketers respond to consumer buying behaviour in times of prosperity?
- a. by launching special value-priced products that are likely to appeal to cost-conscious buyers
 - b. by holding down costs and offering superior services at lower prices
 - c. by lowering prices and increasing promotions that include special offers to stimulate demand
 - d. by offering new products, increasing their promotional efforts, and expanding distribution

ANSWER: d

39. During recessionary periods, how is it still possible for a business to compete?
- a. by reducing promotional outlays to save money
 - b. by raising prices to improve company and product image
 - c. by curtailing customer service because people will accept such cuts
 - d. by offering value-priced products to appeal to cost-conscious buyers

ANSWER: d

40. During what period does consumer spending reach its lowest level?
- a. recession
 - b. recovery
 - c. depression
 - d. prosperity

ANSWER: c

41. What type of product category typically falls the least in consumer demand during a recession?
- a. luxury products
 - b. big-ticket items, such as new cars and homes
 - c. discretionary purchases
 - d. necessities

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ANSWER: d

42. Which of the following is NOT a characteristic of a recovery period?

- a. Businesses provide low-priced products and superior service.
- b. New product lines are introduced.
- c. Consumers are cautiously optimistic.
- d. Businesses hold down costs.

ANSWER: b

43. When prices rise due to excess demand and the increasing cost of production, what is the resulting monetary condition known as?

- a. recession
- b. depression
- c. inflation
- d. recovery

ANSWER: c

44. What can lead to a damaging downward spiral, causing a freefall in business profits, lower returns on most investments, and widespread job layoffs?

- a. deflation
- b. lower interest rates
- c. inflation
- d. major federal government surplus

ANSWER: a

45. What occurs during periods of inflation?

- a. prices increase and consumer demand decreases
- b. prices increase and consumer demand increases
- c. prices decrease and consumer demand increases
- d. prices decrease and consumer demand decreases

ANSWER: b

46. During recent recessions, how have consumers shifted their buying patterns?

- a. by borrowing money to buy goods
- b. by increasing spending across the board
- c. by buying now in the belief that prices will rise later
- d. by purchasing basic products with low price tags

ANSWER: d

47. Which of the following would NOT be a wise marketing strategy during a recession?

- a. Raise prices to make up for lost sales.
- b. Increase promotional outlays to create interest in the store or product.
- c. Improve customer service to attract more trade.
- d. Launch lower-priced products.

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ANSWER: a

48. The Robinson family recently bought a car because they were offered a no-interest financing option. The family's annual vacation was also booked through a discount travel firm. The family has purchasing power, but they prefer to spend their money cautiously like most other families in the country. The above stated instances indicate which stage of the business cycle?

- a. depression
- b. prosperity
- c. recession
- d. recovery

ANSWER: d

49. What type of consumer income are marketers most interested in?

- a. discretionary
- b. deferred
- c. inflationary
- d. disposable

ANSWER: a

50. During what economic period does unemployment begin to rise?

- a. recovery
- b. recession
- c. prosperity
- d. retrogression

ANSWER: b

51. When gasoline prices are high, many oil companies promote ways to save gas. What process can oil companies begin by providing tips on car maintenance, carpooling, and idling in traffic?

- a. supply control
- b. counter advertising
- c. brand promotion
- d. demarketing

ANSWER: d

52. What activity is the government involved in when it advertises that smoking is becoming increasingly socially unacceptable?

- a. socially responsible marketing
- b. demarketing
- c. indirect marketing
- d. green marketing

ANSWER: b

53. News reports from Zimbabwe indicate that a small pack of locally produced coffee beans costs approximately 1 billion Zimbabwean dollars, an amount that would have bought 60 new cars less than 10 years ago in the same country. What is Zimbabwe experiencing extremely high levels of?

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- a. growth
- b. stagflation
- c. deflation
- d. inflation

ANSWER: d

54. What can new technology result in?
- a. lower quality of existing products
 - b. lower availability of customer service
 - c. reduced prices through new production methods
 - d. return of products that were once considered obsolete

ANSWER: c

55. What is one major drawback that critics of radio-frequency identification tags argue?
- a. loss of jobs with the simplification of tracking capabilities
 - b. cancer in laboratory animals who wear the radio-frequency identification tags
 - c. replacement of the bar code as the standard data control method
 - d. invasion of privacy and erosion of personal freedom

ANSWER: d

56. MedicaPlus, a pharmaceutical company, is finding it difficult to track and locate slow moving medicines. Pharmaceutical distributors have been complaining about the time it takes for their orders to arrive. What technology can be used effectively to shorten this waiting period, and easily locate and track items?

- a. VoIP
- b. GPS
- c. RFID
- d. Supply chain management

ANSWER: c

57. What are air bags and the development of the Internet examples of?
- a. research and development efforts in private industry
 - b. military research finding applications in consumer products
 - c. college and university research
 - d. individuals making technological breakthroughs

ANSWER: b

58. Which technology creates a common interface for data to be carried across networks between different devices?
- a. IPMS
 - b. Wi-Fi
 - c. VoIP
 - d. RFID

ANSWER: a

59. Which of the following is NOT a current demographic trend in Canada?

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- a. The population is getting older.
- b. The population is getting more diverse.
- c. The birthrate is rising.
- d. The population is becoming more affluent.

ANSWER: c

60. What is the birthrate trend in Canada at the present time?
- a. It's increasing.
 - b. It's decreasing.
 - c. It's remaining about the same.
 - d. It's expected to increase dramatically during the next 10 years.

ANSWER: b

61. Overall, what is happening to the population of Canada?
- a. It's becoming younger, better educated, and more homogeneous.
 - b. It's becoming older, poorer, and less educated.
 - c. It's becoming older, more diverse, and more affluent.
 - d. It's becoming younger, better educated, and less affluent.

ANSWER: c

62. Which factor would NOT be included in a successful analysis of the social-cultural environment?
- a. shifts in demographics
 - b. changing values
 - c. lifestyle expectations
 - d. political affiliations

ANSWER: d

63. Assume that Quaker Oats is offering a new product designed to meet the nutritional needs of women between the ages of 45 and 60. What trend is Quaker Oats responding to?
- a. demographic
 - b. economic
 - c. social
 - d. political

ANSWER: a

64. Rogers Communications has gradually increased its level of multicultural programming in Canada and now offers more than 65 channels, broadcasting in over 20 languages. According to this example, what has increased in importance in the Canadian marketplace?
- a. competition
 - b. consumerism
 - c. cultural diversity
 - d. political forces

ANSWER: c

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65. What is the term for the social force within the environment that aids and protects the buyer by exerting legal, moral, and economic pressure on business?

- a. competition
- b. consumerism
- c. demographic diversity
- d. social-cultural influences

ANSWER: b

66. What consumer right indirectly results in parental ratings on movies, which indicate appropriate ages for viewing audiences?

- a. right to be informed
- b. right to be safe
- c. right to be heard
- d. right to choose freely

ANSWER: a

67. Jonathan Nash, aged 60, feels young at heart and spends most of his leisure time networking with family and friends online or surfing the Web. He belongs to the baby boom generation, but he exemplifies the behaviour of what type of person?

- a. social animal
- b. generation Xer
- c. social media maven
- d. Web addict

ANSWER: c

68. Despite the pressures of consumerism, why do firms NOT always give in to consumer demands?

- a. because consumers seldom know what they are talking about
- b. because in order to survive, firms must achieve reasonable profit objectives
- c. because consumers represent only a small segment of the total market
- d. because the demands of individual consumers represent little power in the marketplace

ANSWER: b

69. What component of the marketing mix raises numerous ethical questions from the general public?

- a. product
- b. distribution
- c. price
- d. promotion

ANSWER: d

70. What is a critical issue facing governmental agencies regarding ethics in marketing research?

- a. personal selling
- b. truth in advertising
- c. planned obsolescence
- d. invasion of personal privacy

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ANSWER: d

71. Which of the following involves the critical ethical issue of invasion of personal privacy?

- a. product strategy
- b. promotional strategy
- c. marketing research
- d. pricing strategy

ANSWER: c

72. Which ethical issue is associated with firms' product strategies?

- a. exclusive territories
- b. false and deceptive advertising
- c. planned obsolescence
- d. bait-and-switch advertising

ANSWER: c

73. Company A manufactures bottles with concave bottoms, giving the impression that the container holds more liquid than it does. In what type of strategy would this raise issues of ethics?

- a. product
- b. price
- c. packaging
- d. distribution

ANSWER: a

74. After manufacturing and selling products, a company must determine how much of the aftermarket it wants to control and to what extent. In what type of strategy could exerting control over wholesalers and retailers become an ethical issue?

- a. product
- b. packaging
- c. distribution
- d. price

ANSWER: c

75. A television advertisement suggests consumers take a proactive role in family health care by requesting that their physician prescribe specific medications. What type of strategy is the advertisement using?

- a. promotional
- b. price
- c. distribution
- d. product

ANSWER: a

76. A manufacturer provides discounts to a large retailer in exchange for product advertising, special placement within the stores, and a guarantee that the retailer will purchase a certain volume of product over a three-month period. The manufacturer will not extend this offer to other retailers in the marketplace. What best describes the category that is affected by legal and ethical questions regarding this practice?

- a. promotion

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- b. pricing
- c. personal privacy
- d. distribution

ANSWER: b

77. What is the most highly regulated aspect of the marketing strategy?

- a. promotion
- b. product
- c. pricing
- d. distribution

ANSWER: c

78. When marketers notify customers of impending changes in return policies, what type of strategy are they incorporating ethics into?

- a. promotional
- b. pricing
- c. product
- d. distribution

ANSWER: b

79. What must marketers give equal weight to in order to meet the obligations of social responsibility?

- a. demands of activists, government, and employees in product development
- b. morality, philosophy, and practicality in their conduct of marketing activities
- c. profits, customer satisfaction, and social well-being in evaluating their firm's performance
- d. multiple boards of directors and executive committees in top levels of corporate management

ANSWER: c

80. Aside from government regulation, what can influence the social responsibility of an organization?

- a. labour unions
- b. consumerism
- c. suppliers
- d. trade associations

ANSWER: b

81. A firm's philosophy when dealing with society as a whole is to "play by the rules" and no more. What level of corporate social responsibility is this firm exhibiting?

- a. legal
- b. economic
- c. ethical
- d. philanthropic

ANSWER: a

82. What is the highest level of corporate social responsibility?

- a. economic

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- b. legal
- c. ethical
- d. philanthropic

ANSWER: d

83. A firm donates money and used office equipment to a local school. It also contributes money and labour to build a new park. What level of corporate social responsibility is this firm exhibiting?

- a. economic
- b. legal
- c. philanthropic
- d. ethical

ANSWER: c

84. Which product offering is an example of planned obsolescence?

- a. disposable diapers
- b. low-technology product
- c. travel-size shampoo
- d. hexagonal container

ANSWER: a

85. What is the production, promotion, and reclamation of environmentally sensitive products known as?

- a. pollution
- b. recycling
- c. planned obsolescence
- d. green marketing

ANSWER: d

86. What is the latest trash that is overrunning Canadian landfill sites?

- a. televisions, computers, monitors, and printers
- b. refrigerators, dishwashers, stoves, and microwave ovens
- c. cars, trucks, and other vehicles
- d. clothing

ANSWER: a

87. Change may sometimes be gradual and evolutionary, but it is more often the result of crisis.

- a. True
- b. False

ANSWER: False

88. By analyzing data on trends in consumer tastes, marketers can engage in environmental scanning.

- a. True
- b. False

ANSWER: True

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1. What does the term “Internet penetration” refer to?
- the amount of time spent on the Internet by the people in a region
 - the depth of information available on a subject on the Internet
 - the percentage of Internet usage per individual for a given period
 - the percentage of a region’s population who use the Internet

ANSWER: d

2. Big Martin Corporation uses its website to target customers and promote its products. What is Big Martin engaged in?
- integrated marketing
 - Web services
 - digital marketing
 - online trading

ANSWER: c

3. What is the strategic process of creating, distributing, promoting, and pricing goods and services to a target market over the Internet or through digital tools called?
- digital marketing
 - online trading
 - digital servicing
 - Web economics

ANSWER: a

4. Which term refers to the wide range of transactions taking place via Internet applications such as email and virtual shopping carts?
- webonomics
 - e-business
 - Web servicing
 - digital transcription

ANSWER: b

5. Which term refers to an advantage brought about by the advent of the Internet as a shopping medium by eliminating the geographic protections and limitations of local business and by giving smaller firms a wider audience?
- personalization
 - digital tooling
 - interactivity
 - global reach

ANSWER: d

6. What does the Internet’s global reach refer to?
- its ability to communicate with consumers located anywhere in the world
 - its capacity to overcome cultural barriers between nations
 - its power to insulate national economies from events occurring outside their borders
 - its ability to use a single language, English, to communicate with world markets

ANSWER: a

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7. How is online marketing different from digital marketing?

- a. Online marketing encompasses financial transactions in addition to promotion of sales, as opposed to digital marketing.
- b. Online marketing is applicable to both goods and services, while digital marketing is for goods alone.
- c. Online marketing is limited to interactive computer systems, while digital marketing encompasses technologies not involving computers.
- d. Online marketing is suited for geographically smaller regions, while digital marketing provides the benefits of a truly global reach.

ANSWER: c

8. What are customers engaged in when they control the amount and type of information received from a marketer through such channels as the Internet and virtual reality kiosks?

- a. personalization
- b. interactive marketing
- c. integrated marketing
- d. right-time marketing

ANSWER: b

9. What is Lehmann Systems engaging in when they provide a space on its website for users to provide feedback on products and suggest ideas for improvement?

- a. social welfare marketing
- b. interactive marketing
- c. integrated marketing
- d. search marketing

ANSWER: b

10. What is an e-business vendor who creates products, such as clothing or computers, to the exact specifications of individual customers practicing?

- a. personalization
- b. interactive marketing
- c. integrated marketing
- d. right-time marketing

ANSWER: a

11. Travel Time is an online site that assists customers in making advance bookings and notifies them immediately about any reduction in airfares. What type of marketing strategy is Travel Time using?

- a. right-time
- b. integrated
- c. search
- d. real time

ANSWER: a

12. What method of digital marketing helps reach consumers by enabling the coordination of all promotional activities to produce a unified, customer-focused promotional message?

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- a. personalization
- b. interactive
- c. mass
- d. integrated

ANSWER: d

13. Best Health Labs is a company that provides medical diagnostics services. Their marketing team coordinates all its promotional activities to convey a unified message to the customers. What marketing strategy is Best Health Labs using?

- a. right-time
- b. integrated
- c. interactive
- d. personalized

ANSWER: b

14. Which statement best describes B2C digital marketing?

- a. B2C digital marketing involves online sale of services as much as physical goods.
- b. B2C transactions account for most of the digital marketing activity.
- c. B2C digital marketing facilitates transactions between organizations.
- d. Service providers prefer the B2B model to B2C as there is not enough scope for service transactions in B2C digital marketing.

ANSWER: a

15. Which term refers to a company website that sells products to customers?

- a. information kiosk
- b. corporate website
- c. online community
- d. electronic storefront

ANSWER: d

16. What type of website does Noe's Gifts, an accessories retail chain, use when they allow customers to buy products online and provide information regarding the various offers?

- a. extranet
- b. private exchange
- c. electronic storefront
- d. electronic exchange

ANSWER: c

17. Simply-Fyde Shopping's website has an online catalogue with the details of the products on offer. When customers pick their choices from the list, where are the items automatically populated?

- a. online trading database
- b. electronic shopping cart
- c. point-of-sale system
- d. Web browser

ANSWER: b

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18. What are you being targeted by when you are welcomed back by your name to a website you've shopped at before and offered products suited specifically to your tastes and budget (based on your past purchase)?

- a. personalized marketing
- b. geotargeting
- c. interstitial advertising
- d. engagement ads

ANSWER: a

19. Fred purchased six paperbacks from books2u.com three months ago. This week, when he logged on to books2u.com, the home page had his name and recommended six new books on his favourite topics. What is this an instance of?

- a. information leak
- b. breach of privacy
- c. geotargeting
- d. personalized marketing

ANSWER: d

20. What do most shoppers use the Internet for?

- a. to check the availability of the products in the nearby store
- b. to research products online before buying them at a store
- c. to obtain information regarding the retailer selling the product
- d. to check the company's internal information before purchasing

ANSWER: b

21. What was one of the early online offerings?

- a. food products
- b. luxury clothing
- c. airline tickets
- d. financial services

ANSWER: c

22. What is one of the top products sold online?

- a. event tickets
- b. food items
- c. clothes
- d. books

ANSWER: a

23. What term refers to the process of encoding data for security purposes?

- a. authorization
- b. authentication
- c. encryption
- d. randomization

ANSWER: c

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24. Which of the following measures, when adopted, will help an online retailer to build customers' trust?
- a. using third party cookies issued by Web servers
 - b. use of behavioural targeting to research customer preferences
 - c. installing spyware on Web browsers
 - d. prominently displaying a privacy policy

ANSWER: d

25. Which of the following is software used by online companies to automatically collect data from Internet browsers in order to track their customers' shopping and viewing habits?
- a. JARs
 - b. cookies
 - c. embedded systems
 - d. pop-ups

ANSWER: b

26. What type of software does Virtue.com, a women's clothing brand, use to automatically collect data from Internet browsers to track the customers' preferences?
- a. firewall
 - b. spyware
 - c. shopbot
 - d. RSS

ANSWER: b

27. Which of the following is a technology that secures a website by encrypting information and providing authentication?
- a. SMTP
 - b. HTTP
 - c. SSL
 - d. TCP/IP

ANSWER: c

28. What combination of hardware and software do companies install to prevent intrusions and keep unauthorized Web users from tapping into private corporate data?
- a. firewalls
 - b. shopbots
 - c. cookies
 - d. podcasts

ANSWER: a

29. What type of software would Aaron Corporation, an insurance firm, use to protect its client's personal information such as their dates of birth from hackers?
- a. spyware
 - b. shopbot
 - c. Webtrends analytics

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d. firewall

ANSWER: d

30. Which term refers to a high-tech scam that uses authentic-looking email or pop-up messages to get unsuspecting victims to reveal personal information?

- a. e-tailing
- b. phishing
- c. data harvesting
- d. shoulder surfing

ANSWER: b

31. Which term refers to the situation where customers of a bank received an email from a fake ID asking them to make a phone call and provide information regarding their account numbers?

- a. phishing
- b. search marketing
- c. vishing
- d. data mining

ANSWER: c

32. What is the most popular web function?

- a. e-business
- b. entertainment
- c. communication
- d. research

ANSWER: c

33. Seth reads an online tour journal by his favourite musician. With the help of this journal, fans can post comments or occasionally ask questions to the musician. What is this online journal an example of?

- a. blog
- b. social network
- c. electronic bulletin board
- d. newsgroup

ANSWER: a

34. Which function of the Internet do online communities, like Internet forums, newsgroups, and social networking sites take advantage of?

- a. entertainment
- b. communication
- c. information
- d. comparison

ANSWER: b

35. What term refers to specialized online services that focus on a specific topic or area of interest, such as white water rafting or stamp collection?

- a. electronic bulletin boards

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- b. podcasts
- c. blogs
- d. social networks

ANSWER: a

36. What term refers to noncommercial Internet versions of forums where people post and read messages on specific topics?

- a. cookies
- b. podcasts
- c. JARs
- d. newsgroups

ANSWER: d

37. Josh is interested in mountain biking and regularly visits a specialized online service that provides information on various topics related to mountain biking. What is Josh most likely to be visiting?

- a. corporate website
- b. podcast
- c. electronic bulletin board
- d. electronic storefront

ANSWER: c

38. Which of the following is an online journal for an individual or organization?

- a. blog
- b. social network
- c. bulletin board
- d. wiki

ANSWER: a

39. What term refers to a Web page anyone can edit, so that a reader can, in addition to asking questions or posting comments, actually make changes to the Web page?

- a. blog
- b. wiki
- c. tweet
- d. news feed

ANSWER: b

40. What is the most common form of Internet advertising?

- a. preroll video ad
- b. pop-up ad
- c. search marketing
- d. banner ad

ANSWER: d

41. Sandra enters a popular site for attorneys and a separate window suddenly appears on the screen promoting a new line

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of legal software. What type of ad is this?

