

*Test Bank for Principles of Marketing
for a Digital Age 3rd Edition by Tuten*

ISBN: 9781036201104

Principles of Marketing for a Digital Age (3rd)

ISBN 9781036201104 | Chapter 1

Total Questions: 15

Multiple Choice (15)

Q1. [Multiple Choice]

Which of the following is not a dimension of the holistic marketing concept?

- a) relationship marketing
- b) integrated marketing
- c) **social marketing ✓ correct**
- d) performance marketing

Q2. [Multiple Choice]

The use of marketing to drive social change in behaviours that benefit individuals and society is referred to as:

- a) cause marketing
- b) cause-related marketing
- c) sustainability marketing
- d) **social marketing ✓ correct**

Q3. [Multiple Choice]

All the following are examples of Industry 4.0 innovations except

- a) **internet connectivity ✓ correct**
- b) virtual reality headsets
- c) self-driving cars
- d) smartphones

Q4. [Multiple Choice]

The decisions and activities related to bringing an offer to market are referred to as:

- a) value
- b) **marketing ✓ correct**
- c) production
- d) delivering

Q5. [Multiple Choice]

Markets can be identified by all of the following except:

- a) product category
- b) geographic region
- c) type of buyer
- d) **branded rewards ✓ correct**

Q6. [Multiple Choice]

An offer targeted to consumers and sold by consumers is referred to as:

- a) **C2C ✓ correct**
- b) B2C
- c) C2B
- d) B2B

Q7. [Multiple Choice]

The value of making a product available when it is needed is referred to as:

- a) form utility
- b) time utility ✓ correct**
- c) place utility
- d) possession utility

Q8. [Multiple Choice]

Which of the following is not one of the 4Ps in the classic marketing mix?

- a) product
- b) purpose ✓ correct**
- c) price
- d) place

Q9. [Multiple Choice]

Product, place, price and promotion, known collectively as the 4Ps, were expanded to include:

- a) position, process and presence
- b) people, position and placement
- c) position, process and placement
- d) people, process and presence ✓ correct**

Q10. [Multiple Choice]

An entity for sale is referred to as:

- a) product ✓ correct**
- b) price
- c) place
- d) promotion

Q11. [Multiple Choice]

Marketers use all of the following design elements to suggest sensory perceptions in virtual environments except:

- a) touch ✓ correct**
- b) sounds
- c) aesthetics
- d) scents

Q12. [Multiple Choice]

Processing data close to the source is known as:

- a) edge computing ✓ correct**
- b) living services
- c) machine learning
- d) metadata

Q13. [Multiple Choice]

Digital elements of Industry 4.0 driving the era of marketing convergence include all of the following except:

- a) internet of everything
- b) digital reality
- c) additive manufacturing
- d) robotics ✓ correct**

Q14. [Multiple Choice]

Cognitive technologies include all of the following except:

- a) big data analytics ✓ correct**
- b) artificial intelligence
- c) machine learning
- d) language processing

Q15. [Multiple Choice]

The set of technology tools used to support and operate marketing activities is referred to as:

- a) marketing convergence
- b) marketing mix
- c) marketing technology stack ✓ correct**
- d) marketing concept process

Teaching guide

PART I

OVERVIEW OF INSTRUCTOR RESOURCES

Items included in Part I

1. Philosophy Behind Principles of Marketing for a Digital Age
2. Importance of Chapter Cases
3. Assurance of Learning Exercises and Flipped Classroom Lesson Plans
4. Description of Online Resources for Instructors

1. Philosophy behind principles of marketing for a digital age

Principles of Marketing is a required course for business majors. Given the importance of digital marketing concepts, *Principles of Marketing for a Digital Age* provides a strong digital foundation for students alongside the traditional foundation concepts required for a comprehensive business education. Every chapter highlights the role of Industry 4.0 technologies both for marketing operations, marketing decision-making and planning and customer experiences. *Principles of Marketing for a Digital Age* students learn the theories that underlie strategic marketing decisions and study cases and examples that bring the theories to life.

