1. The societal marketing concept call on marketers to balance consumer wants and desires, company profits, and society's interest.
   - True ✔
   - False

2. Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers.
   - True ✔
   - False

3. Demarketing is a marketing philosophy focused upon product differentiation and positioning
   - True ✔
   - False

4. Your accounting department must measure revenues and costs to help the marketing department know how well it is achieving its objectives.
   - True ✔
   - False

5. When sellers focus on existing needs and lose sight of the underlying customer wants, they suffer from marketing myopia.
   - True ✔
   - False

6. Most firms follow the production concept when they face overcapacity.
   - True
   - False ✔

7. The significant trends in the natural environment include shortages of raw materials and increased pollution
   - True ✔
   - False

8. When firms take aggressive action to affect the public and forces in their marketing environment, they are taking an environmental management perspective.
   - True ✔
   - False

9. At times it becomes necessary to reduce demand for some products and services. When the government tries to reduce the smoking of tobacco products, it adds more tax to the products and is practicing demarketing. True ✔

   False

10. Marketing management is interested in serving all customers in every way to remain competitive in today's markets.
    - True ✔
    - False

21. Product, Price, Place and promotion make up the elements of a firm's marketing mix.

    -

-
- True y
- False

22. The simplest definition of modern marketing is managing profitable customer rleationships.
    - True y
    - False
23. Customer-perceived value depends on the product's perceived performance relative to a buyer's expectations.
    - True y
    - False
24. When backed by buying power, needs become demands.
    - True y
    - False

49. Characteristics such as age, gender, and marital status are known as ___
    - Psychographic characteristics
    - Biographical characteristics
    - Geographical characteristics
    - Behavioral characteristics
50. ___ works on supposition that consumers/customers buy products which fulfill their needs.
    - Production concept
    - Marketing concept y
    - Selling concept
    - Product Concept
51. Which of the following options refers to the activities that are associated with planning, pricing, promoting and distributing the product or service?
    - Marketing y
    - Selling
    - Promotion
    - All of given
52. ___ focuses on making every possible sale of the product, regardless of the need of customer.
    - Production concept • Marketing concept
    - Selling concept y
    - Product concept
53. ___ focuses on making better-quality products for their customers.
    - Production concept
    - Marketing concept
    - Selling concept
    - Product concept y
54. Marketing is a process which aimed at ___

- Production
- Financial management
- Satisfaction of consumer needs/wants y
- None

55. The ___ is a marketing concept that holds that the company makes its marketing decisions by considering consumer's needs and, wants and society's long term interests.
    - Product
    - Production
    - Selling
    - Societal Marketing y
56. A transaction involves ___
    - At least two individuals/ Parties
    - Both is capable to communicate and deliver
    - Both are free to accept or reject the offer
    - All of given y
57. Delivering customer satisfaction in return of profit is known as:
    - Management
    - Marketing y • Selling
    - Distribution
58. Building, keeping and growing profitable value-laden relationships with all customers of a company refers to which of the following options?
    - Customer lifetime value
    - Customer perceived value
    - Customer relationship management Y
    - Societal marketing
59. The 4 P's of marketing are the product, price, place, and promotion. Occasionally marketers consider two more P's. These are:
    - People and Processes
    - Profits and Processes
    - People and Profits y
    - Profits and Procedure
60. All of the following are the actors of micro environment EXCEPT:

    Company

    Suppliers

-
-

Marketing Intermediaries
Demographic environment y

61. All of the following are the forces of macro environment EXCEPT:

- Economic
- Natural
- Technological
- Public y

62. All of the following are the types of public's EXCEPT:

- Financial
- Media
- Local
- Suppliers y

63. Which of the following is known as the providers of resources to produced goods and services?

- Suppliers y
- Competitors
- Customers
- Public

64. All of the following are actors of political environment EXCEPT:

- Laws
- Government agencies
- Pressure groups
- Marketing intermediaries y

65. All of the following are indicators of economic environment EXCEPT:

- Per capita income
- Inflation rate
- Internet rate
- Gender ratio y

66. All of the following are indicators of demographic environment EXCEPT:

- Density
  Life expectancy

Median age
Per capita income y

67. Which of the following micro environment actors help the company to promote, sell and distribute its products to final buyers?

- Marketing intermediaries y
- Competitors
- The company
- Public

68. In which of the following marketing channels no intermediaries involves to make their products available to final buyers?

- Direct channel y
- Flexible channel
- Indirect channel
- Static channel

69. In macro environment, 'pressure groups' and 'government agencies' are part of:

- Demographic environment
- Political environment y
- Economic environment
- Cultural environment

70. Expanding fields of health care, space, robotics, and bio-genetic industries refers to which of the following environment?

- Cultural environment
- Economic environment
- Technological environment y
- Demographic environment

71. Marketing stimuli consist of:

- Product
- Price
- Place
- All of given y

72. Which of the following is not an environmental stimulus?

Economic factors
Price factor y
Technological factors
Cultural factors

73. Which of the following is the part of buyer's black box?

- Buyer's characteristics y
- Consumer behavior
- Buyer attitude
- Buyer's personality

74. Which of the following is NOT the part of cultural factors?

- Sub culture
- Culture
- Social class
- Family y

75. Which of the following is NOT the part of personal factors?

- Self-concept
- Lifestyle
- Age and life-cycle stage
- Roles and status y

76. Which of the following is NOT the part of psychological factors?

- Motivation
- Perception
- Learning
- Self-concept y

77. Which of the following best describes Upper class?

- Social elite who live on inherited wealth y
- Professionals
- Unskilled labors
- Independent business persons

78. Which of the following best describes the group which the consumers are inspired with, compare themselves with them and want to be like them?

- Membership group
  Brand community
  Social networking group
  Reference group y

79. Which of the following needs does not belong to Maslow's hierarchy of needs?

- Cultural needs y
- Self-actualization needs
- Self-esteem needs
- Safety needs

80. Which of the following best describes the process by which people select, organize, and interpret information to form a meaningful picture of the world?

- Motivation
- Perception y • Learning
- Self-concept

81. The tendency of consumers to remember good point made about a brand they favor and forget good points made about competing brands is called:

- Selective distribution
- Selective retention y
- Selective attention
- None

82. Which of the following buying behavior is undertaken by buyers when they are highly involved in purchase process and there are significant perceived differences among brands?

- Complex buying behavior y
- Variety seeking buying behavior
- Dissonance reducing buying behavior
- Habitual buying behavior

83. Which of the following buying behavior is undertaken by buyers when they are highly involved with an expensive, risky and infrequent purchase but there are few perceived differences among brands?

- Dissonance reducing buying behavior y
- Habitual buying behavior
- Variety Seeking buying behavior

- Complex buying behavior

84. Which of the following buying behavior is undertaken by buyers in purchase of grocery items?

Complex buying behavior
Variety seeking buying behavior
- Dissonance reducing buying behavior
- Habitual buying behavior y

85. Which of the following buying behavior is undertaken by buyers in purchase of sports car?

- Complex buying behavior y
- Variety seeking buying behavior
- Dissonance reducing buying behavior • Habitual buying behavior

86. Which of the following buying behavior is undertaken by buyers in purchase of biscuits?

- Complex buying behavior
- Variety seeking buying behavior y
- Dissonance reducing buying behavior
- Habitual buying behavior

87. Which of the following is NOT the part of social factors?

- Family y
- Social class
- Roles and status
- Reference Groups

88. The group which has a direct impact on consumer's purchasing behavior is called:

- Membership group y
- Brand community
- Reference group
- Social networking group

89. The tendency of people to interpret information in a way that will support what they already believe is called:

- Selective distortion y
- Selective retention
- Selective attention

- None

90. Which of the following buying behavior is undertaken by buyers in purchase of carpet?

Complex buying behavior

- Variety seeking buying behavior
- Habitual buying behavior
- Dissonance buying behavior y

91. Examples of business markets include which one of the following options?

- Manufacturers
- Service providing companies
- Government institutes
- All of given y

92. Which of the following markets deal with few customers and generate more revenue?

- Business markets y
- Consumer markets
- Financial markets
- Capital markets

93. The business markets have ___ buyer and seller dependency on each other as compared to consumer markets.

- Weak
- Strong y
- Moderate
- Little

94. The business buying process is more complex than consumer buying process because it requires:

- Formal documentation
- Product specification
- Proposal writings
- All of given y

95. In business buying behavior model, which of the following marketing stimuli affect the buying organization which leads to generate buyer responses?