- a. banner
- b. pop-up
- c. search marketing
- d. preroll

ANSWER: b

42. Which term refers to strip messages placed in high-visibility areas of frequently visited websites?

- a. pop-up ads
- b. banner ads
- c. interstitial ads
- d. engagement ads

ANSWER: b

43. Which terms refers to a separate window that appears on a user's screen with an advertising message?

- a. banner ad
- b. widget
- c. pop-up ad
- d. image ad

ANSWER: c

44. Which of the following involves paying search engines, such as Google, a fee to make sure the company's listing appears toward the top of the search results?

- a. search engine optimization
- b. page ranking
- c. search marketing
- d. contextual advertising

ANSWER: c

45. Keith, a marketer for Olympus cameras, pays a search engine to have Olympus products show up among the top three results whenever a computer user runs a search for digital cameras. What type of marketing is Keith using?

- a. integrated
- b. active
- c. search
- d. interactive

ANSWER: c

46. Which term refers to tiny interactive applications that Internet users can copy and add to their own pages to play music, video, or slide shows?

- a. widgets
- b. interstitials
- c. podcasts
- d. plug-ins

ANSWER: a

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47. SunDay Holidays paid a fee to Google to display a link of their website when a user enters a keyword related to holidays or vacations. The link is displayed on the right side of the search results page. What is this link an example of?
- sponsored link
 - organic search
 - home page
 - natural search page

ANSWER: a

48. What is the first step in creating an effective website?
- Create an eye-catching home page.
 - Establish the layout of the website.
 - Determine the tools to be used and their graphical content.
 - Understand the purpose of the site.

ANSWER: d

49. A retail chain that sells consumer electronics is developing a website in-house to sell its products online. The company has finalized the name, appearance, and purpose of the website. What is the next step in the website development process?
- Measure the effectiveness of the website.
 - Decide on the primary objective of the site.
 - Connect the site to the Internet by placing the required computer files on the server.
 - Determine and develop the content of the site.

ANSWER: d

50. Which statement best describes the group of consumers known as Web-to-store shoppers?
- They purchase an item online after having inquired about it by visiting a store.
 - They purchase the primary item on the Web and go to the store to buy accessories.
 - They use the Internet as a tool when shopping at brick-and-mortar retailers.
 - They promote online purchasing of products.

ANSWER: c

51. How is online success measured for companies that do not intend to generate revenue from their website?
- the numbers of visitors who make repeat purchases
 - increased brand awareness and brand loyalty
 - the amount of time a customer spends on a website before making a purchase
 - the number of people who search information by visiting a store and then make online purchase

ANSWER: b

52. What does the click-through rate measure?
- number of clicks performed by an average user when searching for information through a search engine
 - number of ads served up to a user on a search engine per query
 - percentage of people presented with a banner ad who click on it
 - number of Web pages viewed by a user after clicking through an ad

ANSWER: c

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53. What does the conversion rate, a basic measurement of website's effectiveness, represent?
- the number of people who, having previously visited the site, return to it for additional visits
 - the proportion of visitors who mark the website as a favourite
 - the percentage of people presented with a banner ad who click on it
 - the percentage of website visitors who make purchases

ANSWER: d

54. What measures the effectiveness of the website based on the percentage of website visitors making purchases through the site?
- click-through rate
 - brand awareness
 - conversion rate
 - customer engagement

ANSWER: d

55. What software enables users to communicate with each other online?
- bookmarking site
 - social media analytics
 - online forum
 - social media tool

ANSWER: d

56. Which of the following can be categorized as a social media tool?
- social news site
 - social networking site
 - app
 - online forum

ANSWER: c

57. Which of the following best describes the function of social media tools?
- allowing users to build, integrate, or facilitate an online community
 - enabling users to communicate with each other online
 - acting as a home base for online communities
 - allowing marketers to track, measure, and interpret data related to users' social media marketing initiatives

ANSWER: b

58. Snaptell allows shoppers to retrieve more information about products while shopping in brick-and-mortar stores. What is this an example of?
- microblog
 - social network
 - app
 - firewall

ANSWER: c

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59. What term refers to websites that provide virtual communities for people to share daily activities and increase their circle of online friends?

- a. blogging sites
- b. social networking sites
- c. bookmarking sites
- d. social news sites

ANSWER: b

60. Which type of social media platform allows their users to create an online profile of biographical data, including photos and information such as employment, education, and relationship status, and to invite friends to join their circle?

- a. social news sites
- b. blogging sites
- c. microblogs
- d. social networking sites

ANSWER: d

61. Badoo is a global, multilingual social media platform that provides an opportunity for its members to meet new people in their locality, share daily activities, and post opinions on different topics. What type of social media platform is Badoo?

- a. application
- b. social networking site
- c. bookmarking site
- d. blogging site

ANSWER: b

62. Eons.com is a website for baby boomers that allows members to find friends, share experiences on various topics, and post photos and videos. What is Eons.com an example of?

- a. blogging site
- b. social news site
- c. social networking site
- d. microblog

ANSWER: c

63. Which social media platform gives users a place to save, organize, or manage links to websites or other Internet resources?

- a. social news site
- b. social networking site
- c. bookmarking site
- d. blogging site

ANSWER: c

64. Oneview is a social media platform that provides a space for its users to save, organize, and tag links of their favourite websites. The users can also share these links with other members of the platform. What is Oneview an example of?

- a. social networking site
- b. social news site

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- c. blogging site
- d. bookmarking site

ANSWER: d

65. Which of the following is an example of a bookmarking site?

- a. PistonHeads.com, which allows users to share information related to automotive industry and also buy/sell cars
- b. Linkswarm.com, which allows users to save, organize, and manage links to their favourite websites
- c. LiveJournal.com, which allows users to write articles on their experiences and favourite topics and share it with other users
- d. NowPublic.com, which allows users to post news articles and videos

ANSWER: b

66. Which social media platform allows users to report on the happenings in their communities and then vote on which postings get the most prominent display on the site?

- a. blogging sites
- b. online forums
- c. social news sites
- d. social networking sites

ANSWER: c

67. Topix.net is a website that allows people to comment on news articles and report on events occurring in their local communities. It also allows users to edit and rate the topics of their choice. Which social media platform is Topix.net an example of?

- a. social blogging sites
- b. social networking sites
- c. online forums
- d. social news sites

ANSWER: d

68. What is the social media platform where users post messages and hold conversations on specified topics?

- a. social news site
- b. online forum
- c. blogging site
- d. bookmarking site

ANSWER: b

69. AlphaDevelopers.com is a website that provides a platform for users to post general information on mobile phones, tablets, and other electronic devices. The users can rate the devices and also answer queries from other users. What is AlphaDevelopers.com an example of?

- a. blogging site
- b. social networking site
- c. social news site
- d. online forum

ANSWER: d

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70. What term refers to a platform where a host or writer posts information or opinions on various topics and followers may respond?

- a. application
- b. social news site
- c. bookmark
- d. blogging site

ANSWER: d

71. Odyssey is a website where the host regularly posts photos and articles on his favourite travel destinations and his experiences therein. Users of the site are allowed to respond or post comments on these articles. What is Odyssey an example of?

- a. blogging site
- b. social news site
- c. database
- d. bookmarking site

ANSWER: a

72. What is the term for a blog posting, such as a Tweet, that contains only a few words?

- a. moblog
- b. microblog
- c. splog
- d. edublog

ANSWER: b

73. Blunk is a service that allows users to send updates through posts that contain only a few words. These updates are sent to the users who have signed up to receive them. What is Blunk an example of?

- a. blogging site
- b. social networking site
- c. microblog
- d. online forum

ANSWER: c

74. What is the term for a free or paid software download that links users to a wide range of goods and services, media and text content, social media platforms, search engines, and the like?

- a. QR code
- b. blog
- c. social media analytics tool
- d. app

ANSWER: d

75. Hootsuite is a social media management software that allows users to manage multiple social network profiles, keep track of brand mentions, and send regular updates to their Twitter account. What is Hootsuite an example of?

- a. blogging site
- b. app

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- c. microblog
- d. social networking site

ANSWER: b

76. Stinson's, a chain of luxury department stores, uses a unique two-dimensional code on pamphlets and brochures that can be read by mobile phones with cameras. These codes provide detailed information regarding the products available in the store along with their prices. What is Stinson's using?

- a. apps
- b. fact tags
- c. QR codes
- d. social networks

ANSWER: c

77. Which of the following is a unique feature of social media marketing?

- a. It is limited by geographical boundaries.
- b. It creates ways for customers to engage in conversations with each other and the organization.
- c. It seeks to control the content and message received by the audience.
- d. It mainly focuses on promoting the company outright rather than focusing on the audience.

ANSWER: b

78. What is the main reason why consumers rely on communities created by social media for their buying decisions?

- a. to gather relevant information about the functional strategies of companies
- b. to gather relevant insights about the fluctuation in stock prices
- c. to conduct research and share information
- d. to build partnerships with companies

ANSWER: c

79. Why is a social media marketing plan important?

- a. It helps companies to generate donations or other types of funding.
- b. It helps consumers to make final purchase decisions.
- c. It helps companies to have full control over the content and the message received by the audience.
- d. It documents in writing the company's goals and strategies for the SMM initiative.

ANSWER: d

80. In an SMM plan, what term refers to the paragraph or two that explains the who, what, when, where, how, and why of the plan, and gives compelling reasons why the plan should be adopted?

- a. overview
- b. executive summary
- c. analysis of the competition
- d. body of the plan

ANSWER: b

81. When is the executive summary of a social media marketing plan said to be effective?

- a. if it provides an expert view on the competitors' presence in social media, including the platforms they choose

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and their overall effectiveness

- b. if it clearly describes the overall market conditions and the firm's current position in social media
- c. if it effectively defines the methods for monitoring, measuring, and managing the social media marketing efforts
- d. if it gives compelling reasons as to why the plan should be adopted by the firm

ANSWER: d

82. What is the purpose of the overview of a social media marketing plan?

- a. It briefly describes the overall market conditions and the firm's current position in social media.
- b. It gives compelling reasons as to why the plan should be adopted by the firm.
- c. It describes in detail the goals and strategies, the target audience, and the methods for implementing, monitoring, measuring, and managing the marketing campaign.
- d. It examines competitors' presences in social media, including which platforms and tools they select and an evaluation of their overall effectiveness.

ANSWER: a

83. The marketing team at Redline's, a popular men's clothing brand, has been asked to prepare a synopsis of the overall market condition, including the current position of the firm on social media. In what part of the marketing plan is the marketing team most likely to document its findings?

- a. overview
- b. competitive analysis section
- c. body
- d. executive summary

ANSWER: a

84. What part of a social media marketing plan examines and evaluates the competitors' presences in social media, including the platforms and tools they select and their overall effectiveness?

- a. competitive analysis
- b. executive summary
- c. overview
- d. body

ANSWER: a

85. What section of a social media marketing plan covers the statements of goals and strategies, target audience, budget, and the returns as well as the methods for monitoring, measuring, and managing the marketing campaign?

- a. overview of the plan
- b. executive summary
- c. body of the plan
- d. competitive analysis

ANSWER: c

86. Fred Wilson, a journalist, has a vast knowledge of electronic gadgets. His reviews of these products are highly regarded and trusted by others. What can Fred Wilson be regarded as?

- a. influencer
- b. laggard

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- c. innovator
- d. relationship manager

ANSWER: a

87. Why do marketers focus their efforts on setting clear goals in the initial step of a social media marketing campaign?
- a. It helps buyers make final purchase decisions.
 - b. It helps everyone involved in the campaign to aim their efforts in the right direction.
 - c. It is effective in engaging the target audience in a conversation.
 - d. It helps marketers to have control over the content of the marketing message received by the audience.

ANSWER: b

88. Sparks, a manufacturer of smartphones and tablets, is currently gathering information on demographics in order to pinpoint the audience for its social media marketing campaign. Which of the following describes what Sparks is specifically collecting information on?
- a. the social media platforms and tools used by its competitors and their overall effectiveness
 - b. what potential customers need or want
 - c. which of its products and social media will meet the needs and wants of a particular group of people
 - d. characteristics such as age, gender, geographic location, income, ethnicity, and marital status of a target group

ANSWER: d

89. What is the most essential requirement for developing the best strategies for a social media marketing campaign?
- a. an interactive media channel
 - b. an innovative product
 - c. a thorough understanding of the target audience
 - d. a thorough analysis of the competitors' media presences

ANSWER: c

90. What phase in the development of a social media marketing campaign involves the selection of social media platforms and social media tools to be used to reach the target audience?
- a. setting goals
 - b. developing strategies and choosing tactics
 - c. producing content
 - d. implementing the plan

ANSWER: b

91. Once marketers answer the question of who they are trying to reach by targeting their audience, what is the second vital question in social media marketing that they ask?
- a. What is the goal of the campaign?
 - b. How do we engage the audience in a conversation?
 - c. How do we identify the needs or wants of our potential customers?
 - d. How do we create content with the firm's goals and strategies in mind?

ANSWER: b

92. While developing a social media marketing campaign, how can marketers make it easy for potential customers to participate in the conversation?

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- a. by introducing a wide range of merchandise
- b. by offering attractive discounts on goods and services
- c. by creating a specific landing page for the marketing campaign
- d. by sending frequent mails and updates regarding goods and services to potential customers

ANSWER: c

93. Which of the following involves creating and distributing relevant and targeted material to attract and engage an audience, with the goal of driving them to a desired action?

- a. content marketing
- b. social media monitoring
- c. crowdsourcing
- d. social bookmarking

ANSWER: a

94. Jason's Foods, an organic food products manufacturer, is planning to market its products through social media sites. The marketing team plans to use messages that focus on the health benefits of organic foods in order to generate greater awareness about its products and engage its target audience in the conversation. In doing so, what would the marketing team of Jason's Foods be engaging in?

- a. social media monitoring
- b. content marketing
- c. behavioural targeting
- d. social bookmarking

ANSWER: b

95. When is the content for a social media marketing campaign said to be effective?

- a. when it focuses on promoting the company outright
- b. when it contains detailed information about competing product offerings in the market
- c. when it has a strong brand focus
- d. when it presents the SMM effort as a one-way conversation, much like traditional marketing

ANSWER: c

96. What is the term for the process of tracking, measuring, and evaluating a firm's social media marketing initiatives?

- a. social media management
- b. content marketing
- c. social bookmarking
- d. social media monitoring

ANSWER: d

97. Which tool help marketers trace, measure, and interpret data related to social media marketing initiatives?

- a. social media platforms
- b. social media analytics
- c. QR codes
- d. apps

ANSWER: b

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98. What is the term for the rate of revenues received for every dollar spent on an expense?

- a. return on investment
- b. resource rent
- c. earnings per share
- d. return on equity

ANSWER: a

99. What is a major ethical issue faced by social media marketers during their marketing campaigns?

- a. copyright infringement
- b. consumer privacy
- c. lack of funding
- d. contractual concerns

ANSWER: b

100. How can job seekers use social media to improve their job prospects in the market?

- a. by being active on most of the social media sites
- b. by including friends and family on their LinkedIn network
- c. by accepting all LinkedIn requests in order to widen their network
- d. by being proactive on LinkedIn and connecting with people who work for companies of interest

ANSWER: d

101. What is the job title of the person who oversees all of the company's social media functions, ranging from blogging copywriter to social media strategist?

- a. content programmer
- b. social media marketing manager
- c. social media developer
- d. social media specialist

ANSWER: b

102. What is the job title of the primary decision maker who runs a firm's social media program?

- a. content manager
- b. online community manager
- c. social media strategist
- d. social media designer

ANSWER: c

103. Who is responsible for online public relations and management of the brand over social media sites?

- a. online community manager
- b. social media analyst
- c. brand analyst
- d. brand manager

ANSWER: d

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104. What is the person who is in charge of social media analytics responsible for?

- a. implementing a company's entire social media program
- b. managing external engagement with customers in social media channels
- c. measuring the results of the social media marketing effort
- d. developing the program necessary to build and assemble the features for social tools such as blogs and communities

ANSWER: c

105. Jonathan, who has experience in graphics designing, was hired by a firm to oversee the look and feel of its Facebook page. What job position was Jonathan most likely hired to fill?

- a. social media designer
- b. copywriter
- c. social media developer
- d. brand manager

ANSWER: a

106. Which term refers to a software program that allows online shoppers to compare the price of a particular product offered by several online retailers?

- a. electronic shopping cart
- b. extranet
- c. electronic storefront
- d. bot

ANSWER: d

107. The Internet allows retailers and vendors to exchange vital information, improving the overall functioning of supply and distribution.

- a. True
- b. False

ANSWER: True

108. The term Internet penetration refers to the percentage of a region's population who use the Internet.

- a. True
- b. False

ANSWER: True

109. The United States has the highest number of Internet users in the World.

- a. True
- b. False

ANSWER: False

110. One of the benefits of digital marketing is the ability to reach anyone connected to the Internet anywhere in the world.

- a. True
- b. False

ANSWER: True

Chapter 5 - Consumer Behaviour

1. What does consumer behaviour refer to?
- organizational purchase decision-making behaviour
 - customer spending patterns
 - post-purchase decision-making behaviour
 - the ultimate buyer decision-making process

ANSWER: d

2. Which of the following circumstances is NOT an example of consumer behaviour?
- buying a new car
 - buying a new home theatre system
 - deciding on a college or university
 - purchasing a new computer system for work

ANSWER: d

3. Which of the following is an interpersonal influence on consumer behaviour?
- one's attitude
 - one's perception
 - one's family
 - one's self-concept

ANSWER: c

4. According to psychologist Kurt Lewin, what facilitates understanding consumer behaviour?
- individual learning levels and group power
 - personal influences and the inputs of others
 - attitudes and perceptions
 - reference groups and personal inferences

ANSWER: b

5. According to Kurt Lewin's theory of consumer behaviour, what interacts with personal factors to create the function of consumer behaviour?
- perception
 - learning
 - attitudes
 - interpersonal influences

ANSWER: d

6. Samir plans to buy a car and discusses the purchase with his parents. What term refers to their influence on this buying decision?
- impersonal influence
 - interpersonal influence
 - personal influence
 - institutional influence

ANSWER: b

Chapter 5 - Consumer Behaviour

7. Rachael, an advertising executive, shops for clothing at a trendy store. Despite the fact that bright prints and bold colours are the latest trends, she purchases a wardrobe in neutrals and black. What type of influence has most likely driven Rachael's decision?

- a. impersonal
- b. interpersonal
- c. personal
- d. institutional

ANSWER: c

8. What are values, beliefs, and tastes handed down from one generation to the next called?

- a. role
- b. culture
- c. status
- d. psychometry

ANSWER: b

9. What is the broadest environmental determinant of consumer behaviour?

- a. folklore
- b. tradition
- c. culture
- d. status

ANSWER: c

10. Which of the following is an example of a core value in Canadian culture?

- a. tolerance and individualism
- b. importance of team spirit
- c. dignity of the elderly
- d. importance of personal achievement

ANSWER: a

11. Only by the 1980s and 1990s did the Canadian population accept interracial marriages. What is this an example of?

- a. how slowly cultural values change
- b. a lack of regard for other cultures
- c. a willingness to sacrifice individualism
- d. the desire for wealth accumulation

ANSWER: a

12. What type of market would experience problems by a shift in cultural values away from accumulating material possessions to spending time with family and friends?

- a. travel services
- b. luxury cars
- c. provincial parks and picnic areas
- d. children's games and toys

ANSWER: b

Chapter 5 - Consumer Behaviour

13. In Canadian culture, what is a heightened appreciation for quality of life an example of?

- a. considerations involved in the formation of family groups
- b. objectives not necessarily reached by even a minority of people
- c. buying activities related to and based in institutionalism
- d. core values in Canadian culture

ANSWER: d

14. Who are cultural differences particularly important to?

- a. firms marketing internationally
- b. not-for-profit organizations
- c. firms marketing to a specific target market in a single city
- d. firms marketing locally

ANSWER: a

15. Within the existing Canadian culture, what are Orthodox Jews who purchase and consume only kosher foods an example of?

- a. status group
- b. social influence
- c. microculture
- d. geographic community

ANSWER: c

16. According to Statistics Canada, approximately what percentage of Canadians will belong to a group that classifies itself as a visible minority by 2031?

- a. 16–19
- b. 21–24
- c. 25–28
- d. 35–39

ANSWER: c

17. What theory suggested that marketing campaigns for French Canadians would be more successful if they were designed specifically for the Quebec market?

