

Chapter 02 Marketing Strategy Planning

True / False Questions

1. Planning, implementation, and control are basic jobs of all managers.

True False

2. The three basic jobs in the marketing management process are planning, implementation, and control.

True False

3. The marketing management process consists of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

True False

4. Strategic planning is a top management job that includes planning only for marketing.

True False

5. Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

True False

6. Strategic (management) planning is a managerial process of developing and maintaining a match between the resources of the production department and its product opportunities.

True False

7. Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.

True False

8. Marketing strategy planning is the process of deciding how best to sell the products the firm produces.

True False

9. A marketing strategy specifies a target market and a related marketing mix.

True False

10. A marketing strategy is composed of two interrelated parts--a target market and a marketing mix.

True False

11. A marketing strategy is composed of two interrelated parts--planning and implementation.

True False

12. The two parts of a marketing strategy are an attractive opportunity and a target market.

True False

13. A target market consists of a group of consumers who are usually quite different.

True False

14. A marketing mix consists of the uncontrollable variables which a company puts together to satisfy a target market.

True False

15. Target marketing aims a marketing mix at some specific target customers.

True False

16. Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.

True False

17. The mass marketing approach is more production-oriented than marketing-oriented.

True False

18. The terms mass marketing and mass marketers mean the same thing.

True False

19. The problem with target marketing is that it limits the firm to small market segments.

True False

20. Potential customers are all alike.

True False

21. "Mass marketers" like Target usually try to aim at clearly defined target markets.

True False

22. The four "Ps" are: Product, Promotion, Price, and Personnel.

True False

23. The "four Ps" of the marketing mix are Product, Position, Promotion, and Price.

True False

24. The "four Ps" of the marketing mix are People, Products, Price, and Promotion.

True False

25. Product, Place, Promotion and Price are the four major variables (decision areas) in a firm's marketing mix.

True False

26. The customer is a part of the marketing mix and should be the target of all marketing efforts.

True False

27. Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

True False

28. The customer should not be considered part of a "marketing mix."

True False

29. The Product area is concerned with developing the right physical good, service, or blend of both for the target market.

True False

30. According to the text, a firm that sells a service rather than a physical good does not have a product.

True False

31. The Product area of the marketing mix may involve a service and/or a physical good which satisfies some customers' needs.

True False

32. The Place decisions are concerned with getting the right product to the target market at the right time.

True False

33. Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

True False

34. A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

True False

35. A channel of distribution must include an intermediary.

True False

36. A channel of distribution must include several kinds of intermediaries and collaborators.

True False

37. Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

True False

38. Promotion is composed of personal selling, advertising, publicity, and sales promotion.

True False

39. Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

True False

40. Customer service is needed when a customer wants the seller to resolve a problem with a purchase.

True False

41. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

True False

42. Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

True False

43. Sales promotion refers to those promotion activities—other than advertising, publicity, and personal selling—that stimulate interest, trial, or purchase by final customers or others in the channel.

True False

44. Personal selling and advertising are both forms of sales promotion.

True False

45. According to the text, Promotion is the most important of the "four Ps."

True False

46. In general, no single element of the "four Ps" is more important than the others.

True False

47. Price is the most important of the four Ps.

True False

48. The marketing mix should be set before the best target market is selected.

True False

49. As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

True False

50. A marketing plan and a marketing strategy mean the same thing.

True False

51. A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

True False

52. A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

True False

53. Implementation means putting the marketing plan into operation.

True False

54. Short-run decisions that stay within the overall guidelines set during strategy planning are called implementation decisions.

True False

55. Marketing strategy planning should specify all of the operational decisions to implement the plan.

True False

56. Companies such as Campbell's can only implement one marketing strategy at a time.

True False

57. Most companies implement only one marketing strategy at a time.

True False

58. A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.

True False

59. A "marketing program" blends all of a firm's marketing plans into one "big" plan.

True False

60. A marketing program may consist of several marketing plans.

True False

61. A successful marketing program benefits the firm by increasing customer equity.

True False

62. A marketing program should lower customer equity.

True False

63. One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.

True False

64. One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.

True False

65. The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.

True False

66. An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.

True False

67. The U.S. auto industry has become much more marketing-oriented since Henry Ford introduced the Model T.

True False

68. Many U.S. auto makers have failed because they were not marketing oriented.

True False

69. Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.

True False

70. The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

True False

71. Attractive opportunities for a particular firm are those that the firm has some chance of doing something about--given its resources and objectives.

True False

72. Attractive opportunities are those that the firm has some chance of doing something about given its resources and objectives

True False

73. A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.

True False

74. "Breakthrough opportunities" are ones that help innovators develop hard-to-copy marketing strategies that will be profitable for a long time.

True False

75. A firm with a "competitive advantage" has a marketing mix that the target market sees as better than a competitor's mix.

True False

76. Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

True False

77. There are usually more different strategy possibilities than a firm can pursue.

True False

78. It is useful to think of the marketing strategy planning process as a narrowing-down process.

True False

79. The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.

True False

80. Developing a set of specific qualitative and quantitative screening criteria can help a manager define what business and markets the firm wants to compete in.

True False

81. Segmentation is the process a manager goes through to decide which subgroups of customers to select.

True False

82. Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

True False

83. Differentiation means that the firm's marketing mix is similar to its competitors' mixes.

True False

84. Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

True False

85. Differentiation emphasizes uniqueness rather than similarity.

True False

86. Differentiation emphasizes similarity rather than uniqueness.

True False

87. A S.W.O.T. analysis is one way to zero in on a marketing strategy that is well-suited to the firm.

True False

88. A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.

True False

89. S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

True False

90. A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.
True False

91. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities and threats"
True False

92. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."
True False

93. Marketing opportunities involving present products and present markets are called "market penetration" opportunities.
True False

94. Market penetration means trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.
True False

95. A firm which tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.
True False

96. A "market development" opportunity would involve a firm offering new or improved products to its present markets.
True False

97. When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

True False

98. Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

True False

99. The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

True False

100. When Cadillac added a new sport utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

True False

101. If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

True False

102. Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.

True False

103. The least risky--but most challenging--marketing opportunities are diversification opportunities.

True False

104. Often, attractive opportunities are fairly close to markets the firm already knows.

True False

105. When it comes to choosing among different types of opportunities, most firms tend to be production-oriented and usually think first of diversification.

True False

106. If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.

True False

107. Unfavorable trends in the domestic marketing environment may make the international marketing environment very attractive.

True False

108. International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.

True False

109. Marketing managers almost always find that opportunities in international markets are less profitable than in domestic markets.

True False

Multiple Choice Questions

110. The three basic tasks of ALL managers, according to the text, are:

- A. planning, staffing, and evaluating.
- B. marketing, production, and finance.
- C. execution, feedback, and control.
- D. hiring, training, and compensating.
- E. planning, implementation, and control.

111. Which of the following is one of three basic marketing management jobs?

- A. To direct the implementation of plans
- B. To control the plans in actual operation
- C. To plan marketing activities
- D. All of the above

112. The marketing management process is the process of:

- A. Planning marketing activities.
- B. Implementing marketing plans.
- C. Controlling marketing plans.
- D. All of the above.
- E. None of the above.

113. The marketing management process:

- A. includes the on-going job of planning marketing activities.
- B. is mainly concerned with obtaining continuous customer feedback.
- C. involves finding opportunities and planning marketing strategies, but does not include the management tasks of implementing and control.
- D. is called "strategic planning."
- E. Both A and D are true statements.

114. Why can't marketing managers be satisfied just planning present activities?

- A. Markets are dynamic.
- B. Consumers' needs keep changing.
- C. The environment keeps changing.
- D. Competitors often change.
- E. All of the above are reasons.

115. The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called:

- A. management by objective.
- B. marketing programming.
- C. marketing strategy planning.
- D. strategic (management) planning.
- E. market planning.

116. _____ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

- A. Strategic (management) planning
- B. Target marketing
- C. Mass marketing
- D. Resource allocation
- E. Marketing control

117. "Marketing strategy planning" means:

- A. finding attractive opportunities and developing profitable marketing strategies.
- B. finding attractive opportunities and selecting a target market.
- C. selecting an attractive target market.
- D. selecting an attractive marketing mix.
- E. selecting a target market and developing a marketing strategy.

118. Marketing strategies

- A. enable marketing managers to be satisfied just planning present activities.
- B. ensure that every opportunity is good for every company.
- C. do not specify target markets and related marketing mixes.
- D. provide a limited picture of what a firm will do in some market.
- E. are not whole-company plans.

119. A marketing strategy

- A. specifies a target market and a related marketing mix.
- B. provides a focused but narrow picture of what a firm will do in some market.
- C. is a market-oriented, whole-company plan.
- D. includes two interrelated parts—product mix and product development.
- E. includes the marketing mix, but does not specify customers.

120. A marketing strategy specifies:

- A. a target market and a related marketing mix.
- B. all the company's resources.
- C. a target market.
- D. a target market and the company's objectives.
- E. a marketing mix.

121. A marketing strategy specifies:

- A. a marketing mix.
- B. a target market and a related marketing mix.
- C. a target market.
- D. the resources needed to implement a marketing mix.
- E. both A and D.

122. A marketing strategy consists of two interrelated parts. These are:

- A. selection of a target market and implementing the plan.
- B. selection of a target market and development of a marketing mix.
- C. selection and development of a marketing mix.
- D. finding attractive opportunities and developing a marketing mix.
- E. finding attractive opportunities and selecting a target market.

123. A target market and a related marketing mix make up a:

- A. Marketing plan.
- B. Marketing strategy.
- C. Marketing program.
- D. Marketing analysis.
- E. Marketing proposal.

124. Herbal Essences tries to sell its hair shampoos and conditioners to adult women, ages 18-24. These women represent Herbal Essences' primary:

- A. marketing strategy.
- B. 4Ps.
- C. target market.
- D. marketing mix.
- E. channel of distribution.

125. Target marketing, in contrast to mass marketing:

- A. Assumes all customers have the same needs.
- B. Assumes everyone is a potential customer.
- C. Focuses only on small market segments.
- D. Tailors a marketing mix to fit some specific group of customers.
- E. Makes it more likely that a firm will face direct competition.

126. The difference between target marketing and mass marketing is that target marketing

- A. means focusing on a small market.
- B. focuses on short-run objectives, while mass marketing focuses on long-run objectives.
- C. focuses on specific customers, while mass marketing aims at an entire market.
- D. does not rely on e-commerce but mass marketing does.
- E. aims at increased sales, while mass marketing focuses on increased profits.

127. "Target marketing," in contrast to "mass marketing,"

- A. ignores the need for the firm to obtain a competitive advantage.
- B. ignores markets that are large and spread out.
- C. is limited to small market segments.
- D. assumes that all customers are basically the same.
- E. None of the above is correct.

128. Target marketing

- A. is a production-oriented approach to marketing.
- B. is essentially the same as mass marketing.
- C. considers everyone to be a potential customer.
- D. assumes that everyone is the same.
- E. specifies some particular group of customers.

129. _____ assume(s) that everyone is the same—and consider(s) everyone to be a potential customer.

- A. Mass marketers
- B. Target marketing
- C. Mass marketing
- D. Target marketers
- E. Objective marketing

130. Marketing managers should view potential customers as

- A. all alike.
- B. all having the same needs.
- C. always wanting to meet needs in the same way.
- D. grouped into segments of similar consumers.
- E. different types, but all having the same characteristics.

131. Good marketing strategy planners know that:

- A. firms like Nabisco and Wal-Mart are too large to aim at clearly defined target markets.
- B. target marketing does not limit one to small market segments.
- C. mass marketing is often very desirable and effective.
- D. the terms "mass marketing" and "mass marketer" mean basically the same thing.
- E. target markets cannot be large and spread out.

132. Marketing strategy planners should recognize that:

- A. target markets should not be large and spread out.
- B. mass marketing is often very effective and desirable.
- C. large firms like General Electric, Target, and Procter & Gamble are too large to aim at clearly defined markets.
- D. target marketing is not limited to small market segments.
- E. the terms "mass marketing" and "mass marketers" mean essentially the same thing.

133. "Target marketing," in contrast to "mass marketing,"

- A. is limited to small market segments.
- B. assumes that all customers are basically the same.
- C. ignores markets that are large and spread out.
- D. focuses on fairly homogeneous market segments.
- E. All of the above.

134. Identify the incorrect statement regarding target marketing.

- A. Target marketing is not mass marketing.
- B. Mass marketers cannot do target marketing.
- C. Target marketing can mean big markets and profits.
- D. Marketing-oriented managers practice "target marketing."
- E. It aims at a marketing mix that is tailored to fit specific target customers.

