Test Bank for Foundations of Marketing 8th Edition by Pride

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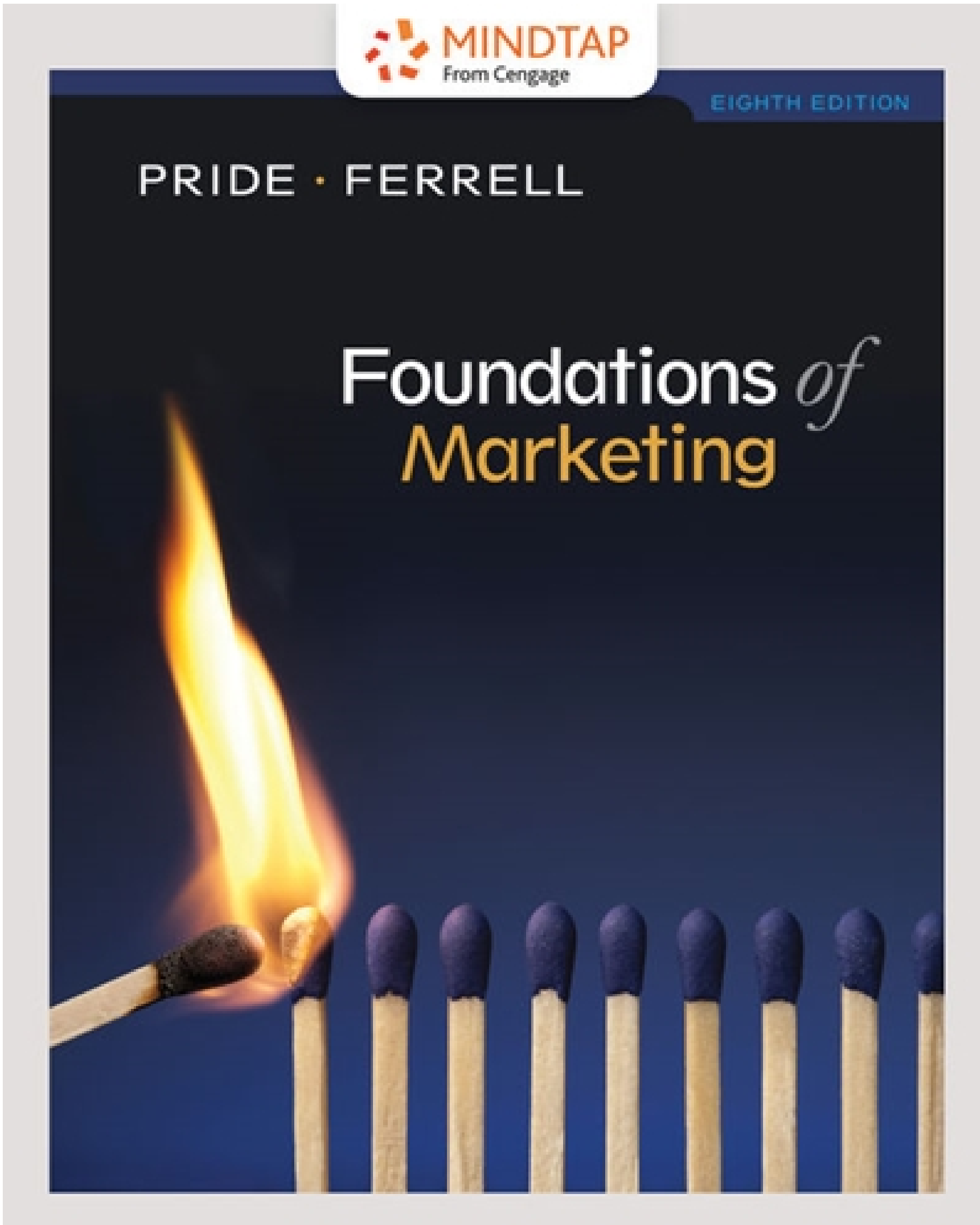

Test Bank

TRUE/FALSE

1 : The strategic planning process begins with a detailed analysis of the organizations strengths and weaknesses and the identification of opportunities and threats within the marketing environment.
A : true
B : false

Correct Answer : B

2 : A marketing strategy is a written document that specifies the activities to be performed to implement and control a firms marketing activities.
A : true
B : false

Correct Answer : B

3 : Marketing strategies should be established before marketing objectives are decided.
A : true
B : false

Correct Answer : B

4 : A core competency is something a firm does extremely well-sometimes so well that it gives the company an advantage over its competition.
A : true
B : false

Correct Answer : A

5 : A competitive advantage is created when a company matches its core competency to the opportunities it has discovered in the market.
A : true
B : false

Correct Answer : A

6 : The analysis of strengths and weaknesses focuses on internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.
A : true
B : false

Correct Answer : A

7 : A long-term view, or vision, of what the organization wants to become is called a mission proclamation.
A : true
B : false

Correct Answer : B

8 : A firms organizational mission should be derived from its goals.

A : true
B : false

Correct Answer : B

9 : An organizations goals focus on the ends or results that the firm seeks.
A : true
B : false

Correct Answer : A

10 : Marketing objectives should be stated in such a way that the degree of accomplishment can be measured accurately.
A : true
B : false

Correct Answer : A

11 : Marketing objectives state what is to be accomplished through marketing activities.
A : true
B : false

Correct Answer : A

12 : A marketing objective need not be consistent with the firms overall objectives.
A : true
B : false

Correct Answer : B

13 : Corporate strategy determines the means for utilizing resources in the functional areas of business to reach the organizations goals.
A : true
B : false

Correct Answer : A

14 : Corporate strategic planners focus on dimensions such as competition, diversification, differentiation, environmental focus, and interrelationships among SBUs.
A : true
B : false

Correct Answer : A

15 : A strategic business unit is not self-supporting in terms of sales, markets, production, and other resources.
A : true
B : false

Correct Answer : B

16 : A market is a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase these products.

A : true
B : false

Correct Answer : A

17 : The Boston Consulting Group approach is based on a philosophy that a products market growth rate and its market share relative to competition should be helpful in determining its marketing strategy.
A : true
B : false

Correct Answer : A

18 : The Boston Consulting Groups model serves as a diagnostic tool to spotlight strategic business units that have an opportunity to grow rather than as a guide for making strategy prescriptions.
A : true
B : false

Correct Answer : A

19 : Marketing managers can classify a firms products into four basic types: stars, cash cows, dogs, and question marks.
A : true
B : false

Correct Answer : A

20 : Stars are profitable products that usually generate more cash than is required to maintain share.
A : true
B : false

Correct Answer : B

21 : Cash cows are market leaders that are growing fast, with substantial reported profits.
A : true
B : false

Correct Answer : B

22 : Question marks exist at a cost disadvantage and exhibit few opportunities for growth at a reasonable cost.
A : true
B : false

Correct Answer : B

23 : The long-term health of the firm depends solely on having products that generate cash and provide acceptable reported profits.
A : true
B : false

Correct Answer : B

24 : The decisions made in creating a marketing mix are only as good as the organizations understanding of the target market.
A : true
B : false

Correct Answer : A

25 : Each of the marketing mix elements must work together with the others.
A : true
B : false

Correct Answer : A

26 : A sustainable competitive advantage is one that cannot be copied by a firms competitors.
A : true
B : false

Correct Answer : A

27 : The strategic planning process begins with a detailed analysis of the organizations strengths and weaknesses and the identification of opportunities and threats within the marketing environment.
A : true
B : false

Correct Answer : B

28 : Marketing planning and implementation are inextricably linked in successful businesses.
A : true
B : false