- a. microculture
- b. twin beds
- c. social stratification
- d. separatist

ANSWER: b

18. Which statement best describes the South-Asian Canadian group?

- a. South Asians are the largest cultural group in Canada.
- b. The largest number of South Asians lives in Vancouver.
- c. South Asians tend to associate more with their own sub-ethnic group.
- d. The majority of South Asians in Canada are elderly.

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ANSWER: c

19. What is the second largest cultural group in Canada?

- a. South-Asian Canadians
- b. Hispanic Canadians
- c. Filipino Canadians
- d. Black Canadians

ANSWER: a

20. What are the values and behaviours that groups establish and deem appropriate for their members called?

- a. group rules
- b. group norms
- c. group ideals
- d. group behaviours

ANSWER: b

21. What is the relative position of an individual within a group called?

- a. cultural assimilation
- b. role
- c. status
- d. Asch phenomenon

ANSWER: c

22. What does the Asch phenomenon state about individuals?

- a. They will follow their personal influences much more closely than any other influence.
- b. They will follow the majority opinion even if it contradicts the individual's beliefs.
- c. They will purchase products that maintain a positive looking-glass self.
- d. They will avoid extended problem-solving behaviour.

ANSWER: b

23. What purchasing behaviour concept is peer pressure closely related to?

- a. cognitive dissonance
- b. opinion leaders
- c. cultural influences
- d. Asch phenomenon

ANSWER: d

24. When do reference groups have a greater impact on the purchasing decision?

- a. when the consumer is already established as the opinion leader in the group
- b. when the purchase is hard to recognize or see by the group
- c. when the purchase is unique and conspicuous
- d. when the product is common

ANSWER: c

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25. Which product purchase would reference group influences most likely have the greatest impact on?
- double mattress
 - luxury car
 - new dental floss
 - black shoe polish

ANSWER: b

26. What are characteristics that determine social-class rankings?
- occupation and income
 - cultural background and religious denomination
 - geographic location and family size
 - birth order and personal beliefs

ANSWER: a

27. What is the tendency of opinion leaders?
- to have basic core values that change
 - to purchase products before other consumers
 - to have above-average income
 - to avoid extended problem-solving behaviour

ANSWER: b

28. What role are spouses taking when they independently make an equal number of decisions about product purchases?
- syncratic
 - dominant fashion
 - autonomic
 - dependent

ANSWER: c

29. Which of the following is NOT categorized as a spouse's role in purchasing decisions?
- syncratic
 - husband-dominated
 - opinion leader
 - autonomic

ANSWER: c

30. A newly married couple is looking to rent an apartment. What kind of a decision is this likely to be?
- syncratic
 - husband-dominant
 - wife-dominant
 - autonomic

ANSWER: a

31. Which product is typically a wife-dominant purchase?
- apartment

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- b. car insurance
- c. food processor
- d. furniture

ANSWER: c

32. Which product's purchase will follow a syncretic pattern?

- a. health insurance
- b. shampoo
- c. lawnmower
- d. children's clothes

ANSWER: a

33. What is the imbalance between a consumer's actual state and desired state called?

- a. need
- b. attitude
- c. motive
- d. self-concept

ANSWER: a

34. What is included in the personal determinants of consumer behaviour?

- a. the culture in which a person is raised
- b. the individual's needs and motives
- c. the family to which one belongs
- d. the society from which one comes from

ANSWER: b

35. What is created by motives that are an inner state that directs a person?

- a. equilibrium between the actual and desired states
- b. excitement in attaining the need satisfaction
- c. equity between the cost and benefits of the need satisfaction
- d. energy to participate in the limited problem-solving process

ANSWER: a

36. Helene made sure her company car was equipped with OnStar in case she ever had car trouble or got lost while travelling. What level of Maslow's hierarchy of needs is Helene addressing?

- a. physiological
- b. safety
- c. esteem
- d. self-actualization

ANSWER: b

37. According to Maslow, which characteristic of a country provides marketers with the greatest opportunities to fill higher needs?

- a. food shortage

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- b. limited police force
- c. high standard of living
- d. high need for clean water

ANSWER: c

38. What type of need includes the need for fulfillment, realizing one's own potential, and fully using one's talents and capabilities?

- a. self-actualization
- b. physiological
- c. social
- d. esteem

ANSWER: a

39. What level of Maslow's hierarchy of needs is a person who is satisfying the most basic level of needs operating at?

- a. self-actualization
- b. esteem
- c. physiological
- d. belongingness

ANSWER: c

40. What type of need includes essential requirements for survival such as food, water, shelter, and clothing?

- a. self-actualization
- b. esteem
- c. physiological
- d. belongingness

ANSWER: c

41. A marketing campaign features a famous celebrity and promotes the campaign slogan "Together We Can Prevail." What category in Maslow's hierarchy of needs is addressed by the use of the celebrity?

- a. esteem
- b. belongingness
- c. safety
- d. physiological

ANSWER: b

42. According to Maslow, what need is attempting to be met by joining a local bowling league for social interaction?

- a. self-actualization
- b. belongingness
- c. esteem
- d. safety

ANSWER: b

43. An insurance company markets its health and life insurance products with a tag line "save for future." According to Maslow's hierarchy of needs, what is this an example of?

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- a. esteem needs
- b. safety needs
- c. physiological needs
- d. social needs

ANSWER: b

44. According to Maslow, what need fulfillment do not-for-profit organizations target when looking for donors?

- a. physiological
- b. self-esteem
- c. belongingness
- d. self-actualization

ANSWER: d

45. Which product is aimed at satisfying the esteem needs of people?

- a. can of soup
- b. cleaning products
- c. car safety features
- d. luxury watch

ANSWER: d

46. What term refers to the meaning that a person attributes to incoming stimuli gathered through the five senses?

- a. self-concept
- b. attitude
- c. perception
- d. culture

ANSWER: c

47. Which of the following is NOT a stimulus factor?

- a. motivation of an individual
- b. large house
- c. heavy car
- d. spherical decoration

ANSWER: a

48. What does the invention of digital video recording (DVR) technology make it easier for consumers to use?

- a. their subliminal perception
- b. their perceptual screens
- c. their learning processes
- d. their cognitive dissonance

ANSWER: b

49. Which of the following would most likely break through a person's perceptual screen?

- a. newspaper ad featuring white type on a black background
- b. black-and-white classified ad

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- c. reducing the size of an ad
- d. using fewer colours in an ad

ANSWER: a

50. John quickly mutes his television every time a commercial comes on. What is this an example of?

- a. closure
- b. subliminal advertising
- c. perceptual screen
- d. cognitive dissonance

ANSWER: c

51. What is perception is the interaction between which of the following elements?

- a. the interaction between likes and dislikes
- b. the interaction between emotions and thoughts
- c. the interaction between stimulus factors and individual factors
- d. the interaction between needs and wants

ANSWER: c

52. Which of the following best characterizes virtual reality?

- a. the transmission of marketing information in a three-dimensional fashion
- b. the least effective method for advertising high-priced products
- c. the only way that automobile dealerships can sell cars online
- d. the perception that consumers can be better satisfied by purchasing products online

ANSWER: a

53. What does the cognitive component of attitude refer to?

- a. the measure of an emotional reaction to a concept
- b. the fact that an individual will tend to behave in a particular manner towards a concept
- c. the individual's knowledge and information about an object or concept
- d. the speed with which one learns information about an object

ANSWER: c

54. Which of the following can be categorized under the cognitive component of an attitude?

- a. buying behaviours
- b. emotional reactions
- c. knowledge of the product
- d. value placed upon the product

ANSWER: c

55. Food manufacturers often set up tables in grocery stores where customers can sample featured products. What component of attitude does this type of promotion try to influence?

- a. behavioural
- b. rational
- c. cognitive

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d. affective

ANSWER: a

56. What component of attitude is being altered by an advertisement that creates warm feelings of goodwill toward the advertiser and its products?

- a. cognitive
- b. behavioural
- c. traditional
- d. affective

ANSWER: d

57. A business sends one coupon to consumers that have purchased in the past. What is this an example of?

- a. marketer trying to revive a failing product
- b. shaping
- c. subliminal advertising
- d. reinforcement

ANSWER: d

58. In the learning process, what is reinforcement?

- a. the immediate expected change in behaviour as a result of experience
- b. the reduction in drive that results from a proper response
- c. an individual's reaction to a set of cues
- d. any strong stimulus that impels action

ANSWER: b

59. Which scenario best illustrates reinforcement in purchasing decisions?

- a. a chef purchases mushrooms for a second time from a wholesaler, even though the first order was disappointing
- b. an appliance distributor replaces a dishwasher free of charge and provides excellent after-sales service
- c. a needle on the gas gauge signals a driver to pull into a gas station
- d. the smell of hot dogs at a ballpark induces an obese man to order "a dog with everything on it"

ANSWER: b

60. In a marketing context, what is the immediate or expected change in consumer behaviour that results from experience?

- a. drive
- b. script
- c. perception
- d. learning

ANSWER: d

61. What is the process of applying a series of rewards and reinforcements to permit more complex consumer behaviour to evolve known as?

- a. scaling
- b. screening

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- c. shaping
- d. shadowing

ANSWER: c

62. At regular intervals a car dealership offers discounts on repair services and the completed repairs are followed up to ensure customer satisfaction. What is this an example of?

- a. scaling
- b. screening
- c. shaping
- d. shadowing

ANSWER: c

63. A frozen food manufacturer is employing the shaping process to get consumers to try its products by offering free samples and discount coupons. What is the next step in the shaping process?

- a. to motivate the customers to make repeat purchases at moderate costs
- b. to entice the customers to buy the product at low prices with little financial risk
- c. to sell the product at moderate costs with no additional discount coupons
- d. to sell the product at its true price to the customers

ANSWER: b

64. Which action is shaped by the effective application of learning theory within the marketing strategy context?

- a. repeat purchase behaviour
- b. impulse buying behaviour
- c. cognitive dissonance
- d. domino effect

ANSWER: a

65. Which term describes the situation in which people are likely to buy products they believe will move them towards their desired image?

- a. their real self
- b. their looking-glass self
- c. their model self
- d. their ideal self

ANSWER: d

66. In the area of self-concept theory, what is the real self?

- a. the way the individual views himself or herself
- b. the way the individual thinks other people see him or her
- c. the individual's personal set of objectives to which he or she aspires
- d. an objective view of the total person

ANSWER: d

67. Which statement best describes the looking-glass self?

- a. It is an objective view of oneself.

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- b. It often differs from self-image because people may choose to project a different image to others.
- c. It is usually the same as the ideal self because most people want others to perceive them as successful.
- d. It is a personal view of how a person wants to be.

ANSWER: b

68. What products typically require high-involvement decisions?
- a. inexpensive and rarely purchased
 - b. inexpensive and frequently purchased
 - c. expensive and relatively simple
 - d. expensive and complicated

ANSWER: d

69. What term refers to purchase decisions that have a potentially high level of social or economic consequences?
- a. low time and effort involvement
 - b. low-involvement
 - c. high-involvement
 - d. single-person involvement

ANSWER: c

70. Which product purchase would most likely require a low-involvement decision?
- a. car
 - b. tablet computer
 - c. stationery
 - d. jewellery

ANSWER: c

71. Which product purchase would most likely require a high-involvement decision?
- a. shampoo
 - b. magazine subscription
 - c. car
 - d. hair dryer

ANSWER: c

72. What happens to the consumer during the search step of the consumer decision process?
- a. The consumer realizes it's time to make a change from the present situation.
 - b. The consumer develops a set of evaluative criteria to guide the purchase decision.
 - c. The consumer notices favourable, word-of-mouth communication about the product.
 - d. The consumer gathers information about the attainment of a desired state of affairs.

ANSWER: d

73. What is a characteristic of the evaluative criteria used by consumers in the decision-making process?
- a. It is set aside if the consumer finds a better means of making the purchase decision.
 - b. It identifies alternative brands for consideration and possible purchase.
 - c. It occurs during the first stage of the decision process.

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d. It includes objective facts or subjective opinions about the alternatives.

ANSWER: d

74. What is one of the ways in which marketers can attempt to affect the outcome of the alternative evaluation stage of the consumer decision-making process?

- a. by trying to get consumers to expand their evoked sets to include their product
- b. by attempting to convince consumers that a competing brand does not meet their criteria
- c. by providing persuasive evidence about their products in a useful format
- d. by helping consumers to identify potential problems or needs

ANSWER: a

75. What is term for the number of alternatives a consumer actually considers in making a purchase decision?

- a. evoked set
- b. customer options
- c. evaluative criteria
- d. cognitive choices

ANSWER: a

76. What is the term for product features a consumer considers when choosing among alternatives?

- a. appraisal standards
- b. evaluative criteria
- c. assessment parameters
- d. selection rules

ANSWER: b

77. What is the anxiety that consumers begin to feel when they are dissatisfied with a product or service recently purchased called?

- a. cognitive dissonance
- b. post-purchase regret
- c. product re-evaluation
- d. purchase rejection

ANSWER: a

78. At which stage of the consumer decision-making process might cognitive dissonance occur?

- a. search
- b. evaluation
- c. purchase decision and purchase act
- d. post-purchase evaluation

ANSWER: d

79. What does the post-purchase evaluation of the consumer decision process attempt to measure?

- a. the selling success experienced by the vendor
- b. the follow-up effectiveness of the firm
- c. the consumer satisfaction with the purchase

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d. the advertising influence on the purchase

ANSWER: c

80. When is cognitive dissonance most likely to occur?

- a. during the pre-purchase stage
- b. if the product does not have the desired features
- c. when there is a balance between attitudes, beliefs, and knowledge
- d. as the cost and complexity of the purchase increases

ANSWER: d

81. How can marketers attempt to shape the outcome of the post-purchase evaluation?

- a. by helping consumers to identify potential problems or needs
- b. by offering personal assistance with any problem experienced with the product
- c. by attempting to convince consumers that a competing brand does not meet their criteria
- d. by trying to get consumers to expand their evoked sets to include their product

ANSWER: b

82. Sharon is purchasing a food processor, has done research on all available models, and is trying to finalize a store at which to make the purchase. What stage of consumer decision process is Sharon at?

- a. purchase decision and purchase act
- b. search
- c. postpurchase evaluation
- d. problem recognition

ANSWER: a

83. Edward is looking to purchase a notebook computer. He gathers information about the new models available and lists down all the available options. What is the next step in Edward's decision-making process?

- a. continue looking for more options available in the market
- b. identify the problem he is facing with his current computer
- c. purchase the product from a trusted dealer recommended by his family
- d. compare the prices and features of all the available brands in his list

ANSWER: d

84. Which consumer problem-solving behaviour requires the least effort?

- a. extended problem solving
- b. limited problem solving
- c. routinized response behaviour
- d. impulsive buying

ANSWER: c

85. A new brand is introduced into an array of familiar brands for which a consumer has previously set evaluative criteria. What might be the result of this introduction?

- a. limited problem solving
- b. extended problem solving

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- c. a routinized response
- d. brand evaluation

ANSWER: a

86. When a product is unique or difficult to categorize, what is the thought process involved in a purchase decision known as?

- a. research analysis
- b. extensive analysis buying
- c. limited problem solving
- d. extended problem solving

ANSWER: d

87. How can marketers influence the outcome of the evaluation stage of the consumer purchase decision process?

- a. by attempting to convince consumers that certain attributes are more important than others in deciding which product to buy from among an array of them
- b. by identifying which evaluative criteria are important to the individual and pointing out which brand best meets those criteria
- c. by trying to get the customer to reduce the size of the evoked set to exclude many of the choices
- d. by attempting to convince the consumer to spend more than was budgeted for the purchase to acquire more features he or she might prefer

ANSWER: b

88. A hurricane has destroyed a small town and now the inhabitants have nothing. According to Maslow, what are the inhabitants most likely to seek first?

- a. tent
- b. medicine
- c. working automobile
- d. blowdryer

ANSWER: a

89. What is the easiest thing for a marketer to accomplish regarding a product?

- a. change an unfavourable attitude to a favourable attitude
- b. maintain a positive attitude
- c. change a positive attitude to a more positive attitude
- d. maintain a need

ANSWER: b

90. Trevor Miguel is moving and needs to buy a new house. What consumer problem-solving behaviour is Trevor involved in?

- a. routinized response behaviour
- b. variety-seeking buying behaviour
- c. extended problem solving
- d. limited problem solving

ANSWER: c

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91. Cynthia is shopping for a television and is surprised by the array of brands the store offers. She decides to look at every model in the store. What type of response is Cynthia exhibiting?

- a. routinized
- b. variety seeking
- c. extended
- d. limited

ANSWER: d

92. Consumer behaviour refers to the process of ultimate buyers making purchasing decisions.

- a. True
- b. False

ANSWER: True

93. The act of deciding to buy goods and services for one's personal use or a business is considered consumer behaviour.

- a. True
- b. False

ANSWER: False

94. Kurt Lewin's model of human behaviour defines behaviour as a function of the interaction of personal influences and the pressures exerted on them by outside environmental forces.

- a. True
- b. False

ANSWER: True

95. To better understand how consumers make buying decisions, marketers borrow extensively from the sciences of physics and biology.

- a. True
- b. False

ANSWER: False

96. According to Kurt Lewin's theory of human behaviour, the personal factors affecting consumer behaviour are one's attitudes, learning, and perception.

- a. True
- b. False

ANSWER: True

97. The only inputs that affect a consumer's purchasing decisions are those provided by his or her psychological makeup.

- a. True
- b. False

ANSWER: False

98. Generally speaking, human behaviour is primarily a function of pressures exerted by outside environmental forces on the individual.

- a. True
- b. False

Chapter 6 - Business-to-Business (B2B) Marketing

1. How does the purchasing process for business products differ from the purchasing process for consumer products?
- distribution channels for business products are significantly longer
 - customer relationships for business products tend to be short term and transaction based
 - personal selling plays a much larger role in business product markets
 - customer service plays a smaller role in the distribution of business products

ANSWER: c

2. Why do marketing strategies designed to reach consumers differ from strategies designed to reach businesses?
- consumers expect a higher level of customer service than do businesses
 - businesses respond better to advertising than do consumers
 - consumers act in groups but business buyers act alone
 - business buying often involves more technical issues

ANSWER: d

3. What do most businesses expect when they enter the marketplace to buy goods and services?
- to enjoy a high level of customer service
 - to locate vendors through the Yellow Pages
 - to find standard items that will fill their needs
 - to make quick purchasing decisions

ANSWER: a

4. Which statement best describes the business market compared to the consumer market?
- Customization tends to be less.
 - Negotiations are shorter.
 - Distribution channels are shorter.
 - Customer relations are less enduring.

ANSWER: c

5. Which of the following is NOT included in the four segments of the B2B marketplace?
- entertainment industry
 - government
 - commercial market
 - trade industries

ANSWER: a

6. What is the largest segment of the business market?
- trade industries
 - institutions
 - government organizations
 - commercial markets

ANSWER: d

7. What is the name of the component of the business market that consists of individuals and firms that acquire goods and services to be used, directly or indirectly, in producing other goods and services?

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- a. wholesaling and retailing
- b. government
- c. the commercial market
- d. an institution

ANSWER: c

8. What do the trade industries consist of?

- a. manufacturers
- b. wholesalers and retailers
- c. farmers
- d. transportation

ANSWER: b

9. Which statement best describes the institution segment of a B2B market?

- a. It often involves rigid purchasing procedures.
- b. It provides business services to the other members of the market.
- c. It tends to have greater financial resources than industrial customers.
- d. It is accountable to their clients and shareholders.

ANSWER: a

10. Why does the government segment of the B2B market most commonly buy products?

- a. to resell to the public
- b. to provide public benefits
- c. to acquire customized items
- d. to use domestic sources only

ANSWER: b

11. What market has the primary motivation of providing some form of public benefit when making a purchase?

- a. industrial market
- b. global market
- c. government market
- d. trade industries

ANSWER: c

12. Which of the following is *NOT* found in e-commerce serving the business market?

- a. private portals that allow customers access to products and vendors
- b. service pages accessed using passwords provided by B2B marketers
- c. online auctions where business goods may be purchased
- d. chat rooms dedicated to opinions of new products

ANSWER: d

13. Which statement best describes B2B E-marketing?

- a. It cannot be used to provide detailed product descriptions.
- b. It can help slash order-processing expenses.