135. The marketing mix

- A. includes four variables -- People, Place, Promotion, and Price.
- B. includes the target market.
- C. helps to organize the marketing strategy decision areas.
- D. includes four variables -- advertising, personal selling, customer service, and sales promotion.
- E. does not focus on target customers.

136. The "four Ps" of a marketing mix are:

- A. Production, Personnel, Price, and Physical Distribution
- B. Promotion, Production, Price, and People
- C. Potential customers, Product, Price, and Personal Selling
- D. Product, Price, Promotion, and Profit
- E. Product, Place, Promotion, and Price

137. A marketing mix consists of:

- A. policies, procedures, plans, and personnel.
- B. the customer and the "four Ps."
- C. all variables, controllable and uncontrollable.
- D. product, price, promotion, and price.
- E. none of the above.

138. A firm's "marketing mix" decision areas would NOT include:

- A. Promotion.
- B. People.
- C. Price.
- D. Product.
- E. Place.

139. A firm's "marketing mix" decision areas would NOT include:

- A. Price.
- B. Promotion.
- C. Product.
- D. Place.
- E. Profit.

140. Which of the following is NOT one of the four variables in a marketing mix?

- A. Price
- B. Product
- C. Promotion
- D. Payment
- E. Place

141. Which of the following is true?

- A. The product "P" in the marketing mix stands for only physical goods.
- B. The product "P" in the marketing mix stands for both physical goods and services.
- C. The product "P" in the marketing mix stands for only tangible merchandise.
- D. The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

142. "Product" is concerned with:

- A. branding.
- B. packaging and warranty.
- C. physical goods.
- D. services.
- E. all of the above might be involved.

143. "Product" is concerned with:

- A. branding and warranties.
- B. physical goods and/or services.
- C. packaging.
- D. developing the right new product for a market.
- E. all of the above might be involved.

144. "Product" is concerned with:

- A. services.
- B. developing products which will satisfy some customers' needs.
- C. designing, packaging, and branding new products.
- D. physical goods.
- E. All of the above might be involved.

145. "Product" is NOT concerned with:

- A. quality level.
- B. branding.
- C. wholesale price.
- D. packaging.
- E. warranty.

146. Which of the following is NOT a Product-area decision?

- A. Quality level.
- B. Market exposure.
- C. Instructions.
- D. Packaging.
- E. Branding.

147. Which of the following is NOT considered a product?

- A. Tax advice from a financial consultant.
- B. A computer.
- C. A haircut.
- D. A chair.
- E. All of the above are considered products.

148. Henry Ford told prospective customers of his Model T car, "You can have any color as long as it is black." Which aspect of the marketing mix was he stressing?

- A. Promotion
- B. Product
- C. Place
- D. Price

149. The packaging design for a new flavor of Ben & Jerry's ice cream is an aspect of which component of the marketing mix?

- A. Place
- B. Price
- C. Product
- D. Promotion

150. Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

- A. Price
- B. Target market
- C. Place
- D. Product
- E. Promotion

151. Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in its _____ strategy.

- A. pricing
- B. promotional
- C. personnel
- D. product
- E. placement

152. Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

- A. Product
- B. Place
- C. Promotion
- D. Price
- E. Personal selling.

153. When one considers the strategy decisions organized by the four Ps, branding is related to packaging as:

- A. branding is to pricing.
- B. production is to marketing.
- C. store location is to sales force selection.
- D. personal selling is to mass selling.
- E. pricing is to promotion.

154. A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of

- A. Product.
- B. Place.
- C. Promotion.
- D. Price.
- E. People.

155. The _____ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

- A. product
- B. people
- C. promotion
- D. price
- E. place

156. "Place" is concerned with:

- A. intermediaries.
- B. transporting.
- C. channel members.
- D. storing.
- E. all of the above might be involved.

157. "Place" is concerned with:

- A. getting the product to its intended market.
- B. intermediaries located between producers and consumers.
- C. where, when, and by whom goods are offered for sale.
- D. when and where products are wanted.
- E. all of the above might be involved.

158. "Place" is NOT concerned with:

- A. storing.
- B. intermediaries.
- C. transporting.
- D. channels of distribution.
- E. sales reps.

159. "Place" is NOT concerned with:

- A. who handles storing and transporting.
- B. when and where products are wanted.
- C. kinds of intermediaries needed to reach customers.
- D. telling the target market what products are available--and where.
- E. channels of distribution.

160. Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:

- A. Price.
- B. Promotion.
- C. Personnel.
- D. Product.
- E. Place.

161. Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

- A. Penetration
- B. Product
- C. Promotion
- D. Place
- E. Price

162. Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as:

- A. customer service.
- B. a packaging line.
- C. a production line.
- D. a channel of distribution.
- E. mass marketing.

163. A "channel of distribution":

- A. usually has three members--a manufacturer, a distributor, and a retailer.
- B. is any series of firms (or individuals) from producer to final user or consumer.
- C. should be as short as possible.
- D. is not involved if a firm sells directly from its own website to final customers.
- E. All of the above are true.

164. When Herbal Essences tries to get shelf space in Target and Walmart because young women frequently shop there for hair care products, this is an example of which of the 4Ps?

- A. Price
- B. Product
- C. Promotion
- D. Place

165. A detailed plan for handling transportation and storage of a new product that is now being distributed to wholesalers nationwide is an aspect of which part of the 4Ps?

- A. Place
- B. Product
- C. Promotion
- D. Price

166. An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

- A. there is no channel of distribution.
- B. there is no opportunity to apply target marketing.
- C. no promotion is involved.
- D. a production orientation is just as effective as a marketing orientation.
- E. None of the above is true.

167. The _____ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

- A. product
- B. place
- C. promotion
- D. price
- E. communication

168. "Promotion" may include:

- A. personal selling to channel members.
- B. point-of-purchase materials.
- C. mail-order selling.
- D. advertising on the Internet.
- E. all of the above.

169. "Promotion" includes:

- A. advertising.
- B. personal selling.
- C. sales promotion.
- D. publicity.
- E. All of the above.

170. Marketing strategy decisions concerning Promotion include decisions about

- A. packaging and branding.
- B. the kinds of intermediaries to use.
- C. training for salespeople.
- D. transporting and storing.
- E. discounts and allowances.

171. "Promotion" is NOT concerned with:

- A. creating billboard ads.
- B. designing new products.
- C. publicity.
- D. television commercials.
- E. personal selling.

172. Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

- A. Price
- B. Place
- C. Promotion
- D. Product
- E. All of the above

173. _____ is direct spoken communication between sellers and potential customers.

- A. Personal selling
- B. Sales promotion
- C. Advertising
- D. Publicity
- E. Mass selling

174. From the perspective of the four Ps, personal selling is to advertising as

- A. mass selling is to branding.
- B. Place is to Product.
- C. sales promotion is to pricing.
- D. warranties are to channel type.
- E. geographic terms are to price allowances.

175. _____ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Personal selling
- E. Customer service

176. Advertising is:

- A. the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
- B. direct communication between sellers and potential customers.
- C. any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
- D. the main form of publicity.
- E. All of the above.

177. A popular television show, The Unexpected, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through

- A. advertising.
- B. publicity.
- C. unethical means.
- D. personal selling.
- E. media hype.

178. Sales promotion:

- A. lets the salesperson adapt the firm's marketing mix to each potential customer.
- B. is the main form of advertising.
- C. tries to help the personal selling and mass selling people.
- D. is free.
- E. consists of both advertising and personal selling.

179. Catalogs, point-of-purchase materials, and free samples are all examples of:

- A. publicity.
- B. personal selling.
- C. sales promotion.
- D. advertising.
- E. none of the above.

180. Coupons, samples, and point-of-purchase materials are examples of

- A. advertising.
- B. publicity.
- C. specialty service.
- D. personal selling.
- E. sales promotion.

181. When Herbal Essences offers "dollar-off coupons" to adult women to try to get them to try its shampoos and conditioners, this is an example of:

- A. publicity.
- B. sales promotion.
- C. product development.
- D. market penetration.
- E. distribution.

182. Ford Motor Co. "loaned" new Fiestas to social trend setters who drove the cars as part of their Meals on Wheels responsibilities. When Ford asked them to write about their driving experiences on Facebook and Twitter, it was emphasizing which aspect of the 4Ps?

- A. Product
- B. Place
- C. Price
- D. Promotion

183. The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of

- A. advertising.
- B. publicity.
- C. sales promotion.
- D. a channel of distribution.
- E. media.

184. To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as

- A. advertising.
- B. publicity.
- C. sales promotion.
- D. personal selling.
- E. mass marketing.

185. When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a _____ strategy.

- A. price
- B. promotion
- C. personnel
- D. product
- E. place

186. "Price":

- A. is affected by the kind of competition in the target market.
- B. includes markups and discounts, but not allowances and freight charges.
- C. is not affected by customer reactions.
- D. is the most important part of a marketing mix.
- E. None of the above is true.

187. The Price area of the marketing mix:

- A. Requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
- B. Does not involve estimating consumer reaction to possible prices.
- C. Requires an understanding of discounts and allowances.
- D. Does not include the consideration of geographic terms in price setting.
- E. Both A and C.

188. When developing a marketing mix, a marketing manager should remember that:

- A. "Promotion" includes only personal selling and publicity.
- B. A channel of distribution includes at least one intermediary.
- C. "Price" includes markups, discounts, allowances, and geographic terms.
- D. "Product" includes physical goods but not services.
- E. All of the above are true.

189. When Ford Motor Co. introduced its Escape hybrid SUV, it offered a \$1,000 rebate as an incentive to attract new buyers. This was an example of which aspect of the marketing mix?

- A. Price
- B. Promotion
- C. Place
- D. Product

190. The most important variable in a firm's marketing mix is:

- A. Product.
- B. Price.
- C. Promotion.
- D. Place.
- E. None of the above--all contribute to one whole.

191. Which of the following statements about marketing mix variables is false?

- A. "Promotion" includes personal selling, mass selling, and sales promotion.
- B. The term "Product" refers to services as well as physical goods.
- C. A channel of distribution does not have to include any intermediaries.
- D. Generally speaking, "Price" is more important than "Place."
- E. The needs of a target market virtually determine the nature of an appropriate marketing mix.

192. An appropriate marketing mix should be determined PRIMARILY by

- A. what has worked for the company in the past.
- B. the needs of a target market.
- C. the budget available to spend.
- D. the past experiences of the marketing manager.
- E. what product the firm can produce with economies of scale.

193. Ideally, a good marketing mix should:

- A. be very similar to the marketing mix typically used by key competitors.
- B. be determined by which marketing mix costs the least.
- C. not include much advertising because it's expensive and usually isn't very effective.
- D. flow logically from all the relevant dimensions of a target market.
- E. All of the above are true.

194. The text's "Toddler University" example shows that:

- A. parents are not price sensitive when it comes to assuring that their kids will get a good college education.
- B. the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. in the long run, a firm cannot make a profit without its own production facilities.
- E. All of the above are true.

195. The text's "Toddler University" example shows that:

- A. no mass market exists for general-purpose baby shoes.
- B. the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. no target market exists for high-quality baby shoes.
- E. All of the above are true.

196. The text's Toddler University example shows that TU's marketing plan included:

- A. A detailed description of the marketing mix to be offered.
- B. A description of the resources required to carry out the plan.
- C. Expected results of the plan.
- D. Control procedures.
- E. All of the above.

197. The main difference between a "marketing strategy" and a "marketing plan" is that:

- A. time-related details are included in a marketing plan.
- B. a marketing plan includes several marketing strategies.
- C. a marketing strategy provides more detail.
- D. a marketing strategy omits pricing plans.
- E. a marketing plan does not include a target market.

198. A "marketing plan" is:

- A. a marketing program.
- B. a marketing strategy.
- C. a marketing strategy--plus the time-related details for carrying it out.
- D. a target market and a related marketing mix.
- E. a plan that contains the necessary operational decisions.

199. A "marketing plan":

- A. is just another terms for "marketing strategy."
- B. consists of several "marketing programs."
- C. includes the time-related details for carrying out a marketing strategy.
- D. is a strategy without all the operational decisions.
- E. ignores implementation and control details.

200. A "marketing plan" should include:

- A. some control procedures.
- B. what company resources will be needed--at what rate.
- C. what marketing mix is to be offered to whom--and for how long.
- D. what sales and profit results are expected.
- E. all of the above.

201. Which of the following is part of a complete marketing plan?

- A. Competitors' marketing strategies.
- B. What company resources (costs) are required and at what rate.
- C. How different marketing mixes (for different target markets) relate to each other.
- D. All of the above.
- E. None of the above.

202. Which of the following would probably NOT be in a proposed marketing plan?

- A. A list of what company resources (costs) would be required.
- B. A statement of how frequently the design of the website will be changed.
- C. Expected sales and profit results.
- D. A description of the target market and marketing mix.
- E. All of the above would normally be part of a marketing plan.