Correct Answer : A

29 : In a traditional organization, marketing decisions are generally centralized at the top levels of the organization.
A : true
B : false

Correct Answer : A

30 : The strategic performance evaluation does not monitor the activities of external sources of marketing assistance.
A : true
B : false

Correct Answer : B

31 : The primary way to reduce the discrepancy between planned and actual performance is to rewrite the performance standard.
A : true
B : false

Correct Answer : B

32 : Centralized decision making may prove effective in firms that must respond quickly to fluctuations in customer demand.
A : true
B : false

Correct Answer : B

33 : Product development is a strategy of increasing sales by improving present products or developing new products for current markets.
A : true
B : false

Correct Answer : A

34 : In the strategic planning process, marketers conduct their SWOT analyses before developing corporate and business-unit strategies.
A : true
B : false

Correct Answer : B

35 : An organizations goals focus on the end results the organization seeks.
A : true
B : false

Correct Answer : A

36 : When the right combination of circumstances and timing permits an organization to take action to reach a particular target market, a core competency exists.
A : true
B : false

Correct Answer : B

37 : Selecting an appropriate target market may be the most important decision a company makes in the strategic planning process.
A : true
B : false

Correct Answer : A

38 : Marketing cost analysis uses sales figures to evaluate a firms current performance.
A : true
B : false

Correct Answer : B

39 : Financial controls information will most likely be found in the performance evaluation section of the marketing plan.
A : true

B : false

Correct Answer : A

40 : The marketing plan provides a framework to stimulate thinking and provide strategic direction.
A : true
B : false

Correct Answer : A

41 : When conducting a SWOT analysis, Walmarts massive distribution network should be classified as an opportunity.
A : true
B : false

Correct Answer : B

MULTIPLE CHOICE

42 : When managers at Solutions Inc. are developing their strategic plan, they use a market orientation as a guide to ensure that ____ is an integral part of the process.
A : customer satisfaction
B : employee satisfaction
C : the best use of their marketing resources
D : the marketing mix
E : the marketing function

Correct Answer : A

43 : Managers at the Hightop Corporation are engaged in a complex process of revising their organizations mission and goals and developing corporate strategy, marketing objectives, marketing strategy, and, eventually, a marketing plan. This process is called
A : marketing planning.
B : strategic planning.
C : marketing strategy.
D : corporate strategy.
E : strategic business planning.

Correct Answer : B

44 : Safeway Foods Corporation is involved in identifying and analyzing a target market. The firm then develops a marketing mix to satisfy individuals in that market to gain long-term competitive advantages. Based on this example, Safeway is creating a
A : corporate strategy.
B : target design.
C : mix strategy.
D : marketing strategy.
E : marketing tactic.

Correct Answer : D

45 : Which of the following is a characteristic of a marketing objective?
A : It is consistent with both business-unit and corporate strategy.
B : It is a verbal agreement, not in writing.
C : It is not written in measurable terms.
D : It does not specify a time frame for its accomplishment.
E : It clearly identifies how marketing strategy will be implemented.

Correct Answer : A

46 : The marketing plan is
A : a plan of all aspects of an organizations business strategy.
B : written differently for each SBU.
C : a written document detailing activities to be performed to implement and control marketing actions.
D : designed to specify not only marketing, but all other functional areas of business activities as well.
E : updated only periodically.

Correct Answer : C

47 : CyberCycle Inc. is preparing a written document specifying the activities to be performed to implement and control its marketing activities. This document is called the
A : profit plan.
B : marketing program.
C : strategic market program.
D : strategic business plan.
E : marketing plan.

Correct Answer : E

48 : Apple has made a success from anticipating what consumers would want in new technological advances, convenience, and ease of use. The introduction of the iPad was an example of a _____ for Apple, something that an organization does extremely well and may give a company an advantage over its competition.
A : benchmark
B : sustainable competitive advantage
C : core competency
D : strategic vision
E : marketing opportunity

Correct Answer : C

49 : A market opportunity results from
A : the right combination of circumstances and timing that permits an organization to take action to reach a particular target market.
B : monitoring the firms capabilities.
C : an increase in market share and profits.
D : an assessment of environmental forces.
E : technological determinism.

Correct Answer : A

50 : When the right combination of circumstances occurs at the right time to allow an organization to take action toward a target market, the firm is faced with a
A : market objective.
B : market requirement.
C : strategic market plan.
D : market opportunity.
E : corporate objective.

Correct Answer : D

51 : After determining that consumers had concerns about fat and carbohydrates, Piadas Pizza began offering a low-fat, low-carb pizza product. The creation of this new product was the result of
A : a competitive advantage.
B : a well-defined mission statement.
C : good strategic planning.
D : a market opportunity.
E : opportunistic behavior.

Correct Answer : D

52 : A strategic window is
A : the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
B : what determines the factors that are most important in making a market attractive or strong.
C : customers requirements or desired benefits.
D : a temporary period of optimum fit between the key requirements of a market and the particular capabilities of a firm competing in that market.
E : the process that seeks information about events and relationships in a companys outside environment.

Correct Answer : D

53 : A ____ is created when a company matches its core competency to opportunities it has discovered in the marketplace.
A : market opportunity
B : market requirement
C : competitive advantage
D : strategic window
E : competitive opportunity

Correct Answer : C

54 : Amazons pricing, service, and continuing investment in improving its website with additional product offerings give it a(n) ____ over many other retailers.
A : organizational opportunity advantage
B : strategic window
C : market requirement
D : market opportunity
E : competitive advantage

Correct Answer : E

55 : An analysis of ____ examines internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.
A : opportunities and threats
B : market opportunities
C : strengths and weaknesses
D : activities and responsibilities
E : organizational resources

Correct Answer : C

56 : John Deeres strong name recognition and solid customer demand for its farm and garden equipment are two elements of the firms
A : strengths.
B : opportunities.
C : weaknesses.
D : threats.
E : strategies.

Correct Answer : A

57 : Favorable conditions in the marketplace environment that could produce business rewards for the organization if acted upon properly are called
A : strengths.
B : market strategies.
C : market niches.
D : threats.
E : opportunities.

Correct Answer : E

58 : Successful business organizations should take actions to convert internal weaknesses into ____ and external threats into ____.
A : opportunities; core competencies
B : core competencies; strengths
C : opportunities; strengths
D : strengths; core competencies
E : strengths; opportunities

Correct Answer : E

59 : An organizations business goals should be derived from its
A : mission statement.
B : strategic plan.
C : strategic business plan.
D : marketing plan.
E : marketing strategy.

Correct Answer : A

60 : The reputation and well-known brand name of Rolex watches represents a ____ for Rolex.
A : competitive advantage
B : core competency
C : market opportunity

D : strategic window
E : pricing strategy

Correct Answer : B

61 : Which of the following statements is incorrect?
A : Of the three levels of planning, corporate strategy is the broadest.
B : Business-unit strategy should be consistent with the corporate strategy.
C : Marketing strategy should be consistent with both the business-unit and corporate strategies.
D : Strategic planning begins at the marketing level and proceeds through business-unit and corporate levels.
E : Strategic planning begins at the corporate level and proceeds through business-unit and marketing levels.

Correct Answer : D

62 : ____ strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organizations goals.
A : Corporate
B : Business-unit
C : Marketing
D : Mission statement
E : Marketing mix

Correct Answer : A

63 : Within a business organization, a profit center that is self-supporting in terms of sales, markets, production, and other resources is known as a
A : profit entity.
B : strategic business unit.
C : marketing program.
D : small business.
E : diversified corporation.