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- c. It is a minor part of the e-business activity and typically involves less steps compared to consumer purchases.
- d. It is not a very attractive option for buying and selling as more errors occur when orders are placed over the Internet.

ANSWER: b

14. Which of the following has given a new life to electronic data interchanges, which were once limited by operating system incompatibility?

- a. Web services using open-source XML
- b. open-source operating systems
- c. use of secure virtual private networks
- d. uniform OS programming practices.

ANSWER: a

15. What term is used to describe secure networks used for e-marketing and accessible through a firm's website by external customers, suppliers, or other authorized users for purposes of collaboration?

- a. cybernets
- b. extranets
- c. intranets
- d. ethernets

ANSWER: b

16. TechnoMarket, a retailer of consumer electronics, has its branches worldwide in around 25 countries. The company is looking for a website that will allow it to communicate with its employees worldwide. The website should also enable the employees to access details regarding the new products, their functionality, and their availability in the store. Which of the following will best suit this purpose?

- a. private exchange
- b. extranet
- c. electronic storefront
- d. intranet

ANSWER: d

17. Adecco systems has a website service that allows the company to interact with its suppliers and share all types of data related to e-marketing. What can this innovative website can considered?

- a. marketing website
- b. private exchange
- c. corporate website
- d. electronic storefront

ANSWER: b

18. A private exchange is a secure website used by companies. What is the purpose of a private exchange?

- a. improve the efficiency of their bidding and purchasing processes
- b. share all types of data related to e-marketing with its suppliers
- c. give financial information to its investors
- d. share information with the employees in different locations

ANSWER: b

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19. TecMag is a technology firm that builds computer systems and other related components. TecMag sources its raw materials from various manufacturing firms and is looking for a website that can help in effectively placing orders with the manufacturers online, and also in tracking the order. Which type of website can help TecMag accomplish this task efficiently?

- a. social
- b. intranet
- c. private exchange
- d. corporate

ANSWER: c

20. What is the term used to describe a Web-based system that enables all types of organizations to improve the efficiency of their bidding and purchasing processes.

- a. electronic data interchange
- b. extranet
- c. private exchange
- d. e-procurement

ANSWER: d

21. Which of the following is *NOT* a commonly used basis for segmenting the business market?

- a. educational attainments of buyers
- b. customer type
- c. demographics using the size of the firm
- d. product end-use application

ANSWER: a

22. Abel Building Solutions, a steel manufacturing company that supplies steel to various construction companies, segments its customers based on the number of employees in the company and the sales revenue generated by it. This strategy is used by Abel to develop specific marketing plans for their customers. What type of segmentation is Abel using?

- a. demographic characteristics
- b. service provided
- c. buyer specifications
- d. end-use application

ANSWER: a

23. When the B2B market is segmented on the basis of product specifications issued by organizational buyers, what type of segmentation is it known as?

- a. customer-based
- b. profit-generating
- c. benefits
- d. engineering and design

ANSWER: a

24. Delhaise, a leading service provider in hospitality industry, segments its business clients based on the services

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required by them, in order to meet their specific requirements. They modify their services based on the needs of the clients. Which segmentation approach is being employed by Delhaise?

- a. end-use application
- b. customer-based
- c. geographic
- d. demographic

ANSWER: b

25. Zardo Inc. divides its customers into the following categories: small business, large business, government, and not-for-profit institutions. Which type of segmentation is Zardo practising?

- a. end use
- b. customer type
- c. demographic
- d. purchase category

ANSWER: b

26. What is the system for grouping businesses that grew out of the North American Free Trade Agreement known as?

- a. the Standard Industrial Classification System
- b. the Industrial Data Recording System
- c. the Standard Industrial Census System
- d. the North American Industry Classification System

ANSWER: d

27. What type of segmentation are customer relationship management systems most useful in?

- a. end use
- b. demographic
- c. customer type
- d. purchase category

ANSWER: d

28. In the B2B marketplace, what type of segmentation is based on the precise way in which the business will use the product?

- a. purchasing situation
- b. customer type
- c. end-use application
- d. demographic characteristics

ANSWER: c

29. Texas Instruments produces electronic chips used in a variety of devices, from cell phones to hand calculators. The specifications of the chips change depending on the final product in which they are utilized. How is Texas Instruments most likely to segment its market?

- a. purchasing category
- b. psychographic characteristics
- c. end-use application

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d. demographic characteristics

ANSWER: c

30. What is the basis for market segmentation for a manufacturer that produces glass for microwave-oven doors, shower enclosures, and patio tabletops?

- a. cost-plus considerations
- b. end-use application
- c. benefits offered
- d. design factors

ANSWER: b

31. Which of the following is *NOT* a characteristic that distinguishes B2B markets from consumer markets?

- a. Organizational markets are more geographically concentrated.
- b. More people exert influence on the organizational buying decision.
- c. The organizational market tends to have a greater number of buyers.
- d. Organizations often engage in multiple sourcing and vendor analysis.

ANSWER: c

32. Dell Computer purchases parts and resources for its computers from suppliers worldwide. What is this practice known as?

- a. outsourcing
- b. global sourcing
- c. joint demand
- d. derived demand

ANSWER: b

33. The demand for computer microprocessor chips is based on the demand for personal computers. What is this an example of?

- a. joint demand
- b. derived demand
- c. volatile demand
- d. demand variability

ANSWER: b

34. Cotton and polyester are used in the production of permanent press clothing. If the supply of cotton is reduced, there will be an immediate effect on the demand for polyester. What does this relationship represent?

- a. derived demand
- b. demand variability
- c. inventory adjustments
- d. joint demand

ANSWER: d

35. A car tire supplier is noticing a five percent increase in sales in tires it sells to car manufacturers. What is this an example of?

- a. joint demand

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- b. derived demand
- c. volatile demand
- d. demand variability

ANSWER: b

36. If the demand for product A stays constant regardless of the increase or decrease in demand for product B, what kind of demand is product A experiencing?

- a. derived
- b. joint
- c. volatile
- d. inelastic

ANSWER: d

37. What type of delivery reduces inventories to absolute minimum levels and requires vendors to deliver the items as they are needed in the production process?

- a. in-real-time (IRT) delivery
- b. just-in-time (JIT) delivery
- c. on-time (OT) delivery
- d. next-time-in (NTI) delivery

ANSWER: b

38. Which question would NOT likely be considered when deciding whether to manufacture needed parts and equipment in-house?

- a. Do we have the needed capability to manufacture this equipment?
- b. Can someone else do this job better than we can?
- c. Can someone else do this work cheaper than we can?
- d. Do we create new distribution systems by manufacturing this equipment?

ANSWER: d

39. Why is outsourcing often chosen as an alternative to making goods in-house or providing in-house services?

- a. It solves customer pressure for firms to diversify production.
- b. It guarantees that the highest-quality product will be produced.
- c. It solves security problems when proprietary technology is involved.
- d. It allows firms to concentrate their resources on their core businesses.

ANSWER: d

40. What is turning to outsiders to provide goods and services that were formerly produced or handled internally known as?

- a. outsourcing
- b. supplier sourcing
- c. supply-chain management
- d. external buying

ANSWER: a

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41. A rail service company has a special “2 for 1 seat sale” and requires an additional 100 railcars to meet the forecasted demand in the next 10 months. After the 10 months, demand is anticipated to fall to previous levels. Which option is the company most likely choose?

- a. manufacturing the product in-house
- b. purchasing the product from an outside vendor
- c. leasing the product
- d. outsourcing

ANSWER: c

42. Eagle Systems, an information technology company in Seattle, Washington has moved its customer service and accounting operations to Vancouver, British Columbia to take advantage of lower labour costs. Also, geographic closeness and similar cultural values added further advantages in choosing Vancouver for these operations. What is this an example of?

- a. nearshoring
- b. inshoring
- c. offshoring
- d. global sourcing

ANSWER: a

43. ACME Inc., a small and growing computer animation business, requires laptops for 10 new employees. Which option is the company most likely to choose?

- a. manufacturing the product in-house
- b. purchasing the product from an outside vendor
- c. leasing the product
- d. outsourcing

ANSWER: c

44. Which of the following is NOT a drawback of outsourcing?

- a. lower-than-anticipated cost savings
- b. concerns over proprietary technology
- c. poor customer service
- d. higher risk of losing touch with customers

ANSWER: c

45. How do unions generally view outsourcing?

- a. as a threat to union jobs
- b. as a bargaining tool for higher wages
- c. as a good idea to stay competitive and preserve jobs
- d. as a means of saving money and putting the savings into wages and benefits

ANSWER: a

46. Which of the following is NOT an important product factor in the buying decision?

- a. replacement cost
- b. purchase price
- c. operating and maintenance costs

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d. vendor service

ANSWER: a

47. The Fairchild Company decides to defer purchasing new production equipment for its factory due to slowing economic activity. What type of factor has influenced the company's buying decision?

- a. product-specific
- b. environmental
- c. organizational
- d. interpersonal

ANSWER: b

48. When a firm undertakes systems integration and designates a major trade industry supplier as the systems integrator, what is that supplier known as?

- a. category captain
- b. purchasing coordinator
- c. division leader
- d. supply-chain manager

ANSWER: a

49. What is an employee participating in when he/she recognizes that the use of a new product can potentially improve the company's market performance?

- a. need or opportunity recognition
- b. identification of suppliers
- c. word-of-mouth exploration
- d. information search

ANSWER: a

50. What contributes to the need for more steps in the organizational buying process than the consumer buying process?

- a. the limited number of suppliers in the B2B marketplace
- b. the importance of integrating the responsibilities of the wholesalers or retailers
- c. interpersonal and environmental influences not seen in consumer buying decisions
- d. business purchasing introduces new complexities that do not affect consumers

ANSWER: d

51. Once a search for suppliers is completed and the company makes the suppliers aware of its needs, what will the company do next?

- a. evaluate proposals
- b. notify the distribution channels of the new product introduction
- c. acquire and analyze proposals
- d. select an order routine

ANSWER: c

52. What step in the business buying process involves establishing specifications for a required product?

- a. recognizing a need

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- b. describing product characteristics
- c. qualifying potential vendors
- d. selecting an order routine

ANSWER: b

53. Adam, a purchasing agent for the Canadian Heart Association, has made a list of suppliers that may be considered for payroll services. What step in the organizational buying process is Adam currently at?

- a. recognizing a problem or opportunity
- b. determining the characteristics and quantity of the needed product
- c. describing the characteristics of the needed product
- d. searching for and qualifying potential sources

ANSWER: d

54. What step in the organizational buying process would involve procedures that measure characteristics such as a supplier's reliability, price, and order accuracy?

- a. searching for potential sources
- b. analyzing proposals
- c. recognizing a need
- d. evaluating proposals and selecting suppliers

ANSWER: d

55. What is the final step in the business buying process?

- a. selecting an order routine
- b. obtaining feedback and evaluating performance
- c. evaluating proposals and selecting suppliers
- d. acquiring and analyzing proposals

ANSWER: b

56. What is a unique purchase situation in the business market called that requires considerable effort on the decision maker's part?

- a. straight rebuy
- b. modified rebuy
- c. new-task buying
- d. selective rebuy

ANSWER: c

57. A business purchaser accepts the terms of sale of an item that has performed satisfactorily in the past and requires no new information to decide to purchase it again. What kind of buying situation is this an example of?

- a. straight rebuy
- b. service purchase
- c. contract purchase
- d. modified rebuy

ANSWER: a

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58. What is often the cause when business purchasers shift from straight rebuy to modified rebuy behaviour?
- a. a change in the accelerator principle
 - b. the routine buying format being outdated
 - c. a corporate expansion
 - d. a deterioration in supplier service or delivery

ANSWER: d

59. What is a buying situation in which business purchasers are willing to re-evaluate their available options known as?
- a. a straight rebuy
 - b. a modified rebuy
 - c. new-task buying
 - d. routinized response behaviour

ANSWER: b

60. What term refers to the business buying situation in which a company buys component parts never before purchased?
- a. complex rebuying
 - b. new-task buying
 - c. technical buying
 - d. modified rebuying

ANSWER: b

61. What term refers to the practice of buying from suppliers that are also customers?
- a. a modified rebuy
 - b. a straight rebuy
 - c. vendor analysis
 - d. reciprocity

ANSWER: d

62. What is the ongoing evaluation of a supplier's performance in categories such as price, Electronic Data Interchange capability, delivery times, and attention to special requests known as?
- a. product-substitution analysis
 - b. component redesign
 - c. vendor analysis
 - d. costs-benefits analysis

ANSWER: c

63. Reciprocity has been most common in industries featuring what type of products?
- a. homogeneous products with different prices
 - b. diverse products with different prices
 - c. diverse products with similar prices
 - d. homogeneous products with similar prices

ANSWER: d

64. What does a company's buying centre encompass?

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- a. a representative from each department within an organization
- b. a gatekeeper and a buyer
- c. everyone who is involved in any aspect of the buying process
- d. a top-notch buying department

ANSWER: c

65. In a business buying centre situation, who are the people that sometimes initially request the product, utilize the purchased product, and may assist in developing the product specifications?

- a. users
- b. consumers
- c. influencers
- d. gatekeepers

ANSWER: a

66. What is the function performed by the gatekeeper in the company buying centre?

- a. to supply information to guide evaluation of alternatives
- b. to select a supplier and implement the procedures for securing the goods and services
- c. to choose which goods and services will actually be bought
- d. to control the information that all buying centre members will review

ANSWER: d

67. Who controls the information that enters the company's buying centre?

- a. buyer
- b. influencer
- c. gatekeeper
- d. user

ANSWER: c

68. Which of the following is one type of buying centre role?

- a. the influencer, who supplies information to guide evaluation of alternatives
- b. the contractor, who has the formal authority to select a supplier
- c. the distributor, who controls the information that all buying centre members will review
- d. the technician, who presents technical requirements

ANSWER: a

69. The buying centre concept explains how groups of people participate informally in business purchase decisions. What else does the buying centre concept explain?

- a. methods to break through group perceptions
- b. roles group members play in making the decisions
- c. formation dynamics of new groups of decision makers
- d. way family units operate as buying centres

ANSWER: b

70. Geeta works in distribution management at a winery and has formal authority to select a bottle supplier, although

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many people have provided her with input regarding the decision. What role does Geeta play in the buying centre?

- a. influencer
- b. gatekeeper
- c. buyer
- d. user

ANSWER: c

71. Which of the following is *NOT* a challenge ordinarily encountered in marketing to government entities?

- a. handling retail sales contracts using credit cards
- b. fixed-price contracts based on a bid process
- c. cost-reimbursement contracts providing for allowable costs and profits
- d. standing offer

ANSWER: a

72. Which statement best describes international buying centres?

- a. They tend to be larger.
- b. They are the same as domestic buying centres.
- c. It is easier to identify who fills each buying centre role.
- d. The role of gatekeeper does not exist.

ANSWER: a

73. Which of the following best describes the challenge of identifying participants in international buying centres, compared to domestic buying centres?

- a. quite easier to identify
- b. slightly easier to identify
- c. same level of difficulty to identify
- d. more difficult to identify

ANSWER: d

74. Who does much of the purchasing for the federal government of Canada?

- a. the City of Toronto
- b. Public Works and Government Services Canada
- c. MERX
- d. independent merchandisers

ANSWER: b

75. How are institutional markets characterized?

- a. by similar buying practices
- b. by widely diverse buying practices
- c. by few group purchasing arrangements
- d. by little negotiation to secure volume discounts

ANSWER: b

76. Which type of organizations would NOT ordinarily be considered a part of the institutional market?

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- a. public libraries
- b. department stores
- c. educational foundations
- d. churches

ANSWER: b

77. What do many institutions choose to do in order to receive quantity discounts on needed purchases?

- a. purchase products they do not need
- b. put off purchases for as long as possible
- c. join cooperative associations to pool purchases
- d. rely on their independence and future growth

ANSWER: c

78. The B2B marketplace is significantly larger in sales dollars and volume of transactions than the consumer marketplace.

- a. True
- b. False

ANSWER: True

79. B2B relationships tend to last longer than those in the consumer market.

- a. True
- b. False

ANSWER: True

80. Organizational buyers tend to purchase standardized products, unlike the consumer market in which customization is more prevalent.

- a. True
- b. False

ANSWER: False

81. Business needs are so varied that businesses that sell to other businesses must be ready to customize products when necessary.

- a. True
- b. False

ANSWER: True

82. Personal selling and customer service are more important in business markets than in consumer markets.

- a. True
- b. False

ANSWER: True

83. Due to the complexity of the buying process and potential need for technical assistance, the distribution channels in the B2B marketplace tend to be longer than those in the consumer market.

- a. True
- b. False

Chapter 7 - Serving Global Markets

1. What two categories can international trade be divided into?
- exporting and importing
 - national and international
 - general and foreign
 - direct and indirect

ANSWER: a

2. Which of the following is NOT a reason why global trade is vital to a nation and its marketers?
- market expansion
 - increased dependence on domestic economic conditions
 - production and distribution economies
 - growth opportunities

ANSWER: b

3. What is a characteristic that many North American economies have for products that result in increased importance of global trade?
- a growing market
 - a technologically advanced market
 - an advanced market
 - a mature market

ANSWER: d

4. Which of the following actions generally helps marketers encounter new products, new approaches to distribution, or clever new promotional ideas?
- globalization
 - developing core values
 - market penetration
 - product standardization

ANSWER: a

5. In addition to natural resources, what exports are equally as important to Canada's economy?
- processed and packaged foods
 - machinery and automotive products
 - low-technology trade goods
 - melons and other wet fruits

ANSWER: b

6. Following the United States, who is Canada's second largest trading partner?
- European Union
 - Japan
 - China
 - United Kingdom

ANSWER: a

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7. Who is the largest private employer in the world?

- a. General Motors Corporation
- b. McDonalds
- c. Microsoft
- d. Walmart

ANSWER: d

8. Which industry has seen a steady growth in Canada in the recent years with more than 75 percent of Canadians now working in it?

- a. agriculture
- b. manufacturing
- c. retail
- d. services

ANSWER: d

9. Why is growth in the services of developing markets most likely to continue?

- a. defined service measurements
- b. advancing information technology
- c. ongoing categorization improvements
- d. data comparison

ANSWER: b

10. What is the International Monetary Fund responsible for defining and classifying?

- a. service
- b. goods
- c. exchange rate
- d. technology

ANSWER: a

11. Which organization is a major player in the international legal environment by lending foreign exchange to nations that require it to conduct international trade?

- a. Collective Security Treaty Organization (CSTO)
- b. International Monetary Fund (IMF)
- c. Amazon Cooperation Treaty Organization (ACTO)
- d. World Trade Organization (WTO)

ANSWER: b

12. Procter & Gamble successfully introduced a lower-priced version of its popular Tide laundry detergent to the rural Chinese market, and a higher-priced version to city-dwellers in China. What does this illustrate about succeeding in a foreign market?

- a. Marketers must look for alternative distribution channels.
- b. Marketers must partner with a local marketing firm.
- c. Marketers must adapt a product to local preferences and culture.
- d. Marketers must maintain the exact product characteristics that were successful in the domestic market.

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ANSWER: c

13. Before entering a country, what is the underlying foundation marketers need to determine it has?
- moral code
 - legal system
 - infrastructure
 - trade organization

ANSWER: c

14. Which of the following is NOT considered a part of a nation's infrastructure?
- wholesale networks
 - transportation networks
 - communications systems
 - energy facilities

ANSWER: a

15. What can a fluctuation in exchange rates result in?
- a country employing additional tariffs and quotas on imports to manage fluctuations
 - a nation's currency becoming more or less valuable compared with those of other nations
 - the possibility of an economy reaching short-run equilibrium at levels below or above full employment
 - a relatively rapid economic growth and periods of relative stagnation or decline

ANSWER: b

16. Why are many of the eastern European currencies considered to be soft currencies?
- They do not depreciate against other currencies.
 - They cannot be readily converted into euros or dollars.
 - They provide long-term stability in terms of its purchasing power.
 - They serve as a reliable store of value.

ANSWER: b

17. Which of the following markets are strong for a nation with low per-capita incomes?
- automobiles and electronics
 - industrial machinery
 - agricultural hand tools
 - technical services

ANSWER: c

18. In order for a marketer to operate efficiently in a foreign country, what must be in place and stable to facilitate trade?
- free trade agreement
 - infrastructure
 - tariffs
 - labour force

ANSWER: b

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19. Which factor is most likely to be included in political environment?