203. Which of the following is NOT included in a marketing plan?

- A. The control procedures to be used
- B. The costs involved
- C. The results expected
- D. What marketing mix is to be offered
- E. All of the above should be included.

204. _____ refers to putting marketing plans into operation.

- A. Delivery
- B. Implementation
- C. Operational planning
- D. Strategy planning
- E. Control

205. Short-run decisions to help implement strategies are best known as

- A. actionable items.
- B. strategic decisions.
- C. marketing plans.
- D. operational decisions.
- E. dependencies.

206. Managers should make operational decisions

- A. within the guidelines set down during strategy planning.
- B. with great care as these decisions are the same as strategic decisions.
- C. for the long-run to help formulate strategic plans.
- D. keeping in mind that these decisions should always lead to changes in the basic strategy.
- E. on a month-to-month basis and never daily or weekly.

207. Which of the following statements about operational decisions is FALSE?

- A. They help to carry out a marketing strategy.
- B. They are short-run decisions.
- C. They are part of the implementation process.
- D. They usually require ongoing changes in the basic strategy to be effective.
- E. None of the above is FALSE.

208. Which of the following statements is a strategy decision, rather than an operational decision?

- A. "We will change the colors of our selection of shirts at the end of the season."
- B. "We will cut prices as needed to in order to protect our market share."
- C. "We will increase the number of training sessions for new sales associates from two to three."
- D. "We will hire a merchandising specialist this month to help remodel our older stores."
- E. "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

209. Which of the following statements by a marketing manager refers to operational decisions, rather than strategy decisions?

- A. "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
- B. "Newspaper ads will be more cost effective than 30 second radio ads--given the price increase for radio this month."
- C. "We hope to earn a 15 percent return on investment with our plan."
- D. All of the above.
- E. None of the above.

210. Which of the following is an operational decision--rather than a strategy decision?

- A. A decision to seek distribution only through the best retailers.
- B. Selection of a specific target market.
- C. A decision to maintain a "one price" policy.
- D. Selection of a specific cable TV channel on which to advertise.
- E. All of the above are good examples of operational decisions.

211. Which of the following is an example of an operational decision?

- A. Focus promotion on the economy of the product.
- B. Make the product available in every possible retail outlet.
- C. Have a salesperson visit the manager of a new hardware store that will open next week.
- D. Set a price that is no higher than competitors' prices.
- E. None of the above is an operational decision.

212. Which of the following would NOT require an operational decision for a leading hair color manufacturer?

- A. Solicit orders from any new, financially attractive, salons.
- B. Drop colors that are losing appeal.
- C. Create a fresh ad for each Sunday newspaper.
- D. Set a competitive price if a primary competitor offers a special discount.
- E. Promote the fair price and satisfactory quality of the product.

213. Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

- A. People
- B. Place
- C. Promotion
- D. Price
- E. Product

214. One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

- A. Product
- B. Place
- C. Promotion
- D. Price
- E. People

215. When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent

- A. operational decisions in the product decision area.
- B. strategy policies in the place area.
- C. strategy policies in the product area.
- D. operational decisions in the place area.
- E. strategy policies in the promotion area.

216. A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of

- A. product.
- B. place.
- C. promotion.
- D. price.
- E. people.

217. A "marketing program":

- A. blends all of a firm's marketing plans into one big plan.
- B. is a description of a firm's marketing mix.
- C. is a detailed plan of how to implement a strategy.
- D. is a marketing strategy plus the time-related details.
- E. None of the above.

218. A "marketing program":

- A. is another name for a particular marketing mix.
- B. blends several different marketing plans.
- C. consists of a target market and the marketing mix.
- D. is primarily concerned with all of the details of implementing a marketing plan.
- E. must be set before a target market can be selected.

219. Which of the following blends all of the firm's marketing plans into one big plan?

- A. Marketing program.
- B. Marketing mix.
- C. Marketing statement.
- D. Marketing overview.
- E. None of the above.

220. Customer equity

- A. focuses on the costs of acquiring new customers rather than on increasing revenues from current customers.
- B. is basically a historical measure of how profitable a firm has been in the past.
- C. is a concept that applies to firms that target final consumers but not to firms that target business customers.
- D. will increase if a firm increases its market share with a particular strategy.
- E. is the expected earnings stream of a firm's current and prospective customers over some time period.

221. _____ is the expected earnings stream of a firm's current and prospective customers over some period of time.

- A. Profit
- B. Earnings
- C. Operating profit
- D. Customer equity
- E. Net value

222. Customer equity

- A. is of concern to top management, but not very relevant in planning a particular marketing strategy.
- B. takes the perspective of the owners of (investors in) a firm.
- C. always increases over time, at least as long as a firm can stay in business.
- D. is important to marketing managers but of little interest to investors.
- E. increases as long as the number of customers that a firm serves increases over time.

223. Customer equity is

- A. simply the financial result achieved by a single marketing strategy.
- B. the total difference between the benefits of a firm's whole marketing program and total costs of obtaining those benefits, as the group of target customers sees it.
- C. increased when a firm is able to increase the earnings stream expected from current or prospective customers.
- D. decreased whenever the firm's costs of offering a marketing mix increase.
- E. the difference between the benefits of a firm's marketing mix and the cost of obtaining those benefits--as a particular customer sees it.

224. Which of the following is NOT a reason the marketing program should build customer equity?

- A. Marketing strategies do not contribute to customer equity.
- B. Expected profits depend on customer equity.
- C. Owners expect financial returns.
- D. Profit growth comes from customers.
- E. Customers are the source of revenue.

225. Which of the following is *most* likely to increase a firm's customer equity?

- A. The firm offers a more costly marketing mix that attracts more customers.
- B. The firm offers customer value that is at least as good as what is offered by competitors.
- C. The lifetime value of the firm's individual customers increases.
- D. The competition in the firm's market increases.
- E. The firm cuts costs by reducing promotion efforts.

226. ____ is the difference between the firm's revenues (total dollar sales) and the total costs it runs up to make those sales.

- A. Customer equity
- B. Profit
- C. Net worth
- D. Lifetime customer value
- E. A premium price

227. The customer equity concept

- A. encourages a manager to consider both the costs and the revenue from a marketing strategy.
- B. recognizes that customers are satisfied at a cost--and it is basically an estimate of a firm's future earnings.
- C. applies even to firms that pursue several different strategies.
- D. focuses on earnings as well as sales.
- E. all of the above.

228. Which of the following statements about customer equity is FALSE?

- A. Expected losses depend on customer equity.
- B. If the parts of a firm's marketing program work well together, it should increase the firm's customer equity.
- C. Expected profits depend on customer equity.
- D. If a firm has more than one marketing strategy, it will likely decrease the firm's customer equity.
- E. None of the above is false.

229. The text's discussion of Ford's marketing strategy highlights the fact that:

- A. it's not wise for managers to just define a business in terms of the products they currently produce or sell.
- B. there is little alternative but to stick with the traditional promotion channels for a product.
- C. most consumers see basic products--like cars--as close substitutes for each other.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

230. The text's discussion of Ford's marketing strategy highlights the fact that:

- A. creative strategy planning is needed for survival.
- B. there is little alternative but to stick with the traditional promotion channels for a product.
- C. most consumers want only established products.
- D. once a firm reaches a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

231. The auto industry example in the text serves to illustrate that:

- A. good implementation and control is usually more important than good planning.
- B. there are a limited number of potential target markets.
- C. an effective marketing strategy guarantees future success.
- D. consumers want only established products.
- E. a successful strategy often involves a marketing mix that is very different from what competitors have offered.

232. It's best to think of "breakthrough opportunities" as opportunities which:

- A. appeal to the mass market.
- B. will quickly create a whole new industry of firms competing with similar marketing mixes.
- C. help innovators develop hard-to-copy marketing mixes.
- D. increase sales.
- E. All of the above.

233. A breakthrough opportunity

- A. is an opportunity that gives a firm some sort of competitive advantage.
- B. can usually be achieved by copying the "best practices" of other firms that sell similar products.
- C. is one that helps an innovator develop a hard-to-copy marketing strategy that will be very profitable for a long time.
- D. is one that requires the firm to "breakthrough" its current resource limitations to obtain a new type of competitive advantage.
- E. is usually achieved by making better operational decisions.

234. _____ help(s) innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

- A. Opportunity segments
- B. Competitive decisions
- C. Breakthrough opportunities
- D. Competitive marketing
- E. Operational decisions

235. Which of the following best illustrates a "breakthrough opportunity?"

- A. A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.
- B. A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
- C. A bank puts its credit card machines in convenient drive-up locations--so they will be more convenient for customers.
- D. A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.
- E. A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

236. Which of the following would be likely to help you develop a "breakthrough opportunity?"

- A. A two-month advantage over competitors in introducing a new product.
- B. An idea for a new website animation that will attract consumer attention.
- C. Accurate marketing research information about how much of a planned product the target market is likely to buy.
- D. All of the above.
- E. None of the above.

237. Which of the following could be a "breakthrough opportunity?"

- A. A unique technical invention that competitors could not legally copy.
- B. A contract with the best intermediaries to reach your market--ensuring that they will handle your product and no competitors' offerings.
- C. A head start in a market so you can win target customers who will be really loyal to your firm and its offering.
- D. All of the above.
- E. None of the above.

238. A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as:

- A. Diversification.
- B. Market development.
- C. A breakthrough opportunity.
- D. "Hit-or-miss" marketing.
- E. Market penetration.

239. _____ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

- A. Competitive advantage
- B. Strategic policy
- C. Customer equity
- D. Comparative opportunity
- E. Market development

240. "Breakthrough opportunities" are opportunities that:

- A. help innovators develop hard-to-copy marketing strategies.
- B. may be turned into marketing strategies that will be profitable for a long time.
- C. help the firm develop a "competitive advantage."
- D. help a firm satisfy customers better than some competitor.
- E. All of the above.

241. Breakthrough opportunities:

- A. are so rare that they should be pursued even when they do not match the firm's resources and objectives.
- B. seldom occur within or close to a firm's present markets.
- C. are especially important in our increasingly competitive markets.
- D. are those that a firm's competitors can copy quickly.
- E. are best achieved by trying to hold onto a firm's current market share.

242. Which of the following statements regarding marketing strategies is FALSE?

- A. It is useful to think of the marketing strategy planning process as a narrowing-down process.
- B. These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
- C. Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
- D. These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
- E. Most companies implement more than one marketing strategy and related marketing plan at the same time.

243. The text's discussion of "hit-or-miss" marketing suggests that
- A. firms that don't spend more on marketing than their competitors are likely to fail.
 - B. managers who seek big breakthroughs, rather than going after easier to achieve marketing opportunities, face big risks and are likely to fail.
 - C. it is fairly common for marketing efforts to turn out poorly, so to avoid that fate and get better than average results, a good manager needs to use a logical process for marketing strategy planning.
 - D. getting good marketing results is really quite easy as long as the marketing manager focuses on the 4Ps.
 - E. all of the above are good answers.

244. Developing a set of specific qualitative and quantitative screening criteria
- A. increases the different opportunities—and strategy possibilities—in the market.
 - B. can make it difficult to zero in on the best target market and marketing mix.
 - C. cannot help eliminate potential strategies that are not well suited for the firm.
 - D. can help a manager define what business and markets the firm wants to compete in.
 - E. highlights advantages of a strategy but does not make it clear why you should select that strategy.

245. _____ means that the marketing mix is distinct from and better than what is available from a competitor.
- A. Operational
 - B. Visible
 - C. Differentiation
 - D. Competitive
 - E. None of the above is correct

246. Differentiation of a firm's marketing mix:
- A. Means the firm's marketing mix is hard to distinguish from a competitor.
 - B. May provide the firm with a competitive advantage in the marketplace.
 - C. Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
 - D. Is usually not necessary in order for the firm to succeed.
 - E. None of the above.

247. Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market.

- A. similarity
- B. uniqueness
- C. unsuitability
- D. willingness
- E. none of the above

248. Differentiation means that

- A. the firm should aim its efforts at a target market that is different from a target market that a competitor would find attractive.
- B. a firm's marketing mix is distinct from and better than what is available from a competitor.
- C. a firm uses its resources in a different way than competitors use their resources.
- D. a firm should screen out opportunities using different criteria than those used by other firms.
- E. when a firm's marketing strategy is not going well it should change to a different set of operational decisions.

249. Differentiation

- A. helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
- B. means that the marketing mix is similar to what is available from a competitor.
- C. often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.
- D. is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.
- E. can only be based on one important element of the marketing mix.

250. A S.W.O.T. analysis includes:

- A. strengths.
- B. weaknesses.
- C. opportunities.
- D. threats.
- E. all of the above.