Correct Answer : B

64 : Kraft purchased the Duracell Battery Company and now operates this division as a separate profit center within the firm. In this example, Duracell is a(n) ____ unit of Kraft.
A : strategic business
B : marketing
C : dependent
D : independent
E : corporate

Correct Answer : A

65 : A group that has the willingness, ability, and authority to buy a product is a
A : market.
B : consumer.
C : strategic business unit.
D : business customer.

E : strategic window.

Correct Answer : A

66 : According to the text, a market is defined as
A : a place to buy products.
B : the buyers of the products that a company develops, promotes, prices, and distributes.
C : the specific group of customers on whom an organization focuses its marketing efforts.
D : a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase those products.
E : the percentage of a group of customers that actually buys a specific product from a specific company.

Correct Answer : D

67 : Ian, a 17-year-old high school student, wants to buy a pack of Marlboro Lights. He has the money to purchase them, but he is still not considered to be a market for the product due to his lack of _____ to buy.
A : ability
B : willingness
C : authority
D : need
E : location

Correct Answer : C

68 : The Boston Consulting Groups matrix is based on the
A : idea that a firms market share and market attractiveness are the important factors for a marketing strategy.
B : assumption that a firms actions have a profitable impact on marketing strategy.
C : business position and market attractiveness of the firm.
D : philosophy that a products market growth rate and its market share are important determinants of its marketing strategy.
E : idea that a products market growth rate and market attractiveness determine the marketing strategy.

Correct Answer : D

69 : According to the Boston Consulting Group, marketers may classify their products as all of the following except
A : dogs.
B : cash contributors.
C : question marks.
D : stars.
E : cash cows.

Correct Answer : B

70 : Based on the work by the Boston Consulting Group, products with a dominant share of the market and good prospects for growth are
A : dogs.
B : cash cows.
C : stars.

D : question marks.
E : pigs.

Correct Answer : C

71 : The director of marketing for 3M tapes tells the rest of the management team, When it comes to our transparent packaging tape unit, our strategy will be to use funds generated here to support our venture in the industrial bonding market. This strategy indicates that the packaging tape unit falls into which one of the following classifications?
A : Problem child
B : Star
C : Cash cow
D : Dog
E : Question mark

Correct Answer : C

72 : The percentage of a market which actually buys a specific product from a specific company is referred to as that products
A : strategic segment
B : target market
C : market share
D : market cut
E : market position

Correct Answer : C

73 : Which of the following is the most specific and detailed type of business strategy?
A : business-unit
B : marketing
C : corporate
D : customer service
E : tactical

Correct Answer : B

74 : The Altitude Adventure Academy is developing its marketing mix for the coming year. Its managers know that they must first select ____ which may be the most important decision they make in the planning process.
A : the promotional strategy
B : a distribution method
C : the pricing strategy
D : a target market
E : the desired profit margin

Correct Answer : D

75 : Business decisions made in creating a marketing mix
A : are made before a target market is identified.
B : are unchangeable once they are agreed upon by management.
C : are only as good as the organizations understanding of the needs of the target market.
D : usually take place when a strategic window is open.
E : must always be consistent with the firms opportunities.

Correct Answer : C

76 : All marketing mix decisions must have two characteristics: ____ and ____.
A : consistency; flexibility
B : consistency; rigidity
C : formality; flexibility
D : variability; flexibility
E : formality; rigidity

Correct Answer : A

77 : Givency, a marketer of high-fashion products, achieved a company turnaround by ensuring that its brand had the same image and proper display around the world. It also lowered prices on some items, like handbags, to be more competitive. This illustrates a company working to develop a marketing mix that is both ____ and ____.
A : consistent; flexible
B : formal; flexible
C : variable; flexible
D : consistent; rigid
E : consistent; formal

Correct Answer : A

78 : Harley-Davidsons Harley Owners Group (HOG) helps to foster strong relationships between riders and their motorcycles, giving it a(n) ____ over other motorcycle manufacturers.
A : controllable advantage
B : uncontrollable competitive advantage
C : sustainable marketing advantage
D : effective competitive advantage
E : sustainable competitive advantage

Correct Answer : E

79 : Because of its highly efficient and low-cost distribution system, Walmart has a ____ advantage over Kmart.
A : nonsustainable competitive
B : sustainable marketing
C : sustainable control
D : sustainable implementation
E : sustainable competitive

Correct Answer : E

80 : A marketing plan
A : is characteristic of production-oriented firms and other mass producers.
B : provides a framework for implementing and controlling marketing activities.
C : always increases the marketing managers operating costs.
D : produces plans that are short term in orientation.
E : restricts the marketing managers future options.

Correct Answer : B

81 : Which of the following is not a purpose of the marketing plan?
A : Communicate internally with employees
B : Assign tasks and responsibilities for implementation
C : Specify the allocation of resources
D : Monitor the performance of a marketing strategy
E : Serve as a contract with the customer

Correct Answer : E

82 : Suaves new shampoo, HI7, is faltering badly in the market. Suaves marketing personnel are unsure who is responsible for various marketing tasks, when these tasks are to be completed, or what resources have been allocated. Suave Marketing Director Maria Castanza said that the problem is that HI7 has the most poorly written ____ she has ever seen.
A : marketing plan
B : competitive plan
C : implementation plan
D : media schedule
E : product specification sheet

Correct Answer : A

83 : The Texan BBQ Brand Corp. has conducted a SWOT analysis of its competition and sees a marketing opportunity for its new Texan BBQ restaurant. It has developed its marketing plan to include the type of products it will sell, the location for the restaurant, and the pricing it will use. Their plan includes a marketing objective to make a profit of 5% the first year of operation. So far, the owners of the restaurant have eliminated a key piece of the marketing plan, which is
A : specifying how they will achieve their marketing objective
B : how they will address the competitions prices
C : coming up with a quantitative measure for their objective
D : developing a qualitative measure for their objective
E : assessing their weaknesses

Correct Answer : A

84 : Which of the following is not a component of a marketing plan?
A : Environmental analysis
B : Marketing strategies
C : Product
D : Executive summary
E : Marketing implementation

Correct Answer : C

85 : A marketing plan document usually begins with a(n)
A : executive summary.
B : introduction to the companys marketing objectives.
C : summary of current performance as compared with past performance.
D : situation analysis.
E : opportunity and threat analysis.

Correct Answer : A

86 : The process of putting marketing strategies into action is called

A : marketing implementation.
B : marketing control.
C : marketing action.
D : marketing auditing.
E : the marketing action plan.

Correct Answer : A

87 : Shimas employer is currently developing a new marketing strategy. The top managers have developed the marketing strategy and have given it to Shima so that she can now develop an implementation plan. Shimas company will most likely end up with which type of strategy?
A : Decentralized
B : Centralized
C : Rigid
D : Intended
E : Realized

Correct Answer : B

88 : Starbucks provides training and support to its employees, including health care benefits. Through these _____ efforts Starbucks is better able to deliver quality products and service to its customers.
A : internal management
B : extended marketing
C : intended marketing
D : external marketing
E : internal marketing

Correct Answer : E

89 : In a traditional organization, marketing decisions are likely to be
A : very decentralized.
B : centralized at the top levels of the organization.
C : made by frontline employees.
D : made by frontline managers.
E : made only by the CEO.

Correct Answer : B

90 : Miss Maidens Bakery is a family-owned business with more than $1 million in annual revenues and six locations. At Miss Maidens, decisions are sometimes slow in coming and top-level managers delegate very little authority to lower-level employees. Miss Maidens is a(n) _____ organization.
A : centralized
B : decentralized
C : empowered
D : marketing-oriented
E : total quality management

Correct Answer : A

91 : The first step in the strategic performance evaluation is to
A : take corrective action.