In addition to an integrated coverage of digital implications for marketing, each chapter features a case dedicated to the United Nations' 2030 Agenda for Sustainable Development. In 2015, the member states of the United Nations committed to pursue an ambitious plan to solve the world's greatest challenges. The heart of the plan is a set of 17 goals, each tied to a critical issue, known as the sustainable development goals (SDGs) or Global Goals. Recognizing that today's university business students are the business leaders of tomorrow, the United Nations created the Principles for Responsible Management Education (PRME)

initiative to raise awareness of the sustainability issues the world is facing and to educate students as to how businesses can contribute, thereby ensuring that students have the skills needed to balance the economic goals of business with the sustainability goals of the world. To reach and educate business students, PRME appealed to business professors and university programmes to incorporate the SDGs into teaching and research.

With this noble mission in mind, each chapter in the book includes a PRME-focused case study or ‘Sustainability Spotlight’. Each case explains how a brand applied the marketing lessons featured in the chapter to contribute to accomplishing the SDGs. In this way, we have the opportunity to reinforce how the marketing concepts can be applied while also highlighting the valuable role businesses play in making the world a better place. You can learn more about the initiative by visiting the UN SDG website and viewing videos at www.un.org/sustainabledevelopment/development-agenda/.

2. Importance of chapter cases

Case study analysis is one of the most commonly used methods for business instruction. The cases in *Principles of Marketing for a Digital Age* cover a broad spectrum of marketing situations. All of the cases in this text are undisguised. They are about real organizations and real situations and mostly concern well-known firms. In this guide, you will find proposed discussion questions for each of the case studies in the book.

Each chapter includes three cases: (1) an opening case study, (2) a case study of brand application of the chapter’s marketing topic and (3) a Sustainability Spotlight case, which examines the relevance of the marketing topic to a brand’s contribution to meeting the UN’s sustainability development goals (SDGs). The book includes 36 cases, many of which can be used as comprehensive case studies as well.

3. Assurance of learning exercises and flipped classroom lesson plans

- a. **Review Questions:** The end-of-chapter review questions are designed to get students involved, to increase students’ interest in the course and to aid students in learning how to apply important concepts and techniques.

- b. **Discussion Questions:** Questions which can be used for discussion in class, online or as homework assignments are provided in this Teaching Guide for each chapter case.
- c. **‘Flip That Class’ Lesson Plans:** These lesson plans provide brief instructions for assigning reading and preparation to support in-class ‘flipped’ activities. They also feature videos with discussion questions.

4. Description of online resources for instructors

Online resources are available for adopting instructors to download from the SAGE website. Registration is simple and gives the instructor immediate access to new titles and new editions. Resources include:

- **Teaching Guide** – This guide includes overviews and aims, learning objectives, teaching suggestions, ‘flip that class’ lesson plans, further resources and case study teaching notes for each chapter.
- **PowerPoints** – The PowerPoints highlight the learning objectives, key topics and figures in each chapter and serve as an excellent aid for classroom presentations and lectures.
- **Test bank** – This test bank features multiple-choice questions for each chapter which can be used online or in class to check for preparation and reading comprehension.
- **YouTube Video Playlists** – There is a YouTube playlist for each chapter featuring short, engaging videos on key topics, as well as content related to chapter case studies.
- **SAGE Business Cases** – Additional case studies are provided via the SAGE Business Cases platform and feature discussion questions.

PART II

LECTURE NOTES

Chapter 1: Understanding marketing

Chapter overview and aims

In Chapter 1, students are introduced to how marketing has evolved over time (marketing orientations) and how the evolution of marketing relates to the stages of the Industrial Revolution. Today, we are in an era known as Marketing Convergence, triggered by Industry 4.0 (i.e. the fourth industrial revolution). The digital technologies that make up Industry 4.0 serve as the book's framework for studying marketing in the digital world in which we live and work. Several core concepts are defined in Chapter 1 including marketing, types of markets, motives and needs, utility, benefits and offers. The 7 Ps of the marketing mix are briefly introduced: Product, price, place, promotion, people, process and presence.

Industry 4.0 includes several types of technology applied to manufacturing including the Internet of Everything (which encompasses the Internet of Things, Internet of People, Internet of Data and Process), digital reality (i.e. augmented reality, virtual reality, mixed reality), cognitive intelligence (e.g. artificial intelligence, machine learning), additive manufacturing (i.e. 3D printing) and big data analytics. The relationship between the era of Marketing Convergence and Industry 4.0 technologies is demonstrated with examples of Industry 4.0's impact on the marketing mix. The concept of MarTech, short for marketing technology, the role of marketing technologists and MarTech stacks as foundations for marketing for a digital age are explained.