251. Which of the following statements about S.W.O.T. analysis is true?

- A. It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
- B. S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
- C. It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
- D. It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
- E. All of the above are true statements.

252. A S.W.O.T. analysis

- A. seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
- B. is not necessary if competitors have already entered the market.
- C. defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
- D. should help a manager develop a strategy that leads to a competitive advantage.
- E. None of the above is a good answer.

253. A S.W.O.T. analysis can help a marketing manager:

- A. define what business and markets the firm wants to compete in.
- B. narrow down to a specific target market and marketing mix from the many alternatives available.
- C. see the pros and cons of different possible strategies.
- D. develop a competitive advantage.
- E. all of the above.

254. A S.W.O.T. analysis

- A. focuses on what a firm plans to do to "Satisfy Wishes Of a Target" customer.
- B. summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
- C. helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
- D. identifies a firm's "strengths, weaknesses, opportunities, and threats."
- E. seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

255. In which quadrant of the SWOT analysis tool does the following fit? A firm has adequate resources.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

256. In which quadrant of the SWOT analysis tool does the following fit? A firm is in a fast-growing industry.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

257. In which quadrant of the SWOT analysis tool does the following fit? A firm is vulnerable to recession.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

258. In which quadrant of the SWOT analysis tool does the following fit? A firm is falling behind in research and development.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

259. _____ means trying to increase sales of a firm's present products in its present markets.

- A. Product development
- B. Market penetration
- C. Market development
- D. Mass marketing
- E. Diversification

260. _____ means trying to increase sales of a firm's present products in its present markets.

- A. Differentiation
- B. Product development
- C. Market development
- D. Diversification
- E. Market penetration

261. When Colgate encourages its current customers to brush more often by taking their toothbrush and toothpaste to work with them, which market opportunity is Colgate pursuing?

- A. Market development
- B. Product development
- C. Diversification
- D. Market penetration

262. Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

- A. diversification.
- B. market penetration.
- C. product development.
- D. mass marketing.
- E. market development.

263. Tropicana is trying to get its customers to drink orange juice more often with ads that say "It's not just for breakfast anymore." What type of opportunity is the company pursuing?

- A. Market penetration
- B. Diversification
- C. Market development
- D. Product development
- E. Mass marketing

264. Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

- A. Market penetration
- B. Product development
- C. Market development
- D. Mass marketing
- E. Diversification

265. If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a _____ opportunity.

- A. diversification
- B. market penetration
- C. product development
- D. mass marketing
- E. market development

266. Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:

- A. Market development.
- B. Product development.
- C. Diversification.
- D. Market penetration.
- E. Mass marketing.

267. Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:

- A. Market penetration.
- B. Differentiation.
- C. Product development.
- D. Diversification.
- E. Market development.

268. When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:

- A. Product development.
- B. Screening opportunities.
- C. Mass marketing.
- D. Differentiation.
- E. Market penetration.

269. _____ means trying to increase sales by selling present products in new markets.

- A. Differentiation
- B. Market development
- C. Product development
- D. Diversification
- E. Market penetration

270. When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. product development.
- B. diversification.
- C. market penetration.
- D. mass marketing.
- E. market development.

271. When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. market integration.

272. When a company expands globally, this is an example of:

- A. Market development.
- B. Product development.
- C. Diversification.
- D. Market penetration.
- E. Mass marketing.

273. When AT&T advertises in THE WALL STREET JOURNAL that smart phones using its technology can make calls from more than 200 countries in the world, which market opportunity is AT&T pursuing?

- A. Market penetration
- B. Product development
- C. Diversification
- D. Market development

274. The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

- A. product development.
- B. diversification.
- C. market penetration.
- D. market development.

275. An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during week days. This effort to get new customers for the available facility is an example of

- A. a production orientation.
- B. product development.
- C. market development.
- D. diversification.
- E. market penetration.

276. Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

- A. Market development
- B. Diversification
- C. Product development
- D. Market penetration
- E. None of the above

277. Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a _____ opportunity.

- A. market development
- B. market penetration
- C. target marketing
- D. product development
- E. mass marketing

278. A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores--to reach nonhobbyists who might be interested in pretty flowers. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

279. GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores--to reach consumers who don't like to buy without first seeing the item in person. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

280. An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

281. E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

- A. market penetration.
- B. differentiation.
- C. product development.
- D. market development.
- E. diversification.

282. BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

- A. Product development.
- B. Market development.
- C. Differentiation.
- D. Market penetration.
- E. Diversification.

283. In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a _____ opportunity.

- A. diversification
- B. market penetration
- C. product development
- D. mass marketing
- E. market development

284. ____ refers to offering new or improved products for present markets.

- A. Diversification
- B. Market development
- C. Differentiation
- D. Market penetration
- E. Product development

285. When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

- A. mass marketing.
- B. product development.
- C. market penetration.
- D. diversification.
- E. market development.

286. If Wendy's decides to test market a hot dog in several stores to determine if it can make more profit from this menu item than from a "Wendy's single," which market opportunity is Wendy's pursuing?

- A. Diversification
- B. Market development
- C. Market penetration
- D. Product development

287. To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at:

- A. combination.
- B. market penetration.
- C. market development.
- D. product development.
- E. diversification.

288. A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

289. Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing _____.

- A. marketing myopia
- B. mass marketing
- C. product development
- D. market development
- E. diversification

290. Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing _____.

- A. marketing myopia
- B. mass marketing
- C. product development
- D. market development
- E. diversification

291. Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a _____ opportunity.

- A. market penetration
- B. market development
- C. product development
- D. diversification
- E. breakthrough

292. Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example of:

- A. Product development
- B. Market development
- C. Diversification
- D. Market penetration
- E. None of the above are correct.

293. In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?

- A. Channel penetration.
- B. Diversification.
- C. Product development.
- D. Market development.
- E. Market penetration.

294. Zippo is pursuing _____ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.

- A. market penetration
- B. market development
- C. product development
- D. diversification
- E. channeling

295. Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features which no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

296. To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills--adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a _____ opportunity.

- A. combiner
- B. market development
- C. product development
- D. diversification
- E. market penetration

297. Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at

- A. market penetration.
- B. diversification.
- C. market development.
- D. product development.
- E. They will look at all opportunities equally.

298. _____ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

- A. Diversification
- B. Market development
- C. Product development
- D. Differentiation
- E. Market penetration

299. When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:

- A. diversification.
- B. product development.
- C. market development.
- D. market penetration.
- E. All of the above.

300. When Sony Corp., an electronics producer, purchased the Pebble Beach golf course in California, it was pursuing what type of opportunity?

- A. Diversification
- B. Market development
- C. Market penetration
- D. Product development

301. Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of:

- A. Diversification
- B. Market development
- C. Product penetration
- D. Differentiation
- E. Market penetration

302. A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing

- A. market development.
- B. diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

303. Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a _____ opportunity.

- A. combiner
- B. product development
- C. market development
- D. market penetration
- E. diversification

304. A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of

- A. market development.
- B. diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

305. If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a _____ opportunity.

- A. market development
- B. diversification
- C. market penetration
- D. product development
- E. None of the above

306. The most risky and challenging opportunities usually involve:

- A. market development.
- B. product development.
- C. diversification.
- D. market penetration.
- E. all of the above are similar in terms of risk.

307. The most risky types of marketing opportunity to pursue usually involve

- A. market development.
- B. market penetration.
- C. diversification.
- D. product development.
- E. All of the above are equally risky.

308. Because companies are likely to be most familiar with their own operations, _____ opportunities are usually the easiest to pursue.

- A. market penetration
- B. product development
- C. market development
- D. diversification
- E. All of the above are equally easy.

309. Which of the following statements is True regarding international opportunities in marketing?

- A. There is no need to consider international opportunities when the domestic market is prosperous.
- B. International trade is decreasing worldwide.
- C. A product with slow sales growth in a domestic market may experience faster growth in another country.
- D. Only large firms can engage in international marketing.
- E. All of the above.

310. All of the following are reasons why international opportunities should be considered by managers, EXCEPT

- A. the world is getting smaller.
- B. serving international markets may improve economies of scale.
- C. favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
- D. around the world, potential customers have needs and money to spend.
- E. it helps to develop a competitive advantage at home and abroad.

Chapter 02 Marketing Strategy Planning **Answer Key**

True / False Questions

1. (p. 32) Planning, implementation, and control are basic jobs of all managers.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-01 understand what a marketing manager does.

2. (p. 32) The three basic jobs in the marketing management process are planning, implementation, and control.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-01 understand what a marketing manager does.

Chapter 02 - Marketing Strategy Planning

3. (p. 32) The marketing management process consists of (1) planning marketing activities, (2) directing the implementation of the plans, and (3) controlling these plans.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-01 understand what a marketing manager does.

4. (p. 33) Strategic planning is a top management job that includes planning only for marketing.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

5. (p. 33) Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

6. (p. 33) Strategic (management) planning is a managerial process of developing and maintaining a match between the resources of the production department and its product opportunities.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Chapter 02 - Marketing Strategy Planning

7. (p. 33) Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

8. (p. 33) Marketing strategy planning is the process of deciding how best to sell the products the firm produces.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

9. (p. 33) A marketing strategy specifies a target market and a related marketing mix.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

10. (p. 33) A marketing strategy is composed of two interrelated parts--a target market and a marketing mix.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Chapter 02 - Marketing Strategy Planning

11. (p. 33) A marketing strategy is composed of two interrelated parts--planning and implementation.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

12. (p. 33) The two parts of a marketing strategy are an attractive opportunity and a target market.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

13. (p. 33) A target market consists of a group of consumers who are usually quite different.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

14. (p. 33) A marketing mix consists of the uncontrollable variables which a company puts together to satisfy a target market.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

15. (p. 34) Target marketing aims a marketing mix at some specific target customers.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

16. (p. 34) Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

17. (p. 34) The mass marketing approach is more production-oriented than marketing-oriented.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

18. (p. 35) The terms mass marketing and mass marketers mean the same thing.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

Chapter 02 - Marketing Strategy Planning

19. (p. 35) The problem with target marketing is that it limits the firm to small market segments.

FALSE

*AACSB: Analytic
Bloom's: Comprehension
Difficulty: Easy
Learning Objective: 02-03 understand target marketing.*

20. (p. 35,49) Potential customers are all alike.

FALSE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-03 understand target marketing.
Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.*

21. (p. 35) "Mass marketers" like Target usually try to aim at clearly defined target markets.

TRUE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-03 understand target marketing.*

22. (p. 35) The four "Ps" are: Product, Promotion, Price, and Personnel.

FALSE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.*

Chapter 02 - Marketing Strategy Planning

23. (p. 35-36) The "four Ps" of the marketing mix are Product, Position, Promotion, and Price.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

24. (p. 35-36) The "four Ps" of the marketing mix are People, Products, Price, and Promotion.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

25. (p. 35-36) Product, Place, Promotion and Price are the four major variables (decision areas) in a firm's marketing mix.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

26. (p. 36) The customer is a part of the marketing mix and should be the target of all marketing efforts.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

27. (p. 36) Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

TRUE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.*

28. (p. 36) The customer should not be considered part of a "marketing mix."

TRUE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.*

29. (p. 36) The Product area is concerned with developing the right physical good, service, or blend of both for the target market.

TRUE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.*

30. (p. 36) According to the text, a firm that sells a service rather than a physical good does not have a product.

FALSE

*AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.*

Chapter 02 - Marketing Strategy Planning

31. (p. 36) The Product area of the marketing mix may involve a service and/or a physical good which satisfies some customers' needs.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

32. (p. 36) The Place decisions are concerned with getting the right product to the target market at the right time.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

33. (p. 36) Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

34. (p. 36) A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

35. (p. 36-37) A channel of distribution must include an intermediary.

FALSE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

36. (p. 36-37) A channel of distribution must include several kinds of intermediaries and collaborators.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

37. (p. 37) Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

38. (p. 37-38) Promotion is composed of personal selling, advertising, publicity, and sales promotion.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

39. (p. 37-38) Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

FALSE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

40. (p. 38) Customer service is needed when a customer wants the seller to resolve a problem with a purchase.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

41. (p. 38) Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

42. (p. 38) Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

43. (p. 38) Sales promotion refers to those promotion activities—other than advertising, publicity, and personal selling—that stimulate interest, trial, or purchase by final customers or others in the channel.

TRUE

AACSB: Analytic
AACSB: Reflective Thinking
Bloom's: Knowledge
Difficulty: Medium
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

44. (p. 38) Personal selling and advertising are both forms of sales promotion.

FALSE

AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

45. (p. 38) According to the text, Promotion is the most important of the "four Ps."

FALSE

AACSB: Reflective Thinking
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

46. (p. 38) In general, no single element of the "four Ps" is more important than the others.