- Price
- Place

- Promotion
- All of given y

96. In which of the following buying situations, the buyer purchases a product or service for the first time?

- Straight rebuy
- Modified rebuy
- New task y
- None

97. In which of the following buying situations, the buyer wants to amend product specifications, prices, terms, or suppliers?

- Straight rebuy
- Modified rebuy y
- New task
- None

98. In which of the following buying situations, the buyer routinely reorders something without any amendments?

- Straight rebuy y
- Modified rebuy
- New task
- None

99. Which of the following participants are involved in the business buying decision process?

- Users
- Influencers
- Buyers
- All of given y

100. All of the following participants are involved in the business buying decision process EXCEPT:

- Buyers
- Deciders
- Rack jobbers y
- Gatekeepers

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76) Most marketers today believe they still lack a sufficient quantity of research data to make high-quality decisions.
FALSE
77) The real value of marketing research and information lies not in quantity but in the customer insights provided.
TRUE
78) Customer needs and buying motives are typically obvious to marketers.
FALSE
79) An effective MIS assesses information needs, develops needed information, and distributes the information to help managers use it in decision making.
TRUE
80) Too much marketing information can be as harmful as too little.
TRUE
81) When you glean information from your company's accounting and sales records stored in the computer, you are developing an internal database.
TRUE
82) You have just extracted sales and cost data used by the accounting department for preparing financial statements. Most likely, this information is complete and in useable form to build an internal marketing database.
FALSE
83) Data age quickly, so keeping the database current requires dedicated resources.
TRUE
84) Major suppliers and resellers are not important sources of intelligence information for marketing decision making.
FALSE
85) Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company.
FALSE

76. In the last decade, Coach has ignored marketing research when designing new bags. (Answer: True; p. 96; Easy)

77. Many analysts believe that Coach's exhaustive market research has failed to pay off. (Answer: True; p. 96; Easy)

78. Today, marketing managers are viewing research information not only as an input for making internal decisions but also as an input for external partners.
(Answer: True; p. 97; Moderate)

79. Most marketers today believe they still lack a sufficient quantity of research data to make high-quality decisions.

(Answer: False; p. 97; Easy)

80. An effective MIS assesses information needs, develops needed information, and distributes the information to help managers use it in decision making.
(Answer: True; p. 98; Moderate)

81. Too much information can be as harmful as too little.
(Answer: True; p. 98; Easy)

82. When you glean information from your company's accounting and sales records stored in the computer, you are developing an internal database.
(Answer: True; p. 99; Moderate)

83. You have just extracted sales and cost data used by the accounting department for preparing financial statements. Most likely, this information should be complete and in useable form to build an internal marketing database.
(Answer: False; p. 99; Challenging)

84. It is important to note that data age quickly, and keeping the database current requires a major effort. (Answer: True; p. 99; Easy)

85. After carefully questioning your major suppliers and resellers, you ascertain they do not form important sources of intelligence information for marketing decision making.
(Answer: False; p. 101; Challenging)

86. Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company. (Answer: False; p. 101; Challenging)

87. Good sources of marketing intelligence information include competitors' annual reports, business publications, trade show exhibits, press releases, advertisements, and Web pages. (Answer: True; p. 101; Moderate)

88. Your firm faces determined marketing intelligence efforts by competitors. You take the typical response by "letting it ride."
(Answer: False; p. 101; Easy)

89. Marketing research is conducted to systematically design, collect, and report data directly relevant to a specific marketing situation facing the organization.
(Answer: False; p. 102; Moderate)

90. The research and development department just released a report and commented that "Defining the problem and research objectives is often the hardest step in the research process." (Answer: True; p. 102; Easy)

91. Once the research problems and objectives have been defined, researchers must determine the exact information needed and present it to management.
(Answer: False; p. 102; Challenging)

92. After conducting formal marketing research for your department, you make an oral presentation with notes to management. You are following normal marketing research steps. (Answer: False; p. 102; Moderate)

93. Marketing researchers can conduct their own searches of secondary data sources today by using commercial secondary data sources.
(Answer: True; p. 103; Easy)

94. Secondary data provide good starting points and often help to define problems and research objectives, though most companies must also collect primary data.
(Answer: True; p. 105; Moderate)

95. ABC Interior Designs wants to collect research data through mechanical observation. The three typical methods are video cameras, checkout scanners, and Internet cookies. (Answer: False; p. 111; Challenging)

96. A single-source data system uses huge consumer panels and electronically monitors survey respondents' purchases and exposure to various marketing activities.
(Answer: True; p. 107; Moderate)

97. Focus groups use no interviewer to bias the answers, may produce more honest answers, and can be used to collect large amounts of data at a low cost per respondent.
(Answer: False; p. 108; Moderate)

98. You have decided upon a method of collecting research data with flexible interviewing, whereby trained interviewers can explain difficult questions and explore issues as the situation requires. Audio-visual aids can also be used. We refer to this as focus group interviewing.
(Answer: False; p. 108; Moderate)

99. Parley Trade Shows wants to use the latest technology in marketing research. You are told this method is online (Internet) marketing research.
(Answer: True; p. 109; Easy)

100. Ideally, a sample should be representative so that the researcher can make accurate estimates of the thoughts and behaviors of the larger population.
(Answer: True; p. 110; Easy)

101. You want to calculate confidence limits for sampling error. It would be best to use nonprobability samples.
(Answer: False; p. 110; Challenging)

102. Marketers all agree that questionnaires are the most common research instrument. (Answer: True; p. 111; Easy)

103. The researcher interprets findings, draws conclusions, and reports those conclusions to management. Ideally, we should present important findings that are useful to the major decisions faced by management to prevent overwhelming them. (Answer: True; p. 113; Moderate)

104. You have just identified the "touch points" of the 400 best customers in your database. At this point, you want to manage detailed information about each of them to maximize customer loyalty. You should use customer relationship management (CRM).
(Answer: True; p. 113; Challenging)

105. Buy-It-Lower Stores has gained many benefits from CRM. If this company is typical, it will realize how to provide higher levels of customer service and develop deeper customer relationships. Management can also pinpoint low-value customers and begin to eliminate them while tailoring offers to specific customers. (Answer: False; p. 114; Challenging)

1. **The marketing of goods and services to companies, governments, or not-for-profit organizations for use in the creation of goods and services that they can produce and market to others is referred to as** Answer: business marketing.
2. **Organizational buyers include manufacturers, wholesalers, retailers, and government agencies** Answer: That buy goods and services for their own use or resale
3. **Which of the following statements represents an organizational buying decision?**

Answer: The owner of a fried chicken restaurant hires a snow removal service to keep the parking lot clear.

4. **Organizational buyers can be divided into three different markets. They are** Answer: industrial, reseller, and government markets.
5. **The services market sells diverse services such as legal advice, auto repair, and dry cleaning. Along with finance, insurance, real estate businesses, and _____, communication and public utility firms, as well as not-for-profit organizations, these firms represent about 75 percent of all industrial firms.**

Answer: transportation

1. Product, price, place and promotion make up the elements of a firm's marketing mix.

   A. True (Chapter no 1 Original Book Page no 34)
   B. False

2. Selling is managing profitable customer relationships.

   A. True
   B. False (Lesson no 44 Page no 220 Old Handouts)

3. Human needs are shaped by culture and individual personality.

   A. True
   B. False (Chapter no 1 Original Book Page no 8)

4. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

   A. True (Lesson no 44 Page no 220 Old Handouts)
   B. False

5. When backed by buying power, needs become demands.

A. True
B. False (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)

6. At times it becomes necessary to reduce demand for some products and services. When the government tries to reduce the smoking of tobacco products, it adds more tax to the products and is practicing demarketing.