B : reduce the difference between actual and desired standards.
C : evaluate actual performance.
D : compare actual performance and standards.
E : establish performance standards.

Correct Answer : E

92 : An expected level of performance against which actual performance can be compared is a
A : standard performance.
B : standard of excellence.
C : step in sales analysis.
D : performance standard.
E : corrective standard.

Correct Answer : D

93 : One way that Honda evaluates its product and service level is by how well it ranks on the J. D. Power & Associates Sales Satisfaction Survey. In doing so, Honda is
A : controlling marketing activities.
B : taking corrective action.
C : empowering its employees.
D : evaluating actual performance.
E : setting performance standards.

Correct Answer : D

94 : Marketing managers can take each of the following corrective actions for reducing a discrepancy between established performance standards and actual performance except
A : improving actual performance.
B : reducing the performance standard.
C : totally changing the performance standard.
D : changing the marketing strategy.
E : coordinating a new step in performance analysis.

Correct Answer : E

95 : Scenario 2.1Use the following to answer the questions.Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.Refer to Scenario 2.1. The fact that Southwest Airlines has a history of being able to retain its employees is a(n) ____ in its SWOT analysis. This low turnover creates more knowledgeable and satisfied employees, a potential _______.
A : weakness; opportunity
B : strength; competitive advantage
C : threat; market opportunity

D : opportunity; competitive advantage
E : strength; market opportunity

Correct Answer : B

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A : threat; strength
B : weakness; strength
C : threat; opportunity
D : weakness; opportunity
E : opportunity; strength

Correct Answer : C

97 : Scenario 2.1Use the following to answer the questions.Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.Refer to Scenario 2.1. Southwests low fares, dependability, and its on-time flights represent its
A : competitive advantage.
B : marketing opportunity.
C : marketing plan.
D : marketing objectives.
E : total quality management.

Correct Answer : A

98 : Scenario 2.2Use the following to answer the questions.EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited s owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various

tourist locations. He wants to expand his skydiving and motocross tours, but isn t sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.Refer to Scenario 2.2. According to the BCG matrix, the hang-gliding and bungee jumping tours have been a ____ for EXperience Limited, while the skydiving and motorcross tours represent a ____.

A : star; dog
B : cash cow; question mark
C : cash cow; star
D : star; cash cow
E : star; question mark

Correct Answer : B

99 : Scenario 2.2Use the following to answer the questions.EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited s owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn t sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.Refer to Scenario 2.2. The fact that college enrollments have been increasing at a fast rate the past few years is an example of ____ and creates a ____ for EXperience Limited.

A : an environmental factor; marketing opportunity
B : an environmental factor; strategic door
C : a company strength; marketing opportunity
D : a company strength; competitive advantage
E : a marketing opportunity; competitive advantage

Correct Answer : A

100 : Scenario 2.2Use the following to answer the questions.EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited s owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn t sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.Refer to Scenario 2.2. The college-aged student represents EXperience Limiteds ____, and the tours its operates represent the ____ element of the marketing mix.

A : target market; distribution
B : customer relationships; distribution
C : cash cow; product
D : cash cow; distribution
E : target market; product

Correct Answer : E

101 : You asked your stockbroker to consider buying some shares of Facebook, Inc. for your investment account. But, first you want to review the summary points in the SWOT analysis the stockbrokers firm did on the company. The following summary points were listed in the SWOT analysis:Facebook has a reputation as a market leader and it is quickly establishing a formidable brand loyalty amongst its users.Because of its position in the industry, it risks incurring high costs associated with creating and marketing new products that are designed to perpetuate its industry leadership.These summary points suggest
A : that Facebooks products are cash cows.
B : that Facebook has a first-mover advantage.
C : that Facebooks products are question marks.
D : that Facebook has a superior marketing strategy versus its peers.
E : that Facebook has a late-mover advantage.

Correct Answer : B

102 : Your quarterly strategic planning meeting will be held next month. You will schedule all the brainstorming and discussion activities for the meeting in a sequence and structure consistent with the hierarchy of the traditional strategic planning process.Which of the following sequence of activities should you schedule in order to be most consistent with the hierarchy of the traditional strategic planning process?
A : 1: Develop functional area goals and objectives; 2: Complete a SWOT analysis for the company; 3: Develop business unit strategies; 4: Develop the companys mission and goals.
B : 1: Develop the companys mission and goals; 2: Develop business unit strategies; 3: Complete a SWOT analysis for the company; 4: Develop functional area goals and objectives.
C : 1: Complete an economic environment analysis; 2: Develop the companys mission and goals; 3: Develop business unit strategies; 4: Complete a SWOT analysis for each business unit; 5: Develop functional area goals and objectives.
D : 1: Complete a SWOT analysis for the company; 2: develop the companys mission and goals; 3: Develop business unit strategies; 4: Develop functional area goals and objectives.
E : 1: Develop the companys mission and goals; 2: Develop business unit strategies; 3: Complete an economic environment analysis; 4: Develop functional area goals and objectives.

Correct Answer : B

103 : You are leading the breakout session on developing the marketing strategy at your companys strategic planning conference. You have prepared discussion guidelines and rules of engagement to keep all attendees in the session focused on the task at hand.Your guidelines for developing the companys marketing strategy
A : suggest that the marketing objectives be written in general terms so that the strategy and be change along the way if necessary.
B : suggest that the target market should be identified before the marketing objectives are established.
C : suggest that the target market should be selected to fit the marketing mix.
D : suggest that the marketing objectives should be consistent with both the business-unit and the corporate strategies.
E : suggest that marketing should not worry about the strategys impact on company profits because the finance department will handle that aspect.

Correct Answer : D

104 : Marketers understand that the best marketing strategy in the world is doomed to fail if it is not properly implemented. With that in mind, an effective implementation strategy

A : begins with identifying the activities to be performed, and ends with assigning responsibility for each activity to one or more team members.
B : begins with identifying team members, and ends with assigning activities to each team member.
C : has an open-ended timetable to allow for unexpected delays.
D : organizes all activities in sequential order even if they can be performed simultaneously.
E : organizes tasks in order according to their level of complexity.

Correct Answer : A

105 : The following passage is an often-expressed critique of one of the two types of decision-making structures:Another disadvantage of this structure is that the organization may become fragmented. Business units may lose their sense of team spirit and cooperation. Some business units may put their own interests ahead of those of the company as a whole. Innovative ideas that once spread through the company quickly may now remain within individual business units.Which one of the following decision-making structures is this critique referring to?
A : Centralized organizational structure
B : Remote organizational structure
C : Functional organizational structure
D : Process organizational structure
E : Decentralized organizational structure

Correct Answer : E

106 : You are preparing the marketing budget for the next fiscal year and the finance department staff has given you the following guidelines to follow when estimating certain aspects of the budget:You should allocate $250,000 for the total annual office expense for the marketing department.For each marketing campaign that you plan to run, you should allocate $10,000 for supplies expense.For each new product introduction that you plan to execute, you should allocate $5,000 for travel expenses.You should allocate $25,000 for storage expenses for the entire year.With respect to the costs included in the guidelines communicated from finance you can conclude that
A : office expense and travel expenses are both fixed costs.
B : office expense and storage expenses are both variable costs.
C : storage expenses and travel expenses are both variable costs.
D : travel expenses and supplies expenses are variable costs.
E : office expense and supplies expenses are fixed costs.