Learning objectives

When students finish reading this chapter, they will be able to answer the following questions:

1. What has been the evolution of marketing over time? In what ways has marketing shifted in response to consumer demands?

2. What is marketing? What are the core concepts of marketing?
3. What are the elements of the marketing mix? What can be marketed?
4. How are the technologies of Industry 4.0 revolutionizing marketing and the customer experience?
5. What is MarTech and how does it support marketing in the age of convergence?

Teaching suggestions

- Case Study 1.1 can be used to help students to identify the 7 Ps in the marketing mix. It also highlights Bang & Olufsen's marketing mix. See the Case Study Teaching Notes for a summary and discussion questions.
- When covering the eras of marketing, ask students to identify examples of convergence and marketing convergence.
- See the video playlist, suggested flipped activity, and the video lesson and discussion guide as possible in-class or out-of-class activities. These are located under Further Resources.
- Use the discussion questions provided in the Case Study Teaching Notes section below to guide class discussions of the cases included in the chapter.
- The test bank provides questions that can be used for quizzes and tests.

Flip that class lesson plan: Chapter 1 – Understanding marketing

Overview

This lesson plan aligns with Chapter 1 – Understanding Marketing. It emphasizes the Ps in the marketing mix and how offers should vary depending upon the market and the market's needs. After reading and studying the materials at home, students will participate in a class discussion on differences in offers for brands of razors or shampoo.

Learning objectives

Chapter Objectives

- LO2: What is marketing? What are the core concepts of marketing?
- LO3: What are the elements of the marketing mix?

Activity Objectives

- LO2a: To recognize how marketing facilitates exchange by providing utility and benefits that relate to need states
- LO3a: To explore some of the many decisions tied to each of the 7 Ps in the marketing mix

Introduction to activity

The marketing mix includes seven Ps which together make up an offer. Even for a seemingly basic product like a razor or bottle of shampoo, the marketing mix can be designed to meet specific market needs. For example, according to the latest ‘Nielsen Category Shopping Fundamentals’ study, 60% of fast-moving consumer goods (FMCG) decisions are made instore, but nearly the same percentage of millennials report buying such products online, oftentimes using subscription services. The marketing mix for a shampoo targeted to millennials might vary in ‘place’. Prior to our next class, read the chapter material assigned and evaluate a brand of razor or shampoo you have on hand following the instructions provided.

Student at-home instructions

1. Read the sections entitled, ‘Marketing: Definitions and Core Concepts’ and ‘The Offer and the Marketing Mix’ in Chapter 1 of the text. Review Figure 3.
2. Evaluate the razor or shampoo brand you have on hand. Describe its marketing mix following the elements presented in Figure 3. Be specific.
3. Assess what elements of the marketing mix appealed to you. What are its benefits? Did you buy it online? As part of a subscription service? How do you perceive your brand to be different from competing offers?

In-class activity

The teacher will recap the marketing mix concepts and the assignment. Ask students to identify the brands of razors and shampoo they assessed. Then guide the discussion using questions such as those posed below.

In-class discussion questions

1. How does the marketing mix for [brand] relate to the market and its characteristics?
What is the relationship between the marketing mix and the likelihood of exchange between brand and prospect?
2. How do the marketing mixes vary between brands? What conclusions might you draw given the design of each marketing mix? What utilities are created by the characteristics of the marketing mix?
3. For P&G's Joy razor, what are the key elements of the marketing mix that differentiate the brand from competitors?
4. To what extent did your FMCG brand marketing mix emulate the Tesco marketing mix described in Case Study 1.1?
5. What questions do you still have?