A. True
B. False

7. Demarketing is a marketing philosophy focused upon product differentiation and positioning.

A. True
B. **False**

8. Marketers of products, services, and ideas only practice marketing, whereas buyers do not.

A. True **B. False**

9. Marketing offers are limited to physical products.

A. True
B. **False**

10. Delivering superior customer value and customer satisfaction are the two keys to building lasting customer relationships.

A. True
B. False

11. An exchange is the core concept of marketing, whereas a transaction is marketing's unit of measurement.

A. True (Lesson no 2 Page no 11 Old Handouts)
B. False

12. Customer-perceived value depends on the product's perceived performance relative to a buyer's expectations.

A. True
B. **False (Lesson no 2 Page no 11 Old Handouts)**

13. Marketing management is interested in serving all customers in every way to remain competitive in today's markets.

A. True
B. **False ??????**

14. The difference between human needs and wants is that needs are states of felt deprivation.

A. True
B. False

15. The selling concept holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort.

A. True (Lesson no 4 Page no 20 Old Handouts) B. False

16. Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers.

A. True (Lesson no 2 Page no 12 Old Handouts) B. False

17. The societal marketing concept calls on marketers to balance consumer wants and desires, company profits, and society's interest.

A. True (Lesson no 4 Page no 21 Old Handouts) B. False

18. When sellers focus on existing needs and lose sight of underlying customer wants, they suffer from marketing myopia.

A. True **B. False (Lesson no 2 Page no 11 Old Handouts)**

19. Smart marketers look beyond the attributes of the products and services they sell. They create brand experiences for consumers.

A. True (Lesson no 44 Page no 222 Old Handouts) B. False

20. When backed by buying power, wants become demands.

A. True (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)

B. False

1. Raheela works for the Aftab Beverage Company. She helps define product specifications and also provides information for evaluating alternatives. Raheela plays the role of gatekeeper.

   a. True **b. False**

   Rachel Stein works for the LeBray Beverage Company. She helps define product specifications and also provides information for evaluating alternatives. Rachel plays the role of gatekeeper. Answer: FALSE
   AACSB: Analytical thinking
   Skill: Application
   Objective: LO 6.2: Identify the major factors that influence business buyer behavior.
   Difficulty: Easy

   Note : Name changed.

2. In the proposal solicitation stage of the business buying process, the buyer invites qualified suppliers to submit proposals.

   a. **True (Lesson no 16 Page no 79 Old Handouts)** b. False

3. Mission statements must fit the market environment, as indicated here by the Girl Scouts' mission: "where girls grow strong."

   a. **True** b. False

   Mission statements must fit the market environment, as indicated here by the Girl Scounts of American's mission: "where girls grow strong."
   (Answer: True; p. 39; Moderate)

   Note: Difference in these statements are that there is no American's mission written in above statement.

4. The central question for marketers is how do consumers respond to various marketing efforts the company might use? The starting point is called the stimulusresponse of buyer behavior.

   a. **True (Answer: True; p. 129; Moderate)** b. False

5. Five characteristics are especially important in influencing an innovation's rate of adoption. Two of these are relative advantage and compatibility.

a. **True (Answer: True; p. 147; Moderate)** b. False

6. The macroenvironment consists of the factors close to the company that affect its ability to service its customers, such as suppliers, customer markets, competitors, and publics.

a. True **b. False**

7. Sarwar Incorporation wants to use the latest technology in marketing research. You are told this method is online (Internet) marketing research.

a. **True (Answer: True; p. 109; Easy)** b. False

8. When firms take aggressive action to affect the publics and forces in their marketing environment, they are taking an environmental management perspective.

a. **True (True; Moderate; p. 132)** b. False

9. Marketing researchers can conduct their own searches of secondary data sources today by using commercial secondary data sources.

a. **True (Answer: True; p. 103; Easy)** b. False

10. In the supplier selection stage, the buyer reviews supplier performance.

a. True **b. False**

In the supplier selection stage the buyer reviews supplier performance. (F)

11. The production concept and product concept are two philosophies that can both lead to marketing myopia.

a. True **True (Theme 1 page 5) (100% Sure)** b. False

12. Holiday Inn has divided the total customer market into smaller segments and selected the most promising segments. Deciding what position it wants to occupy in these segments is called targeting.

a. True **b. False (Answer: False; p. 50; Moderate)**

13. ABC Fortunes has just developed a formal statement of its purpose. This firm has put together a mission statement.

    a. **True (Answer: True; p. 38; Easy)** b. False

14. Marketing management is interested in serving all customers in every way to remain competitive in today's markets. **(DoubtFul)**

    a. True **b. False (False; Moderate; p. 11)**

15. Today's marketers must be good at building relationships in order to connect effectively with customers, other in the company, and external partners.

    a. **True True (Theme 1 page 1) (100% Sure)** b. False

16. When sellers focus on existing needs and lose sight of underlying customer wants, they suffer from marketing myopia.

    a. **True (Chapter no 1 Page no 9 Original Book)** b. False

17. The demand for many business goods tends to change more slowly than the demand for consumer goods.

    a. True **b. False (Lecture no 16 Page no 74 Old Handouts)**

18. A company buying a product or service for the first time faces a new task situation.

    a. **True (Lesson no 16 Page no 76 Old Handouts)** b. False

19. As an employee of Bankers Enterprises, you market wild and crazy games for teens to play at parties. You work in the business market.

    a. True **b. False (False; Easy; p. 108)**

20. More and more companies are shifting their brand management focus toward customer relationship management.

    a. **True (Answer: True; p. 61; Easy)** b. False

21. An exchange is the core concept of marketing, whereas a transaction is marketing's unit of measurement.

a. **True True (Theme 1 page 2) (100% Sure)** b. False

22. Marketing strategy is the marketing logic by which a company hopes to achieve profitable customer relationships.

a. **True (Answer: True; p. 49; Challenging)** b. False

23. Most household income is used up in purchasing food, housing, and transportation.

a. **True** b. False

24. Demarketing is a marketing philosophy focused upon product differentiation and positioning.

a. True **b. False False (Confirm) (100% Sure)**

25. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in post purchase behavior.

a. **True (Answer: True; p. 144; Easy)** b. False

26. Revlon has clearly defined its "mission" of selling lifestyle and self- expression. As the firm prepares to launch its strategic plan, the mission needs to be turned into a detailed set of objectives that guide the whole company.

a. **True (Answer: True; p. 39; Moderate)** b. False

27. Making more sales to current customers without changing a firm's products in market penetration.

a. **True (Answer: True; p. 44; Moderate)** b. False

28. The owner of 21-store chain of bicycles, explained to the store managers at a recent sales meeting that marketers, more than any other group in the company, must be the trend trackers and opportunity seekers.

a. **True (True; Moderate; p. 107)** b. False

29. Marketing research firms, advertising agencies, media firms, and marketing consulting firms are referred to as marketing services agencies.

a. **True (True; Easy; p. 108)** b. False

30. After carefully questioning your major suppliers and resellers, you ascertain they do not form important sources of intelligence information for marketing decision making.

a. True **b. False (Answer: False; p. 101; Challenging)**

31. Business demand ultimately derives from the demand for consumer goods.

a. **True (Lesson no 16 Page no 74 Old Handouts)** b. False

32. The buying center is a fixed and formally identified unit within the buying organization.

a. True **b. False (Lesson no 16 Page no 76 Old Handouts)**

33. You have just extracted sales and cost data used by the accounting department for preparing financial statements. Most likely, this information should be complete and in useable form to build an internal marketing database.

a. True **b. False (Answer: False; p. 99; Challenging)**

34. The microenvironment consists of larger societal forces that affect the microenvironment, such as demographic, economic, political, and cultural forces.

a. True **b. False (False; Easy; p. 107)**

35.The difference between human needs and wants is that needs are states of felt deprivation.

a. **True (True; Easy; p. 6)** b. False

36. The collection of businesses and products that make up a company is called its marketing strategy.

a. True **b. False (Answer: False; p. 49; Easy)**

37. Too much information can be as harmful as too little.

a. **True (Answer: True; p. 98; Easy)** b. False

38. Within the organization, buying activity consists of two major parts: the buying center and the buying decision process.

a. **True (Lesson no 16 Page no 76 Old Handouts)** b. False

39. Alternative evaluation is the process by which people select, organize, and interpret information to form a meaningful picture of the world.

