Grewal2e Chapter 01 Testbank

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| 1. | Marketers might wish to sell their products to everyone, but it is not practical to do so.     **TRUE**  A good marketer will seek out potential customers who have an interest in the product and the ability to buy it. |

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| *AACSB: Analytic Bloom’s: Remember Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 2. | The four Ps include product, promotion, planning and place.     **FALSE**  The four Ps are product, price, promotion and place. |

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| 3. | The group of firms that makes and delivers a given set of goods and/or services is called a supply chain.     **TRUE**  Supply chain (or marketing channel) partners include all firms involved in manufacturing and delivering goods and services, from raw material suppliers to retailers and shipping companies. |

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| *AACSB: Analytic Bloom’s: Remember Difficulty: Easy Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Marketing and business performance* |

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| 4. | Value is what you get for what you give.     **TRUE**  Value is the relationship between the benefits received and the costs. |

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| *AACSB: Analytic Bloom’s: Remember Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 5. | In value co-creation, the customer participates in the creation of a good or service, which provides additional value to the customer.     **TRUE**  In value co-creation, the firm and the customer work together to create the good or service. This process adds value because the good or service can be tailored to the customer’s needs. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 6. | Over the past decade or so, marketers have begun to realise that it is best to structure a firm's customer orientation in terms of transactions rather than relationships.     **FALSE**  A transactional orientation focuses only on the current exchange, whereas a relational orientation attempts to build a long-term relationship with the customer, resulting in a stream of transactions and (usually) higher profits. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 7. | When a good or service is promoted, the purpose of the promotion is to inform, persuade or remind customers.     **TRUE**  Promotions are generally designed to inform, persuade or remind potential buyers about a good or service. |

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| 8. | When a car manufacturer sells trucks, cars and car parts to the government or military, this is an example of B2C marketing.     **FALSE**  This is an example of B2B (business to business) marketing. B2C marketing would involve selling cars or trucks to individual consumers. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Marketing as a set of processes* |

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| 9. | The power adapters Dell sells with its computers are built by small companies who specialise in power-related accessories. Dell and the power adapter manufacturers are engaging in B2B marketing.     **TRUE**  Dell, a business, is purchasing supplies from another business, so this is an example of business-to-business (B2B) marketing. |

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| 10. | Garage sales and online classified ads are examples of C2C marketing.     **TRUE**  These are C2C marketing scenarios, where consumers market to each other. |

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| 11. | Margo likes a brand of coffee that is only sold at Starbucks, so she plans her route to work to drive by Starbucks every morning. Margo is being influenced by the 'place' element of the marketing mix.     **TRUE**  Place represents all the activities necessary to get the product to the right customer when that customer wants it. For instance, marketing channel considerations have pushed a growing number of businesses to adopt multiple convenient locations. |

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| 12. | The marketing plan is broken down into various components, such as: how the product or service will be conceived or designed; how much it should cost; where and how it will be promoted; and how it will get to the consumer.     **TRUE**  The marketing plan is broken down into various components: how the product or service will be conceived or designed; how much it should cost; where and how it will be promoted; and how it will get to the consumer. |

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| 13. | Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores and other firms involved in the transaction into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations and at the right time.     **TRUE**  Supply chain management is the set of approaches and techniques that firms employ to efficiently and effectively integrate their suppliers, manufacturers, warehouses, stores and other firms involved in the transaction (e.g., transportation companies) into a seamless value chain in which merchandise is produced and distributed in the right quantities, to the right locations and at the right time, while minimising system-wide costs and satisfying the service levels required by the customers. |

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| 14. | In value co-creation, the customer participates in the creation of a good or service, which provides additional value to the customer.     **TRUE**  A creative way to provide value to customers is to engage in value co-creation. In this case, customers can act as collaborators to create the product or service. When clients work with their investment advisers, they co-create their investment portfolios; when Nike allows customers to custom design their sneakers, they are co-creating. |

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| 15. | As it relates to marketing, the trade of things of value between the buyer and the seller so that each is better off as a result is known as an *exchange*.     **TRUE**  In a marketing exchange, sellers provide products or services then communicate and facilitate the delivery of their offering to consumers. Buyers complete the exchange by giving money and information to the seller. |