- a. inflation levels in different countries
- b. labour conditions in different countries
- c. exchange rate fluctuations in a country
- d. level of natural resources in a country

ANSWER: b

20. What idea is the basis for the European Union currency, the euro?

- a. Tying other European currencies to the euro will stabilize exchange rates.
- b. The presence of the euro will eliminate soft currencies from the marketplace.
- c. Having a single currency will strengthen Europe's global competitiveness.
- d. The euro will eventually be used in Eastern Europe.

ANSWER: c

21. When entering a foreign market, care must be taken to ensure that product names and advertising slogans are translated correctly and do not cause misunderstandings among foreign consumers. What element of the international environment does this illustrate?

- a. social-cultural
- b. political-legal
- c. economic
- d. technological

ANSWER: a

22. Which of the following is the world's most frequently spoken language?

- a. Spanish
- b. English
- c. Mandarin
- d. Arabic

ANSWER: c

23. What are many Western firms using in order to stay abreast of changing political and legal environments that exist in various foreign countries?

- a. Internet
- b. political risk assessment units
- c. World Trade Organization
- d. consumer research groups

ANSWER: b

24. What do ISO 9000 standards set requirements for?

- a. quality in goods and services
- b. prices
- c. worker compensation
- d. environmental protection

ANSWER: a

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25. What do ISO 14000 standards set requirements for?

- a. product quality
- b. prices
- c. worker compensation
- d. environmental protection

ANSWER: d

26. What is a major technological issue involving food market?

- a. value engineering
- b. reverse engineering
- c. genetic reengineering
- d. business process reengineering

ANSWER: c

27. Who provides advice and assistance to Canadian businesses that want to enter foreign markets?

- a. World Trade Organization
- b. Trade Commissioner Service
- c. Canadian Tourism Commission
- d. International Monetary Fund

ANSWER: b

28. Which of the following is *NOT* considered a trade barrier to an exporter?

- a. tariffs
- b. import quotas
- c. subsidies
- d. related-party trade

ANSWER: d

29. What is the basic purpose of revenue tariffs?

- a. to raise money for the country into which the products are being imported
- b. to raise the retail prices of imported products to match or exceed those of similar domestic products
- c. to counter the effects of protective tariffs on the domestic market
- d. to stabilize the prices of imported goods

ANSWER: a

30. A country in Africa imposes a duty on imported goods to pay for government services. What is this an example of?

- a. protective tariff
- b. revenue tariff
- c. import quota
- d. subsidy

ANSWER: b

31. Which of the following is an administrative trade barrier?

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- a. quotas on exports
- b. liberal standards for imports
- c. import subsidies
- d. customs barriers

ANSWER: d

32. What is the basic purpose of protective tariffs?
- a. to raise money for the country into which the products are being imported
 - b. to raise the retail prices of imported products to match or exceed those of similar domestic products
 - c. to counter the effects of tariffs on the domestic market
 - d. to stabilize the prices of imported goods

ANSWER: b

33. What type of trade barrier is being used if the Italian government imposed duties on consumer electronic products imported from Canada to raise their prices in the local market and to protect the local companies from competition?
- a. embargo
 - b. protective tariff
 - c. import quota
 - d. revenue tariff

ANSWER: b

34. What term refers to a complete ban on the import of a product?
- a. an import quota
 - b. an embargo
 - c. a revenue tariff
 - d. a protective tariff

ANSWER: b

35. What term refers to a tax levied on imported goods?
- a. excise duties
 - b. import quotas
 - c. subsidies
 - d. tariffs

ANSWER: d

36. What term refers to a trade restriction that limits the number of units of products in certain categories that can cross a country's boundary for resale?
- a. protective tariff
 - b. embargo
 - c. import quota
 - d. subsidy

ANSWER: c

37. What is one requirement for companies regarding exchange control?

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- a. Companies that export need to sell foreign currencies to a foreign agency or the central bank.
- b. Companies need to support domestic industry through grants of money or research support.
- c. Companies need a complete ban on the importation of a product.
- d. Companies that sell products in a foreign market price the products cheaper than they are sold domestically.

ANSWER: a

38. What is the ideal way for a nation to stop a foreign company from dumping?

- a. pay the exporter with soft currency
- b. impose protective tariffs
- c. cite international law
- d. appeal to the International Monetary Fund

ANSWER: b

39. What type of trade restriction is the Russian government using when it imposes a ban on the wines imported from Georgia?

- a. revenue tariff
- b. embargo
- c. import quota
- d. exchange control

ANSWER: b

40. What type of trade barrier is being used when governments try to protect the private domestic industries by providing them financial support?

- a. embargo
- b. protective tariff
- c. subsidy
- d. import quota

ANSWER: c

41. Which method is most likely to counter for the negative effects of dumping?

- a. controlling access to foreign currencies
- b. imposing protective tariffs
- c. imposing excise duty
- d. appealing to the government

ANSWER: b

42. A company sells products to a foreign market at a price lower than it sells within its own country. What is this practice known as?

- a. dumping
- b. inventory reduction
- c. open-market theory
- d. competitive counterstrategy

ANSWER: a

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43. What have a group of nations created when they agree to the exchange of goods among themselves by abolishing tariffs and trade restrictions?

- a. common market
- b. customs union
- c. trading block
- d. free trade area

ANSWER: d

44. What is a form of multinational economic integration that seeks to reconcile all government regulations affecting trade called?

- a. common market
- b. customary union
- c. free-trade area
- d. cooperation council

ANSWER: a

45. What type of multinational organization features the no tariff exchange of goods among its members and a uniform tariff for trade with nonmember nations?

- a. common market
- b. administration common
- c. customs union
- d. free trade area

ANSWER: c

46. What organization was established as a result of the General Agreement on Tariffs and Trade?

- a. North American Free Trade Agreement
- b. European Union
- c. World Trade Organization
- d. Free Trade Area of the Americas

ANSWER: c

47. What type of progress has the World Trade Organization made toward its goals of liberalizing world financial services, telecommunications, and maritime markets?

- a. slow—its activities have focused on complaint resolution, not trade barriers
- b. about as expected—there have been the usual victories and the usual defeats
- c. relatively fast—some authorities claim a new world order by the year 2016
- d. rapid—several major new treaties have been ratified in the last two years

ANSWER: a

48. What is one of the major policy initiatives of the World Trade Organization?

- a. increasing the average level of education worldwide
- b. liberalizing world financial services
- c. promoting and protecting the environment
- d. regulating automobile production by less-advanced nations

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ANSWER: b

49. Assume China and Canada are involved in a trade dispute. Which organization will attempt to resolve the dispute?

- a. United Nations
- b. World Trade Organization
- c. European Union
- d. General Agreement on Tariffs and Trade

ANSWER: b

50. What would be included in the Free Trade Area of the Americas *when goals are completed*?

- a. Existing nations will become members of the World Trade Organization.
- b. The World Trade Organization would be the largest free-trade zone in the world.
- c. It would include nations from Central, North and South America.
- d. More intensive customs procedures via General agreement on Trades and Tariffs.

ANSWER: c

51. Which agreement has created opportunities for financial, legal, and accounting firms by including services under international trading rules?

- a. Treaty of Commerce and Navigation
- b. Central American Free Trade Agreement-DR
- c. General Agreement on Tariffs and Trade
- d. North American Free Trade Agreement

ANSWER: c

52. Which statement best describes the North American Free Trade Agreement (NAFTA)?

- a. The member nations of the NAFTA have agreed to create a trade bloc similar to that of the European Union.
- b. The major aim of the NAFTA is to increase the level of literacy among the United States, Mexico, and Canada.
- c. NAFTA has been successful in creating the Free Trade Area of the Americas, the world's largest free trade zone.
- d. The member nations of NAFTA focus mainly on economic cooperation rather than on political integration.

ANSWER: d

53. What countries are involved in the North American Free Trade Agreement (NAFTA)?

- a. countries in Western hemisphere and North, Central, and South America
- b. Canada, Mexico, and the United States
- c. United States, Dominican Republic, and Central American nations
- d. United States and the European Union

ANSWER: b

54. What is the goal of the EU?

- a. to establish manufacturing standards
- b. to expand globally
- c. to remove all barriers to free trade among its members

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d. to completely absorb the former Eastern bloc of nations

ANSWER: c

55. What is a firm that brings in chemical intermediates such as organic fertilizers from different countries and processes them in its labs before selling it in its domestic market regarded as?

- a. EMC contractor
- b. licensee
- c. franchisee
- d. importer

ANSWER: d

56. What is a company's first step toward successful global marketing?

- a. to prepare an international business plan
- b. to seek to license a foreign company
- c. to enter into a joint venture with a foreign company
- d. to establish marketing operations in a foreign country

ANSWER: a

57. What is an organization called that provides first-time exporters with expertise in locating foreign buyers, handling paperwork, and conforming to local labelling and testing laws?

- a. export facilitator
- b. export title company
- c. trade assistance corporation
- d. export management company

ANSWER: d

58. What is the term for an arrangement in which a small firm teams with, and serves as a subcontractor for, a larger international company on a foreign project?

- a. international trade mentorship
- b. trade facilitation
- c. offset agreement
- d. mutual trade agreement

ANSWER: c

59. What is the term for a contractual arrangement in which a wholesaler or retailer agrees to meet the operating requirements of a manufacturer?

- a. foreign licensing
- b. franchising
- c. joint licensing
- d. offset licensing

ANSWER: b

60. Which of the following is an advantage of foreign licensing over exporting?

- a. access to the local partners' pricing

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- b. use of the local partner's distribution channels
- c. capital investment in foreign country
- d. slow entry into a foreign market

ANSWER: b

61. What term refers to contractual agreement by which a domestic firm grants foreign marketers the right to distribute a firm's merchandise or use its trademark, patent, or process in a specified geographic area?

- a. subcontracting
- b. franchising
- c. reciprocal partnership
- d. foreign licensing

ANSWER: d

62. Toyota, a Japanese firm, builds a factory in Ontario to make vehicles to be marketed to Canadians. How is this strategy best described?

- a. as a joint venture between Toyota and the Ontario provincial government seeking to increase employment opportunities
- b. as foreign marketing by Toyota
- c. as international direct investment by Toyota in Canada
- d. as indirect exporting

ANSWER: c

63. What is the international market-entry strategy that involves high levels of involvement and risk potential and also offers a competitive advantage over other alternatives?

- a. franchising
- b. offset agreement
- c. foreign licensing
- d. international direct investment

ANSWER: d

64. What is a company called that buys products from domestic producers and resells them abroad?

- a. outsourcing firm
- b. export-trading company
- c. export-management company
- d. offset marketer

ANSWER: b

65. What is a form of global marketing that involves a continuous effort in marketing a firm's merchandise to customers in other countries called?

- a. business process reengineering
- b. exporting
- c. sole sourcing
- d. social referencing

ANSWER: b

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66. Which of the following is *NOT* an example of international direct investment by a firm?

- a. a foreign sales office
- b. overseas marketing subsidiaries
- c. acquisition of an existing foreign company
- d. an export management company

ANSWER: d

67. What is a firm with significant operations and marketing activities outside its home country called?

- a. monopoly
- b. active exporter
- c. multinational corporation
- d. overseas marketer

ANSWER: c

68. Which of the following best describes IBM and General Electric?

- a. global exporters
- b. multinational corporations
- c. domestic corporations
- d. global importers

ANSWER: b

69. What does a multidomestic marketing strategy indicate about a firm?

- a. customizes its marketing decisions to effectively reach individual marketplaces
- b. disregards the principles of market segmentation
- c. considers all foreign countries to have equally competitive situations
- d. employs universal promotional messages

ANSWER: a

70. What type of standard marketing strategy modifies only minimally for use in each of the firm's foreign markets?

- a. single-space marketing strategy
- b. monolithic marketing strategy
- c. global marketing strategy
- d. multi-domestic marketing strategy

ANSWER: c

71. Dell is famous for its build-to-order computers; however, the company decided to sell prebuilt computers in China's retail stores. What is this a result of?

- a. global marketing strategy
- b. multinational marketing strategy
- c. countertrade policy
- d. multi-domestic marketing strategy

ANSWER: d

72. Which of the following advantages does *NOT* ordinarily arise out of customizing marketing strategies for different

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international markets?

- a. lower production costs per unit
- b. attention to local preferences
- c. products tailored to target market needs
- d. promotions that appeal to local tastes

ANSWER: a

73. What are alternative strategies from which international marketers can choose when selecting an appropriate product/promotion strategy?

- a. product adaptation and dual adaptation
- b. promotion adaptation and direct exporting
- c. countertrading and product invention
- d. global marketing and multinational marketing

ANSWER: a

74. In the international market, what does a product adaptation strategy combine?

- a. changes in promotion strategy with changes in the product itself
- b. domestic product with promotional changes tuned to the foreign market
- c. product changes with the same promotional strategy used in the domestic market
- d. product characteristics not seen in the home country with a foreign promotional strategy

ANSWER: c

75. What is developing a completely new product to take advantage of a unique foreign opportunity called?

- a. product development
- b. product commercialization
- c. product invention
- d. product origination

ANSWER: c

76. Which of the following does *NOT* need to be considered in making an international expansion decision?

- a. precise domestic distribution duplication
- b. quality of the firm's products
- c. currently available transportation options
- d. warehousing facilities

ANSWER: a

77. What type of constraint can most likely limit pricing decisions in a foreign market?

- a. ecological
- b. political
- c. social
- d. ethical

ANSWER: b

78. Which of the following best describes the role of the Organization of Petroleum Exporting Countries as a marketing

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organization?

- a. It uses a pricing strategy of controlling world prices through collective action.
- b. It is regulated by NAFTA and the EU.
- c. It uses countertrade to obtain valuable foreign investments.
- d. It was formed to address the growing competition from Venezuela and North Sea crude exploration.

ANSWER: a

79. In order to gain access to some foreign markets, a firm may barter products rather than selling them for cash. What is this referred to as?

- a. fair trade
- b. product adaptation
- c. countertrade
- d. multi-domestic marketing

ANSWER: c

80. Which of the following is NOT a reason why Canada is an attractive market for international marketers?

- a. high levels of discretionary income
- b. political stability
- c. low level of domestic competitors
- d. well-controlled economy

ANSWER: c

81. A Canadian firm is considering marketing its products in another country. The new market is attractive, but the country's cultural and legal environments are different from those in Canada. Based only on the information provided, how should the firm proceed?

- a. Avoid the new market completely and focus only on the domestic market.
- b. Enter the new market using the same marketing strategy the firm uses in Canada.
- c. Enter the new market using the same marketing strategy the firm employs in existing foreign markets.
- d. Enter the new market using a new marketing strategy designed for that specific market.

ANSWER: d

82. A Canadian cereal company has completed market research that indicates children from the United Kingdom enjoy the taste of the Canadian version of Snacky Cereal. However, they have a difficult time chewing it because the pieces are so large and are therefore eating less of it. What is the most likely strategy this company is using?

- a. straight extension
- b. product adaptation
- c. promotion adaptation
- d. dual adaptation

ANSWER: d

83. FedEx has a slogan, "FedEx Delivers to a Changing World" and has run this slogan in Canada, Brazil, China, and additional countries. What is this an example of?

- a. straight extension
- b. product adaptation
- c. promotion adaptation

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d. dual adaptation

ANSWER: a

84. A North American company has created a North American product ad that includes the use of a handshake. The use of a handshake may be seen as offensive by some countries overseas, where the product is also sold. What will most likely occur?

- a. straight extension
- b. product adaptation
- c. promotion adaptation
- d. dual adaptation

ANSWER: c

85. A global company recognizes that people in Canada shop less frequently, buy larger sized containers of grocery product, and drive to and from the store. In another country, people tend to shop daily and walk to and from the stores. What is most likely to occur in order to address the needs of the other country?

- a. straight extension
- b. product adaptation
- c. promotion adaptation
- d. dual adaptation

ANSWER: b

86. What is a major benefit of a global marketing strategy?

- a. different market segmentation occurs
- b. services are excluded
- c. implementation costs are low
- d. very different marketing mixes are created

ANSWER: c

87. A global marketing strategy for luxury products will often use ads with a picture of the luxury item and the name in various countries. What is this an example of?

- a. straight extension
- b. product adaptation
- c. promotion adaptation
- d. dual adaptation

ANSWER: a

88. Global trade consists of two categories: exporting and importing.

- a. True
- b. False

ANSWER: True

89. Global trade is not as important to Canada and the United States due to the fact that these two economies are still in the infancy stage.

- a. True
- b. False

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1. Who does market research aid by presenting pertinent information in a useable format?
- managers with a means to judge sales performance
 - decision makers in analyzing data and suggesting possible actions
 - virtual marketplaces that will accurately depict what will happen in the actual marketplace
 - consumers to validate their purchases

ANSWER: b

2. Which term refers to the process of collecting and using information for marketing decision making?
- market engineering
 - marketing research
 - market capitalization
 - marketing sampling

ANSWER: b

3. Which areas are working more closely together in order to take advantage of the methodologies available?
- telephone, in-person, and Internet research
 - food, beverage, and health care research
 - competitive intelligence, public intelligence, and private research
 - marketing research, database management, and competitive intelligence

ANSWER: d

4. What did much of the early marketing research consist of?
- written testimonials received from purchasers of firms' products
 - use of mailed questionnaires to gather data
 - telephone surveys conducted to assess overall household preferences
 - sampling studies using techniques derived from voting records

ANSWER: a

5. In recent years, how have advances in computer technology significantly changed the nature of marketing research?
- by narrowing the focus of the data collection process
 - by allowing the use of simulations that ask "what-if" questions
 - by eliminating the need for outside research firms
 - by providing an in-house market research group with primary data

ANSWER: b

6. When is marketing research most likely to be contracted to an outside firm?
- when the problem is well defined and clearly understood by the hiring company
 - when the project is being led by in-house personnel with marketing degrees
 - when the outside provider has the ability to do the work for a lower cost
 - when the outside provider has the latest technology

ANSWER: c

7. When is marketing research most likely to be contracted to an outside firm?
- when the outside provider is a government agency

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- b. when the firm wishes to integrate its core competency with its supplementary divisions
- c. when the outside provider is likely to collect more reliable and accurate information
- d. when the firm decides to expand its market base by introducing a new product or service

ANSWER: c

8. Entertainment Research Group specializes in rating movie theaters using input from moviegoers. What type of research firm is this an example of?

- a. contract market research firm
- b. computerized data supplier
- c. full-service consulting firm
- d. limited-service research supplier

ANSWER: d

9. What type of firm is a marketing research firm who contracts with clients to conduct complete marketing research projects?

- a. syndicated
- b. limited-service
- c. full-service
- d. customer-service

ANSWER: c

10. What is Environics Research Group?

- a. a full-service research supplier firm
- b. a limited-service research supplier firm
- c. a full-service media and advertising firm
- d. a limited-service media and advertising firm

ANSWER: a

11. Which of the following describes an organization that regularly provides a standardized set of data on a periodic basis to its subscribers?

- a. full-service research supplier
- b. syndicated service
- c. supplier relationship management company
- d. market simulation firm

ANSWER: b

12. What happens after the marketing research problem has been well defined?

- a. Researchers can focus on securing the exact information needed to solve it.
- b. The issue then becomes whether you're looking at a problem or at its symptoms.
- c. The research process is sometimes slowed down and becomes inaccurate.
- d. All that is left is to adjust the marketing mix to the conditions.

ANSWER: a

13. Which of the following is one of the steps in the marketing research process?

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- a. identifying theories
- b. defining the problem
- c. determining whether data are primary or secondary
- d. interviewing the marketing research staff about skill levels

ANSWER: b

14. Which of the following describes a symptom?
- a. a problem that has outgrown its ability to be contained easily
 - b. the cause of market share loss
 - c. a bad decision or a poor use of strategic planning
 - d. an alert to marketers that a problem exists

ANSWER: d

15. What kind of research seeks to discover the cause of a problem by discussing the problem with informed sources and examining pre-existing data?
- a. situation analysis
 - b. informal investigation
 - c. exploratory research
 - d. cost or bottom-line analysis

ANSWER: c

16. What can researchers begin doing once a firm has defined the problem it seeks to solve?
- a. looking for government data that will provide the needed information
 - b. conducting exploratory research
 - c. completely changing the marketing mix
 - d. deciding whether to experiment or conduct a survey

ANSWER: b

17. Walmart prefers transaction records sorted by customer type, product, sales method, type of order, and order size. What is analyzing internal data sorted in this manner called?
- a. sales analysis
 - b. financial analysis
 - c. accounting analysis
 - d. marketing cost analysis

ANSWER: a

18. What is a benefit of using internal data for marketing research?
- a. Most internal data are not current enough to be used.
 - b. Internal controls limit the use of such data.
 - c. Tracking consumer information lacks detail and consistency.
 - d. Sales analysis is one of the least expensive methods.