a. True **b. False (Answer: False; p. 142; Challenging)**

40. According to Engel's laws, consumers tend to spend a smaller percentage of income on food as income rises.

a. True **b. False**

41. Business buyers are subject primarily to economic influences when they make their buying decisions. Emotional or personal factors rarely are involved. **(Read Chapter no 8 Page no 311 Original Book)**

a. True b. False

42. Tanveer Jafer works for a firm that is a distribution channel member that helps the company find customers or make sales to them. Tanveer works for a reseller.

a. **True (True; Moderate; p. 108)** b. False

43. Selling is managing profitable customer relationships.

a. True **b. False False (Theme 1 Page 6) (100% Sure)**

44. In the Boston Consulting Group approach, relative market share serves as a measure of company strength in the market.

a. True **b. False (Answer: False; p. 40; Easy)**

45. Derived demand refers to the business demand that ultimately comes from the demand for consumer goods.

a. **True** **(Lecture no 16 Page no 74 Handouts)** b. False

46. Strategic control involves looking at whether a company's basic strategies are well matched to its opportunities.

a. **True (Answer: True; p. 57; Moderate)** b. False

47. Influencers often help define specifications and also provide information for evaluating alternatives.

a. **True (Lesson no 16 Page no 76 Old Handouts)** b. False

48. In the business buying process, the buyer and seller are relatively less dependent on each other.

a. True **b. False (Lesson no 16 Page no 75 Old Handouts)**

49. A person's buying choices are further influenced by four major psychological factors: motivation, perception, learning, and beliefs and attitudes.

a. **True (Answer: True; p. 138; Easy)** b. False

50. All business buying decisions follow all steps of the business buying process. **(Doubtful)**

a. True **b. False**

51. At Air Online, "we provide online services," is a market-oriented business definition.

a. True **b. False**

At America Online, "we provide online services," is a market-oriented business definition. (Answer: False; p. 38; Moderate)

52. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

a. True True (Theme 1 Page 6) (100% Sure) b. False

53. Environmental concerns have been on the decline in the past decade; government legislation and the green movement may be the cause of this trend.

a. True **b. False Answer: FALSE**
Diff: 2 Page Ref: 80
Skill: Concept
Objective: 3-3

54. When a consumer learns about a new product for the first time and time makes a decision to try it, it is called the alternative evaluation process.

a. True **b. False (Answer: False; p. 142; Moderate)**

55. The consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and purchase decision. The first factor is need recognition.

a. True **b. False (Answer: False; p. 143; Moderate)**

56. Most businesses that manufacture products for the consumer market also sell directly to consumers.

a. True b. False

57. Early adopters are guided by respect; they are opinion leaders in their communities and adopt new ideas early but carefully.

a. **True (Answer: True; p. 146; Moderate)** b. False

58. Dissonance-reducing buying behavior occurs when consumers are highly involved with an expensive, infrequent, or risky purchase but see a lot of difference among brands.

a. True **b. False (Answer: False; p. 144; Challenging)**

59. Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors.

a. **True (Answer: True; p. 132; Easy)** b. False

60. Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company.

a. True **b. False (Answer: False; p. 101; Challenging)**

61. Product, price, place and promotion make up the elements of a firm's marketing mix.

a. True True (Confirm) (100% Sure) b. False

62. Strategic market planning is the task of selecting an overall company strategy for long-run survival and growth.

a. True (Answer: True; p. 54; Moderate) b. False

63. At times it becomes necessary to reduce demand for some products and services. When the government tries to reduce the smoking of tobacco products, it adds more tax to the products and is practicing demarketing.

a. True (True; Easy; p. 11) b. False

64. Smart marketers look beyond the attributes of the products and services they sell. They create brand experiences for consumers.

a. True (True; Moderate; p. 6) b. False

65. It is important to note that data becomes old/age quickly, and keeping the database current requires a major effort.

a. True (Answer: True; p. 99; Easy) b. False

66. When your marketing manager discussed factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers, you knew that she was talking about the external marketing concept.

a. True **b. False (False; Moderate; p. 107)**

67. The early majority are deliberate; although they rarely are leaders, they adopt new ideas before the average person.

a. True (Answer: True; p. 146; Moderate) b. False

68. In general, innovators tend to be relatively older, more mature, and have a lower income than late adopters.

a. True **b. False (Answer: False; p. 146; Challenging)**

69. Customer-perceived value depends on the product's perceived performance relative to a buyer's expectations.

a. True True (Theme 1 page 1) (100% Sure) b. False

70. Marketing research is conducted to systematically design, collect, and report data directly relevant to a specific marketing situation facing the organization.

a. True **b. False (Answer: False; p. 102; Moderate)**

71. The first step in strategic planning is to define the company mission.

(Answer: True; p. 37; Moderate) a. True b. False

72. Almost all major purchases result in cognitive dissonance, or discomfort caused by post purchase conflict.

a. **True (Answer: True; p. 144; Easy)** b. False

73. Significant reasons for business laws to be enacted include protecting the interests of society, protecting consumers, and protecting companies from each other.

a. **True (True; Easy; p. 125)** b. False

74. The order-routine specification includes the final order with the chosen supplier or suppliers and lists items such as technical specifications, quantity needed, expected delivery time, return policies, and warranties.

a. **True (Lesson no 16 Page no 79 Old Handouts)** b. False

75. People differ greatly in their readiness to try new products. In each product area, there are "consumption pioneers." They are also called laggards.

a. True **b. False (Answer: False; p. 146; Challenging)**

76. A market segment consists of consumers who respond in different ways to a given set of marketing efforts.

a. True **b. False (Answer: False; p. 50; Moderate)**

77. The selling concept holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort.

a. **True (True; Easy; p. 12)** b. False

78. Marketing offers are limited to physical products.

a. True **b. False (100% sure)**

79. Today's marketers recognize the importance of working with their intermediaries as channels through which they sell their products rather than as mere products.

a. True **b. False False (Confirm) (100% Sure)**

80. Your firm faces determined marketing intelligence efforts by competitors. You take the typical response by "letting it ride."

a. True **b. False (Answer: False; p. 101; Easy)**

81. In the general needs description of the buying process, the buyer describes the characteristics and quantity of the needed item.

a. **True (Page Ref: 175 TRUE 17)** b. False

82. The significant trends in the natural environment includes shortages of raw materials and increased pollution.

a. True
b. **False (False; Challenging; p. 123)**

83. Mission statements should both fit the market environment and be motivating.

a. **True (Answer: True; p. 39; Easy)** b. False

84. The main differences between business and consumer markets are in market structure and demand, the nature of the buying unit, and the types of decisions and the decision process involved.

a. **True (Lesson no 16 Page no 74 Old Handouts)** b. False

85. The research and development department just released a report and commented that "Defining the problem and research objectives is often the hardest step in the research process."

a. **True (Answer: True; p. 102; Easy)** b. False

86. Delivering superior customer value and customer satisfaction are the two keys to building lasting customer relationships.

a. **True** b. False

87. Your accounting department must measure revenues and costs to help the marketing department know how well it is achieving its objectives.

a. **True (True; Easy; p. 108)** b. False

88. After conducting formal marketing research for your department, you make an oral presentation with notes to management. You are following normal marketing research steps.

a. True **b. False (Answer: False; p. 102; Moderate)**

89. Although consumers in different countries have different values, attitudes, and behaviors, the products they buy are very similar to each other.

a. True **b. False (Answer: False; p. 148; Challenging)**

90. Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers.

a. True True (Theme 1 page 8) (100% Sure) b. False

91. The simplest definition of modern marketing is managing profitable customer relationships.

a. True (True; Easy; p. 5) b. False

92. Marketing mix is the set of uncontrollable, marketing tools that the firm can use to influence the demand for its products.

a. True **b. False (Answer: False; p. 52; Moderate)**

93. An effective MIS (Marketing Information System) assesses information needs, develops needed information, and distributes the information to help managers use in decision making.