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| 16. | Firms become value driven, in part, by focusing on the competition.     **TRUE**  Firms become value driven by sharing information about their customers and competitors across their own organisation and with other firms that help them get the product or service to the marketplace, such as manufacturers and transportation companies. |

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| 17. | When a t-shirt manufacturer says, "We only sell it in black because that way we can buy plenty of black fabric and run our plant efficiently", their statement reflects the views that were popular in which era of the evolution of marketing?      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |   This question refers to the production-oriented era, when companies manufactured items without taking individuals’ needs or wants into consideration. |

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| 18. | Xavier is analysing potential market segments. He should carefully seek potential customers who have both an interest in his products and:      |  |  | | --- | --- | | A. | a thorough knowledge of his brand messages |  |  |  | | --- | --- | | **B.** | the ability to buy them |  |  |  | | --- | --- | | C. | knowledge of competing products |  |  |  | | --- | --- | | D. | are removed from traditional marketing alternatives |   If Xavier selects customers with an interest in the kinds of products he offers and the ability to purchase, he can communicate the value his offerings provide and offer competitive comparisons as part of his marketing mix. |

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| 19. | Whenever Valerie has a new massage therapy customer, she invites the person to be on her email distribution list. In the process, in addition to exchanging her massage therapy service for payment, Valerie is gathering:      |  |  | | --- | --- | | **A.** | information |  |  |  | | --- | --- | | B. | promotional capital |  |  |  | | --- | --- | | C. | value co-creation |  |  |  | | --- | --- | | D. | feedback |   In this case, Valerie's customer receives a massage and she receives both payment and information (in the form of the customer's email address) as part of the exchange process. |

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| *AACSB: Communication Bloom’s: Apply Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 20. | Henriette offers financial counselling and management on a fee-only basis. She has found that different customers are willing to pay different rates for her services. This shows that her pricing decisions should depend primarily on:      |  |  | | --- | --- | | A. | choosing an average price that she will charge all her clients |  |  |  | | --- | --- | | B. | changes in technology allowing consumers to manage their own affairs |  |  |  | | --- | --- | | **C.** | how different customers perceive the value of her services |  |  |  | | --- | --- | | D. | how much her competitors charge for similar services |   Although the other factors might need to be considered in pricing, the primary consideration should be perceived value—and the reason different customers are willing to pay different rates is because they perceive the value differently. |

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| *AACSB: Analytic Bloom’s: Analyse Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Development of marketing* |

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| 21. | Yesenia, the new university course scheduling manager, is struggling with adjustments to the autumn schedule. She is trying to determine how to offer the classes students need at the times students need them. Yesenia is struggling with the marketing function of:      |  |  | | --- | --- | | A. | communicating the value proposition |  |  |  | | --- | --- | | **B.** | supply chain management |  |  |  | | --- | --- | | C. | capturing value |  |  |  | | --- | --- | | D. | value co-creation |   Getting a product (in this case, a class) to customers when and where they want them describes the Place component of the marketing mix, which involves managing the supply chain. |

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| 22. | \_\_\_\_\_\_\_\_\_\_ is communication by a marketer that informs, persuades or reminds potential customers about a product.      |  |  | | --- | --- | | A. | Pricing |  |  |  | | --- | --- | | **B.** | Promotion |  |  |  | | --- | --- | | C. | Placement |  |  |  | | --- | --- | | D. | A relational orientation |   This is the definition of promotion. |

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| *AACSB: Communication Bloom’s: Remember Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Making marketing work* |

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| 23. | Auction sites like eBay have mainly increased opportunities for \_\_\_\_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | A. | B2B |  |  |  | | --- | --- | | **B.** | C2C |  |  |  | | --- | --- | | C. | D2C |  |  |  | | --- | --- | | D. | C2D |   Consumers can buy and sell from each other on sites like eBay, increasing the amount of consumer-to-consumer (C2C) marketing that takes place. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Marketing as a set of processes* |