ANSWER: d

19. Which of the following is most likely to be a logical starting point in identifying the marketing problem?

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- a. ascertaining the budget and logistical limits that the problem warrants
- b. determining the computational scope of the problem
- c. evaluating the firm's target market and marketing mix elements
- d. simulating a market research based on formulated hypotheses

ANSWER: c

20. What does a marketing cost analysis evaluate?
- a. effectiveness of the sales force
 - b. current levels of corporate assets and liabilities
 - c. profitability of certain customers, territories, or product lines
 - d. whether summaries of invoices and orders received can be useful

ANSWER: c

21. What term refers to the process of discussing a marketing problem with informed sources both within and outside the firm and examining information from secondary sources?
- a. situation analysis
 - b. informal investigation
 - c. exploratory research
 - d. interpretative research

ANSWER: c

22. As part of his marketing research duties, Nathan evaluates company expenses for selling, warehousing, advertising, and delivery by the Mendocino Vinegar Cooperative. What is Nathan conducting?
- a. informal competency investigation
 - b. experimental research project
 - c. external profile project
 - d. marketing cost analysis

ANSWER: d

23. What is a statement called that potentially explains the relationship among variables, which, in turn, carries clear implications for testing the relationship?
- a. survey mission
 - b. census criterion
 - c. scanning protocol
 - d. hypothesis

ANSWER: d

24. Which of the following serves as a source of internal data for a firm involved in marketing research?
- a. syndicated service firm reports
 - b. marketing cost analysis
 - c. census data
 - d. business and trade magazines

ANSWER: b

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25. Megan believes the reason the sales of one of her company's products have fallen is due to a price increase. She cites sales from the previous year to the same customers as evidence of declining sales. Where is Megan in the marketing research process?

- a. defining a problem
- b. developing a hypothesis
- c. creating a research design
- d. collecting data

ANSWER: b

26. After a problem has been defined and an exploratory investigation is conducted, what should the marketing researcher be able to do next?

- a. collect both primary and secondary data
- b. draw significant conclusions
- c. immediately proceed to a solution
- d. formulate a hypothesis

ANSWER: d

27. What is a master plan or model for conducting marketing research called?

- a. hypothesis
- b. research design
- c. theory
- d. analysis

ANSWER: b

28. When is a research design deemed to be successful?

- a. when a structured conclusion is drawn from an investigative study
- b. when it measures only what researchers intend to measure
- c. when the secondary data does not easily solve the problem
- d. when it has the proper style for statistical and technical reports

ANSWER: b

29. Raj is deciding which customers to include in a sample. Where is he in the marketing research process?

- a. formulating a hypothesis
- b. collecting data
- c. creating a research design
- d. defining a problem

ANSWER: c

30. Which statement best describes secondary data used in marketing research?

- a. It is the data collected for a specific market study.
- b. It provides richer and more detailed information compared to primary data.
- c. It is usually collected and compiled by the investigator conducting the study.
- d. It requires less time and is less expensive to gather.

ANSWER: d

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31. What is a limitation of secondary data not found in primary data?
- a. It is more expensive to collect and analyze than primary data.
 - b. It is not readily accessible for marketers.
 - c. It may not be completely relevant to the specific needs of the marketer.
 - d. It is usually in the form of raw data and hence not reliable.

ANSWER: c

32. Which factor is most likely to have an influence on the choice between primary and secondary data?
- a. data source
 - b. substitutability
 - c. availability
 - d. applicability

ANSWER: d

33. What kind of data is information collected for the first time, specifically for a marketing research study?
- a. secondary
 - b. primary
 - c. soft
 - d. experimental

ANSWER: b

34. Phil is using data collected and published by a trade association in his marketing research study. What kind of data is Phil using?
- a. secondary
 - b. primary
 - c. soft
 - d. hard

ANSWER: a

35. What are the two important advantages of secondary data over primary data?
- a. a wide variety of statistics and large sample groups used to create the data
 - b. a high level of detail and endorsement by other users
 - c. accuracy and specificity of the data gathered for the research study
 - d. cost and speed of locating the data

ANSWER: d

36. A department manager recommends using secondary data in a marketing research project. What is the department manager looking for?
- a. personal interviews of people not directly related to the project
 - b. information previously compiled and published
 - c. newly generated database entries that need to be sorted before use
 - d. personal observations of situations affecting the business

ANSWER: b

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37. Managerial decision makers are often presented with the results of a marketing research study. What is a common problem these results confront them with?

- a. They are too concerned about the costs associated with market research.
- b. They prefer to use the finance department as their main source of information.
- c. They believe the data will be of little use because of the research limitations.
- d. The data presented does not lead directly to the solution stage.

ANSWER: c

38. What is the final step in the marketing research process?

- a. interpreting findings and presenting information to decision makers
- b. in-depth computer analysis of the data followed by database update
- c. evaluating the research design for improvement and efficiency
- d. providing feedback to researchers concerning their effectiveness

ANSWER: a

39. Which statement best describes primary data?

- a. It is collected for the first time specifically for a marketing research study.
- b. It takes less time to acquire and is less costly than secondary data.
- c. Its newly published results consist of government investigations.
- d. It is part of a strategic planning activity to ensure proper resource allocation.

ANSWER: a

40. Which of the following is NOT a good source of secondary data for marketing research studies?

- a. Statistics Canada
- b. Industry Canada
- c. federal, provincial, and municipal governments
- d. Internet newsgroups

ANSWER: d

41. You are a market researcher for a cable television company seeking to determine the number of multi-dwelling buildings in a selected neighbourhood. What source would be your best chance of acquiring this information quickly?

- a. Statistics Canada
- b. the local Better Business Bureau
- c. interviews with neighbourhood leaders
- d. interviews with the local Chamber of Commerce

ANSWER: a

42. A marketer wants information about counties and cities in western Canada with 25,000 residents or more. Where would be a good place to look for this information?

- a. Canada Revenue Agency
- b. Canadian Post Office Postal Code Directory
- c. Statistics Canada
- d. provincial maps of land usage and title

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ANSWER: c

43. A consumer product company is analyzing data collected and published by trade associations and general business magazines. What is this data best referred to as?

- a. internal and primary data
- b. external and private data
- c. internal and secondary data
- d. external and public data

ANSWER: b

44. What kind of data is collected and published by organizations such as trade associations or general business magazines?

- a. primary
- b. external
- c. internal
- d. private

ANSWER: d

45. Along with reducing purchase transaction time, what are Universal Product Codes used for?

- a. National Surveys of Canada data collection
- b. Canada Border Services Agency monitoring
- c. inventory control, ordering, and delivery research
- d. Industry and Consumer Business Bureau tracking

ANSWER: c

46. Since few libraries carry specialized trade journals, what is one of the best ways to gather data from these journals?

- a. through the newspaper
- b. through *Maclean's* magazine
- c. through ProQuest Direct's *ABI/Inform*
- d. through the City of Toronto Directory

ANSWER: c

47. What is the total group of people that a researcher wants to study called?

- a. population or universe
- b. sample or unit
- c. quota or target
- d. cluster or group

ANSWER: a

48. Which of the following is a type of nonprobability sample?

- a. convenience sample
- b. cluster sample
- c. stratified sample
- d. simple random sample

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ANSWER: a

49. Which of the following is a probability sample?

- a. stratified sample
- b. quota sample
- c. convenience sample
- d. accidental sample

ANSWER: a

50. What is a group of people chosen from a defined population to be survey respondents or research participants called?

- a. quota
- b. cluster
- c. sample
- d. community

ANSWER: c

51. Why is sampling one of the MOST important aspects of research design?

- a. If a study fails to involve consumers who accurately reflect the target market, the research will likely yield misleading conclusions.
- b. If a study includes a large enough number of people, it will be accurate; determining that number is the hard part.
- c. If a study uses a sampling method that has never been tried before, the sampling method will have to be defended in depth before the conclusions can be used.
- d. If a study doesn't say what people think it's going to say, it will have to be redone.

ANSWER: a

52. What is the basic characteristic of a probability sample?

- a. Every individual in the relevant universe has an equal chance of being selected.
- b. There is a chance of any member of the population being selected.
- c. All possible members of the population have provided information.
- d. 100 percent of all subgroups have been handpicked.

ANSWER: b

53. What kind of probability sample is constructed so that randomly selected subsamples of different groups are represented in the total sample?

- a. stratified
- b. convenience
- c. quota
- d. cluster

ANSWER: a

54. What kind of probability sample is constructed so that every individual in the relevant universe has an equal opportunity of being selected?

- a. accidental
- b. convenience

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- c. quota
- d. simple random

ANSWER: d

55. What kind of probability sample constructed so that randomly selected subsamples of different groups are represented in the total sample?

- a. stratified
- b. convenience
- c. exclusive
- d. quota

ANSWER: a

56. What is one result of using nonprobability sampling?

- a. The handpicked sample will represent a true population.
- b. Representatives will answer honestly because they are proud to have been chosen.
- c. A homogenous sample will be selected.
- d. A definitive study will not be done on this data.

ANSWER: d

57. What are the two types of nonprobability samples?

- a. convenience and quota
- b. cluster and convenience
- c. stratified and convenience
- d. random and cluster

ANSWER: a

58. What kind of sampling involves “on the street” interviews conducted with anyone who passes by?

- a. media
- b. convenience
- c. cluster
- d. stratified

ANSWER: b

59. In the context of the sampling process, what is the universe is also known as?

- a. stratified group
- b. population
- c. cluster
- d. quota

ANSWER: b

60. What kind of survey on highway drivers includes 100 drivers from north of downtown, 100 from south of downtown, 100 from west of downtown, and 100 from east of downtown?

- a. vehicle
- b. cluster

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- c. quota
- d. convenience

ANSWER: c

61. Erica is a marketing researcher involved in improving drug store layouts. Erica would like to know how frequently customers in a particular store actually turn left to the cosmetics counter and try out tester fragrances. What would be the best method for Erica to collect this data?

- a. observation
- b. controlled experiment
- c. voluntary mail-back questionnaires
- d. interviews at the cash register

ANSWER: a

62. What is an accidental sample is also known as?

- a. simple random
- b. convenience
- c. stratified
- d. cluster

ANSWER: b

63. Which of the following describes people metres?

- a. physical devices used in interviewing techniques
- b. secondary-data generators for tracking turnstile activity
- c. electronic devices that record TV viewing habits
- d. phone-interview tracking procedures

ANSWER: c

64. How do marketers obtain primary data?

- a. through trend analysis, exponential smoothing, and the Delphi technique
- b. through observation, surveys, and experiments
- c. through private data, government data, and internal data
- d. through marketing information systems, business intelligence, and consumer intentions

ANSWER: b

65. What method was developed by social anthropologists in which customers are observed in their natural setting and their behaviour is interpreted based on social and cultural characteristics?

- a. controlled experiment
- b. mall intercept surveys
- c. exploratory research
- d. interpretive research

ANSWER: d

66. When might market researchers employ the survey method?

- a. when it is necessary to obtain exact demographic information

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- b. when it is not necessary to establish contact or involvement with the respondent
- c. when it is more cost-effective than secondary data collection
- d. when it is coupled with observation to create a “complete” research technique

ANSWER: a

67. What is one of the obstacles to telephone interviewing for marketing research?

- a. telephone caller-ID systems
- b. the cost of multiple telephone lines and long-distance charges
- c. getting quality interviewers
- d. the call-waiting service

ANSWER: a

68. Which statement illustrates an advantage of personal interviews?

- a. They provide biased and inaccurate information.
- b. They allow the researcher to collect more detailed information.
- c. They are a relatively quick method of ongoing data collection.
- d. They have limited flexibility in the format of the interviews.

ANSWER: b

69. What do survey methods used in marketing research for collecting primary data involve?

- a. Delphi technique
- b. review of sales data on customer purchase rates to estimate the future sales
- c. analysis of historical census data
- d. questionnaires to obtain demographic information of consumers

ANSWER: d

70. Overall, what is the ideal method for obtaining primary data about consumers?

- a. telephone interviews
- b. focus groups
- c. videotaping behaviour over an extended period of time
- d. personal interviews conducted face-to-face

ANSWER: d

71. What is the average size of a focus group?

- a. 3–7
- b. 8–12
- c. 13–17
- d. 18–22

ANSWER: b

72. Which method used for conducting primary research gathers information by encouraging the participants to engage in a discussion on a predetermined topic?

- a. trend analysis
- b. Delphi technique

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- c. focus group
- d. interpretative research

ANSWER: c

73. Teenage Research Unlimited, a consumer-oriented marketing research firm, wishes to obtain data on the buying habits and shopping preferences of teenagers. What kind of research should it use?

- a. observations of how teenagers walk around and check out their cars
- b. mail survey sent out to high school students
- c. interviews of sales people in stores catering to teens
- d. focus group interviews with teens

ANSWER: d

74. Which statement best describes focus groups used by marketers to gather primary data?

- a. They elicit information from the customers through a question-and-answer format.
- b. They allow participants to respond at their leisure.
- c. They are typically used for measuring the success of a new product introduced in a specific area.
- d. They are valuable tool for exploratory research and development of new product ideas.

ANSWER: d

75. What is an advantage of using mail surveys when conducting market research?

- a. Mail surveys take a short time from the point of view of the researcher.
- b. Mail surveys may encourage more honest responses.
- c. Mail survey respondents are not susceptible to biases.
- d. Mail surveys have a higher response rate than personal interviews.

ANSWER: b

76. Net Assets is a regional Internet company that has decided to conduct online research through its business. What is a major feature of such online research?

- a. People consider it more intrusive and, therefore, results are more detailed for the researcher.
- b. The ease of answering a survey online encourages higher response rates.
- c. It can be extraordinarily time consuming.
- d. It is associated with increased costs.

ANSWER: b

77. Which statement best describes online surveys?

- a. They allow researchers to establish rapport with the respondents and explain confusing or vague questions.
- b. They allow participants to respond at their leisure.
- c. They are a highly time consuming method.
- d. They are more intrusive than telephone surveys.

ANSWER: b

78. Which term refers to the marketing research technique used to introduce a new product into a chosen area and then observe its degree of success?

- a. laboratory experimentation

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- b. concept testing
- c. test-marketing
- d. observational marketing

ANSWER: c

79. Which product is least likely to be subjected to test-marketing prior to introduction?

- a. a new brand of low-carb pasta
- b. a new type of Internet service
- c. a new type of debit card
- d. a new car model

ANSWER: d

80. Which statement best describes the experimental method of marketing research?

- a. It is the least expensive of all marketing research procedures.
- b. Most marketing research experiments are conducted in the laboratory.
- c. The researcher controls or manipulates a test group.
- d. It is a nonscientific investigation compared to survey research.

ANSWER: c

81. Subway introduces a new line of vegetarian sandwiches in 20 locations in Southern Ontario for a six-month period. If the product and promotional efforts behind it are successful, the company may launch the sandwiches nationwide. What type of research is being conducted to determine potential success?

- a. test-marketing
- b. exploratory research
- c. random sampling
- d. focus groups

ANSWER: a

82. What type of research involves a scientific investigation in which a researcher manipulates a test group and compares the results with those of another group that did not receive the experimental manipulations?

- a. focus group
- b. controlled experiment
- c. interpretative research
- d. trend analysis

ANSWER: a

83. Which statement best describes interpretive research?

- a. It involves influencing a customer in his or her natural setting.
- b. It is often used to interpret consumer behaviour in domestic cultures.
- c. It was developed by social networks.
- d. It is a relatively expensive source of primary data.

ANSWER: d

84. A marketing research firm has set up a special store where customers are told they may be observed while shopping.

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Customer behaviour is observed in this setting, and then the firm interprets the data based on an understanding of social and cultural characteristics of that setting. What type of research is this firm conducting?

- a. secondary data collection
- b. interpretative
- c. controlled experiment
- d. focus group

ANSWER: b

85. Hi-Test Cola Company wanted to create a sample that would contain 25 of its regular cola drinkers, 25 of its diet cola drinkers, 25 of its diet caffeine-free drinkers, and 25 of its caffeine-free regular cola drinkers. The company did this by stopping people on the street and continuing until it had spoken to enough people to meet the requirement. Which sampling method was used?

- a. non-probability convenience
- b. non-probability quota
- c. probability cluster
- d. probability simple random

ANSWER: b

86. Which statement best describes primary data collection methods used by marketing researchers in Canada?

- a. It can be used without alteration in most foreign countries because they are universal.
- b. It may need to be adjusted when used elsewhere because some methods may not transfer.
- c. It is completely unusable anywhere else because it is based uniquely on the use of English.
- d. It will have become outdated and will need significant improvement.

ANSWER: b

87. Marc is an entrepreneur who wants to export products to other countries. What is a major information source for Marc to learn about marketing activities and consumers in those countries?

- a. conduct exploratory studies in each foreign country
- b. establish a market research department in each country
- c. contact Industry Canada
- d. join the local Better Business Bureau (BBB)

ANSWER: c

88. What is a common barrier for Canadian companies doing research outside Canada?

- a. language and cultural issues
- b. lack of an effective research plan and a means of carrying it out
- c. lack of skilled personnel and high-tech hardware
- d. the economics of getting the research job done

ANSWER: a

89. Why are mail surveys an unreliable means of gathering primary data in many foreign countries?

- a. opinionated nature of target samples
- b. reticence of people in presence of others
- c. low literacy rates

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d. lack of basic telecommunications infrastructure

ANSWER: c

90. What is the most common method for conducting primary research outside Canada?

- a. telephonic interviews
- b. face-to-face interviewing
- c. controlled experimentation
- d. mail surveys

ANSWER: b

91. What term refers to a planned, computer-based system designed to provide decision makers with a continuous flow of information relevant to their areas of responsibility?

- a. business intelligence system
- b. critical response management system
- c. competitive intelligence system
- d. marketing information system

ANSWER: d

92. Dana is working with a computer-based system that provides a continuous flow of information relevant to his responsibilities. What system is Dana working with?

- a. marketing decision support
- b. business intelligence
- c. data mining
- d. marketing information

ANSWER: d

93. What is the outcome of a properly constructed marketing information system?

- a. It makes appropriate decisions.
- b. It provides information instantaneously.
- c. It accurately predicts sales and profits.
- d. It places orders for needed amounts of products at the appropriate time.

ANSWER: b

94. Tarek is the owner of a construction company and uses a Marketing Information System to provide him with statistics reflecting the previous week's contracts. Why should Tarek use Marketing Decision Support System software?

- a. to determine contract volume and needed levels
- b. to make the appropriate decisions regarding his overall future business plans
- c. to connect him with the top five lumber offers that week
- d. to transform the data into a format that will help him make better decisions

ANSWER: d

95. Keith is working on a computerized search through one of his company's massive data files. The purpose of the search is to try to detect patterns in product sales. What is Keith engaged in?

- a. data forecasting

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- b. marketing decision support systems
- c. data mining
- d. sales forecasting

ANSWER: c

96. What is the process of searching through computerized information files to detect patterns that guide decision making called?

- a. sales forecasting
- b. data mining
- c. exploratory research
- d. ethnographic research

ANSWER: b

97. What is it called when huge amounts of customer information are entered into a database to be used for data mining?

- a. data warehouse
- b. marketing decision data cube
- c. statistical database
- d. data storage base

ANSWER: a

98. Julia is focused on finding information about her firm's competitors. She is looking through published sources, as well as reviewing her competition's advertising. What is Julia engaged in?

- a. business intelligence
- b. competitive intelligence
- c. data mining
- d. the Delphi technique

ANSWER: b

99. What is an estimate of a firm's revenue for a specified future period is known as?

- a. revenue cluster
- b. market cap
- c. sales forecast
- d. sales boundary

ANSWER: c

100. A basic building block of marketing planning is an estimate of the firm's revenue for a specified future time period. What is this referred to as?