Correct Answer : D

107 : You are the senior financial analyst supporting the marketing department in your company, and head of marketing has asked you to come up with one performance metric that can be used to evaluate how effective each marketing campaign is in terms of contribution to the firms profits. It should be a metric that can be easily used to compare different marketing campaign against each other.In response, you propose using:
A : A metric that takes the total new sales dollars generated by a campaign and divides it by the total office expense of the campaign.
B : A metric that takes the total new sales dollars generated by a campaign and divides it by the total fixed cost of the campaign.
C : A metric that takes the total new sales dollars generated by a campaign and divides it by the total variable cost of the campaign.
D : A metric that takes the total new sales dollars generated by a campaign and divides it by the total supplies expense for the campaign.

E : A metric that takes the total new sales dollars generated by a campaign and divides it by the total cost of the campaign.

Correct Answer : E

108 : The ____________ section of the marketing plan states what the company wants to accomplish through marketing activities, using a(n) ___________ of where the firm stands in the market.
A : marketing objectives; performance evaluation
B : marketing strategies; implementation timetable
C : SWOT analysis; marketing concept
D : marketing objectives; SWOT analysis
E : environmental analysis; SWOT analysis

Correct Answer : D

109 : You want to include a detailed marketing organizational chart in the company marketing plan.Which of the following sections of the marketing plan will you include this chart in?
A : SWOT Analysis
B : Performance Evaluation
C : Marketing Implementation
D : Marketing Objectives
E : Environmental Analysis

Correct Answer : C

110 : You are writing an Environmental Analysis for the marketing plan for your company. You were given the following master list of environmental factors that should be addressed in the plan:Foreign exchange ratesTrade policyPopulation growth ratesTax policyEnvironmental regulationsProduction automation trendsHealth and medical trendsYou are responsible for the subsection dealing with political and regulatory factors that will impact your companys marketing strategies.Which of the factors from the master list of environmental factors will you include in your subsection?
A : Foreign exchange rates; Trade policy; Population growth rates
B : Trade policy; Tax policy; Environmental regulations
C : Tax policy; Environmental regulations; Health and medical trends
D : Trade policy; Health and medical trends; Tax policy
E : Environmental regulations; Foreign exchange rates; Tax policy

Correct Answer : B

111 : SUP ATX is the largest stand-up paddle board maker based in Austin, Texas, that markets their products directly to consumers via their website. SUP ATX mission is to spread the sport of stand up paddle surfing from oceans to lakes and rivers around the world. Stand up paddle surfing or boarding is a relatively new sport but is growing due to the relatively low price of the boards, ease in transportation and storage of the boards as well as the sport providing a fun way to exercise and allow users to enjoy the outdoors. Which of the following would be the best target market for SUP ATX paddle board products?
A : active adults aged 24 to 40 who enjoy outdoor recreational activities
B : high school students aged 15 to 18 who are looking for alternatives to traditional sports activities
C : sporting goods retailers such as Dicks Sports who are seeking new products to sell in their retail stores

D : professional surfers who compete in surfing competitions across the globe

Correct Answer : A

112 : The American Eagle chain of retail stores has a reputation as one of the coolest brands according to Teen Research Unlimited. Their stores feature quality merchandise, the latest trends, must-have styles, and the hottest deals for its shoppers. The retail stores are typically found in shopping malls across the country and are comfortable places to shopfeaturing interesting displays, pop music, and bright lights. American Eagles selection of denim is the most popular product appealing to both genders and has helped them achieve double-digit growth. Which of the following would most likely be the best target market for American Eagle?
A : Men and women aged 40 to 60
B : Children aged 12 or under
C : Mand women aged 16 to 22
D : Active seniorsmen and women aged 61 or older

Correct Answer : C

113 : Cycling Inc. is a manufacturer of bicycles and sells its bikes to retail outlets that serve the consumer market. Trek bicycles are priced at $900 and over and are typically sold to consumers who are recreational riders or those aspiring to compete in amateur cycling or triathlon events. Trek has enjoyed a steady stream of revenue from its line of road bicycles which are more traditional, multispeed bicycles for those who enjoy long rides on city or rural roads. Sales of road bikes are relatively stable and Trek does little to market the bikes to consumers since they have a dominant share of the market. However, hybrid bikes represent a growing segment as younger consumers prefer the upright riding position of the bikes and they can be utilized for either road or mountain biking. Trek is supporting the hybrid line of bikes with extensive advertising in specialty magazines as well as social media marketing. Trek believes the category of hybrid bikes is growing but their market position is not as strong as other manufacturers, such as Cannondale. Using the Boston Consulting Groups Growth Share Matrix, road bicycles would be categorized as __________ while hybrid bikes would fall into the ___________ category.
A : cash cows; question marks
B : stars; question marks
C : cash cows; stars
D : dogs; stars

Correct Answer : A

114 : Karen Santiago is responsible for the traditional media marketing activities for her company and currently utilizes billboards, radio advertising, newspaper advertising, and cable TV advertising to communicate with customers, reinforce customer relationships, and drive revenues and profitability. Karens company has invested in a proprietary technology scheduling program that allows her to plan the various media investments, messages, and timing over the year to match the various media content to specific marketing objectives, according to the days or months of the year that are most appropriate for the company. Therefore, the proprietary scheduling program assists Karens with which of the following marketing implementation activities?
A : Establishing a timetable for implementation
B : Coordinating marketing activities
C : Communicating within the marketing unit
D : Motivating marketing personnel

Correct Answer : A

115 : Bree Spencer is director of career services at a major Midwestern university and works with corporations who are seeking to recruit recent college graduates. Bree is interested in attracting DePuyOrthopaedics, Inc., a division of Johnson & Johnson, to recruit entry-level marketing and sales representatives. Bree has received very favorable word-of-mouth communication from alumni about DePuyOrthopaedics, and employees are extremely satisfied with the companys culture and feel empowered to make decisions. In addition, they report that they are given a high degree of flexibility and autonomy, which enables them to quickly respond and adapt rapidly to changing customer needs. Its likely that DePuyOrthopaedics has implemented a ____________ organizational structure.
A : controlled
B : centralized
C : decentralized
D : paternal

Correct Answer : C

116 : Wilson Window and Siding Company is a closely held family-owned company that sells exterior siding and windows to businesses and homeowners. The business-to-business market is designed to serve a variety of businesses by replacing wood siding with vinyl siding. In addition, they can customize windows to match any size that a business or homeowner might desire. Wilson Window and Siding employs approximately 35 individuals who report directly to the company president and owner, Max Wilson. Max learned about managing and leading the company from his father, who was a strict but friendly man. Max has developed a reputation as a shrewd businessperson who believes that his way is the right way. He sets all company policies and standards, and expects all employees to follow the rules and standards he has implemented. Employees enjoy the work environment at Wilson Window and Siding Company but are sometimes frustrated because theyre not able to quickly respond to customer requests or changes in their needs and are not empowered to make decisions. Its likely that Wilson Window and Siding Company has implemented a ____________ organizational structure.
A : centralized
B : decentralized
C : controlled
D : paternal

Correct Answer : A

117 : In many cases, companies that enter a market after innovative products have been introduced can achieve long-term competitive advantages by continuing to develop a better mousetrap. For example, VisiCalc was the first company to introduce a desktop spreadsheet program, but Lotus Notes cornered a large market share when it introduced the 1-2-3 program. Today, however, Microsofts Excel is the dominant spreadsheet software program and has continued to endure due to the popularity of the Microsoft Office Suite of products. VisiCalc possessed a ___________ advantage while Microsoft enjoyed a ___________ advantage.
A : first-mover; late-mover
B : late-mover; first-mover
C : sustainable; unsustainable
D : economic; technological