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| 24. | Which of the following is NOT true about marketing ideas?      |  |  | | --- | --- | | A. | Opinions, philosophies, intellectual concepts and even thoughts can be effectively marketed. |  |  |  | | --- | --- | | **B.** | The marketing of ideas does not involve true exchange of value. |  |  |  | | --- | --- | | C. | Ideas can be 'purchased' by convincing someone to change his or her behaviour. |  |  |  | | --- | --- | | D. | Marketing can be directed toward primary and secondary targets to increase knowledge and change behaviour. |   The marketing of ideas does, in fact, involve exchange of value. One party benefits from exposure to a new idea, while the other generally asks for a particular behaviour. |

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| 25. | The evolution of marketing progressed along the following continuum:      |  |  | | --- | --- | | A. | sales, marketing, value-based marketing, production |  |  |  | | --- | --- | | B. | marketing, value-based marketing, production, sales |  |  |  | | --- | --- | | C. | value-based marketing, production, sales, marketing |  |  |  | | --- | --- | | **D.** | production, sales, marketing, value-based marketing |   The production-oriented era was followed by the sales-oriented era, then the marketing-oriented era and finally the value-based marketing era. |

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| 26. | The idea that a good product will sell itself is associated with the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |   In the production-oriented era, the assumption was that if companies built good products, they would sell without any particular effort. |

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| 27. | Melanie works for a small computer software company. Her boss is constantly improving their products but neglecting customers, billing and promoting the company. Her boss is probably stuck in the \_\_\_\_\_\_\_\_\_\_ era of marketing.      |  |  | | --- | --- | | **A.** | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |   The production-oriented era of marketing dealt primarily with manufacturing processes and the design of a good product, but without concern for meeting specific customer needs. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Development of marketing* |

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| 28. | The prevailing marketing strategy of the \_\_\_\_\_\_\_\_\_\_ era was to find customers for inventories that went unsold.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | **B.** | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | value-based marketing |   In the sales-oriented era, firms believed that a hard-sell approach was the answer to building sales. |

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| 29. | Trey sells consumer electronics. He knows his customers weigh the costs versus the benefits associated with the different options available. He decides which products to offer and what prices to charge based on the way his customers think. Trey operates in the \_\_\_\_\_\_\_\_\_\_ era.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | B. | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | **D.** | value-based marketing |   Trey is thinking in terms of the value his customers perceive (benefits minus costs) and thus is thinking about value-based marketing. |

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| 30. | Christie has just started with a travel agency. She has been offering clients and prospective clients a range of packaged tours. She is concerned because the commissions she is earning on her sales are lower than she had hoped. Her colleague Peter, who has been with the agency for several years, is having a great deal of success by working closely with the clients, seeking their ideas and building customised tour packages for each one based on their suggestions. Peter's approach is based on:      |  |  | | --- | --- | | A. | transaction-oriented marketing |  |  |  | | --- | --- | | B. | premium pricing |  |  |  | | --- | --- | | C. | special incentives from tour operators |  |  |  | | --- | --- | | **D.** | value co-creation |   Peter is collaborating with his clients to build custom packages, which is an example of value co-creation. |

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| *AACSB: Analytic Bloom’s: Analyse Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Development of marketing* |

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| 31. | As owner of a retail franchise food store, Mary Grey purchases supplies based on specials advertised nationally throughout the franchise system. One Monday, she was surprised to find customers asking for specials she hadn't been informed of in advance. The franchise company failed to live up to the value-driven principle of:      |  |  | | --- | --- | | **A.** | sharing information across the organisation |  |  |  | | --- | --- | | B. | balancing customers' benefits and costs |  |  |  | | --- | --- | | C. | evaluating strategic competitive partnerships |  |  |  | | --- | --- | | D. | building relationships with customers |   Apparently the national headquarters forgot to inform franchisees of the special, suggesting a failure of information sharing. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 32. | If you are involved in a buying or selling situation in which you do not expect to do business with the other party again, you are engaged in a:      |  |  | | --- | --- | | **A.** | transaction |  |  |  | | --- | --- | | B. | negotiation |  |  |  | | --- | --- | | C. | relationship |  |  |  | | --- | --- | | D. | C2C channel |   A one-time purchase between buyer and seller is a transaction, as opposed to a relationship in which a continual stream of transactions is expected. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Hard Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 33. | A relational orientation is based on the philosophy that buyers and sellers develop:      |  |  | | --- | --- | | A. | a complete understanding of each other's needs |  |  |  | | --- | --- | | **B.** | a long-term relationship |  |  |  | | --- | --- | | C. | a price-value comparison matrix |  |  |  | | --- | --- | | D. | supply chain synergy |   A relational orientation expects a relationship to develop over the long term. |