TRUE

AACSB: Reflective Thinking
Bloom's: Synthesis
Difficulty: Easy
Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

47. (p. 38) Price is the most important of the four Ps.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

48. (p. 38) The marketing mix should be set before the best target market is selected.

FALSE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

49. (p. 39) As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

50. (p. 40) A marketing plan and a marketing strategy mean the same thing.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

51. (p. 40) A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

52. (p. 40) A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

53. (p. 40) Implementation means putting the marketing plan into operation.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

54. (p. 40-41) Short-run decisions that stay within the overall guidelines set during strategy planning are called implementation decisions.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

55. (p. 40-41) Marketing strategy planning should specify all of the operational decisions to implement the plan.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

56. (p. 41) Companies such as Campbell's can only implement one marketing strategy at a time.

FALSE

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

57. (p. 42) Most companies implement only one marketing strategy at a time.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

58. (p. 42) A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

59. (p. 42) A "marketing program" blends all of a firm's marketing plans into one "big" plan.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

60. (p. 42) A marketing program may consist of several marketing plans.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

61. (p. 42) A successful marketing program benefits the firm by increasing customer equity.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

62. (p. 42) A marketing program should lower customer equity.

FALSE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

63. (p. 43) One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

64. (p. 43) One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

65. (p. 43) The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

66. (p. 44) An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.

TRUE

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

Chapter 02 - Marketing Strategy Planning

67. (p. 44-46) The U.S. auto industry has become much more marketing-oriented since Henry Ford introduced the Model T.

TRUE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

68. (p. 45) Many U.S. auto makers have failed because they were not marketing oriented.

TRUE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

69. (p. 45-46) Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.

TRUE

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

70. (p. 46) The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

71. (p. 46) Attractive opportunities for a particular firm are those that the firm has some chance of doing something about--given its resources and objectives.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

72. (p. 46) Attractive opportunities are those that the firm has some chance of doing something about given its resources and objectives

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

73. (p. 46) A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

74. (p. 46) "Breakthrough opportunities" are ones that help innovators develop hard-to-copy marketing strategies that will be profitable for a long time.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

Chapter 02 - Marketing Strategy Planning

75. (p. 47) A firm with a "competitive advantage" has a marketing mix that the target market sees as better than a competitor's mix.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

76. (p. 47) Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

77. (p. 47-48) There are usually more different strategy possibilities than a firm can pursue.

TRUE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

78. (p. 48) It is useful to think of the marketing strategy planning process as a narrowing-down process.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

Chapter 02 - Marketing Strategy Planning

79. (p. 48) The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

80. (p. 48) Developing a set of specific qualitative and quantitative screening criteria can help a manager define what business and markets the firm wants to compete in.

TRUE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

81. (p. 48) Segmentation is the process a manager goes through to decide which subgroups of customers to select.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

82. (p. 48) Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

Chapter 02 - Marketing Strategy Planning

83. (p. 48) Differentiation means that the firm's marketing mix is similar to its competitors' mixes.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

84. (p. 48) Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

85. (p. 48) Differentiation emphasizes uniqueness rather than similarity.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

86. (p. 48) Differentiation emphasizes similarity rather than uniqueness.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

87. (p. 49) A S.W.O.T. analysis is one way to zero in on a marketing strategy that is well-suited to the firm.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

88. (p. 49) A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

89. (p. 49) S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

90. (p. 49) A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

Chapter 02 - Marketing Strategy Planning

91. (p. 49) The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities and threats"

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

92. (p. 49) The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

93. (p. 50) Marketing opportunities involving present products and present markets are called "market penetration" opportunities.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

94. (p. 50) Market penetration means trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

95. (p. 50) A firm which tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

96. (p. 50) A "market development" opportunity would involve a firm offering new or improved products to its present markets.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

97. (p. 51) When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

98. (p. 51) Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

FALSE

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

99. (p. 51) The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

100. (p. 51) When Cadillac added a new sport utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

101. (p. 51) If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

102. (p. 51) Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.

TRUE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

103. (p. 51) The least risky--but most challenging--marketing opportunities are diversification opportunities.

FALSE

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

104. (p. 51) Often, attractive opportunities are fairly close to markets the firm already knows.

TRUE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

105. (p. 51) When it comes to choosing among different types of opportunities, most firms tend to be production-oriented and usually think first of diversification.

FALSE

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

106. (p. 52) If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.

TRUE

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

107. (p. 52) Unfavorable trends in the domestic marketing environment may make the international marketing environment very attractive.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

108. (p. 53) International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.

TRUE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

109. (p. 53) Marketing managers almost always find that opportunities in international markets are less profitable than in domestic markets.

FALSE

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

Multiple Choice Questions

110. (p. 32) The three basic tasks of ALL managers, according to the text, are:
- A. planning, staffing, and evaluating.
 - B. marketing, production, and finance.
 - C. execution, feedback, and control.
 - D. hiring, training, and compensating.
 - E.** planning, implementation, and control.

AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-01 understand what a marketing manager does.

111. (p. 32) Which of the following is one of three basic marketing management jobs?
- A. To direct the implementation of plans
 - B. To control the plans in actual operation
 - C. To plan marketing activities
 - D.** All of the above

AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-01 understand what a marketing manager does.

112. (p. 32) The marketing management process is the process of:
- A. Planning marketing activities.
 - B. Implementing marketing plans.
 - C. Controlling marketing plans.
 - D.** All of the above.
 - E. None of the above.

AACSB: Analytic
Bloom's: Knowledge
Difficulty: Easy
Learning Objective: 02-01 understand what a marketing manager does.

113. (p. 32) The marketing management process:

- A.** includes the on-going job of planning marketing activities.
- B. is mainly concerned with obtaining continuous customer feedback.
- C. involves finding opportunities and planning marketing strategies, but does not include the management tasks of implementing and control.
- D. is called "strategic planning."
- E. Both A and D are true statements.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-01 understand what a marketing manager does.

114. (p. 32-33) Why can't marketing managers be satisfied just planning present activities?

- A. Markets are dynamic.
- B. Consumers' needs keep changing.
- C. The environment keeps changing.
- D. Competitors often change.
- E.** All of the above are reasons.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-01 understand what a marketing manager does.

115. (p. 33) The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called:

- A. management by objective.
- B. marketing programming.
- C. marketing strategy planning.
- D.** strategic (management) planning.
- E. market planning.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

116. (p. 33) _____ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

- A. Strategic (management) planning
- B. Target marketing
- C. Mass marketing
- D. Resource allocation
- E. Marketing control

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

117. (p. 33) "Marketing strategy planning" means:

- A. finding attractive opportunities and developing profitable marketing strategies.
- B. finding attractive opportunities and selecting a target market.
- C. selecting an attractive target market.
- D. selecting an attractive marketing mix.
- E. selecting a target market and developing a marketing strategy.

AACSB: Analytic

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

118. (p. 33) Marketing strategies

- A. enable marketing managers to be satisfied just planning present activities.
- B. ensure that every opportunity is good for every company.
- C. do not specify target markets and related marketing mixes.
- D. provide a limited picture of what a firm will do in some market.
- E. are not whole-company plans.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Chapter 02 - Marketing Strategy Planning

119. (p. 33) A marketing strategy

- A.** specifies a target market and a related marketing mix.
- B. provides a focused but narrow picture of what a firm will do in some market.
- C. is a market-oriented, whole-company plan.
- D. includes two interrelated parts—product mix and product development.
- E. includes the marketing mix, but does not specify customers.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

120. (p. 33) A marketing strategy specifies:

- A.** a target market and a related marketing mix.
- B. all the company's resources.
- C. a target market.
- D. a target market and the company's objectives.
- E. a marketing mix.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

121. (p. 33) A marketing strategy specifies:

- A. a marketing mix.
- B.** a target market and a related marketing mix.
- C. a target market.
- D. the resources needed to implement a marketing mix.
- E. both A and D.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

Chapter 02 - Marketing Strategy Planning

122. (p. 33) A marketing strategy consists of two interrelated parts. These are:

- A. selection of a target market and implementing the plan.
- B.** selection of a target market and development of a marketing mix.
- C. selection and development of a marketing mix.
- D. finding attractive opportunities and developing a marketing mix.
- E. finding attractive opportunities and selecting a target market.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

123. (p. 33) A target market and a related marketing mix make up a:

- A. Marketing plan.
- B.** Marketing strategy.
- C. Marketing program.
- D. Marketing analysis.
- E. Marketing proposal.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

124. (p. 34) Herbal Essences tries to sell its hair shampoos and conditioners to adult women, ages 18-24. These women represent Herbal Essences' primary:

- A. marketing strategy.
- B. 4Ps.
- C.** target market.
- D. marketing mix.
- E. channel of distribution.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-02 know what marketing strategy planning is—and why it is the focus of this book.

125. (p. 34) Target marketing, in contrast to mass marketing:

- A. Assumes all customers have the same needs.
- B. Assumes everyone is a potential customer.
- C. Focuses only on small market segments.
- D.** Tailors a marketing mix to fit some specific group of customers.
- E. Makes it more likely that a firm will face direct competition.

AACSB: Reflective Thinking

Bloom's: Synthesis

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

126. (p. 34) The difference between target marketing and mass marketing is that target marketing

- A. means focusing on a small market.
- B. focuses on short-run objectives, while mass marketing focuses on long-run objectives.
- C.** focuses on specific customers, while mass marketing aims at an entire market.
- D. does not rely on e-commerce but mass marketing does.
- E. aims at increased sales, while mass marketing focuses on increased profits.

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

127. (p. 34) "Target marketing," in contrast to "mass marketing,"

- A. ignores the need for the firm to obtain a competitive advantage.
- B. ignores markets that are large and spread out.
- C. is limited to small market segments.
- D. assumes that all customers are basically the same.
- E.** None of the above is correct.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

Chapter 02 - Marketing Strategy Planning

128. (p. 34) Target marketing

- A. is a production-oriented approach to marketing.
- B. is essentially the same as mass marketing.
- C. considers everyone to be a potential customer.
- D. assumes that everyone is the same.
- E.** specifies some particular group of customers.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

129. (p. 34) _____ assume(s) that everyone is the same—and consider(s) everyone to be a potential customer.

- A. Mass marketers
- B. Target marketing
- C.** Mass marketing
- D. Target marketers
- E. Objective marketing

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

130. (p. 35,49) Marketing managers should view potential customers as

- A. all alike.
- B. all having the same needs.
- C. always wanting to meet needs in the same way.
- D.** grouped into segments of similar consumers.
- E. different types, but all having the same characteristics.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

131. (p. 35) Good marketing strategy planners know that:

- A. firms like Nabisco and Wal-Mart are too large to aim at clearly defined target markets.
- B.** target marketing does not limit one to small market segments.
- C. mass marketing is often very desirable and effective.
- D. the terms "mass marketing" and "mass marketer" mean basically the same thing.
- E. target markets cannot be large and spread out.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

132. (p. 35) Marketing strategy planners should recognize that:

- A. target markets should not be large and spread out.
- B. mass marketing is often very effective and desirable.
- C. large firms like General Electric, Target, and Procter & Gamble are too large to aim at clearly defined markets.
- D.** target marketing is not limited to small market segments.
- E. the terms "mass marketing" and "mass marketers" mean essentially the same thing.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-03 understand target marketing.

133. (p. 35) "Target marketing," in contrast to "mass marketing,"

- A. is limited to small market segments.
- B. assumes that all customers are basically the same.
- C. ignores markets that are large and spread out.
- D.** focuses on fairly homogeneous market segments.
- E. All of the above.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

134. (p. 35) Identify the incorrect statement regarding target marketing.

- A. Target marketing is not mass marketing.
- B.** Mass marketers cannot do target marketing.
- C. Target marketing can mean big markets and profits.
- D. Marketing-oriented managers practice "target marketing."
- E. It aims at a marketing mix that is tailored to fit specific target customers.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-03 understand target marketing.

135. (p. 35) The marketing mix

- A. includes four variables -- People, Place, Promotion, and Price.
- B. includes the target market.
- C.** helps to organize the marketing strategy decision areas.
- D. includes four variables -- advertising, personal selling, customer service, and sales promotion.
- E. does not focus on target customers.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

136. (p. 35) The "four Ps" of a marketing mix are:

- A. Production, Personnel, Price, and Physical Distribution
- B. Promotion, Production, Price, and People
- C. Potential customers, Product, Price, and Personal Selling
- D. Product, Price, Promotion, and Profit
- E.** Product, Place, Promotion, and Price

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

137. (p. 35) A marketing mix consists of:

- A. policies, procedures, plans, and personnel.
- B. the customer and the "four Ps."
- C. all variables, controllable and uncontrollable.
- D.** product, price, promotion, and price.
- E. none of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

138. (p. 35) A firm's "marketing mix" decision areas would NOT include:

- A. Promotion.
- B.** People.
- C. Price.
- D. Product.
- E. Place.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

139. (p. 35) A firm's "marketing mix" decision areas would NOT include:

- A. Price.
- B. Promotion.
- C. Product.
- D. Place.
- E.** Profit.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

140. (p. 35) Which of the following is NOT one of the four variables in a marketing mix?