a. True (Answer: True; p. 98; Moderate) b. False

94. Marketers of products, services, and ideas only practice marketing, whereas buyers do not.

a. True **b. False**

95. In a straight rebuy, the buyer wants to alter product specifications, prices, terms, or suppliers.

a. True **b. False (Lesson no 16 Page no 76 Old Handouts)**

96. Human needs are shaped by culture and individual personality.

a. True **b. False (Lesson no 2 Page no 10 Old Handouts)**

97. Secondary data provide good staring points and often help to define problems and research objectives, though most companies must also collect primary data.

a. True (Answer: True; p. 105; Moderate) b. False

98. Gatekeepers have formal or informal power to select or approve the final suppliers.

a. True **b. False**

Gatekeepers have formal or informal power to select or approve the final suppliers.
Answer: FALSE Skill:
Concept
Objective: LO 6.2: Identify the major factors that influence business buyer behavior.
Difficulty: Easy

99. Consumer organizations such as environmental and minority groups may question a company's marketing decisions. This type of public is called the local public.

a. True **b. False (False; Moderate; p. 110)**

100. When railroad companies thought that users wanted trains rather than transportation and overlooked the growing challenge of other modes of transportation they were following the selling concept.

a. True
b. **False** **False (Confirm) (Correct Product Concept) (100% Sure)**

101. The reason the demographic environment is of major interest to marketers is because it involves people, and people make up markets.

a. True True (Confirm) (100% Sure) b. False

102. Mission statements should be realistic and general in nature.

a. True **b. False (Answer: False; p. 39; Moderate)**

104. The newer the buying task, and the more complex and costly the item, the lesser the amount of time the buyer will spend searching for suppliers.

a. True **b. False (Lesson no 16 Page no 79 Old Handouts)**

105. Guided by marketing strategy, the company designs a marketing mix made up of factors under its control-product, price, place, and promotion.

a. **True (Answer: True; p. 52; Moderate)** b. False

106. An SBU can be a company division, a product line within a division or sometimes a single product or brand.

a. **True (Answer: True; p. 40; Easy)** b. False

107. A belief is the specific mix of human traits that may be attributed to a particular brand.

a. True **b. False (Answer: False; p. 141; Moderate)**

108. "At Nike, we sell shoes" is a market-oriented business definition.

a. True **b. False (Answer: False; p. 38; Moderate)**

109. When backed by buying power, needs become demands.

a. True

b. **False (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)**

110. When backed by buying power, wants become demands.

a. **True (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)** b. False

111. A dissonance reducing buying behavior is designed to probe consumers' hidden, subconscious motivations.

a. True **b. False (Answer: False; p. 145; Challenging)**

112. Consumer buying behavior refers to the buying behavior of businesses.

a. True **b. False (Answer: False; p. 128; Easy)**

113. The researcher interprets findings, draws conclusions, and reports those conclusions to management. Ideally, we should present important findings that are useful to the major decisions faced by management to prevent overwhelming them.

a. **True (Answer: True; p. 113; Moderate)** b. False

114. Good sources of marketing intelligence information includes competitors, annual reports, business publications, trade show exhibits, press releases, advertisements, and Web pages.

a. **True (Answer: True; p. 101; Moderate)** b. False

116. Who is our target market and what's our value proposition are two important questions underlying marketing strategy.

a. **True True (Theme 1 page 7) (100% Sure)** b. False

117. The societal marketing concept calls on marketers to balance consumer wants and desires, company profits, and society's interests.

a. **True True (Theme 1 page 6) (100% Sure)** b. False

118. Most firms follow the production concept when they face overcapacity.

a. True **b. False False (Theme 1 page 5) (100% Sure)**

119. A company with limited resources might decide to serve all segments of a market.

a. True **b. False (Answer: False; p.50; Moderate)**

120. At Air Online, "we create customer connectivity, anytime, anywhere." is a product-oriented business definition.

a. True **b. False**

At America Online, "we create customer connectivity, anytime, anywhere." is a product-oriented business definition. (Answer: False; p.38; Moderate)

121. The image a product reflects in the minds of consumers is called market segmentation.

a. True **(Answer: False; p. 50; Easy) b. False**

122. Customer Relationship Management (CRM) is nothing more than a customer data management activity.

a. **True True (Confirm) (100% Sure)** b. False

123. Major factors are changing the face of today's marketing communications. Mass markets have fragmented; thus, marketers are shifting away from mass marketing.

a. **True (Lesson no 32 Page no 160 Old Handouts)** b. False

124. A break-even chart shows the total cost and total revenue expected at various sales volume levels.

a. **True (Lesson no 25 Page no 120 Old Handouts)** b. False

125. Demand and consumer value perceptions set the floor for prices.

a. True **b. False (False; p. 263; Moderate)**

126. In industrial markets, product managers have an influence on the company's price-setting decisions.

a. **True (True; p. 269; Easy)** b. False

127. Cost-based pricing relies on consumer perception of value to drive pricing.

a. True **b. False (False; p. 267; Easy)**

128. Informative ads are used primarily in the growth stage of the product life cycle.

a. True **b. False Answer: FALSE**
Diff: 2.
Page Ref: 431.
Skill: Concept Objective:15-2

129. Overhead cost is another term for variable cost.

a. True **b. False (False; p. 266; Easy)**

130. Slice of life, lifestyle, and personality symbol are all parts of public relations.

a. True **b. False (Lesson no 33 Page no 172 Old Handouts)**

131. Percentage-of-sales method wrongly views sales as the cause of promotion rather than the result.

a. **True (Lesson no 32 Page no 165 Old Handouts)** b. False

132. When a manufacturer seeks a market for by-products and accepts a price that covers more than the cost of storing and delivering them, it is able to reduce the main product's price to make it more competitive.

a. **True (True; p. 277; Moderate)** b. False

133. An example of service variability is that within a given Marriott hotel, one registration-desk employee may be cheerful and efficient, whereas another may be unpleasant and slow.

a. **True (100% Sure)** b. False

134. Developing a stronger position within several segments creates more total sales than undifferentiated marketing across all segments.

a. **True (100% Sure)** b. False

135. When a company introduces a new brand name in the same product category, it is called line extension.

a. True **b. False (100% Sure)**

Answer: FALSE
Diff: 2 Page Ref: 250

Skill: Concept

Objective:

136. Lahore Florists segments markets into groups of nonusers, ex-users, potential users, first-time users, and regular users of its flowers and services. This firm uses usage rate as the segmentation approach.

a. True **b. False**

Note: Name difference doubtful

137. Today, most companies have moved away from mass marketing and are being choosier about the customers with whom they wish to build relationships.

a. **True (100% Sure)** b. False

138. Shopping products are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price and style.

a. **True (100% Sure)** b. False

139. Service inseparability means that the quality of services depends on who provides them, as well as when, where, and how they are provided.

a. True **b. False (100% Sure)**

140.At a recent marketing seminar, the featured speaker stated that a target market consists of a set of buyers who share common needs or characteristics that the company decides to serve. You believe this is a correct definition.

a. True **b. False (100% Sure)**

141.At this point your company wants to move away from mass marketing and engage in target marketing. The three steps to take, in order, are market segmentation, marketing positioning and target marketing.

a. True (100% Sure) b. False

142. Commercial accounting is done through a system known as:

a. True **b. False False (Confirm) (100% Sure)**

143. ABC Interior Designs wants to collect research data through mechanical observation. The three typical methods are video cameras, checkout scanners, and internet cookies.

a. True **b. False (Answer: False; p. 111; Challenging)**

144. Marketers all agree that questionnaires are the most common research instrument.

a. **True (Answer: True; p. 111; Easy)** b. False

145. An increasing number of retailers and wholesalers have created their own brands-such as Hyper Star offering variety of food products. This is called co-branding.

a. True **b. False (False; p. 233; Challenging; LO3)**

An increasing number of retailers and wholesalers have created their own brands—such as WalMart offers Sam's Choice beverages and food products. This is called co-branding. (False; p. 233; Challenging; LO3)

146. Customer retention is perhaps the best measure of quality-a service firm's ability to hang on to its customers depends on how consistently it delivers value to them.

a. **True Answer: TRUE** b. False
Diff: 2 Page Ref: 242
Skill: Concept
Objective: 8-3

147. In international product and service marketing, it is important to know what different colors mean to different countries.