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| *AACSB: Analytic Bloom’s: Remember Difficulty: Easy Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 34. | Franco uses a database software system to remind him when his customers should be ready to reorder his industrial cleaning products. With this reminder system, Franco contacts his customers when they are most likely to be 'in the buying mode'. Franco's system is part of:      |  |  | | --- | --- | | A. | C2C marketing |  |  |  | | --- | --- | | **B.** | customer relationship management |  |  |  | | --- | --- | | C. | a transactional marketing orientation |  |  |  | | --- | --- | | D. | supply chain management |   Franco's system is one element of a customer relationship management system, in that it tracks customers and seeks to meet their specific needs in order to build loyalty. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Views of marketing* |

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| 35. | Georgia, the outside sales rep for a major building supply company, reads a report stating that building permits are down dramatically in her sales territory. She had noticed that things were slowing down, but now she has data confirming her impression. Based on this information, one important function Georgia should provide is:      |  |  | | --- | --- | | A. | pushing her customers to buy products whether they need them or not |  |  |  | | --- | --- | | **B.** | advising the production and purchasing departments to produce or order smaller quantities of products |  |  |  | | --- | --- | | C. | assisting customers in product recall confirmations |  |  |  | | --- | --- | | D. | estimating profit per sale to determine whether or not the firm can survive the slowdown |   Georgia should share what she has learned with the production and purchasing departments, so that they can plan accordingly. She should not push her customers to buy things they don’t need—this will damage her firm’s reputation and will come back to haunt her when the downturn ends. Estimating profit isn’t Georgia’s responsibility, but someone in the firm should look at the impact of the slowdown, if enough sales territories are affected. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Marketing and business performance* |

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| 36. | Jenny, the delivery and sales representative for a beer distributor, is calling on a retailer and sees the shelves are almost empty. An unexpected sporting event held nearby resulted in a huge increase in sales. She calls her company's distribution manager and requests a special delivery for her customer. Jenny is providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make |  |  |  | | --- | --- | | **B.** | alerting the logistics department when to ship products |  |  |  | | --- | --- | | C. | advising the customer about new products and markets |  |  |  | | --- | --- | | D. | identifying opportunities to expand |   Jenny is arranging for a shipment through the distribution manager, who handles the logistics function. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Marketing and business performance* |

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| 37. | After the previous sales representative infuriated an important customer, Benjamin visited the customer once a month, never asking for business but hoping to rebuild trust through listening and expressing concern. Finally, after more than two years, the customer gave Benjamin an order. Benjamin was providing the important marketing function of:      |  |  | | --- | --- | | A. | advising production on how much product to make |  |  |  | | --- | --- | | B. | alerting the logistics department when to ship products |  |  |  | | --- | --- | | **C.** | engaging customers and developing long-term relationships |  |  |  | | --- | --- | | D. | identifying opportunities to expand |   Benjamin was involved in a relational orientation, hoping to rebuild the long-term relationship with this customer. |

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| *AACSB: Analytic Bloom’s: Analyse Difficulty: Hard Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Nature of customer value* |

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| 38. | A friend of yours comments, 'I'm starting my own business. I have a perfect product that no one else can touch, but I have no use for marketing. That's just for the mega-corporations.' Which of the following arguments would you NOT use in talking about marketing?      |  |  | | --- | --- | | A. | Marketing helps new ventures organise, operate and assess risk. |  |  |  | | --- | --- | | B. | Marketers help address unmet customer needs, regardless of the size of the firm. |  |  |  | | --- | --- | | C. | Marketers are skilled at communicating the value of the product to potential customers. |  |  |  | | --- | --- | | **D.** | Marketing isn't essential now, but it will be in a year or two when the product takes off. |   Marketing is necessary at all stages of a firm's life. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Marketing and business performance* |