- a. sales forecast
- b. marketing research
- c. marketing audit
- d. market growth/market share matrix

ANSWER: a

101. What do sales forecasts play a major role in?

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- a. quality control
- b. marketing research
- c. new product decisions
- d. qualitative techniques

ANSWER: c

102. Which of the following is a qualitative sales forecasting technique?

- a. econometric forecasting model
- b. Delphi technique
- c. exponential smoothing
- d. trend analysis

ANSWER: b

103. Carlos, CEO of Fresh Foods, wants a qualitative forecasting technique that is quick, inexpensive, and can be effectively used to forecast sales in the short run and for new product development. What method should he use?

- a. sales force composite
- b. survey of buyer intentions
- c. Delphi technique
- d. jury of executive opinion

ANSWER: d

104. Which of the following should NOT be used as short-run sales forecasting technique?

- a. survey of buyer intentions
- b. Delphi technique
- c. jury of executive opinion
- d. sales force composite

ANSWER: b

105. Rather than relying completely on company executives, the qualitative forecasting technique seeks opinions from outside the firm, such as university researchers and scientists. What is this technique known as?

- a. jury of executive opinion
- b. exponential smoothing
- c. Delphi technique
- d. sales force composite

ANSWER: c

106. What is the sales forecasting technique called that typically works from the bottom up?

- a. sales force composite
- b. market testing
- c. trend analysis
- d. exponential smoothing

ANSWER: a

107. What technique uses mail-in questionnaires, online feedback, telephone polls, and personal interviews with people

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representative of present and potential customers?

- a. market tests
- b. quantitative forecasting techniques
- c. survey of buyer intentions
- d. Deming model

ANSWER: c

108. Which technique uses statistical computations as the bases of sales forecasts?

- a. survey of buyer intentions
- b. qualitative forecasting techniques
- c. jury of executive opinion
- d. quantitative forecasting techniques

ANSWER: d

109. Which technique is used in quantitative forecasting methods?

- a. exponential smoothing
- b. sales force composite approach
- c. executive opinion summaries
- d. consumer surveys

ANSWER: a

110. If you wanted to use a quantitative forecasting method that could be used to forecast sales of new products, what method would you select?

- a. survey of buyer intentions
- b. exponential smoothing
- c. test-market forecasting
- d. trend analysis

ANSWER: c

111. Landsdowne Dairy is planning to introduce a new flavoured milk drink. As marketing manager, you want to appraise consumer response to this new product. What procedure would typically be used?

- a. trend analysis
- b. jury of executive opinion
- c. test-markets
- d. Delphi technique

ANSWER: c

112. What is a major benefit of test-markets as a quantitative forecasting method?

- a. They provide realistic information on actual purchases rather than intent to buy.
- b. They are quick and provide salespeople with an opportunity to explain their markets.
- c. They are effective in situations with stable customer demand and environmental conditions.
- d. They are useful for long-term predictions.

ANSWER: a

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113. What underlying assumption is the danger of using trend analysis?
- Trends only last a short time and then change radically.
 - Trend characteristics remain the same, even if outside conditions change.
 - A change in the environment enhances characteristic relationships.
 - Future events will continue in the same manner as they did in the past.

ANSWER: d

114. Which of the following is a quantitative forecasting method?
- sales force composite approach
 - survey of buyer intentions
 - Delphi technique
 - trend analysis

ANSWER: d

115. If the United Nations were to bring experts together to discuss the impact of technological change on less-developed countries, which of the following forecasting techniques would the United Nations be using?
- Delphi technique
 - jury of executive opinion
 - trend analysis
 - exponential smoothing

ANSWER: a

116. Millions of consumers purchase Johnson & Johnson Band-Aid adhesive strips each year. Which of the following forecasting techniques would be the most appropriate for a firm to use?
- survey of buyers intentions
 - sales Force Composite
 - trend Analysis
 - Delphi technique

ANSWER: c

117. Emily is a custom homebuilder and estimates that last year's sales were \$1,500,000 and the sales growth rate for the past several years has been averaging 10 percent. On that basis, this year's sales should be \$1,650,000. Which of the following forecasting techniques is Emily using?
- survey of buyers intentions
 - sales force composite
 - trend analysis
 - Delphi technique

ANSWER: c

118. In which of the following examples would it be the most effective to use a test market?
- new house design
 - new car design
 - new floral arrangement
 - new hamburger

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ANSWER: d

119. Which of the following indicates the frequency with which Stats Canada conducts a Canadian Census?

- a. every 3 years
- b. every 5 years
- c. every 7 years
- d. every 9 years

ANSWER: b

120. A business to business company has three clients that comprise 80 percent of the company's revenue. The company wants to forecast sales for one to five years. Which forecasting technique would be the most appropriate for a firm to use?

- a. survey of buyers intentions
- b. sales force composite
- c. trend analysis
- d. Delphi technique

ANSWER: a

121. Market research aids decision makers in analyzing data and in suggesting possible actions.

- a. True
- b. False

ANSWER: True

122. Marketing research is the process of collecting data and using the information to back up the decisions that marketers have already made.

- a. True
- b. False

ANSWER: False

123. Advances in computer technology have broadened the base of data collection for marketing research.

- a. True
- b. False

ANSWER: True

124. The first organized marketing research project was undertaken in 1943.

- a. True
- b. False

ANSWER: False

125. Prior to the 1930s, marketing research was fairly sophisticated with refined statistical techniques producing high levels of accuracy in research findings.

- a. True
- b. False

ANSWER: False

126. The size and organizational form of the marketing research function is usually independent of the structure of the

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1. How might business products be identified?

- a. as goods and services purchased for use either directly or indirectly in the production of other goods and services for resale
- b. as goods and services of any kind bought for use in the home, but sold later as used items
- c. as goods and services, such as legal services, that can be bought by businesses or individuals but do not enter into the production of finished goods
- d. as goods and services sold in a finished state for use in the home or the business office

ANSWER: a

2. What term refers to goods and services purchased by the ultimate user for personal use?

- a. personal products
- b. purchased products
- c. consumer products
- d. commercial products

ANSWER: c

3. Kyle plans to buy new tires for a converted bus his family uses for camping trips. The tires are the same type used on General Motors commercial trucks and can be purchased from Industrial Tire Company. How are the tires that Kyle will buy for this bus classified?

- a. business products
- b. service products
- c. commercial products
- d. consumer products

ANSWER: d

4. What is the lumber a carpenter purchases to finish a client's basement known as?

- a. raw material
- b. business product
- c. consumer good
- d. home-improvement product

ANSWER: b

5. Generally speaking, what are rubber and raw cotton examples of?

- a. business products
- b. consumer products
- c. fabricated materials
- d. nonpersonal products

ANSWER: a

6. When one product becomes part of another product that is destined for resale, what is the first product considered?

- a. consumer product
- b. business product
- c. commercial market product
- d. industrial market product

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ANSWER: b

7. What is the division of the total market into smaller, homogenous groups called?

- a. customer aggregation
- b. market capitalization
- c. market segmentation
- d. brand segmentation

ANSWER: c

8. Which statement does NOT accurately describe market segmentation?

- a. Only for-profit organizations practice market segmentation.
- b. Firms that practice market segmentation don't necessarily change their products to meet the needs of different market segments.
- c. There are too many variables to attract all customers using the same marketing mix.
- d. Market segmentation attempts to divide the total market into smaller groups.

ANSWER: a

9. Which of the following basic requirements must market segmentation meet to be effective?

- a. The firm must avoid focusing on non-variables, such as profitability and volume.
- b. The market segment must reflect the population's changing attitudes and lifestyles.
- c. The company must expand beyond its marketing capabilities to capture growing markets.
- d. The market segment must have measurable purchasing power and size.

ANSWER: d

10. What is the basis for determining whether pencils are consumer products or business products?

- a. the purpose for which the pencils are purchased
- b. the number of pencils that are purchased
- c. where the pencils are purchased from
- d. the total price paid for the number of pencils

ANSWER: a

11. Which market segment could a marketing organization most effectively promote to and serve based on the segment's size and profit potential?

- a. the staff of foreign embassies from European countries
- b. baby boomers
- c. captains and crews of sea-going vessels
- d. collectors of classic MG sports cars

ANSWER: b

12. Which of the following is NOT a common basis for segmenting consumer markets?

- a. geographic
- b. psychographic
- c. competitive
- d. demographic

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ANSWER: c

13. What is a commonly used basis for segmenting consumer markets?

- a. geographic segmentation based on locations
- b. career segmentation based on industry affiliation
- c. national segmentation based on citizenship
- d. institutional segmentation based on membership

ANSWER: a

14. What type of segmentation is a firm practising when it divides its customers into homogeneous groups based on their locations?

- a. psychographic
- b. product-based
- c. geographic
- d. demographic

ANSWER: c

15. In addition to population and geography, a researcher might combine other indicators to segment markets geographically. Which of the following indicators would marketers be least likely to use?

- a. income and job growth
- b. migration patterns
- c. average size of the households
- d. product-usage patterns

ANSWER: c

16. What is one of the two largest metropolitan areas in the world?

- a. Montreal
- b. Tokyo
- c. New York
- d. London

ANSWER: b

17. Based on the most recent census data, where does the majority of the Canadian population live?

- a. in Toronto, Ontario
- b. between Montreal, Quebec, and Windsor, Ontario
- c. in 33 metropolitan areas across the country
- d. in Calgary, Alberta

ANSWER: c

18. How would a geographic area surrounding an urban core with a population of at least 100 000 be classified?

- a. as a census metropolitan area (CMA)
- b. as a primary metropolitan region (PMR)
- c. as a metropolitan statistical area (MSA)
- d. as a census agglomeration (CA)

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ANSWER: a

19. An automobile manufacturer generates approximately one-half of its sales in two provinces in Canada. What do these provinces constitute for the company?

- a. primary consumer market
- b. core region
- c. secondary market
- d. sales region

ANSWER: b

20. What are computer systems that help marketers analyze marketing information by assembling, storing, manipulating, and displaying data by their location known as?

- a. core based information systems
- b. inertial navigation systems (INS)
- c. geographic information systems (GIS)
- d. advanced navigation assessment systems

ANSWER: c

21. What do pizza delivery companies use to succeed in delivering thousands of pizzas to Canadian homes on Super Bowl Sunday?

- a. advertising shown during the game
- b. statistical databases and written reports from area managers
- c. motor scooters rather than automobiles as delivery vehicles
- d. geographic information system that can display location-specific data

ANSWER: d

22. Which of the following is a characteristic of a Geographic Information Systems (GIS)?

- a. It is very expensive to use because of the high cost of leasing the technology from the military.
- b. It is complicated to use because the data is produced using logarithmic displays that most small computer systems cannot handle.
- c. It has very sophisticated digital readouts that require three-dimensional colour coding to read.
- d. It assembles, stores, and displays data by location.

ANSWER: d

23. What is the most common method of market segmentation?

- a. product-related
- b. demographic
- c. economic
- d. psychographic

ANSWER: b

24. What is another name for socioeconomic market segmentation?

- a. product-related segmentation
- b. demographic segmentation

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- c. psychographic segmentation
- d. geographic segmentation

ANSWER: b

25. Which statement does NOT accurately describe socioeconomic market segmentation?

- a. It is easy in foreign markets where income and life-cycle stage are not measured.
- b. It is the most common type of market segmentation.
- c. It is defined by variables that include age, gender, income, occupation, and education.
- d. It is most often compiled through data taken from Statistics Canada.

ANSWER: a

26. What type of segmentation defines consumer groups according to variables such as gender, age, income, occupation, education, sexual orientation, household size, and stage in the family lifecycle?

- a. geographic
- b. end-use
- c. product-based
- d. demographic

ANSWER: d

27. What does the cohort effect describe?

- a. why members of the same psychographic group decide to vote the same way
- b. how Generation X uses its financial power to influence product trends
- c. the predictability of demographic characteristics in analyzing purchase habits, as well as product-usage rates, and brand preference
- d. the tendency of members of a generation to be influenced and bound together by events occurring during the key formative years

ANSWER: d

28. Ford Motor Company surveyed 10,000 customers to analyze their needs and preferences in automobiles. At the end of the survey, respondents were asked to provide demographic information, including age. Responses concerning preferences were strikingly similar for each group within a specific five-year age range. What is this a result of?

- a. income effect
- b. life-cycle effect
- c. cohort effect
- d. global-generation effect

ANSWER: c

29. LuLuLemon Athletica, which specializes in athletic wear for women, recently launched a website featuring Ivivva, a new line of athletic and dance clothing for girls. Based on the information given in this example, what type of segmentation is LuLuLemon Athletica is using?

- a. geographic
- b. psychographic
- c. demographic
- d. core based

ANSWER: c

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30. Which age group would marketers of life insurance most likely target?

- a. teenagers
- b. between 25 and 35 years old
- c. baby boomers
- d. over 60 years old

ANSWER: b

31. In terms of numbers, which age group is the largest?

- a. baby boomers
- b. Generation X
- c. 9/11 Generation
- d. World War II Generation

ANSWER: a

32. What is the group born between 1966 and 1981, now generally in their 30s to 40s, often referred to as?

- a. baby boomers
- b. teenagers
- c. seniors
- d. Generation X

ANSWER: d

33. What is the group born between 1947 and 1965 and are a popular segment to target because of their numbers and income levels called?

- a. gaby boomers
- b. Generation X
- c. Generation Y
- d. tweens

ANSWER: a

34. What type of segmentation is a company that markets its breakfast cereal to children using to segment its markets?

- a. psychographic
- b. demographic
- c. end-use
- d. geographic

ANSWER: b

35. What is "The Millennial Generation" also known as?

- a. the Baby Boomers generation
- b. Generation Next
- c. Generation X
- d. the Tweens generation

ANSWER: b

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36. What greatly attributes to the Canadian population growth and change in Canada's racial and ethnic make-up?
- North American Free Trade Agreement
 - immigration among some minority groups
 - shifts in population to urban areas
 - increasing birth rate for the entire population

ANSWER: b

37. Compared with other ethnic groups, what best describes the Chinese Canadian ethnic group in Canada?
- small and homogenous
 - small and heterogeneous
 - large and homogenous
 - large and heterogeneous

ANSWER: d

38. How can Chinese Canadian consumers be described?
- as trusting in family, hardworking, and thrifty
 - as having a preference for North American food products and groceries
 - as being part of a homogenous segment
 - as more likely to obtain information about products and services from national media sources

ANSWER: a

39. What does the family life cycle refer to?
- a way to apply psychographic segmentation
 - the process of family formation and dissolution
 - insights into relationships among age, occupation, income, and housing
 - the 11 stages of personal growth from infancy to retirement

ANSWER: b

40. Which of the following is NOT a life-cycle stage?
- unmarried
 - first-child families
 - remarried
 - empty nesters

ANSWER: c

41. According to researchers in the past decade, what has been an observed change in family life cycle behaviour?
- the tendency of unmarried people becoming customers for new homes and expensive furnishings
 - the tendency of newly married people cooking at home almost every meal instead of dining out
 - the tendency of "boomerang" children returning home, sometimes with their own families
 - the tendency of parents with a second or subsequent child buying new sets of cribs, changing tables, and so forth for each child

ANSWER: c

42. What type of products would a young single person setting up an apartment for the first time most likely to be a good

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prospect for?

- a. expensive furnishings
- b. luxury cars, personalized gifts, and power tools
- c. small home appliances such as coffee makers and toasters
- d. health care products and insurance policies

ANSWER: c

43. Who does the “empty nest” stage in the family lifecycle include?

- a. young unmarried people
- b. married couples whose children are living on their own
- c. married couples with children in their growing years
- d. newly married couples without children

ANSWER: b

44. Which change is seen as a result of a rise in households with only one person?

- a. increase in apartment building developments
- b. decrease in the average size of new cars
- c. decrease in the marketing of vacations
- d. increase in single-serve food products

ANSWER: d

45. According to Engel’s laws, what happens as family income increases?

- a. the percentage spent on recreation and education increases
- b. the percentage spent for clothing and household operations increases
- c. the percentage spent for food and household operations decreases
- d. the percentage spent on housing and food decreases

ANSWER: a

46. Five years ago, Joshua spent 28 percent of his \$45,000 yearly income on his bachelor apartment. Today, Joshua is earning \$60,000 annually. According to Engel’s laws, what percentage of income will he spend on his new apartment?

- a. less than 19 percent
- b. about 28 percent
- c. about 52 percent
- d. more than 71 percent

ANSWER: b

47. How can the use of demographic segmentation abroad be characterized?

- a. challenging, because many countries do not take regular censuses
- b. standardized, with most countries using the same global guidelines
- c. simplified, due to the wealth of income data available in certain countries, such as Italy and Japan
- d. sometimes worthless, because the integrity of the data is called into question

ANSWER: a

48. What is psychographic segmentation based on?

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- a. quantitative side of the consumer demographic analysis
- b. quantitative side of the consumer geographic analysis
- c. individual's residential patterns and life cycle preferences
- d. group's psychological characteristics, values, and lifestyles

ANSWER: d

49. What type of segmentation divides a population into groups with similar psychological characteristics, values, and lifestyles?

- a. demographic
- b. polymorphic
- c. psychographic
- d. parallelgraphic

ANSWER: c

50. Which segmentation approach is most likely to help marketers quantify aspects of consumers' personalities and lifestyles to create goods and services for a target market?

- a. psychographic
- b. demographic
- c. geographic
- d. product-based

ANSWER: a

51. VALS™ defines eight personality types that impact purchasing decisions. Which of the following set of traits is NOT part of the VALS matrix?

- a. Achievers and Strivers
- b. Experiencers and Survivors
- c. Thinkers and Believers
- d. Makers and Definers

ANSWER: d

52. What does the VALS segmentation system categorize consumers based on?

- a. religious affiliations
- b. political views
- c. self-motivation
- d. social values

ANSWER: d

53. Which factor falls under the resource dimension of the VALS system?

- a. social attitudes
- b. primary motivation
- c. eagerness to buy
- d. political views

ANSWER: c

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54. In the VALS system, how can action-motivated consumers be described?

- a. They have a set of ideas and morals or principles they live by.
- b. They are influenced by symbols of success.
- c. They seek physical activity, variety, and adventure.
- d. They have high energy level and are eager to buy products.

ANSWER: c

55. How does the VALS system categorize consumers who are influenced by symbols of success?

- a. action-motivated
- b. achievement-motivated
- c. principle-motivated
- d. self-expression motivated

ANSWER: b

56. What is the largest segment that values professional and material goals more than other groups?

- a. strivers
- b. devouts
- c. altruists
- d. fun seekers

ANSWER: a

57. A marketer of a new brand of outdoor furniture wants to know more about the personalities and lifestyles of the intended consumer market in order to help match its product offerings with this segment's needs. What would be wise to use as a means of achieving this goal?

- a. demographic segmentation
- b. geographic segmentation
- c. psychographic segmentation
- d. geographic information systems

ANSWER: c

58. Why is segmentation by benefits used?

- a. to determine the marketer's effectiveness in satisfying the consumer
- b. to measure brand loyalty
- c. to evaluate post-consumption
- d. to focus on the attributes that people seek in a product

ANSWER: d

59. What is the product-related segment of the consumer market that is based on the attributes people seek when they buy a product?

- a. price-shopper
- b. lifestyle
- c. expenditure pattern
- d. benefits-sought

ANSWER: d

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60. When can product-usage segmentation be an important tool for marketers?

- a. as they attempt to eliminate competition
- b. as they attempt to identify heavy users
- c. as they attempt to reduce costs from 80 percent to 20 percent
- d. as they attempt to increase profitability

ANSWER: b

61. Which of the following describes the 80/20 principle?

- a. Market segmentation succeeds about 80 percent of the time and fails 20 percent.
- b. Roughly 80 percent of total product sales come from 20 percent of customers.
- c. Roughly 80 percent of the market segment is tapped and 20 percent has not yet been reached.
- d. Roughly 80 percent of the market can be segmented and 20 percent cannot.

ANSWER: b

62. What is the product-related segmentation of consumers that is based on the strength of their attachment and allegiance to their preferred products?