Further resources

- Visit the Chapter 1 YouTube video playlist at <https://bit.ly/POMDA01> for a list of videos related to the chapter content and appropriate for use in class.
- Use the Flip That Class Lesson Plans and Video Discussion Guides for Chapter 1 to engage students in the chapter content and cases.
- Assign this video lesson and discussion guide for out-of-class engagement:
http://bit.ly/POMDA_Chp1_FlipVideoLesson_01

Case study teaching notes

Case Study 1.1: Bang & Olufsen's Innovative Marketing Mix

This case study explains the 7 Ps of Bang & Olufsen's marketing mix:

- **Company Overview:** Founded in 1925, Bang & Olufsen (B&O) revolutionized the radio industry with The Eliminator, the first radio powered by electricity. Today, B&O is a global leader in luxury audio and video products, with a presence across Europe, the Americas and Asia.
- **Target Market:** Affluent Design and Music Lovers, including Very High Net Worth Individuals, value B&O's products for their luxury, superior design and audio

quality. These customers view B&O products as collectibles that offer both functionality and aesthetic value.

- **Product Strategy:** B&O's diverse product portfolio includes high-quality speakers, headphones, televisions and audio systems. The company emphasizes craftsmanship, innovation and environmental responsibility with modular, customizable designs. Four main product lines are On-The-Go, Flexible Living, Staged and Custom and Classic.
- **Place (Distribution):** B&O employs an omnichannel distribution strategy, with over 400 company-owned stores, partnerships with over 1,000 retailers and a growing direct-to-consumer (DTC) e-commerce platform. Key global cities serve as critical hubs for their luxury market.
- **Pricing Strategy:** Premium pricing reflects the exclusivity and luxury positioning of B&O's products. This strategy aligns with the brand's image but limits accessibility to a broader audience.
- **Promotion and Branding:** B&O uses innovative, experiential marketing campaigns like 'See Yourself in Sound' to create personalized, immersive experiences. Strategic partnerships, such as with Ferrari and Formula 1, reinforce the brand's luxury and innovation appeal.
- **Commitment to Sustainability:** B&O integrates sustainability into its product design through a 'Cradle to Cradle' approach and circular economy principles, ensuring products are eco-friendly and long-lasting.

For Discussion:

1. What elements can you identify in Bang & Olufsen's marketing mix?

- **Product:** B&O offers a range of luxury, high-quality audio and video products designed with innovation, craftsmanship and sustainability in mind. Their product lines cater to different lifestyles, from portable solutions to customizable home systems, all embodying a timeless, premium aesthetic.

- **Place:** B&O's distribution strategy includes over 400 company-owned stores in key global cities, partnerships with over 1,000 retail stores, and a direct-to-consumer e-commerce platform. This omnichannel approach ensures broad access for their target market of affluent, design-conscious consumers.
 - **Price:** The brand maintains a premium pricing strategy that reflects the exclusivity and high value of its products, aligning with the expectations of its affluent target market.
 - **Promotion:** B&O uses innovative and experiential marketing campaigns, such as 'See Yourself in Sound', to engage customers. They also leverage high-profile partnerships, like with Ferrari and Formula 1, to enhance their brand image.
 - **People:** B&O's highly trained staff in their stores and service teams play a key role in delivering a personalized, luxury experience. These employees reflect the brand's emphasis on premium service and deep product knowledge.
 - **Process:** B&O's sales and customer experience processes are designed to offer seamless service across physical and digital touchpoints. Their emphasis on customization and personalization ensures that each customer has a tailored experience, from product selection to after-sales support.
 - **Presence (Tangible Evidence):** B&O's stores are designed to reflect the brand's luxury image, with sleek, modern interiors that showcase their products in an artistic, immersive setting. Additionally, their product packaging and website design reinforce the premium, aesthetic experience they offer.
2. Which marketing orientation is best exemplified by Bang & Olufsen's mission statement?
- Bang & Olufsen exemplifies a product-oriented marketing orientation, focusing on creating high-quality, innovative and design-forward products that embody luxury and craftsmanship. This is coupled with a strong commitment to sustainability, reflecting their emphasis on creating products that last and deliver exceptional performance over time.
3. What technology resources likely support B&O's ability to meet its customers' needs?

- **Customer relationship management (CRM) systems** likely help B&O personalize experiences and engage with affluent customers across various channels, including direct-to-consumer platforms.
- **E-commerce and digital platforms** provide seamless shopping experiences, enabling customers to access products globally.
- **Data analytics and AI tools** likely support their personalization efforts, as seen in campaigns like ‘See Yourself in Sound’, where technology creates unique customer experiences based on individual preferences.