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| 39. | Jeff is going to sell sporting apparel, which he has already purchased from manufacturers and has signed a deal agreeing to the volume he would sell monthly. He has researched his competition and talked to some customers and has decided on prices he will charge. Jeff has also developed a plan for promoting his business. Based on this description, which element of the marketing mix does Jeff still need to work on?      |  |  | | --- | --- | | **A.** | place |  |  |  | | --- | --- | | B. | product |  |  |  | | --- | --- | | C. | price |  |  |  | | --- | --- | | D. | promotion |   This question outlines each item of the marketing mix except for Place, which represents all the activities necessary to get the product to the right customer when the customer wants it. Jeff needs to decide if he will have a physical store (and if so, where), a website and so on. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Making marketing work* |

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| 40. | Which of the following is a core aspect of marketing?      |  |  | | --- | --- | | A. | Satisfying as many needs as possible. |  |  |  | | --- | --- | | B. | Creating a product that everyone will want to buy. |  |  |  | | --- | --- | | C. | Setting prices lower than all competitors. |  |  |  | | --- | --- | | **D.** | Making product, place, promotion and price decisions. |   Most of these answers are too broad. Marketers don’t generally try to sell to everyone, nor do they necessarily strive to have the lowest price. Instead, they select customers they can successfully serve and design a marketing mix (product, place, promotion and price) to meet their needs. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 41. | Four Winds Art Gallery recently began offering appraisals of customers’ art collections, in addition to continuing to sell paintings. Four Winds is:      |  |  | | --- | --- | | A. | expanding from offering just services to also offering goods |  |  |  | | --- | --- | | B. | implementing a market segmentation strategy |  |  |  | | --- | --- | | C. | capturing value through multiple pricing strategies |  |  |  | | --- | --- | | **D.** | expanding from offering just goods to also offering services |   The paintings are goods; appraisals are services. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Marketing as a set of processes* |

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| 42. | What do value-oriented marketers constantly measure?      |  |  | | --- | --- | | A. | promotional effectiveness against ethical advertising standards |  |  |  | | --- | --- | | B. | the problem of price maximisation against cost-efficiency |  |  |  | | --- | --- | | **C.** | perceived customer benefits against the costs of their offerings |  |  |  | | --- | --- | | D. | the desire to achieve against the need for a stable source of supply |   Value-oriented marketers constantly measure the benefits that customers perceive against the cost of their offerings. They use available customer data to find opportunities to better satisfy their customers' needs, keep costs down and develop long-term loyalties. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 43. | Effective promotion enhances a product or service’s:      |  |  | | --- | --- | | A. | supply chain management system |  |  |  | | --- | --- | | B. | wholesaling capabilities |  |  |  | | --- | --- | | **C.** | perceived value |  |  |  | | --- | --- | | D. | design features |   Effective promotion communicates value by attempting to ensure that customers understand the value being offered. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 44. | When retailers accumulate merchandise from producers in large amounts and sell it to consumers in smaller amounts, it is considered \_\_\_\_\_\_\_ marketing.      |  |  | | --- | --- | | **A.** | B2C |  |  |  | | --- | --- | | B. | B2B |  |  |  | | --- | --- | | C. | C2C |  |  |  | | --- | --- | | D. | C2B |   B2C (business-to-consumer) marketing is the process by which businesses sell to consumers. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Marketing as a set of processes* |

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| 45. | During the \_\_\_\_\_\_\_\_\_\_ era, firms had excess capacity and used personal selling and advertising to generate customers.      |  |  | | --- | --- | | A. | production-oriented |  |  |  | | --- | --- | | **B.** | sales-oriented |  |  |  | | --- | --- | | C. | market-oriented |  |  |  | | --- | --- | | D. | retailoriented |   In the sales-oriented era, manufacturers had the capacity to produce more than customers really wanted or were able to buy. Firms found an answer to their overproduction in becoming sales oriented; they depended on heavy doses of personal selling and advertising. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Development of marketing* |