a. **True (True; p. 232; Easy; LO3) {AACSB: Global}** b. False

In international product and service branding, it is important to know what different words mean in different countries.
(True; p. 232; Easy; LO3) {AACSB: Global}

Note: Marketing and branding difference

148. Programs that include public health campaigns to reduce smoking, alcoholism, drug abuse, and overeating are examples of the social idea known as social marketing.

a. **True (Lesson no 13 Page no 544,545 Original Book)** b. False

149. In industrial markets, salespeople outrank top management in determining the sales price of products.

a. True **b. False (False; p. 269; Easy)**

150. POP promotions include displays and demonstrations that take place at the point of purchase or sale.

a. **True (Lesson no 34 Page no 177 Old Handouts)** b. False

151. If Canon Camera Company follows a high-price, high-margin strategy, it may attract competition from Nikon, Minolta and Pentax.

a. **True (True; p. 273; Moderate)** b. False

152. The three characteristics for advertising appeals are: meaningful, believable and distinctive.

a. **True (Lesson no 33 Page no 171 Old Handouts)** b. False

153. Because there is such variation among the economies of countries around the world, it is not practical to segment international markets on the basis of economic factors.

a. True **b. False**

154. Many marketers believe that behavior variables are the best starting point for building market segments.

a. **True (Lesson no 17 Page no 85 Old Handouts)** b. False

155. Product costs set a floor to the price; consumer perceptions of the product's value set the ceiling.

a. **True (True; p. 263; Easy)** b. False

156. Dove marketers can go beyond the brand's cleaning cream attributes and talk about the resulting benefit of softer skin. This is known as product attributes in brand positioning.

a. True **b. False (False; Challenging; p. 292)**

157. Internal marketers face special challenges. They must figure out what products to introduce to other countries.

a. True **b. False (False; Moderate)**

158. Value-based pricing is the reverse of cost-based pricing.

a. **True (True; p. 264; Challenging)** b. False

159. An e-mail from a company that offers free shipping on your next purchase of more than Rs. 3000/= is an example of sales promotion. **(Doubtful)**

a. **True** b. False

160. Co-branding is a form of product that consists of activities, benefits or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything. Examples are banking, hotel, airline, retail, tax preparation and home repair. **(Doubtful)**

a. True **b. False**

161. A company's total marketing communications mix is also called its promotion mix.

a. **True (Lesson no 32 Page no 159 Old Handouts)** b. False

162. Your assignment at work is to divide buyers into different groups based on social class, lifestyle and personality characteristics. After a planning session with the marketing and sales staff, you issue a memo to upper management recommending psychographic segmentation. You are right on target.

a. **True** b. False

163. One important quality for a brand name is that it should translate easily into foreign languages.

a. **True (Lesson no 20 Page no 97 Old Handouts)** b. False

164. The simplest pricing method is break-even pricing-adding a standard markup to the cost of the product.

a. True **b. False (False; p. 267; Easy)**

165. If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.

a. **True (Lesson no 32 Page no 167 Old Handouts)** b. False

166. Behavioral segmentation requires finding the major advantages or features people look for in the product class, the kinds of people who look for each

advantage or feature and the major brands that deliver each advantage or feature.

a. True **b. False** 167. The service-profit chain means the set of all product lines and items that a particular seller offers for sale.

a. True **b. False**
Answer: FALSE
Diff: 2 Page Ref:238
Skill: Concept
Objective: 8-3

168. Competitors prices and offers are external factors that companies have to deal with.

a. True (True; p. 268; Easy) b. False

169. When a major moving van company sells accessory products that must be used in moving a household's furniture, it is practicing captive-product pricing.

a. **True (True; p. 277; Easy)** b. False

170. Shopping For The Rich and Famous is a buying service that helps wealthy clients find the best buys in exclusive clothing, high-end cars, travel and financial services. This firm would use income segmentation.

Answer: TRUE
Diff: 2 Page Ref: 194
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 7-2 b. False

171. Manufacturers may offer an allowance in return for the retailer's agreement to feature the manufacturer's products in some way.

a. **True (From Google)** b. False

Manufacturers also **may offer an allowance** (usually so much off per case) in **return for the retailer's agreement to feature the manufacturer's products in some way**.

172. Niche marketing offers smaller companies an opportunity to compete by focusing their limited resources on serving niches that may be unimportant to or overlooked by larger companies.

a. **True** b. False

173. The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the higher the demand.

a. True **b. False (False; p. 272; Easy)**

174. Sales promotion consists of short-term incentives to encourage purchases or sales of a product or service.

a. **True (Lesson no 34 Page no 175 Old Handouts)** b. False

175. Consumers position products with or without the help of marketers.

a. **True** b. False

176. The widespread use of mass marketing has masked the fact that for centuries consumers were served as individuals where businesses practiced individual marketing.

a. **True (Answer: True; p. 200; Easy; LO4)** b. False

177. Karachi Gifts divides its markets into units of nations, regions, and cities. Bombay uses geographic segmentation.

a. **True Answer: TRUE** b. False
Diff: 2 Page Ref: 191
AACSB: Analytic Skills
Skill: Application
Objective: 7-2

178. Unsought products are products and services that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort.

a. True **b. False (Lesson no 19 Page no 93 Old Handouts)**

179. We define service as anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need.

a. True **b. False (100 % Sure)**

180. Each firm should be able to find a single way to segment each market.

a. True **b. False (Answer: False; p. 165; Easy)**

181. In a product business, products are fairly standardized and can sit on shelves waiting for customers. In a service business, the customer and front-line service employee interact to create the service.

a. **True (Chapter no 15 Page no 634 Original Book)** b. False

182. Packaging does not include the material necessary to ship a product.

a. True **b. False**

183. This type of segmentation uses different marketing approaches for different time periods of peoples lives and different family situations. This segmentation method is called demographic.

a. True **b. False (Answer: False; p. 167; Moderate)**

184. Gender segmentation has long been used in clothing, cosmetics, toiletries and magazines.

a. **True (Chapter no 10 Page no 401 Original Book)** b. False

185. Products support services identify the product or brand, describe several things about the product, and promote the product through attractive graphics.

a. True **b. False (Lesson no 20 Page no 99 Old Handouts)**

186. A company's product mix has four important dimensions: width, length, depth and consistency.

a. **True (Lesson no 13 Page no 570 Original Book)** b. False

187. Developing a stronger position within several segments creates more total sales than undifferentiated marketing across all segments.

a. **True (Lesson no 18 Page no 87 Old Handouts)** b. False

188. The brand of a product can determine its customer value.

a. **True (True; p. 226; Moderate; LO2)** b. False 189. Style is a larger concept than design. Design describes the appearance of a product.

a. True **b. False (Lesson no 20 Page no 96 Old Handouts)**

190. Customers come to know a brand through a wide range of contacts and touch points. These include word of mouth, personal interactions with company Web pages. Many brands are not maintained by advertising but by brand experience.

a. **True (Chapter no 13 Page no 567 Original Book)** b. False

191. A product's position is the way the product is defined by the retailers who sell it to target markets. It is how it is defined on important attributes the place the product occupies in the retailers minds relative to competing products.

(Read Lesson no 18 Page no 88 Old Handouts)

a. **True** b. False

192. An aspect of managing service differentiation is in the company's service delivery.

a. **True (100% Sure)** b. False

193. Research about and planning for loyalty status as a segmentation approach is generally not useful or practical for most firms.

a. True **b. False (Answer: False; p. 173)**

194. Kia offers a new car model with the same features as a comparable but higher priced Toyota or Ford and provides a longer warranty. Kia is following a more-for-less strategy.

a. True **Answer: FALSE**
Diff: 3 Page Ref: 213
AACSB: Analytic Skills
Skill: Application
Objective: 7-4

195. Maslow's theory is that human needs are arranged in a hierarchy. They include physiological needs, safety needs, social needs, esteem needs, and self-actualization needs. An unsatisfied need motivates one to take action to satisfy it.

a. **True (Answer: True; p. 139; Moderate)** b. False

196. A business marketer normally deals with far fewer buyers than the consumer marketer does.

a. **True (Lesson no 16 Page no 74 Old Handouts)** b. False

197) The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the lower the demand.

a. True Answer: TRUE b. False
Diff: 2 Page Ref: 302
Skill: Concept
Objective: 10-3

1. The most effective consumer promotion tool is sampling.
   A. **True (Page no 788 original book not handouts)** B. False

2. Major factors are changing the face of today's marketing communications. Mass markets have fragmented, thus, marketers are shifting away from mass marketing.
   A. **True (Page no 720 original book not handouts)** B. False

3. Companies that set a low initial price in order to get their "foot in the door" quickly and deeply, attract a large number of buyers quickly, and win a large market share practice market-skimming pricing.