- A. Price
- B. Product
- C. Promotion
- D.** Payment
- E. Place

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

141. (p. 36) Which of the following is true?

- A. The product "P" in the marketing mix stands for only physical goods.
- B.** The product "P" in the marketing mix stands for both physical goods and services.
- C. The product "P" in the marketing mix stands for only tangible merchandise.
- D. The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

142. (p. 36) "Product" is concerned with:

- A. branding.
- B. packaging and warranty.
- C. physical goods.
- D. services.
- E.** all of the above might be involved.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

143. (p. 36) "Product" is concerned with:

- A. branding and warranties.
- B. physical goods and/or services.
- C. packaging.
- D. developing the right new product for a market.
- E.** all of the above might be involved.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

144. (p. 36) "Product" is concerned with:

- A. services.
- B. developing products which will satisfy some customers' needs.
- C. designing, packaging, and branding new products.
- D. physical goods.
- E.** All of the above might be involved.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

145. (p. 36) "Product" is NOT concerned with:

- A. quality level.
- B. branding.
- C.** wholesale price.
- D. packaging.
- E. warranty.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

146. (p. 36) Which of the following is NOT a Product-area decision?

- A. Quality level.
- B. Market exposure.**
- C. Instructions.
- D. Packaging.
- E. Branding.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

147. (p. 36) Which of the following is NOT considered a product?

- A. Tax advice from a financial consultant.
- B. A computer.
- C. A haircut.
- D. A chair.
- E. All of the above are considered products.**

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

148. (p. 36,44) Henry Ford told prospective customers of his Model T car, "You can have any color as long as it is black." Which aspect of the marketing mix was he stressing?

- A. Promotion
- B. Product**
- C. Place
- D. Price

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

149. (p. 36) The packaging design for a new flavor of Ben & Jerry's ice cream is an aspect of which component of the marketing mix?

- A. Place
- B. Price
- C. Product**
- D. Promotion

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

150. (p. 36) Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

- A. Price
- B. Target market
- C. Place
- D. Product**
- E. Promotion

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

151. (p. 36) Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in its _____ strategy.

- A. pricing
- B. promotional
- C. personnel
- D. product**
- E. placement

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

152. (p. 36) Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

- A.** Product
- B. Place
- C. Promotion
- D. Price
- E. Personal selling.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

153. (p. 36) When one considers the strategy decisions organized by the four Ps, branding is related to packaging as:

- A. branding is to pricing.
- B. production is to marketing.
- C. store location is to sales force selection.
- D.** personal selling is to mass selling.
- E. pricing is to promotion.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

154. (p. 36) A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of

- A. Product.
- B.** Place.
- C. Promotion.
- D. Price.
- E. People.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

155. (p. 36) The _____ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

- A. product
- B. people
- C. promotion
- D. price
- E.** place

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

156. (p. 36) "Place" is concerned with:

- A. intermediaries.
- B. transporting.
- C. channel members.
- D. storing.
- E.** all of the above might be involved.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

157. (p. 36) "Place" is concerned with:

- A. getting the product to its intended market.
- B. intermediaries located between producers and consumers.
- C. where, when, and by whom goods are offered for sale.
- D. when and where products are wanted.
- E.** all of the above might be involved.

AACSB: Analytic

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

158. (p. 36) "Place" is NOT concerned with:

- A. storing.
- B. intermediaries.
- C. transporting.
- D. channels of distribution.
- E.** sales reps.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

159. (p. 36) "Place" is NOT concerned with:

- A. who handles storing and transporting.
- B. when and where products are wanted.
- C. kinds of intermediaries needed to reach customers.
- D.** telling the target market what products are available--and where.
- E. channels of distribution.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

160. (p. 36) Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:

- A. Price.
- B. Promotion.
- C. Personnel.
- D. Product.
- E.** Place.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

161. (p. 36-37) Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

- A. Penetration
- B. Product
- C. Promotion
- D.** Place
- E. Price

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

162. (p. 36) Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as:

- A. customer service.
- B. a packaging line.
- C. a production line.
- D.** a channel of distribution.
- E. mass marketing.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

163. (p. 36) A "channel of distribution":

- A. usually has three members--a manufacturer, a distributor, and a retailer.
- B.** is any series of firms (or individuals) from producer to final user or consumer.
- C. should be as short as possible.
- D. is not involved if a firm sells directly from its own website to final customers.
- E. All of the above are true.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

164. (p. 34,36) When Herbal Essences tries to get shelf space in Target and Walmart because young women frequently shop there for hair care products, this is an example of which of the 4Ps?

- A. Price
- B. Product
- C. Promotion
- D.** Place

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

165. (p. 36) A detailed plan for handling transportation and storage of a new product that is now being distributed to wholesalers nationwide is an aspect of which part of the 4Ps?

- A.** Place
- B. Product
- C. Promotion
- D. Price

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

166. (p. 36-37) An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

- A. there is no channel of distribution.
- B. there is no opportunity to apply target marketing.
- C. no promotion is involved.
- D. a production orientation is just as effective as a marketing orientation.
- E.** None of the above is true.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

167. (p. 37) The _____ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

- A. product
- B. place
- C. promotion**
- D. price
- E. communication

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

168. (p. 37-38) "Promotion" may include:

- A. personal selling to channel members.
- B. point-of-purchase materials.
- C. mail-order selling.
- D. advertising on the Internet.
- E. all of the above.**

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

169. (p. 37-38) "Promotion" includes:

- A. advertising.
- B. personal selling.
- C. sales promotion.
- D. publicity.
- E. All of the above.**

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

170. (p. 36-38) Marketing strategy decisions concerning Promotion include decisions about
- A. packaging and branding.
 - B. the kinds of intermediaries to use.
 - C.** training for salespeople.
 - D. transporting and storing.
 - E. discounts and allowances.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

171. (p. 37-38) "Promotion" is NOT concerned with:
- A. creating billboard ads.
 - B.** designing new products.
 - C. publicity.
 - D. television commercials.
 - E. personal selling.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

172. (p. 37-38) Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?
- A. Price
 - B. Place
 - C.** Promotion
 - D. Product
 - E. All of the above

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

173. (p. 37) _____ is direct spoken communication between sellers and potential customers.

- A.** Personal selling
- B. Sales promotion
- C. Advertising
- D. Publicity
- E. Mass selling

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

174. (p. 36-38) From the perspective of the four Ps, personal selling is to advertising as

- A. mass selling is to branding.
- B. Place is to Product.
- C. sales promotion is to pricing.
- D. warranties are to channel type.
- E.** geographic terms are to price allowances.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

175. (p. 38) _____ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Personal selling
- E.** Customer service

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

176. (p. 38) Advertising is:

- A. the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
- B. direct communication between sellers and potential customers.
- C.** any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
- D. the main form of publicity.
- E. All of the above.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

177. (p. 38) A popular television show, The Unexpected, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through

- A. advertising.
- B.** publicity.
- C. unethical means.
- D. personal selling.
- E. media hype.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

178. (p. 38) Sales promotion:

- A. lets the salesperson adapt the firm's marketing mix to each potential customer.
- B. is the main form of advertising.
- C.** tries to help the personal selling and mass selling people.
- D. is free.
- E. consists of both advertising and personal selling.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

179. (p. 38) Catalogs, point-of-purchase materials, and free samples are all examples of:

- A. publicity.
- B. personal selling.
- C.** sales promotion.
- D. advertising.
- E. none of the above.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

180. (p. 38) Coupons, samples, and point-of-purchase materials are examples of

- A. advertising.
- B. publicity.
- C. specialty service.
- D. personal selling.
- E.** sales promotion.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

181. (p. 34,38) When Herbal Essences offers "dollar-off coupons" to adult women to try to get them to try its shampoos and conditioners, this is an example of:

- A. publicity.
- B.** sales promotion.
- C. product development.
- D. market penetration.
- E. distribution.

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

182. (p. 38,45) Ford Motor Co. "loaned" new Fiestas to social trend setters who drove the cars as part of their Meals on Wheels responsibilities. When Ford asked them to write about their driving experiences on Facebook and Twitter, it was emphasizing which aspect of the 4Ps?

- A. Product
- B. Place
- C. Price
- D.** Promotion

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

183. (p. 38) The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of

- A. advertising.
- B. publicity.
- C.** sales promotion.
- D. a channel of distribution.
- E. media.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

184. (p. 38) To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as

- A. advertising.
- B. publicity.
- C.** sales promotion.
- D. personal selling.
- E. mass marketing.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

185. (p. 38) When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a _____ strategy.

- A. price
- B. promotion**
- C. personnel
- D. product
- E. place

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

186. (p. 38) "Price":

- A.** is affected by the kind of competition in the target market.
- B. includes markups and discounts, but not allowances and freight charges.
- C. is not affected by customer reactions.
- D. is the most important part of a marketing mix.
- E. None of the above is true.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

187. (p. 38) The Price area of the marketing mix:

- A. Requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
- B. Does not involve estimating consumer reaction to possible prices.
- C. Requires an understanding of discounts and allowances.
- D. Does not include the consideration of geographic terms in price setting.
- E. Both A and C.**

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

188. (p. 38) When developing a marketing mix, a marketing manager should remember that:

- A. "Promotion" includes only personal selling and publicity.
- B. A channel of distribution includes at least one intermediary.
- C.** "Price" includes markups, discounts, allowances, and geographic terms.
- D. "Product" includes physical goods but not services.
- E. All of the above are true.

AACSB: Reflective Thinking

Bloom's: Synthesis

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

189. (p. 38,45) When Ford Motor Co. introduced its Escape hybrid SUV, it offered a \$1,000 rebate as an incentive to attract new buyers. This was an example of which aspect of the marketing mix?

- A.** Price
- B. Promotion
- C. Place
- D. Product

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

190. (p. 38) The most important variable in a firm's marketing mix is:

- A. Product.
- B. Price.
- C. Promotion.
- D. Place.
- E.** None of the above--all contribute to one whole.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

191. (p. 38) Which of the following statements about marketing mix variables is false?
- A. "Promotion" includes personal selling, mass selling, and sales promotion.
 - B. The term "Product" refers to services as well as physical goods.
 - C. A channel of distribution does not have to include any intermediaries.
 - D.** Generally speaking, "Price" is more important than "Place."
 - E. The needs of a target market virtually determine the nature of an appropriate marketing mix.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

192. (p. 38-39) An appropriate marketing mix should be determined PRIMARILY by
- A. what has worked for the company in the past.
 - B.** the needs of a target market.
 - C. the budget available to spend.
 - D. the past experiences of the marketing manager.
 - E. what product the firm can produce with economies of scale.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

193. (p. 38-39) Ideally, a good marketing mix should:
- A. be very similar to the marketing mix typically used by key competitors.
 - B. be determined by which marketing mix costs the least.
 - C. not include much advertising because it's expensive and usually isn't very effective.
 - D.** flow logically from all the relevant dimensions of a target market.
 - E. All of the above are true.

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

194. (p. 38-40) The text's "Toddler University" example shows that:

- A. parents are not price sensitive when it comes to assuring that their kids will get a good college education.
- B.** the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. in the long run, a firm cannot make a profit without its own production facilities.
- E. All of the above are true.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

195. (p. 38-40) The text's "Toddler University" example shows that:

- A. no mass market exists for general-purpose baby shoes.
- B.** the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. no target market exists for high-quality baby shoes.
- E. All of the above are true.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

196. (p. 38-40) The text's Toddler University example shows that TU's marketing plan included:

- A. A detailed description of the marketing mix to be offered.
- B. A description of the resources required to carry out the plan.
- C. Expected results of the plan.
- D. Control procedures.
- E.** All of the above.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-04 be familiar with the four Ps in a marketing mix.