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| 46. | To build relationships, firms focus on the \_\_\_\_\_\_\_\_\_\_\_ of the relationship, not on how much money is made during each transaction.      |  |  | | --- | --- | | A. | cost |  |  |  | | --- | --- | | **B.** | lifetime profitability |  |  |  | | --- | --- | | C. | length |  |  |  | | --- | --- | | D. | value |   To build relationships, firms focus on the lifetime profitability of the relationship, not on how much money is made during each transaction. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 47. | If a firm adopts a CRM (customer relationship management) business philosophy, it most likely has a(n) \_\_\_\_\_\_\_ orientation with its customers.      |  |  | | --- | --- | | A. | transactional |  |  |  | | --- | --- | | B. | external |  |  |  | | --- | --- | | **C.** | relational |  |  |  | | --- | --- | | D. | internal |   A relational orientation refers to relationship building and developing a better understanding of customers’ needs and wants. A customer relationship management (CRM) program uses a set of strategies, programs and systems that focus on identifying and building loyalty among the firm's most valued customers. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 48. | The primary purpose of the \_\_\_\_\_\_\_\_\_\_ plan is to specify the marketing activities for a specific period of time.      |  |  | | --- | --- | | **A.** | marketing |  |  |  | | --- | --- | | B. | business |  |  |  | | --- | --- | | C. | strategic |  |  |  | | --- | --- | | D. | organisational |   The marketing plan specifies the marketing activities for a specific period of time. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 49. | Which element of the marketing mix is most relevant to the activity known as ‘capturing value’?      |  |  | | --- | --- | | **A.** | price |  |  |  | | --- | --- | | B. | promotion |  |  |  | | --- | --- | | C. | purchasing |  |  |  | | --- | --- | | D. | product |   The marketing mix activities are promotion (communicating value), product (creating value), price (capturing value) and place (delivering value). |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 50. | Jean-Pierre is a wine distributor in Australia representing primarily European vintners (wine producers). He knows his potential market is every wine drinker in Australia, but he has limited resources to market his products. Using the ideas presented in the text, what should Jean-Pierre do as a first step when developing his marketing plan?     Marketing is about creating value for the customer. With limited resources, Jean-Pierre should attempt to identify the segments of the wine drinking market that are most likely to be interested in his products. This would probably include people who travel more, are of European heritage and upper income groups. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Making marketing work* |

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| 51. | As the customer service manager for a heating and air conditioning firm, you are constantly bombarded with complaints about service people not showing up, not having the parts needed to make repairs and being unable to quickly get the materials needed to fix things. You decide to bring in a marketing consultant to assist you with these problems. What area of marketing specialisation would you look for in a marketing consultant and what recommendations would you expect to receive? Be specific; this is a heating and air conditioning firm.     The problems span the organisation from suppliers, to company employees, to customers. You would probably look for a supply chain management specialist and look for recommendations to coordinate parts inventories with vendors, train service personnel in inventory management and improve communication among the service personnel, customers and the scheduling office. |

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| *AACSB: Analytic Bloom’s: Apply Difficulty: Hard Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. Topic: Marketing and business performance* |

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| 52. | How does value co-creation provide additional value to customers?     Value co-creation not only involves the customer; it also offers the opportunity to explain unmet needs the firm can address. Within the broader framework of value-based marketing, the customer will probably gain greater benefits from the product since it will meet more of the customer's needs. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 53. | What is the fundamental purpose of marketing?     The fundamental purpose of marketing is to create value by developing a variety of offerings, including goods, services and ideas, to satisfy customer needs. |

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| *AACSB: Analytic Bloom’s: Remember Difficulty: Easy Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 54. | Basically, there are two ways to improve value. What are they?     The two ways to improve value are to provide a better product at the same price or to provide the same value at a lower price. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 55. | Using a manufacturer as an example, explain how a firm can become more value-driven.     The manufacturer should focus on four key activities:   1. Sharing information. All departments should receive appropriate information so that proper value is created for the customer and the customer perceives an integrated experience rather than a feeling that people in the company do not speak to each other. For example, production people need to know how much should be produced and distribution people should know when products will reach the market. 2. Balancing benefits with costs. The manufacturer should pay attention to how much is spent in producing/delivering the product. This should be less than the value the customer gets in the exchange so that a profit can be made. 3. Building relationships with customers. The manufacturer should have a long-term orientation when dealing with customers. 4. Connecting with customers using mobile and social media. Customers all over the world have come to expect a manufacturer's presence in social and mobile media. Attention should be paid to how this should be implemented in different countries and cultures. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Marketing and business performance* |