(False; p. 275; Easy)

4. When a manufacturer seeks a market for by-products and accepts a price that covers more than the cost of storing and delivering them, it is able to reduce the main product's price to make it more competitive. **(True; p. 277; Moderate)**

5. The simplest pricing method is break-even pricing—adding a standard markup to the cost of the product.
(False; p. 267; Easy)

6. Environmental elements are categorized as external factors that affect pricing decisions.
Answer: TRUE
Diff: 2 Page Ref: 300
Skill: Concept
Objective: 10-3

7. POP promotions include displays and demonstrations that take place at the point of purchase or sale.
A. **True (Original book page no 788 not handouts)** B. False

8. If demand changes greatly with price, we say the demand is inelastic.
Answer: FALSE
Diff: 2 Page Ref: 303
Skill: Concept
Objective: 10-3

9. Pricing often plays an important role in helping to accomplish company's multi-level objectives.
(True; p. 263; Easy)

10. Informative ads are used primarily in the growth stage of the product life cycle.
A. True **B. False**

11. The more elastic the demand, the more it pays for the seller to raise the price. **(False; p. 273; Challenging)**

12. Slice of life, lifestyle and personality symbol are all parts of public relations. **A.** True
B.False (Book page no 769 original book not handouts)

13. If Canon Camera Company follows a high-price, high-margin strategy, it may attract competition from Nikon, Minolta, and Pentax.
(True; p. 273; Moderate)

14. If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.

Answer: TRUE
Diff: 2 Page Ref: 425
Skill: Concept
Objective: 14-4

15. Companies that set a low initial price in order to get their "foot in the door" quickly and deeply, attract a large number of buyers quickly, and win a large market share practice market-skimming pricing.
(False; p. 275; Easy)

16. Pricing often plays an important role in helping to accomplish a company's multi-level objectives.
(True; p. 263; Easy)

17. A specific communication task to be accomplished with a specific target audience during a specific period of time is called an advertising objective.
A. True (Original book page no 905) B. False

18. Demand and consumer value perceptions set the floor for prices.
(False; p. 263; Moderate)

19. Manufacturers may offer an allowance in return for the retailer's agreement to feature the manufacturer's products in some way.
A. True (Page no 178 Old Handouts) B. False

20. Sales promotion consists of short-term incentives to encourage the purchase or sale of a product or service.
A. **True (Page no 200 Old Handouts)** B. False

21. When a major moving van company sells accessory products that must be used in moving a household's furniture, it is practicing captive-product pricing.
(True; p. 277; Easy)

22. Value-based pricing is the reverse of cost-based pricing.
(True; p. 264; Challenging)

23. Product costs set a floor to the price; consumer perceptions of the product's value set the ceiling.
Answer: TRUE
Diff: 2 Page Ref: 291
Skill: Concept
Objective: 10-2

24. Competitors' prices and offers are external factors that companies have to deal with.
(True; p. 268; Easy)

25. The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the higher the demand.
(False; p. 272; Easy)

26. Value-based pricing is when costs vary directly with the level of product.
(False; p. 264; Moderate)

27. The most expensive consumer promotion tool is sampling.
A. **True (Page no 144 Old Handouts)** B. False

28. Cost-based pricing relies on consumer perception of value to drive pricing. **(False; p. 267; Easy)**

29. *Overhead cost* is another term for *variable cost.*
(False; p. 266; Easy)

30. In industrial markets, product managers have an influence on the company's price-setting decisions.
(True; p. 269; Easy)

31. The percentage-of-sales method wrongly views sales as the cause of promotion rather than the result.
Answer: TRUE
Diff: 2 Page Ref: 423
Skill: Concept
Objective: 14-4

32. A company's total marketing communications mix is also called its promotion mix.
A. **True (Page no 160 old handouts)** B. False

33. An e-mail from a company that offers free shipping on your next purchase of more than Rs3000/= is an example of sales promotion.
A. **True** B. False

34. Advertisers look for media that showcase the product effectively.
Fashions are best advertised on television, and automobile performance is best in color magazines.
A. True **B. False (Page no 174 old handouts)**

35. In industrial markets, salespeople outrank top management in determining the sales price of products.
(False; p. 269; Easy)

36. Value-based pricing is when costs vary directly with the level of product.
(False; p. 264; Moderate)

37. The three characteristics for advertising appeals are: meaningful, believable and distinctive.
A. **True (Original Book page no 803,804)** B. False

38. A break-even chart shows the total cost and total revenue expected at various sales volume levels.
(True; p. 267; Easy)

39. The media planner has to know the reach, frequency, and impact of each ad.
A. **True (Original Book Page no 807)** B. False

Quiz No 3 2021 MGT 301

3. The most effective consumer promotion tool is sampling.
A. **True (Page no 788 original book not handouts)** B. False

4. Major factors are changing the face of today's marketing communications. Mass markets have fragmented, thus, marketers are shifting away from mass marketing.
A. **True (Page no 720 original book not handouts)** B. False

3. Companies that set a low initial price in order to get their "foot in the door" quickly and deeply, attract a large number of buyers quickly, and win a large market share practice market-skimming pricing.
(False; p. 275; Easy)

4. When a manufacturer seeks a market for by-products and accepts a price that covers more than the cost of storing and delivering them, it is able to reduce the main product's price to make it more competitive.
(True; p. 277; Moderate)

6. The simplest pricing method is break-even pricing—adding a standard markup to the cost of the product. **(False; p. 267; Easy)**

6. Environmental elements are categorized as external factors that affect pricing decisions.
Answer: TRUE
Diff: 2 Page Ref: 300

Skill: Concept
Objective: 10-3

7. POP promotions include displays and demonstrations that take place at the point of purchase or sale.
A. True (Original book page no 788 not handouts) B. False

8. If demand changes greatly with price, we say the demand is inelastic.
Answer: FALSE
Diff: 2 Page Ref: 303
Skill: Concept
Objective: 10-3

9. Pricing often plays an important role in helping to accomplish company's multilevel objectives.
(True; p. 263; Easy)

10. Informative ads are used primarily in the growth stage of the product life cycle.
A. True **B. False**

11. The more elastic the demand, the more it pays for the seller to raise the price. **(False; p. 273; Challenging)**

13. Slice of life, lifestyle and personality symbol are all parts of public relations.
A. True **B.False (Book page no 769 original book not handouts)**

13. If Canon Camera Company follows a high-price, high-margin strategy, it may attract competition from Nikon, Minolta, and Pentax.
(True; p. 273; Moderate)

18. If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.
Answer: TRUE
Diff: 2 Page Ref: 425
Skill: Concept
Objective: 14-4

19. Companies that set a low initial price in order to get their "foot in the door" quickly and deeply, attract a large number of buyers quickly, and win a large market share practice market-skimming pricing.
(False; p. 275; Easy)

20. Pricing often plays an important role in helping to accomplish a company's multi-level objectives. **(True; p. 263; Easy)**

21. A specific communication task to be accomplished with a specific target audience during a specific period of time is called an advertising objective.
A. True (Original book page no 905) B. False

19. Demand and consumer value perceptions set the floor for prices.
(False; p. 263; Moderate)

20. Manufacturers may offer an allowance in return for the retailer's agreement to feature the manufacturer's products in some way.
A. True (Page no 178 Old Handouts) B. False

21. Sales promotion consists of short-term incentives to encourage the purchase or sale of a product or service.
A. True (Page no 200 Old Handouts) B. False

22. When a major moving van company sells accessory products that must be used in moving a household's furniture, it is practicing captive-product pricing.
(True; p. 277; Easy)