Correct Answer : A

118 : Buddys Smokin Bar-B-Que restaurant opened in 2014 and struggled to build a customer

base for lunch, dinner, or event catering options. When the owners were planning the restaurant, they had projected they would sell 60 to 80 lunches daily with an average lunch price of $8.00 They believed that dinner business would be higher and they would also benefit from their approved liquor license, which could generate between 100 and 120 plates per day at $12 per customer. However, the actual daily lunch and dinner totals were much less and the owners were barely breaking even and wondered if they should close the business. However, Buddys restaurant began an aggressive marketing effort, offered lunch and dinner specials and promoted the restaurant as a family-friendly place where everyone could enjoy fresh, smoked bar-b-que meats. As a result of their marketing efforts, the restaurant is selling out of its product almost daily and has built a take-away business as well. They are selling 100 lunches daily with an average price of $10 and approximately 200 dinner plates at $15. The restaurant is pleased with the revenue stream theyre generating from the restaurant and considering opening a second location or adding space to accommodate more customers at the existing location. Using the data regarding number of plates sold and the average order amount generated, what kind of analysis can the owners of the restaurant perform to assist them in understanding their business opportunities?
A : Sales analysis
B : Cost analysis
C : Advertising analysis
D : Engagement analysis

Correct Answer : A

119 : Luke Matthews is the supply chain manager for a large plastics manufacturing company. He is responsible for procuring a wide variety of raw materials to be utilized in the manufacturing process of their plastic products. As part of an annual quality control and expense analysis, Luke is reviewing the prices charged by the raw materials suppliers and also seeking bids from competing suppliers to determine whether any savings could be realized. Luke is rewarded by the company with bonuses when he is able to reduce expenses associated with the raw materials as this could lead to higher profit margins on the products they manufacture. Luke knows that saving a few cents can make a dramatic difference since they manufacture thousands of products at their state-of-the-art facility in Indiana. What type of analysis do you believe Luke Matthews can perform utilizing the data related to the prices charged by their current and prospective raw materials suppliers?
A : Cost analysis
B : Sales analysis
C : Advertising analysis
D : Engagement analysis

Correct Answer : A

120 : Ethan Hathaway recently graduated from an East Coast university and has joined a small start-up based in New York City. One of his first assignments is to work collaboratively with other members of the marketing team to draft the marketing plan for the next fiscal year. Ethan is highly skilled in conducting secondary research and, as an alumnus of his university, he continues to have complimentary access to the universitys library resources. Hes now realizing how important data analysis is to firms and is glad he took a marketing research course. Ethan is utilizing the library resources to uncover information about a variety of external factors that could provide opportunities or threats and is exploring such factors as competitive, economic, political, legal, regulatory, technological, and sociocultural. Which section of the marketing plan would be most appropriate for the information that Ethan is obtaining through secondary market research?
A : Environmental analysis

B : Executive summary
C : Marketing objectives
D : SWOT analysis

Correct Answer : A

121 : The strategic planning process begins with
A : development of an organizational mission statement.
B : development of marketing strategy.
C : analysis of the marketing environment.
D : analysis of target markets.
E : development of a marketing plan.

Correct Answer : A

122 : Which of the following is a strategy of increasing sales of current products in new markets?
A : Diversification
B : Product development
C : Market share
D : Market penetration
E : Market development

Correct Answer : E

123 : Google introduced Google Home, a smart speaker/home automation device. For Google, Google Home represents a strategy of
A : question mark.
B : diversification.
C : product development.
D : market penetration.
E : market development.

Correct Answer : B

124 : A first-mover advantage is
A : the ability of later market entrants to achieve long-term competitive advantages by not being the first to offer a certain product in a marketplace.
B : the ability of an innovative company to achieve long-term competitive advantages by being the first to offer a certain product in the marketplace.
C : the result of a company matching a core competency to opportunities it has discovered in the marketplace.
D : a combination of circumstances and timing that permits an organization to take action to reach a particular target market.
E : the selection of a target market and the creation of a marketing mix that will satisfy the needs of that target market.

Correct Answer : B

125 : The ability of later market entrants to achieve long-term competitive advantages by not being the first to offer a certain product in a marketplace is called
A : first-mover advantage.
B : early-mover advantage.

C : first-mover disadvantage.
D : strategic window.
E : late-mover advantage.

Correct Answer : E

126 : Which of the following is not a characteristic that should be possessed by a marketing objective?
A : It should be measurable.
B : It should be expressed in clear, simple terms.
C : It should be consistent with both business-unit and corporate strategies.
D : It should specify a time frame for its accomplishment.
E : It should be open ended in terms of time.

Correct Answer : E

127 : Tesla executives have set an objective for the firms new Model 3 to boost Teslas market share by 10%. What is the main problem with this objective?
A : It is not clear and simple.
B : It does not specify a time period.
C : It is not measurable.
D : It is consistent with the firms overall objectives.
E : It is not consistent with the firms overall objectives.

Correct Answer : B

128 : _______ allows marketing managers to understand the problems and requirements of lower-level employees.
A : Coordination
B : Downward communication
C : Upward communication
D : Centralized communication
E : Decentralized communication

Correct Answer : C

129 : To be effective, employee rewards should also be tied to
A : human resources.
B : decisions.
C : organizational activities.
D : organizational goals.
E : other employees actions.

Correct Answer : D

130 : Sales analysis is a common method of evaluation because
A : buying behavior data are readily available and can reflect the target markets reactions to a target mix.
B : cost data are readily available and can reflect the target markets reactions to a target mix.
C : sales data are readily available and can reflect the target markets reactions to a target mix.
D : sales data are readily available and can reflect shareholders reactions to a target mix.
E : it reflects market share.

Correct Answer : C

131 : Naomi Holden is breaking down and classifying costs of her small business to determine which are associated with specific marketing efforts and then comparing these costs with results. Naomi is engaging in
A : sales analysis.
B : marketing cost analysis.
C : market share analysis.
D : production cost analysis.
E : profit and loss analysis.

Correct Answer : B

132 : Marketing planning and ______ are closely linked in successful companies.
A : communication
B : market share
C : human resources
D : implementation
E : production

Correct Answer : D

133 : Which of the following includes an assessment of the competitive, economic, political, legal, regulatory, technological, and sociocultural factors that could affect marketing activities?
A : Executive summary
B : Environmental analysis
C : SWOT analysis
D : Marketing implementation
E : Performance evaluation

Correct Answer : B

134 : Old Spice used actor and former NFL wide receiver Isaiah Mustafa to act as its spokesman as the Old Spice Man. It filmed humorous videos of the actor that went viral online. Old Spice saw sales of its deodorants increase substantially from the previous year. What type of competitive growth strategy did Old Spice use?
A : Product penetration
B : Market development
C : Diversification
D : Market penetration
E : Product development

Correct Answer : D

135 : Competitive growth strategies are based on
A : a units market share and market growth.
B : the type of marketing mix chosen.
C : the Boston Consulting Groups matrix.
D : analyses of each product or business unit.
E : new types of target markets.