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| 56. | Deonna has been asked to write a marketing plan for a new restaurant. What questions will she likely address in her marketing plan? Be specific and offer suggestions relevant to a restaurant.     Responses will vary, but might reflect the following considerations:   * Where will the restaurant be located? (place) * What items will be included on the menu? (products) * Where will ingredients, supplies, equipment and furnishings be purchased? (supply chain) * What prices will the restaurant charge? (pricing) * How will the restaurant be promoted? (promotion). |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Making marketing work* |

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| 57. | The manager of a restaurant supply company determined prices by adding a standard mark-up to her costs. What might the manager be missing when it comes to effective pricing decisions?     Pricing should be based on the potential buyer's belief about its value. Some of the items offered by the restaurant supply company may have greater perceived value than other items. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 58. | Which type of orientation would you expect among ethically challenged marketers: a relational or transactional orientation? Explain your choice.     You would expect a transactional orientation, because they just want to get their money; they are not interested in building relationships. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

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| 59. | Imagine you graduate with a marketing degree and are hired by the marketing department of a large consumer products company. You are initially given a two-week training program, which is an overview of what the marketing department does. What will your training program cover?     Students' responses will vary, but should include a discussion of the core aspects of marketing. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: What is marketing?* |

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| 60. | How should marketers determine prices.     Prices should be based on potential customers' perceptions of value. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Nature of customer value* |

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| 61. | Rodney bought a suit at Men's Warehouse. Men's Warehouse bought the suit from a distributor, which bought it from a designer. The designer bought the materials to make the suit from a factory in China and the suits were made at that same factory. The employees in the factory bought their suits directly from the factory and sold them to their friends. Explain which of these transactions were B2B, B2C and/or C2C.     Rodney bought a suit at Men's Warehouse—B2C Men's Warehouse bought the suit from a distributor—B2B The distributor bought it from a designer—B2B The designer bought materials from a factory where the suits were made—B2B The employees in the factory bought their suits directly from the factory—B2C The employees sold the suits to their friends—C2C. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Hard Learning Objective: 1.1 Define the role of marketing in organisations. Topic: Making marketing work* |

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| 62. | Explain the process of customer relationship management (CRM) in terms of how it affects marketing activities.     Customer relationship management (CRM) is a business philosophy and set of strategies, programs and systems that focus on identifying and building loyalty among a firm’s most valued customers. Firms that employ CRM systematically collect information about their customers’ needs and then use that information to target their best customers with the products, services and special promotions that appear to be most important to them. |

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| *AACSB: Analytic Bloom’s: Understand Difficulty: Medium Learning Objective: 1.2 Explain the concept of value in marketing. Topic: Nature of customer value* |

Grewal2e Chapter 01 Testbank Summary

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| *Category* | *# of Questions* |
| AACSB: Analytic | 60 |
| AACSB: Communication | 2 |
| Bloom’s: Analyse | 3 |
| Bloom’s: Apply | 22 |
| Bloom’s: Remember | 9 |
| Bloom’s: Understand | 28 |
| Difficulty: Easy | 15 |
| Difficulty: Hard | 19 |
| Difficulty: Medium | 28 |
| Learning Objective: 1.1 Define the role of marketing in organisations. | 43 |
| Learning Objective: 1.2 Explain the concept of value in marketing. | 13 |
| Learning Objective: 1.3 Understand why marketing is important, both within and outside the firm. | 6 |
| Topic:  Development of marketing | 10 |
| Topic:  Making marketing work | 8 |
| Topic:  Marketing and business performance | 6 |
| Topic:  Marketing as a set of processes | 6 |
| Topic:  Nature of customer value | 18 |
| Topic:  Views of marketing | 1 |
| Topic:  What is marketing? | 13 |