Case Study 1.2: Red Wing Shoes

Red Wing Shoes is the leading brand of occupational safety boots used by workers in construction and industrial settings. The company uses marketing technology for a wide range of marketing activities. This case helps students to visualize the portfolio of marketing technology solutions which businesses use to address a variety of marketing functions. Other examples are available at the website, www.martech.org. Figure 1.4 illustrates elements of Red Wing Shoes’ marketing technology stack.

For Discussion:

1. Why is personalization a valuable outcome of Red Wing Shoes’ use of digital technologies?

Personalization allows Red Wing Shoes to deliver tailored experiences to customers, enhancing satisfaction and driving sales. Through AI-powered foot scans, personalized product recommendations and behaviour-based email marketing, the company can address individual customer needs, improving fit, comfort and relevance. This personalized approach strengthens customer loyalty and ensures that the right products reach the right consumers at the right time, making marketing more efficient and effective.

2. What other MarTech applications could be valuable for a company like Red Wing Shoes?
 - **Augmented Reality (AR):** Red Wing could use AR to let customers virtually try on work boots before purchasing, improving online shopping experiences.

- **Customer Data Platforms (CDP):** Implementing a CDP could help Red Wing unify customer data from multiple touchpoints, enabling more personalized and consistent interactions across channels.
- **Chatbots:** AI-powered chatbots could assist customers with product recommendations, store information and customer service inquiries, providing real-time support.
- **Influencer Marketing Platforms:** These tools could help Red Wing collaborate with influencers in the industrial or outdoor industries to promote their products to a relevant audience.

3. Which elements of the marketing mix are most impacted by MarTech technologies?

- **Product:** AI and 3D scanning enable Red Wing to offer personalized fitting experiences and create innovative new products through additive manufacturing like 3D printing.
- **Place (Distribution):** Local search optimization and data-driven mobile ads boost store traffic and ensure customers find nearby locations during critical moments, enhancing distribution efficiency.
- **Promotion:** Digital marketing tools, such as dynamic email marketing and location-based mobile advertising, allow Red Wing to target specific customers with personalized, timely promotions that drive engagement and sales.
- **Process:** MarTech streamlines operations like demand forecasting and customer relationship management, optimizing inventory and marketing campaigns for maximum effectiveness.

Sustainability Spotlight: Industry 4.0 Digital Technologies, Sustainable Development and Marketing

In 2015, the member states of the United Nations committed to pursue an ambitious plan to solve the world's greatest challenges, known as the 2030 Agenda for Sustainable Development. The heart of the plan is a set of 17 goals (shown in Figure 1.5), each tied to a critical issue, known as the sustainable development goals (SDGs) or Global Goals. You can

learn more about the initiative by visiting the UN SDG website and viewing videos at www.un.org/sustainabledevelopment/development-agenda/.

Bang & Olufsen (B&O) has embraced sustainability as a core value, integrating it into the design, development and lifecycle of their luxury tech products. The company focuses on four key areas: Longevity, Environmental Impact, Social Responsibility and Governance. B&O's approach is guided by the Cradle to Cradle design philosophy, which emphasizes eliminating waste, using circular materials and creating products that can be repaired, reused or recycled.

Key initiatives include the B&O Repairability Index, modular product designs like the Beosound Theatre soundbar and ESG goals such as using 100% renewable electricity by 2025 and sourcing near-zero carbon aluminium by 2030. B&O also aligns its efforts with several United Nations Sustainable Development Goals (SDGs), particularly SDGs 4, 5, 12 and 13, which focus on education, gender equality, responsible consumption and climate action.

For Discussion:

1. Why is modular design a key part of Bang & Olufsen's sustainability strategy?

Modular design allows B&O products to be easily repaired, upgraded and customized, extending their lifespan and reducing e-waste. By enabling parts of products to be replaced or updated over time, B&O ensures that their products last longer and stay functional beyond the typical lifecycle of consumer electronics. This approach aligns with the principles of a circular economy, where products are designed to stay in use for as long as possible.

2. How does Bang & Olufsen's focus on the Cradle to Cradle design standard benefit both the company and its customers?

The Cradle to Cradle design standard ensures that B&O products are not only safe for the environment but also built for durability and sustainability. For the company, this commitment strengthens its reputation as a luxury brand with strong environmental credentials, attracting environmentally conscious consumers. For customers, the benefit lies in owning high-quality, long-lasting products that can be repaired or upgraded,