Chapter 02 - Marketing Strategy Planning

197. (p. 40) The main difference between a "marketing strategy" and a "marketing plan" is that:

- A. time-related details are included in a marketing plan.
- B. a marketing plan includes several marketing strategies.
- C. a marketing strategy provides more detail.
- D. a marketing strategy omits pricing plans.
- E. a marketing plan does not include a target market.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

198. (p. 40) A "marketing plan" is:

- A. a marketing program.
- B. a marketing strategy.
- C. a marketing strategy--plus the time-related details for carrying it out.
- D. a target market and a related marketing mix.
- E. a plan that contains the necessary operational decisions.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

199. (p. 40) A "marketing plan":

- A. is just another terms for "marketing strategy."
- B. consists of several "marketing programs."
- C. includes the time-related details for carrying out a marketing strategy.
- D. is a strategy without all the operational decisions.
- E. ignores implementation and control details.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

200. (p. 40) A "marketing plan" should include:
- A. some control procedures.
 - B. what company resources will be needed--at what rate.
 - C. what marketing mix is to be offered to whom--and for how long.
 - D. what sales and profit results are expected.
 - E.** all of the above.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

201. (p. 40) Which of the following is part of a complete marketing plan?
- A. Competitors' marketing strategies.
 - B.** What company resources (costs) are required and at what rate.
 - C. How different marketing mixes (for different target markets) relate to each other.
 - D. All of the above.
 - E. None of the above.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

202. (p. 40) Which of the following would probably NOT be in a proposed marketing plan?
- A. A list of what company resources (costs) would be required.
 - B.** A statement of how frequently the design of the website will be changed.
 - C. Expected sales and profit results.
 - D. A description of the target market and marketing mix.
 - E. All of the above would normally be part of a marketing plan.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

Chapter 02 - Marketing Strategy Planning

203. (p. 40) Which of the following is NOT included in a marketing plan?

- A. The control procedures to be used
- B. The costs involved
- C. The results expected
- D. What marketing mix is to be offered
- E.** All of the above should be included.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

204. (p. 40) _____ refers to putting marketing plans into operation.

- A. Delivery
- B.** Implementation
- C. Operational planning
- D. Strategy planning
- E. Control

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

205. (p. 40) Short-run decisions to help implement strategies are best known as

- A. actionable items.
- B. strategic decisions.
- C. marketing plans.
- D.** operational decisions.
- E. dependencies.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

206. (p. 41) Managers should make operational decisions

- A.** within the guidelines set down during strategy planning.
- B. with great care as these decisions are the same as strategic decisions.
- C. for the long-run to help formulate strategic plans.
- D. keeping in mind that these decisions should always lead to changes in the basic strategy.
- E. on a month-to-month basis and never daily or weekly.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

207. (p. 41) Which of the following statements about operational decisions is FALSE?

- A. They help to carry out a marketing strategy.
- B. They are short-run decisions.
- C. They are part of the implementation process.
- D.** They usually require ongoing changes in the basic strategy to be effective.
- E. None of the above is FALSE.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

208. (p. 41) Which of the following statements is a strategy decision, rather than an operational decision?

- A. "We will change the colors of our selection of shirts at the end of the season."
- B.** "We will cut prices as needed to in order to protect our market share."
- C. "We will increase the number of training sessions for new sales associates from two to three."
- D. "We will hire a merchandising specialist this month to help remodel our older stores."
- E. "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

AACSB: Analytic

Bloom's: Synthesis

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

209. (p. 41) Which of the following statements by a marketing manager refers to operational decisions, rather than strategy decisions?

- A. "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
- B.** "Newspaper ads will be more cost effective than 30 second radio ads--given the price increase for radio this month."
- C. "We hope to earn a 15 percent return on investment with our plan."
- D. All of the above.
- E. None of the above.

AACSB: Analytic

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

210. (p. 41) Which of the following is an operational decision--rather than a strategy decision?

- A. A decision to seek distribution only through the best retailers.
- B. Selection of a specific target market.
- C. A decision to maintain a "one price" policy.
- D.** Selection of a specific cable TV channel on which to advertise.
- E. All of the above are good examples of operational decisions.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

211. (p. 41) Which of the following is an example of an operational decision?

- A. Focus promotion on the economy of the product.
- B. Make the product available in every possible retail outlet.
- C.** Have a salesperson visit the manager of a new hardware store that will open next week.
- D. Set a price that is no higher than competitors' prices.
- E. None of the above is an operational decision.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

212. (p. 41) Which of the following would NOT require an operational decision for a leading hair color manufacturer?

- A. Solicit orders from any new, financially attractive, salons.
- B. Drop colors that are losing appeal.
- C. Create a fresh ad for each Sunday newspaper.
- D. Set a competitive price if a primary competitor offers a special discount.
- E.** Promote the fair price and satisfactory quality of the product.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

213. (p. 41) Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

- A. People
- B. Place
- C. Promotion
- D. Price
- E.** Product

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

214. (p. 41) One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

- A. Product
- B. Place
- C.** Promotion
- D. Price
- E. People

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

215. (p. 41) When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent
- A. operational decisions in the product decision area.
 - B. strategy policies in the place area.
 - C. strategy policies in the product area.
 - D.** operational decisions in the place area.
 - E. strategy policies in the promotion area.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

216. (p. 41) A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of
- A. product.
 - B. place.
 - C.** promotion.
 - D. price.
 - E. people.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

217. (p. 42) A "marketing program":
- A.** blends all of a firm's marketing plans into one big plan.
 - B. is a description of a firm's marketing mix.
 - C. is a detailed plan of how to implement a strategy.
 - D. is a marketing strategy plus the time-related details.
 - E. None of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

218. (p. 42) A "marketing program":

- A. is another name for a particular marketing mix.
- B.** blends several different marketing plans.
- C. consists of a target market and the marketing mix.
- D. is primarily concerned with all of the details of implementing a marketing plan.
- E. must be set before a target market can be selected.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

219. (p. 42) Which of the following blends all of the firm's marketing plans into one big plan?

- A.** Marketing program.
- B. Marketing mix.
- C. Marketing statement.
- D. Marketing overview.
- E. None of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-05 know the difference between a marketing strategy; a marketing plan; and a marketing program.

220. (p. 42-44) Customer equity

- A. focuses on the costs of acquiring new customers rather than on increasing revenues from current customers.
- B. is basically a historical measure of how profitable a firm has been in the past.
- C. is a concept that applies to firms that target final consumers but not to firms that target business customers.
- D. will increase if a firm increases its market share with a particular strategy.
- E.** is the expected earnings stream of a firm's current and prospective customers over some time period.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

221. (p. 42) _____ is the expected earnings stream of a firm's current and prospective customers over some period of time.

- A. Profit
- B. Earnings
- C. Operating profit
- D. Customer equity**
- E. Net value

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

222. (p. 43) Customer equity

- A. is of concern to top management, but not very relevant in planning a particular marketing strategy.
- B. takes the perspective of the owners of (investors in) a firm.**
- C. always increases over time, at least as long as a firm can stay in business.
- D. is important to marketing managers but of little interest to investors.
- E. increases as long as the number of customers that a firm serves increases over time.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

223. (p. 43) Customer equity is

- A. simply the financial result achieved by a single marketing strategy.
- B. the total difference between the benefits of a firm's whole marketing program and total costs of obtaining those benefits, as the group of target customers sees it.
- C. increased when a firm is able to increase the earnings stream expected from current or prospective customers.**
- D. decreased whenever the firm's costs of offering a marketing mix increase.
- E. the difference between the benefits of a firm's marketing mix and the cost of obtaining those benefits--as a particular customer sees it.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

224. (p. 42-44) Which of the following is NOT a reason the marketing program should build customer equity?

- A.** Marketing strategies do not contribute to customer equity.
- B. Expected profits depend on customer equity.
- C. Owners expect financial returns.
- D. Profit growth comes from customers.
- E. Customers are the source of revenue.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

225. (p. 43-44) Which of the following is *most* likely to increase a firm's customer equity?

- A. The firm offers a more costly marketing mix that attracts more customers.
- B. The firm offers customer value that is at least as good as what is offered by competitors.
- C.** The lifetime value of the firm's individual customers increases.
- D. The competition in the firm's market increases.
- E. The firm cuts costs by reducing promotion efforts.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

226. (p. 43) _____ is the difference between the firm's revenues (total dollar sales) and the total costs it runs up to make those sales.

- A. Customer equity
- B.** Profit
- C. Net worth
- D. Lifetime customer value
- E. A premium price

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

227. (p. 42-44) The customer equity concept

- A. encourages a manager to consider both the costs and the revenue from a marketing strategy.
- B. recognizes that customers are satisfied at a cost--and it is basically an estimate of a firm's future earnings.
- C. applies even to firms that pursue several different strategies.
- D. focuses on earnings as well as sales.
- E.** all of the above.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

228. (p. 43) Which of the following statements about customer equity is FALSE?

- A. Expected losses depend on customer equity.
- B. If the parts of a firm's marketing program work well together, it should increase the firm's customer equity.
- C. Expected profits depend on customer equity.
- D.** If a firm has more than one marketing strategy, it will likely decrease the firm's customer equity.
- E. None of the above is false.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-06 understand what customer equity is and why marketing strategy planners seek to increase it.

229. (p. 44-46) The text's discussion of Ford's marketing strategy highlights the fact that:

- A.** it's not wise for managers to just define a business in terms of the products they currently produce or sell.
- B. there is little alternative but to stick with the traditional promotion channels for a product.
- C. most consumers see basic products--like cars--as close substitutes for each other.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Hard

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

230. (p. 44-46) The text's discussion of Ford's marketing strategy highlights the fact that:

- A.** creative strategy planning is needed for survival.
- B. there is little alternative but to stick with the traditional promotion channels for a product.
- C. most consumers want only established products.
- D. once a firm reaches a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

231. (p. 44-46) The auto industry example in the text serves to illustrate that:

- A. good implementation and control is usually more important than good planning.
- B. there are a limited number of potential target markets.
- C. an effective marketing strategy guarantees future success.
- D. consumers want only established products.
- E.** a successful strategy often involves a marketing mix that is very different from what competitors have offered.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

232. (p. 46) It's best to think of "breakthrough opportunities" as opportunities which:
- A. appeal to the mass market.
 - B. will quickly create a whole new industry of firms competing with similar marketing mixes.
 - C.** help innovators develop hard-to-copy marketing mixes.
 - D. increase sales.
 - E. All of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

233. (p. 46) A breakthrough opportunity
- A. is an opportunity that gives a firm some sort of competitive advantage.
 - B. can usually be achieved by copying the "best practices" of other firms that sell similar products.
 - C.** is one that helps an innovator develop a hard-to-copy marketing strategy that will be very profitable for a long time.
 - D. is one that requires the firm to "breakthrough" its current resource limitations to obtain a new type of competitive advantage.
 - E. is usually achieved by making better operational decisions.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

234. (p. 46) _____ help(s) innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.
- A. Opportunity segments
 - B. Competitive decisions
 - C.** Breakthrough opportunities
 - D. Competitive marketing
 - E. Operational decisions

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

235. (p. 46) Which of the following best illustrates a "breakthrough opportunity?"

- A. A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.
- B.** A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
- C. A bank puts its credit card machines in convenient drive-up locations--so they will be more convenient for customers.
- D. A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.
- E. A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

236. (p. 46) Which of the following would be likely to help you develop a "breakthrough opportunity?"

- A. A two-month advantage over competitors in introducing a new product.
- B. An idea for a new website animation that will attract consumer attention.
- C. Accurate marketing research information about how much of a planned product the target market is likely to buy.
- D. All of the above.
- E.** None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

237. (p. 46) Which of the following could be a "breakthrough opportunity?"

- A. A unique technical invention that competitors could not legally copy.
- B. A contract with the best intermediaries to reach your market--ensuring that they will handle your product and no competitors' offerings.
- C. A head start in a market so you can win target customers who will be really loyal to your firm and its offering.
- D.** All of the above.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

238. (p. 46) A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as:

- A. Diversification.
- B. Market development.
- C.** A breakthrough opportunity.
- D. "Hit-or-miss" marketing.
- E. Market penetration.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

239. (p. 47) _____ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.

- A. Competitive advantage
- B. Strategic policy
- C. Customer equity
- D. Comparative opportunity
- E. Market development

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

240. (p. 46-47) "Breakthrough opportunities" are opportunities that:

- A. help innovators develop hard-to-copy marketing strategies.
- B. may be turned into marketing strategies that will be profitable for a long time.
- C. help the firm develop a "competitive advantage."
- D. help a firm satisfy customers better than some competitor.
- E. All of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

241. (p. 46-47) Breakthrough opportunities:

- A. are so rare that they should be pursued even when they do not match the firm's resources and objectives.
- B. seldom occur within or close to a firm's present markets.
- C. are especially important in our increasingly competitive markets.
- D. are those that a firm's competitors can copy quickly.
- E. are best achieved by trying to hold onto a firm's current market share.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

242. (p. 47) Which of the following statements regarding marketing strategies is FALSE?