- a. values and lifestyles
- b. business-to-business
- c. psychographic
- d. brand loyalty

ANSWER: d

63. What is a frequent flyer program used by an airline an example of?

- a. segmentation by benefits sought
- b. brand loyalty segmentation
- c. psychographic segmentation
- d. socioeconomic segmentation

ANSWER: b

64. A consumer goods company segments its markets on the basis of purchase patterns of their customers. The company groups its consumers who regularly buy their product into heavy, moderate, and light users, and nonusers. What approach is this an example of?

- a. segmentation by benefits sought
- b. geographic segmentation
- c. segmentation by usage rates
- d. distributive segmentation

ANSWER: c

65. What should a firm do before beginning the market segmentation process?

- a. identify bases for segmenting markets
- b. forecast total market potential
- c. forecast market share
- d. select target market segments

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ANSWER: a

66. CoreLogix Inc. has segmented the market as per product usage rates. They have also developed the relevant profile for each of their segments. What would be the next logical step for them in this process of segmentation?

- a. commit resources in developing one or more segments
- b. forecast market potential
- c. forecast probable market share
- d. design specific marketing strategy

ANSWER: b

67. While researching the idea of opening his own health club, Tomas learned that 90 percent of health club members are between the ages of 18 and 49. They prefer to exercise with people of their own gender, are more likely to buy foreign-brand cars, and are urban dwellers. How can Tomas use this assembled information?

- a. observational analysis
- b. identifying dimensions for segmenting markets
- c. forecasting total market potential
- d. developing a market segment profile

ANSWER: d

68. What is the purpose of conducting market segmentation and market opportunity analysis in the second stage of the market segmentation process?

- a. to identify the specific members of each segment and contact each of them directly
- b. to determine the level of resources that must be committed to each segment
- c. to produce a forecast of market potential within each segment
- d. to design a marketing strategy and tactics to reinforce the firm's image

ANSWER: c

69. What factor sets the upper limit on demand generated by a particular market segment?

- a. market potential for the segment under analysis
- b. market share held by the firm
- c. geographic dispersion of potential customers
- d. lifestyle characteristics of area population

ANSWER: a

70. In the process of market segmentation, what is the next step once market potential has been estimated?

- a. forecast probable market share
- b. determine potential sales
- c. develop a marketing mix
- d. seek strategies to meet the outcomes

ANSWER: a

71. Regina is an independent strategy consultant. She has guided her client's company through the market segmentation process and has posed the question: "Does the potential for achieving company goals justify committing resources to develop each or any of these segments?" What stage of the market segmentation process is the company at?

- a. estimating cost-benefit for each segment

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- b. developing a relevant profile for each segment
- c. forecasting market potential
- d. selecting specific market segments

ANSWER: d

72. What would be the best choice of product to market using an undifferentiated marketing strategy?

- a. luxury automobiles
- b. snack foods
- c. table salt
- d. imported wine

ANSWER: c

73. Why can an undifferentiated marketing strategy be considered efficient?

- a. It serves the consumer better because the products offered are designed to meet the needs of a specific group of people.
- b. It maintains control of short production runs.
- c. It captures high profits in small segments of the market.
- d. It supports mass production and promotion.

ANSWER: d

74. What strategy is sometimes referred to as mass marketing?

- a. concentrated marketing
- b. macromarketing
- c. undifferentiated marketing
- d. differentiated marketing

ANSWER: c

75. The Gap markets apparel to children, teens, and adults through different storefronts, including The Gap, Gap Kids, and Baby Gap. What is this practice called?

- a. undifferentiated marketing
- b. differentiated marketing
- c. mass marketing
- d. micromarketing

ANSWER: b

76. What can sometimes drive a company from undifferentiated to differentiated marketing?

- a. competitive pressures
- b. efficient production
- c. homogeneous products
- d. lower promotional costs

ANSWER: a

77. Which statement best describes an undifferentiated marketing strategy?

- a. It involves developing different marketing mixes for different segments.

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- b. It benefits from the control and efficiency of short production runs.
- c. It is also known as a concentrated marketing strategy.
- d. It is efficient from a production point of view.

ANSWER: d

78. A marketer of a variety of meat products introduced Lunchables, a product specifically aimed at children. What strategy is the company using to reach its target market?

- a. undifferentiated marketing
- b. differentiated marketing
- c. mass marketing
- d. micromarketing

ANSWER: b

79. Compared to undifferentiated marketing, what can the firm that practices differentiated marketing generally expect?

- a. less sales by segment
- b. lower total production costs
- c. greater promotional costs
- d. lower inventory costs

ANSWER: c

80. What type marketing strategy focuses on producing several products and pricing, promoting, and distributing them with several marketing mixes designed to satisfy smaller segments?

- a. mass
- b. differentiated
- c. societal
- d. demographic

ANSWER: b

81. Which statement best describes differentiated marketing?

- a. A company practicing differentiated marketing attempts to satisfy everyone in the market with one standard product.
- b. As compared to undifferentiated marketing, differentiated marketing leads to lower inventory and promotional cost.
- c. Differentiated marketing approach can appeal to a small company that lacks the financial resources of its competitors.
- d. Differentiated marketing helps a company to diversify and reach new customers.

ANSWER: d

82. What is a firm doing when it chooses to target potential customers by postal code, specific occupation, or even lifestyle?

- a. megamarketing
- b. hypermarketing
- c. micromarketing
- d. concentrated marketing

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ANSWER: c

83. What strategy does Burt's Bees skin-care products, manufactured with all natural ingredients, use?
- undifferentiated marketing
 - differentiated marketing
 - micromarketing
 - concentrated marketing

ANSWER: d

84. Which statement does NOT accurately describe concentrated marketing?
- It is very effective for large corporate competitors that have marketplace clout.
 - Firms that wish to focus on multiple segments use it.
 - It is an effective strategy for specialty or unique products.
 - It is more impacted by shifts in consumer buying habits and other external factors.

ANSWER: a

85. What strategy is a company using when they choose to focus its efforts on satisfying only one market segment for profit?
- niche marketing
 - elimination marketing
 - undifferentiated marketing
 - designer marketing

ANSWER: a

86. Why are micromarketing techniques used?
- primarily to sell services or other intangibles
 - to maximize revenue potential of large firms that have abundant financial resources only by mass marketers
 - for the sale of industrial goods by vendors only
 - to target very specific groups or individuals

ANSWER: d

87. What interactive medium might help micromarketers boost the effectiveness of their strategy by tracking specific demographics and communicating directly to individuals who are most likely to buy that product?
- customized direct-mail packages
 - the Internet
 - personalized telemarketing messages
 - fax marketing

ANSWER: b

88. What is one of the basic determinants of a market-specific segmentation strategy?
- product demand
 - competitors' strategies
 - environmental constraints
 - organizational efficiencies

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ANSWER: b

89. What is the basis for a positioning strategy that uses the slogan “Crest is a cavity fighter”?
- product price/quality
 - product class
 - product attributes
 - product users

ANSWER: c

90. What positioning strategy would use the slogan “You don’t pay more, you get more”?
- price/quality
 - attributes
 - users
 - competitors

ANSWER: a

91. What are marketers who apply a positioning strategy wanting to do?
- make their product look as much like the market leader as possible
 - emphasize a product’s unique advantages
 - make sure they clearly outline the product’s possible applications
 - talk to specific, known users of the product

ANSWER: b

92. What does a positioning map demonstrate?
- which companies use undifferentiated marketing strategies
 - what will remain constant through the entire product life cycle
 - how consumers view a product relative to competitive products
 - how to introduce a new product to the marketplace

ANSWER: c

93. What positioning strategy is Starbucks using when marketing itself as “premium coffee”?
- product class
 - product users
 - product life cycle stage
 - product homogeneity

ANSWER: a

94. Why would a company use a positioning map?
- It is used primarily by companies utilizing undifferentiated marketing strategies.
 - IT can be used only for already successful products in the market.
 - It shows how consumers view a product relative to competitive products.
 - It outlines how to introduce a new product to the marketplace.

ANSWER: c

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95. What positioning strategy is Walmart's tagline—"Save money. Live better?"—an example of?

- a. quality
- b. attributes
- c. product users
- d. competitors

ANSWER: d

96. A market comprises any person or entity that has the willingness, authority, and purchasing power to buy a product.

- a. True
- b. False

ANSWER: True

97. By identifying, evaluating, and selecting a target market to pursue, marketers are able to develop more efficient and effective marketing strategies.

- a. True
- b. False

ANSWER: True

98. The target market for a product is the specific segment of consumers most likely to purchase that particular product.

- a. True
- b. False

ANSWER: True

99. Typically, a single marketing mix strategy attracts all sectors of a market.

- a. True
- b. False

ANSWER: False

100. Business products are defined as contributing directly to the production of other goods.

- a. True
- b. False

ANSWER: False

101. Goods and services generally purchased by manufacturers are classified as business products.

- a. True
- b. False

ANSWER: True

102. A hotel purchases towels for use in its rooms. These towels are considered business products.

- a. True
- b. False

ANSWER: True

103. Raw silk is an example of a consumer product.

- a. True

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b. False

ANSWER: False

104. Since rubber purchased by Goodyear is used to manufacture tires that are ultimately used by consumers on the automobiles they purchase, rubber is a consumer product for Goodyear.

a. True

b. False

ANSWER: False

105. When a product or service purchased by a business does not contribute directly to the production of other goods, such as legal services, it is defined as a consumer product.

a. True

b. False

ANSWER: False

106. The question that determines whether a product will be a consumer or business product is “Who will ultimately consume this product?”

a. True

b. False

ANSWER: False

107. Detergent packets purchased by a leading laundry service are considered business products.

a. True

b. False

ANSWER: True

108. A firm that uses market segmentation assumes that different types of customers with different needs, preferences, and purchasing power can be served by a single marketing mix.

a. True

b. False

ANSWER: False

109. The division of the total market into smaller, relatively homogeneous groups is called market selectivity.

a. True

b. False

ANSWER: False

110. United Way would not benefit from implementing market segmentation techniques because such techniques are inappropriate for not-for-profits.

a. True

b. False

ANSWER: False

111. Firms must attempt to group consumers according to the presence or absence of those factors that affect purchase decisions.

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- a. True
- b. False

ANSWER: True

112. Even though there is a make, model, and colour of car for virtually every taste and budget, automobile manufacturers must still adjust their messages for different market segments.

- a. True
- b. False

ANSWER: True

113. PlaySports manufactures apparel for youth sports teams. The attire can be customized with the team logo and the child's name. This customization costs the manufacturer very little, enabling it to sell uniforms for less than \$30. PlaySports is successful because it has matched its market segment with its capabilities.

- a. True
- b. False

ANSWER: True

114. The market segmentation process must consider the size and purchasing power of market segments.

- a. True
- b. False

ANSWER: True

115. Not-for-profit organizations practice market segmentation.

- a. True
- b. False

ANSWER: True

116. Compared to women, men have greater influence and purchasing power when it comes to product categories like electronics and home improvements.

- a. True
- b. False

ANSWER: False

117. Targeting a large number of small, niche markets can be an expensive, complex, and inefficient marketing strategy.

- a. True
- b. False

ANSWER: True

118. The number and size of the market segments chosen by a firm must match, not exceed, its marketing capabilities.

- a. True
- b. False

ANSWER: True

119. Division of the total market into smaller, relatively homogeneous groups is known as market optimization.

- a. True

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b. False

ANSWER: False

120. Market segmentation attempts to isolate traits that distinguish a certain group from the overall market, as well as seeking to pinpoint factors affecting their buying behaviour.

a. True

b. False

ANSWER: True

121. Singles, families, and retirees could be considered market segments for a company promoting travel packages.

a. True

b. False

ANSWER: True

122. Currently, the two largest cities in the world are Shanghai, China and Mumbai, India.

a. True

b. False

ANSWER: True

123. Geographic indicators such as job growth give useful guidance to marketers, depending on the type of products they sell.

a. True

b. False

ANSWER: True

124. The geographic segmentation is useful because consumers in a specific geographic location will make the same buying decisions.

a. True

b. False

ANSWER: False

125. The Canadian population is distributed uniformly across the country.

a. True

b. False

ANSWER: False

126. Montreal is the largest city in Canada in terms of population due to the large number of immigrants who have settled there.

a. True

b. False

ANSWER: False

127. Automobile manufacturers and food processing companies segment a particular geographic region based on the same factors.

a. True

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b. False

ANSWER: False

128. A census metropolitan area (CMA) is considered to be the largest government classification of urban data in Canada.

a. True

b. False

ANSWER: True

129. To be considered a census agglomeration (CA) the geographical area must have a population greater than 100 000.

a. True

b. False

ANSWER: False

130. Residence location within an area is an important geographic segmentation variable.

a. True

b. False

ANSWER: True

131. Home Depot introduced a new line of riding lawn mowers. The company decided to focus more on people living in the suburbs than those in the city because a survey showed the former category to be more inclined toward gardening. This is an example of a demographic segmentation by Home Depot.

a. True

b. False

ANSWER: False

132. Firms define core regions as the locations where they obtain between 40 and 80 percent of their sales.

a. True

b. False

ANSWER: True

133. Geographic information systems (GIS) simplify the job of analyzing marketing information by placing data in a spatial format. The result is a map overlaid with digital data about consumers in a given area.

a. True

b. False

ANSWER: True

134. Application of the geographic information systems may prove to be a sound investment for companies because it allows them to better plan the logistics of delivery, transportation, and warehousing, ensuring that valuable capital is not tied up in inefficiently placed assets.

a. True

b. False

ANSWER: True

135. Geographic segmentation provides useful distinctions when regional preferences or needs exist.

a. True

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b. False

ANSWER: True

136. Demographic segmentation is also sometimes called psychographic segmentation.

a. True

b. False

ANSWER: False

137. Demographic segmentation was, at one time, the most common type of market segmentation method. However, technological advances have made it less common today than other forms of market segmentation.

a. True

b. False

ANSWER: False

138. One of the main sources for demographic data in Canada is Statistics Canada.

a. True

b. False

ANSWER: True

139. Dividing an overall market into homogeneous groups based on gender and age would constitute demographic segmentation.

a. True

b. False

ANSWER: True

140. Sociologists attribute differences in needs and wants between age groups to the cohort effect.

a. True

b. False

ANSWER: True

141. Marketers have labelled people who were in the 17–22-year-old age bracket at the time of the September 11, 2001 terrorist attacks the 9/11 Generation.

a. True

b. False

ANSWER: True

142. Population age distribution and projected changes in age groups are important to marketers because consumer needs and wants differ notably among age groups.

a. True

b. False

ANSWER: True

143. Generation X is very family-oriented, well educated, and optimistic.

a. True

b. False

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ANSWER: True

144. Marketers are increasingly shying away from children and teen market segments because of pressures calling for social responsibility on the part of advertisers.

- a. True
- b. False

ANSWER: False

145. Children can have a significant impact on household food purchases, while tweens can influence the purchase of cell phones and automobiles.

- a. True
- b. False

ANSWER: True

146. Generation X is family oriented, educated, and less likely to define themselves by their careers alone than previous generations.

- a. True
- b. False

ANSWER: True

147. The group born between 1968 and 1979, now generally in their early 30s to early 40s are referred to as Generation Y.

- a. True
- b. False

ANSWER: False

148. With a 30-year span, baby boomers are too large a population with too many varying life stages to be useful to marketers.

- a. True
- b. False

ANSWER: False

149. Baby boomers are decreasing in popularity as a market segment due to their declining disposable income.

- a. True
- b. False

ANSWER: False

150. Senior citizens today are a homogeneous group with common needs and characteristics.

- a. True
- b. False

ANSWER: False

151. Baby boomers are people born between 1947 and 1965.

- a. True
- b. False

ANSWER: True

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152. In Canada, the three largest groups, which account for 60 percent of those indicating an ethnic category are Chinese, South Asians, and Blacks.

- a. True
- b. False

ANSWER: True

153. According to Jacques Bouchard, compared to the rest of Canada, Quebecers have a higher tolerance and crave the simple life.

- a. True
- b. False

ANSWER: True

154. Most Chinese Canadians come from the same areas of the world and share similar shopping habits.

- a. True
- b. False

ANSWER: False

155. Chinese Canadian consumers have been described as value and brand conscious.

- a. True
- b. False

ANSWER: True

156. The Southeast Asian group is the largest ethnic group in Canada.

- a. True
- b. False

ANSWER: False

157. The market segmentation that is based on the stages of the family lifecycle is a form of demographic segmentation.

- a. True
- b. False

ANSWER: True

158. A marketer segmenting by family life cycle will focus on age as the major determinant of consumer purchases.

- a. True
- b. False

ANSWER: False

159. Married couples enter the “empty nest” stage once their children start living on their own.

- a. True
- b. False

ANSWER: True

160. One family-life-cycle trend noted by researchers in the past decade is an increase in “boomerang” children.

- a. True
- b. False

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ANSWER: True

161. Compared to a century ago, the average woman gives birth to fewer children and waits until she is older to have them.

- a. True
- b. False

ANSWER: True

162. Some industries that might benefit from the empty-nester life cycle are the travel, restaurant, and automotive industries, along with vacation real estate and institutions of higher education.

- a. True
- b. False

ANSWER: True

163. The average household size in Canada has shrunk to a new low of five people.

- a. True
- b. False

ANSWER: False

164. The trend of couples living common-law is the strongest in Quebec.

- a. True
- b. False

ANSWER: True

165. The fact that food industry manufacturers are downsizing products and offering more single-serve foods is due to the increase in the number of same-sex couples.

- a. True
- b. False

ANSWER: False

166. According to Ernst Engel's laws, the percentage of income spent on food rises with increased income.

- a. True
- b. False

ANSWER: False

167. One of Engel's laws says the percentage spent on housing, household operations, and clothing remains constant. In recent years, however, this has been challenged. In fact, the percentage of income spent on these items has increased over the years.

- a. True
- b. False

ANSWER: True

168. One of the difficulties of demographic segmentation in international markets is that many countries do not have a scheduled collection of census data.

- a. True

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b. False

ANSWER: True

169. A common method of developing psychographic profiles of a population is to conduct a large-scale survey that asks consumers to agree or disagree with several hundred AIO (Activities, Interests, and Opinions) statements.

a. True

b. False

ANSWER: True

170. Psychographic segmentation helps marketers to gain a sharper insight into consumer purchasing behaviour.

a. True

b. False

ANSWER: True

171. The VALS theory measures two variables—an individual's resources and innovation—and plots them on a grid of eight defining personalities. The assumption is that each of the eight personalities will exhibit a certain type of buying behaviour.

a. True

b. False

ANSWER: True

172. Psychographic profiles do not cross national boundaries.

a. True

b. False

ANSWER: False

173. A marketer that is interested in finding out the lifestyle profile of the consumers in its target market would find demographic segmentation tools the most useful.

a. True

b. False

ANSWER: False

174. In the context of the VALS framework, "strivers" are a group of consumers who value duty and tradition more compared to other groups and are more likely to be women than men.

a. True

b. False

ANSWER: False

175. The management-driven method of identifying market segments asks customers which attributes of a product are important to them and clusters responses to identify potential segments.

a. True

b. False

ANSWER: False

176. Product-related segmentation focuses on such attributes as product availability and common use.

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- a. True
- b. False

ANSWER: False

177. The 80/20 principle holds that a small percentage of loyal customers generate the bulk of sales.

- a. True
- b. False

ANSWER: True

178. According to the 80/20 principle, nonusers and light users are not consumer prospects worth pursuing.

- a. True
- b. False

ANSWER: False

179. A marketer that develops a profile of the typical customer that includes information about lifestyle patterns and product-use habits is in the stage of the market segmentation process in which market potential is forecasted.

- a. True
- b. False

ANSWER: False

180. After a company develops a profile for its market segment and a forecast of market potential, the next step is to estimate market share.

- a. True
- b. False

ANSWER: True

181. The information, analysis, and forecasts accumulated through the entire market segmentation decision process allow management to assess the potential for achieving company goals and to justify committing resources to develop one or more segments.

- a. True
- b. False

ANSWER: True

182. Having chosen a market segment to target, the firm must design strategy and tactics to reinforce its image, yet keep within its unique organizational capabilities.

- a. True
- b. False

ANSWER: True

183. The success of the market segmentation process depends heavily on a company's ability to use forecasting methods.

- a. True
- b. False

ANSWER: True

184. The first stage in the market segmentation process, after identifying promising segments, is to produce a forecast of