Correct Answer : D

136 : Acme Corporation saw an opportunity in the electric car industry. The company had studied major electric car brands such as the Chevrolet Volt and the Nissan Leaf. It believed it could avoid many of the challenges these companies had encountered with a new technology that would reduce costs. Acme also knew from watching competitors that it would have to work hard to convince skeptics that the electric car was a viable and dependable method to get around. By avoiding these mistakes and using its technology, Acme quickly gained market share once it began launching its vehicles. What type of advantage did Acme have?
A : first-mover advantage
B : core advantage
C : late-mover advantage
D : strategic advantage
E : market share advantage

Correct Answer : C

137 : You work in the marketing department of shoe firm Weasley Inc. Over the past month you have been working with management to revise the companys mission statement and set specific marketing goals for the upcoming year. Today you are meeting with your marketing team and discussing the next step in the strategic planning process. What is this next step?
A : Formulating corporate and business-unit strategies
B : Analyzing the organizations strengths and weaknesses and identifying its threats and opportunities
C : Determining performance standards to analyze the successful implementation of goals
D : Evaluating the performance of the marketing strategy
E : Writing up a marketing plan

Correct Answer : A

138 : Mitchell Finnigan runs the marketing department of a large electronics firm. This firm operates in an extremely competitive business environment. Mitchell wants to ensure that he is involved in all the daily decisions and that there is a clear chain of communication between himself and his marketing employees. He believes that his extensive marketing experience makes him the best person for making all the major marketing decisions. Mitchell believes all employees should act together as a cohesive unit and know their roles. Under Mitchell Finnigan, the marketing department most likely has a _______________ structure.
A : decentralized
B : informal
C : demoralizing
D : opportunistic
E : centralized

Correct Answer : E

139 : It is time to develop a budget for marketing department activities for the next year. Your team is looking over the following costs.:Office rentSales commissionsPromotional budgetProduct development costsOffice suppliesThe finance department has recently told you that you have $3,000 to spend on office supplies. You cannot go beyond this no matter what changes happen in the marketing department. Your salespeople get a flat 15% sales commission on anything they sell. With this in mind, which of these costs are variable costs?
A : Office rent, sales commissions, promotional budget, product development costs, office supplies
B : Office rent, promotional budget, and office supplies
C : Sales commissions, promotional budget, and product development costs

D : Sales commissions, product development costs, office supplies
E : Promotional budget and office supplies

Correct Answer : C

140 : Analyzing demographic information, customer needs, preferences, and behaviors with respect to product design, pricing, distribution, and promotion is which of the following parts of strategic planning?
A : Assessing organizational resources and opportunities
B : Managing marketing implementation
C : Establishing mission and goals
D : Developing a written document known as the marketing plan
E : Developing marketing objectives and marketing strategies

Correct Answer : E

141 : The Turmeric Tea Co has become highly efficient in developing and manufacturing new turmeric tea products for the market. It far surpasses its competitors in these areas. Recently, major medical journals have started describing how turmeric tea can be highly advantageous for consumer health. This is likely to give the Turmeric Tea Co a _______________ because it is able to match its skills with opportunities in the marketplace.
A : core competency
B : competitive advantage
C : new marketing objective
D : market opportunity
E : strategic advantage

Correct Answer : B

142 : A marketing objective should be expressed in clear, simple terms; be ______________; specify a time frame for completion; and ensure the marketing objective is ______________ with both business-unit and corporate strategies.
A : precise; centralized
B : encompassing; consistent
C : measurable; consistent
D : legalistic; aligned
E : detailed; decentralized

Correct Answer : C

143 : Pepsi executives realized that more consumers are concerned with health. It has since expanded into the bottled water and bottled juice markets. This is an example of a firm identifying and capitalizing on a
A : market opportunity
B : core competency
C : competitive advantage
D : strength
E : marketing strategy

Correct Answer : A

144 : Jonathons Coffee Shop wants to increase customer satisfaction. Currently, only 75% of customers indicate they are satisfied with the services offered. In the next six months, it plans

on implementing a number of changes to improve its services. Jonathons Coffee plans to implement a survey at the end of the six-month period to determine whether customer satisfaction has improved. Jonathons wants 90% of its customers to indicate they are satisfied with its service. This is an example of a ________________.
A : core competency
B : strategic window
C : marketing plan
D : marketing objective
E : marketing control

Correct Answer : D

145 : Which of the following describes the relationships among the three planning levels, from broadest to narrowest?
A : marketing strategy; corporate strategy; business-unit strategy
B : corporate strategy; marketing strategy; business-unit strategy
C : business-unit strategy; corporate strategy; business-unit strategy
D : corporate strategy; business-unit strategy; marketing strategy
E : marketing strategy; business-unit strategy; corporate strategy

Correct Answer : D

146 : Tridents regular toothpaste is highly popular but is unlikely to experience much more market growth. As a result, Trident is examining other forms of toothpaste with high potential for growth. However, because its regular toothpaste remains so profitable, it can use these profits to invest in newer toothpastes. Tridents regular toothpaste is an example of a
A : cash cow.
B : star.
C : dog.
D : question mark.
E : strategic window.

Correct Answer : A

147 : Which of the following is true about the development of a marketing plan?
A : It is the largest strategic business plan in the organization.
B : It is the final step in strategic planning.
C : It is only useful for the company as a whole.
D : It should be an adaptive response to day-to-day issues and unanticipated situations.
E : It should be unique to the organization for which it was created.

Correct Answer : E

148 : What is the final step in establishing an implementation timetable?
A : Assigning responsibility for completing each activity
B : Organizing activities in their proper order
C : Determining time required for completion
D : Identifying the activities to be performed
E : Separating activities to be performed in sequence from those performed simultaneously

Correct Answer : A

149 : What is one way to analyze costs when conducting marketing cost analysis?

A : Use fixed costs to determine how to use marketing funds more effectively
B : Contrast marketing costs to sales transactions
C : Compare a companys costs with industry averages
D : Divide sales transactions by fixed costs
E : Compare its market share with the market share of competitors

Correct Answer : C

150 : Performance standards are derived from _____________ that were set while developing the marketing strategy.
A : marketing objectives
B : core competencies
C : marketing goals
D : marketing costs
E : market opportunities

Correct Answer : A

151 : Communicating with the marketing unit, motivating marketing personnel, and coordinating marketing activities are part of the _____________ component of strategic planning.
A : Formulating marketing strategies
B : Assessing organizational resources
C : Marketing evaluation
D : Developing the marketing plan
E : Marketing implementation

Correct Answer : E

152 : According to the Boston Consulting Group, which of the following has a small share of a growing market and usually requires a large amount of cash to build market share?
A : Question marks
B : Dogs
C : Cash cows
D : Stars
E : First movers

Correct Answer : A

ESSAY

153 : Describe the process of strategic planning. How does this process help marketing managers?

Correct Answer : ?Through the process of strategic planning, a company establishes an organizational mission and formulates goals, a corporate strategy, marketing objectives, and a marketing strategy. A market orientation should guide the process of strategic planning to ensure that a concern for customer satisfaction is an integral part of the entire company, leading to the development of successful marketing strategies and planning processes. The strategic planning process begins with the establishment or revision of an organization's mission and goals. The corporation and individual business units then develop strategies to achieve these goals. The company performs a detailed analysis of its strengths and weaknesses and identifies opportunities and threats within the external marketing environment. Next, each functional area of the organization (marketing, production, finance, human resources, etc.) establishes its own objectives and develops strategies to achieve them, which must support the organization's overall goals and mission and should be focused on market orientation.

154 : Discuss how a firms orientation is related to the development of its strategic plan.

Correct Answer : Through the process of strategic planning, a company establishes an organizational mission and formulates goals, a corporate strategy, marketing objectives, and a marketing strategy. A market orientation should guide the process of strategic planning to ensure that a concern for customer satisfaction is an integral part of the entire company, leading to the development of successful marketing strategies and planning processes.

155 : In what ways does having a mission statement help an organization achieve its goals?