- A. It is useful to think of the marketing strategy planning process as a narrowing-down process.
- B.** These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
- C. Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
- D. These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
- E. Most companies implement more than one marketing strategy and related marketing plan at the same time.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

243. (p. 47) The text's discussion of "hit-or-miss" marketing suggests that

- A. firms that don't spend more on marketing than their competitors are likely to fail.
- B. managers who seek big breakthroughs, rather than going after easier to achieve marketing opportunities, face big risks and are likely to fail.
- C.** it is fairly common for marketing efforts to turn out poorly, so to avoid that fate and get better than average results, a good manager needs to use a logical process for marketing strategy planning.
- D. getting good marketing results is really quite easy as long as the marketing manager focuses on the 4Ps.
- E. all of the above are good answers.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

244. (p. 48) Developing a set of specific qualitative and quantitative screening criteria
- A. increases the different opportunities—and strategy possibilities—in the market.
 - B. can make it difficult to zero in on the best target market and marketing mix.
 - C. cannot help eliminate potential strategies that are not well suited for the firm.
 - D.** can help a manager define what business and markets the firm wants to compete in.
 - E. highlights advantages of a strategy but does not make it clear why you should select that strategy.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

245. (p. 48) _____ means that the marketing mix is distinct from and better than what is available from a competitor.
- A. Operational
 - B. Visible
 - C.** Differentiation
 - D. Competitive
 - E. None of the above is correct

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

246. (p. 48) Differentiation of a firm's marketing mix:
- A. Means the firm's marketing mix is hard to distinguish from a competitor.
 - B.** May provide the firm with a competitive advantage in the marketplace.
 - C. Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
 - D. Is usually not necessary in order for the firm to succeed.
 - E. None of the above.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

247. (p. 48) Differentiation refers to the _____ of the firm's marketing mix to meet the needs of the target market.

- A. similarity
- B. uniqueness**
- C. unsuitability
- D. willingness
- E. none of the above

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

248. (p. 48) Differentiation means that

- A. the firm should aim its efforts at a target market that is different from a target market that a competitor would find attractive.
- B. a firm's marketing mix is distinct from and better than what is available from a competitor.**
- C. a firm uses its resources in a different way than competitors use their resources.
- D. a firm should screen out opportunities using different criteria than those used by other firms.
- E. when a firm's marketing strategy is not going well it should change to a different set of operational decisions.

AACSB: Analytic

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

249. (p. 48) Differentiation

- A. helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
- B. means that the marketing mix is similar to what is available from a competitor.
- C.** often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.
- D. is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.
- E. can only be based on one important element of the marketing mix.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

250. (p. 49) A S.W.O.T. analysis includes:

- A. strengths.
- B. weaknesses.
- C. opportunities.
- D. threats.
- E.** all of the above.

AACSB: Analytic

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

251. (p. 49) Which of the following statements about S.W.O.T. analysis is true?

- A. It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
- B. S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
- C. It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
- D. It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
- E.** All of the above are true statements.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

252. (p. 49) A S.W.O.T. analysis

- A. seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
- B. is not necessary if competitors have already entered the market.
- C. defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
- D.** should help a manager develop a strategy that leads to a competitive advantage.
- E. None of the above is a good answer.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

253. (p. 49) A S.W.O.T. analysis can help a marketing manager:

- A. define what business and markets the firm wants to compete in.
- B. narrow down to a specific target market and marketing mix from the many alternatives available.
- C. see the pros and cons of different possible strategies.
- D. develop a competitive advantage.
- E.** all of the above.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

254. (p. 49) A S.W.O.T. analysis

- A. focuses on what a firm plans to do to "Satisfy Wishes Of a Target" customer.
- B. summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
- C. helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
- D.** identifies a firm's "strengths, weaknesses, opportunities, and threats."
- E. seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

AACSB: Analytic

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

255. (p. 49) In which quadrant of the SWOT analysis tool does the following fit? A firm has adequate resources.

- A.** Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

256. (p. 49) In which quadrant of the SWOT analysis tool does the following fit? A firm is in a fast-growing industry.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.**
- D. Threats.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

257. (p. 49) In which quadrant of the SWOT analysis tool does the following fit? A firm is vulnerable to recession.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.**

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

258. (p. 49) In which quadrant of the SWOT analysis tool does the following fit? A firm is falling behind in research and development.

- A. Strengths.
- B. Weaknesses.**
- C. Opportunities.
- D. Threats.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-07 be familiar with the text's framework for marketing strategy planning—and why it involves a process of narrowing down from broad opportunities to the most attractive marketing strategy.

259. (p. 50) _____ means trying to increase sales of a firm's present products in its present markets.

- A. Product development
- B. Market penetration**
- C. Market development
- D. Mass marketing
- E. Diversification

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

260. (p. 50) _____ means trying to increase sales of a firm's present products in its present markets.

- A. Differentiation
- B. Product development
- C. Market development
- D. Diversification
- E. Market penetration**

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

261. (p. 50) When Colgate encourages its current customers to brush more often by taking their toothbrush and toothpaste to work with them, which market opportunity is Colgate pursuing?

- A. Market development
- B. Product development
- C. Diversification
- D. Market penetration**

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

262. (p. 50) Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on

- A. diversification.
- B. market penetration.**
- C. product development.
- D. mass marketing.
- E. market development.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

263. (p. 50) Tropicana is trying to get its customers to drink orange juice more often with ads that say "It's not just for breakfast anymore." What type of opportunity is the company pursuing?

- A. Market penetration**
- B. Diversification
- C. Market development
- D. Product development
- E. Mass marketing

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

264. (p. 50) Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

- A. Market penetration**
- B. Product development
- C. Market development
- D. Mass marketing
- E. Diversification

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

265. (p. 50) If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a _____ opportunity.

- A. diversification
- B. market penetration**
- C. product development
- D. mass marketing
- E. market development

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

266. (p. 50) Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:

- A. Market development.
- B. Product development.
- C. Diversification.
- D. Market penetration.**
- E. Mass marketing.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

267. (p. 50) Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:

- A. Market penetration.**
- B. Differentiation.
- C. Product development.
- D. Diversification.
- E. Market development.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

268. (p. 50) When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:

- A. Product development.
- B. Screening opportunities.
- C. Mass marketing.
- D. Differentiation.
- E.** Market penetration.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

269. (p. 50) _____ means trying to increase sales by selling present products in new markets.

- A. Differentiation
- B.** Market development
- C. Product development
- D. Diversification
- E. Market penetration

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

270. (p. 50) When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. product development.
- B. diversification.
- C. market penetration.
- D. mass marketing.
- E.** market development.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

271. (p. 50) When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. market penetration.
- B. market development.**
- C. product development.
- D. diversification.
- E. market integration.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

272. (p. 50) When a company expands globally, this is an example of:

- A. Market development.**
- B. Product development.
- C. Diversification.
- D. Market penetration.
- E. Mass marketing.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

273. (p. 50) When AT&T advertises in THE WALL STREET JOURNAL that smart phones using its technology can make calls from more than 200 countries in the world, which market opportunity is AT&T pursuing?

- A. Market penetration
- B. Product development
- C. Diversification
- D. Market development**

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

274. (p. 50) The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

- A. product development.
- B. diversification.
- C. market penetration.
- D.** market development.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

275. (p. 50) An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during week days. This effort to get new customers for the available facility is an example of

- A. a production orientation.
- B. product development.
- C.** market development.
- D. diversification.
- E. market penetration.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

276. (p. 50) Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

- A.** Market development
- B. Diversification
- C. Product development
- D. Market penetration
- E. None of the above

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

277. (p. 50) Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a _____ opportunity.

- A. market development
- B. market penetration
- C. target marketing
- D. product development
- E. mass marketing

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

278. (p. 50) A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores--to reach nonhobbyists who might be interested in pretty flowers. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

279. (p. 50) GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores--to reach consumers who don't like to buy without first seeing the item in person. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

280. (p. 50) An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

- A.** market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

281. (p. 50) E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

- A. market penetration.
- B. differentiation.
- C. product development.
- D.** market development.
- E. diversification.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

282. (p. 50) BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

- A. Product development.
- B.** Market development.
- C. Differentiation.
- D. Market penetration.
- E. Diversification.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

283. (p. 50) In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a _____ opportunity.

- A. diversification
- B. market penetration
- C. product development
- D. mass marketing
- E.** market development

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

284. (p. 51) _____ refers to offering new or improved products for present markets.

- A. Diversification
- B. Market development
- C. Differentiation
- D. Market penetration
- E.** Product development

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

285. (p. 51) When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

- A. mass marketing.
- B.** product development.
- C. market penetration.
- D. diversification.
- E. market development.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

286. (p. 51) If Wendy's decides to test market a hot dog in several stores to determine if it can make more profit from this menu item than from a "Wendy's single," which market opportunity is Wendy's pursuing?

- A. Diversification
- B. Market development
- C. Market penetration
- D.** Product development

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

287. (p. 51) To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at:

- A. combination.
- B. market penetration.
- C. market development.
- D.** product development.
- E. diversification.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

288. (p. 51) A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:

- A. market development.
- B. diversification.
- C. market penetration.
- D.** product development.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

289. (p. 51) Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing _____.

- A. marketing myopia
- B. mass marketing
- C. product development**
- D. market development
- E. diversification

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

290. (p. 51) Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing _____.

- A. marketing myopia
- B. mass marketing
- C. product development**
- D. market development
- E. diversification

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

291. (p. 51) Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white.

Converse seems to be pursuing a _____ opportunity.

- A. market penetration
- B. market development
- C. product development**
- D. diversification
- E. breakthrough

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

292. (p. 51) Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example of:

- A. Product development
- B. Market development
- C. Diversification
- D. Market penetration
- E. None of the above are correct.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

293. (p. 51) In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?

- A. Channel penetration.
- B. Diversification.
- C. Product development.
- D. Market development.
- E. Market penetration.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

294. (p. 51) Zippo is pursuing _____ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.

- A. market penetration
- B. market development
- C. product development
- D. diversification
- E. channeling

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

295. (p. 51) Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features which no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.**
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

296. (p. 51) To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills--adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a _____ opportunity.

- A. combiner
- B. market development
- C. product development**
- D. diversification
- E. market penetration

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

297. (p. 51) Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at
- A. market penetration.
 - B. diversification.
 - C. market development.
 - D. product development.**
 - E. They will look at all opportunities equally.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

298. (p. 51) _____ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.
- A. Diversification**
 - B. Market development
 - C. Product development
 - D. Differentiation
 - E. Market penetration

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

299. (p. 51) When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:
- A. diversification.**
 - B. product development.
 - C. market development.
 - D. market penetration.
 - E. All of the above.

AACSB: Reflective Thinking

Bloom's: Knowledge

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

300. (p. 51) When Sony Corp., an electronics producer, purchased the Pebble Beach golf course in California, it was pursuing what type of opportunity?

- A.** Diversification
- B. Market development
- C. Market penetration
- D. Product development

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

301. (p. 51) Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of:

- A.** Diversification
- B. Market development
- C. Product penetration
- D. Differentiation
- E. Market penetration

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Hard

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

302. (p. 51) A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing

- A. market development.
- B.** diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

303. (p. 51) Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a _____ opportunity.

- A. combiner
- B. product development
- C. market development
- D. market penetration
- E.** diversification

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

304. (p. 51) A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of

- A. market development.
- B.** diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

305. (p. 51) If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a _____ opportunity.

- A. market development
- B.** diversification
- C. market penetration
- D. product development
- E. None of the above

AACSB: Reflective Thinking

Bloom's: Application

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

Chapter 02 - Marketing Strategy Planning

306. (p. 51) The most risky and challenging opportunities usually involve:

- A. market development.
- B. product development.
- C. diversification.**
- D. market penetration.
- E. all of the above are similar in terms of risk.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

307. (p. 51) The most risky types of marketing opportunity to pursue usually involve

- A. market development.
- B. market penetration.
- C. diversification.**
- D. product development.
- E. All of the above are equally risky.

AACSB: Reflective Thinking

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

308. (p. 51) Because companies are likely to be most familiar with their own operations, _____ opportunities are usually the easiest to pursue.

- A. market penetration**
- B. product development
- C. market development
- D. diversification
- E. All of the above are equally easy.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Medium

Learning Objective: 02-08 know four broad types of marketing opportunities that help in identifying new strategies.

309. (p. 52) Which of the following statements is True regarding international opportunities in marketing?

- A. There is no need to consider international opportunities when the domestic market is prosperous.
- B. International trade is decreasing worldwide.
- C.** A product with slow sales growth in a domestic market may experience faster growth in another country.
- D. Only large firms can engage in international marketing.
- E. All of the above.

AACSB: Analytic

Bloom's: Comprehension

Difficulty: Easy

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.

310. (p. 52) All of the following are reasons why international opportunities should be considered by managers, EXCEPT

- A. the world is getting smaller.
- B. serving international markets may improve economies of scale.
- C.** favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
- D. around the world, potential customers have needs and money to spend.
- E. it helps to develop a competitive advantage at home and abroad.

AACSB: Analytic

AACSB: Reflective Thinking

Bloom's: Self-Test

Difficulty: Medium

Learning Objective: 02-09 understand why strategies for opportunities in international markets should be considered.