Correct Answer : Once an organization has assessed its resources and opportunities, it can begin to establish goals and strategies to leverage them. The goals of any organization should derive from its mission statement, a long-term view, or vision, of what the organization wants to become. A well-formulated mission statement gives an organization a clear purpose and direction, distinguishes it from competitors, provides direction for strategic planning, and fosters a focus on customers. An organization's goals, which focus on desired results, guide the remainder of its planning efforts.?

156 : Compare and contrast corporate strategy and marketing strategy.

Correct Answer : Corporate strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organization's goals. A corporate strategy outlines the scope of the business and such considerations as resource deployment, competitive advantages, and overall coordination of functional areas. On the other hand, a marketing strategy involves the selection of a target market and the creation of a marketing mix that will satisfy the needs of target market members. A marketing strategy articulates the best use of the company's resources to accomplish its marketing objectives. Selecting an appropriate target market may be the most important decision a company makes in the strategic planning process and is a key to strategic success. The target market must be chosen before the organization can adapt its marketing mix to meet the customers' needs and preferences.?

157 : Define the four product categories used in the Boston Consulting Group (BCG) product-portfolio analysis.

Correct Answer : One of the most helpful tools for a marketer is the market growth/market share matrix, developed by the Boston Consulting Group (BCG). This approach is based on the philosophy that a product's market growth rate and its market share are important considerations in determining marketing strategy. The BCG matrix enables a strategic planner to classify a company's products into four basic types: stars, cash cows, dogs, and question marks. Stars are products with a dominant share of the market and good prospects for growth. However, they use more cash than they generate in order to finance growth, add capacity, and increase market share. Cash cows have a dominant share of the market, but low prospects for growth. They typically generate more cash than is required to maintain market share.Dogs have a subordinate share of the market and low prospects for growth. Dogs are often found in established markets. Question marks, sometimes called "problem children," have a small share of a growing market and require a large amount of cash to build market share. ?

158 : Describe the two major methods for evaluating the actual performance of marketing strategies.

Correct Answer : The principal means by which a marketer can gauge whether a marketing strategy has been effective in achieving objectives is by analyzing the actual performance of the marketing strategy. Sales analysis uses sales figures to evaluate a firm’s current performance. It is a common method of evaluation because sales data are readily available, at least in aggregate form, and can reflect the target market’s reactions to a marketing mix. If sales spike after a particular marketing mix is implemented, marketers can be reasonably certain that the marketing mix was effective at reaching the target audience. Information gleaned from sales data alone is not sufficient, however. To be useful, marketers must compare current sales data with forecasted sales, industry sales, specific competitors’ sales, and the costs incurred from marketing efforts to achieve the sales volume. Although sales analysis is critical for evaluating the performance of a marketing strategy, it provides only a partial picture. A marketing strategy that successfully generates sales may nevertheless be deemed ineffective if it is extremely costly. A firm must take into account the marketing costs associated with a strategy to gain a complete understanding of its effectiveness at achieving a desired sales level. Marketing cost analysis breaks down and classifies costs to determine which are associated with specific marketing efforts. Comparing costs of previous marketing activities with results allows a marketer to allocate the firm’s marketing resources better in the future. A company that understands and manages its costs appropriately has a competitive advantage.

159 : Describe the two major components of marketing strategy. What should marketing managers consider when developing marketing strategy?

Correct Answer : A marketing strategy is the selection of a target market and the creation of a marketing mix that will satisfy the needs of target market members. A marketing strategy articulates the best use of the company’s resources to achieve its marketing objectives. A target market is a specific group of customers on whom an organization focuses its marketing efforts. When exploring possible target markets, marketing managers try to evaluate how entering them would affect the firm’s sales, costs, and profits. In addition, they should determine if satisfying those needs is consistent with the firm’s overall mission and objectives. Once a target market is selected, it is used as the basis for creating a marketing mix to satisfy the needs of that market. The marketing mix is composed of four marketing activities—product, pricing, distribution, and promotion—that a firm can control to meet the needs of customers within its target market. All marketing mix decisions should be consistent with the business-unit and corporate strategies. Also, marketing mix decisions should be flexible and permit the firm to alter the marketing mix in response to changes in market conditions, competition, and customer needs. At the marketing mix level, a firm can detail how it will achieve a competitive advantage. To gain an advantage a firm must do something better than its competitors. Ultimately, it is important for the firm to achieve a sustainable competitive advantage, one that the competition cannot copy in the foreseeable future.

160 : Discuss the creation of a marketing plan. What are the major components of a marketing plan?

Correct Answer : A marketing plan is a written document that specifies the marketing activities to be performed to implement and evaluate the organization’s marketing strategies. The first component of the marketing plan is the executive summary, which provides an overview of the entire plan so that readers can quickly identify the key issues and their roles in the planning and implementation processes. The executive summary includes an introduction, an explanation of the major aspects of the plan, and a statement about costs.The next component of the marketing plan is the environmental analysis, which supplies information about the company’s current situation with respect to the marketing environment, the target market, and the firm's current objectives and performance. The environmental analysis includes an assessment of all the environmental factors—competitive, economic, political, legal, regulatory, technological, and sociocultural—that can affect marketing activities. The analysis then examines the current needs of the organization's target markets. In the final section of the environmental analysis, the company evaluates its marketing objectives and performance to ensure that objectives are consistent with the changing marketing environment.The next component of the marketing plan is the SWOT analysis (strengths, weaknesses, opportunities, and threats), which utilizes the information gathered in the environmental analysis.The marketing objectives section of the marketing plan states what the company wants to accomplish through marketing activities, using the SWOT analysis as a guide to where the firm stands in the market. The marketing strategies component outlines how the firm plans to achieve its marketing objectives and discusses the company's target market selection(s) and marketing mix.The marketing implementation component of the plan outlines how marketing strategies will be executed.Finally, the performance evaluation establishes the standards for how results will be measured and evaluated, and what actions the company should take to reduce the differences between planned and actual performance.

161 : Discuss the different ways of organizing the marketing unit.

Correct Answer : The structure and relationships of a marketing unit, including establishing lines of authority and communication that connect and coordinate individuals, strongly affect marketing activities. To organize a marketing unit, firms must first decide whether operations should be centralized or decentralized, a choice that directly affects marketing decision making and strategy.In a centralized organization, top-level managers delegate little authority to lower levels. In centralized organizations, marketing decisions are made at the top levels. However, centralized decision making may prove ineffective in firms that must respond quickly to fluctuations in customer demand. In these organizations, decentralized authority allows the company to adapt more rapidly to customer needs. In a decentralized organization, decision making authority is delegated as far down the chain of command as possible.How effectively a company's marketing management can implement marketing strategies also depends on how the marketing unit is organized. Organizing marketing activities to align with the overall strategic marketing approach enhances organizational efficiency and performance. A marketing department should clearly outline the hierarchical relationships between personnel and who is responsible for performing certain activities and making decisions.?

162 : How does a firm use a market opportunity to reach a particular target market?

Correct Answer : Analysis of the marketing environment also includes identifying opportunities in the marketplace, which requires a solid understanding of the company's industry. When the right combination of circumstances and timing permits an organization to take action to reach a particular target market, a market opportunity exists. The SWOT analysis is used to assess an organization's strengths, weaknesses, opportunities, and threats. It is depicted as a four-cell matrix and shows how marketers must seek to convert weaknesses into strengths, threats into opportunities, and match internal strengths with external opportunities to develop competitive advantages. Strengths and weaknesses are internal factors that can influence an organization's ability to satisfy target markets. Strengths refer to competitive advantages, or core competencies, that give the company an advantage over other firms in meeting the needs of its target markets. Weaknesses are limitations a company faces in developing or implementing a marketing strategy.