23. Value-based pricing is the reverse of cost-based pricing.
(True; p. 264; Challenging)

24. Product costs set a floor to the price; consumer perceptions of the product's value set the ceiling.
Answer: TRUE
Diff: 2 Page Ref: 291
Skill: Concept
Objective: 10-2

25. Competitors' prices and offers are external factors that companies have to deal with.
(True; p. 268; Easy)

26. The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the higher the demand.
(False; p. 272; Easy)

27. Value-based pricing is when costs vary directly with the level of product.
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33. A company's total marketing communications mix is also called its promotion mix.
A. True (Page no 160 old handouts) B. False

34. An e-mail from a company that offers free shipping on your next purchase of more than Rs3000/= is an example of sales promotion.
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35. Advertisers look for media that showcase the product effectively.
Fashions are best advertised on television, and automobile performance is best in color magazines.
A. True **B. False (Page no 174 old handouts)**

36. In industrial markets, salespeople outrank top management in determining the sales price of products.
(False; p. 269; Easy)

37. Value-based pricing is when costs vary directly with the level of product.
(False; p. 264; Moderate)

38. The three characteristics for advertising appeals are: meaningful, believable and distinctive.
A. True (Original Book page no 803,804) B. False

38. A break-even chart shows the total cost and total revenue expected at various sales volume levels. **(True; p. 267; Easy)**

39. The media planner has to know the reach, frequency, and impact of each ad.

A. True (Original Book Page no 807) B. False

MGT301 SOLVED QUIZ 1 2021

Effort by Sarim

1. Product, price, place and promotion make up the elements of a firm's marketing mix.

A. True (Chapter no 1 Original Book Page no 34)

B. False

2. Selling is managing profitable customer relationships.

A. True

B. False (Lesson no 44 Page no 220 Old Handouts)

3. Human needs are shaped by culture and individual personality.

A. True

B. False (Chapter no 1 Original Book Page no 8)

4. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

A. True (Lesson no 44 Page no 220 Old Handouts)

B. False

5. When backed by buying power, needs become demands.

A. True

B. False (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)

6. At times it becomes necessary to reduce demand for some products and services. When the government tries to reduce the smoking of tobacco products, it adds more tax to the products and is practicing demarketing.

A. True

B. False

7. Demarketing is a marketing philosophy focused upon product differentiation and positioning.

A. True

B. **False**

9. Marketing offers are limited to physical products.

A. True

B. False

10. Delivering superior customer value and customer satisfaction are the two keys to building lasting customer relationships.

A. **True**

B. False

9. **An exchange is the core concept of marketing, whereas a transaction is marketing's unit of measurement.**

A. True (Lesson no 2 Page no 11 Old Handouts)

B. False

10. **Customer-perceived value depends on the product's perceived performance relative to a buyer's expectations.**

A. True

B. **False (Lesson no 2 Page no 11 Old Handouts)**

11. **Marketing management is interested in serving all customers in every way to remain competitive in today's markets.**

A. True

B. **False (Not sure)**

12. **The difference between human needs and wants is that needs are states of felt deprivation.**

A. True

B. False

13. **When backed by buying power, needs become demands.**

A. True

B. **False (Lesson no 2 Page no 11 Old Handouts)**

14. The selling concept holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort.

A. **True (Lesson no 4 Page no 20 Old Handouts)**

B. False

15. Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers.

A. **True (Lesson no 2 Page no 12 Old Handouts)**

B. False

16. The societal marketing concept calls on marketers to balance consumer wants and desires, company profits, and society's interest.

A. **True (Lesson no 4 Page no 21 Old Handouts)**

B. False

17. When sellers focus on existing needs and lose sight of underlying customer wants, they suffer from marketing myopia.

A. True

B. **False (Lesson no 2 Page no 11 Old Handouts)**

18. **Smart marketers look beyond the attributes of the products and services they sell. They create brand experiences for consumers.**

    A. **True (Lesson no 44 Page no 222 Old Handouts)**

    B. False

19. **When backed by buying power, wants become demands.**

    A. **True (Lesson no 2 Page no 11 Old Handouts and Lesson no 44 Page no 222 Old Handouts)**

    B. False

MGT301 Solved Grand Quiz 2020

Question No 1

Revlon has clearly defined its "mission" of selling lifestyle and self-expression. As the firm prepares to launch its strategic plan, the mission needs to be turned into a detailed set of objectives that guide the whole company.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 2

During proposal solicitation, the buying center often will draw up a list of desired supplier attributes and their relative importance.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 3

Customer-perceived value depends on the product's perceived performance relative to a buyer's experience.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 4

When a consumer learns about a new product for the first time and makes a decision to try it, it is called the alternative evaluation process.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 5

The elements of the marketing mix commonly known as the "four Ps" include: product, price, place, and promotion.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 6

Most businesses that manufacture products for the consumer market also sell directly to consumers.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 7

Holiday inn has divided the total customer market into smaller segments and selected the most promising segments. Deciding what position it wants to occupy in these segments is called targeting.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 8

The owner of the 21-store chain of bicycles, explained to the store managers at a recent sales meeting that marketers, more than any group in the company, must be the trend trackers and opportunity seekers.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 9

ABC Fortunes has just developed a formal statement of its purpose. This firm has put together a mission statement.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 10

Environmental concerns have been on the decline in the past decade; more government legislation and the green movement may be the cause of this trend.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 11

Today's marketers recognize the importance of working with their intermediaries as channel through which they sell their products rather than as mere partner.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 12

More and mor companies are shifting their brand management focus toward customer relationship management.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 13

Today's marketers must be a good at building relationships in order to connect effectively with customers, others in the company, and external partners.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 14

Mission statement must fit the market environment, as indicated here by the Girl Scouts. "where girls grow strong".

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 15

Your firm faces determined marketing intelligence efforts by competitors. You take the typical response by "letting it ride." **Select Correct Option**

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 16

Smart marketers look beyond the attributes of the products and services they sell. They create brand experiences for consumers.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 17

The main differences between business and consumer markets are in market structure and demand, the nature

of the buying unit, and the types of decisions and the decision process involved.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 18

Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the cost of a marketing offer relative to those of competing offers.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 19

When you collect information from your company's accounting and sales stored in the computer, you are developing an internal database.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 20

When sellers focus on existing needs and lost sight of underlying customer wants, they suffer from marketing myopia.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 21

The buying center is a fixed and formally identified unit within the buying organization.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 22

Social classes are society's relatively permanent and ordered whose members share similar values, interests, and behaviors.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 23

Who is out target market and what's our proposition are two important questions underlying marketing strategy.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 24

ABC interior Designs wants to collect research data through obtention. The three typical methods are video cameras, checkout scanners, and internet cookies.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 25

The simplest definition of modern marketing is managing profitable customer relationships.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 26

“At Nike, we sell shoes” is a market-oriented business definition.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 27

The order-routine specification includes the final order with the chosen supplier or suppliers and lists items such as technical specifications, quality needed, expected delivery time, return policies, and warranties.

Select Correct Option

- True
- **False** ..... (For More Visit VUStudents.pk)

Question No 28

The newer the buying task, and the complex and costly the item, the lesser the amount of time the buyer will spend searching for suppliers.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 29

The twofold of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

Question No 30

No single competitive marketing strategy is best for all companies.

Select Correct Option

- **True** ..... (For More Visit VUStudents.pk)
- False

76. Harley-Davidson customers are mainly the Hell's Angels/Muscle Heads crowd. (Answer: False; p. 128; Easy)

77. The Harley-Davidson Company found out that buying behavior is simple and understanding it is the essential task of marketing management.
(Answer: False; p. 128; Moderate)

78. Consumer buying behavior refers to the buying behavior of businesses.
(Answer: False; p. 128; Easy)

79. The central question for marketers is: How do consumers respond to various marketing efforts the company might use? The starting point is called the stimulusresponse of buyer behavior. (Answer: True; p. 129; Moderate)

80. A dissonance-reducing buying behavior is designed to probe consumers' hidden, subconscious motivations.
(Answer: False; p. 145; Challenging)

81. Each culture contains groups of people with shared value systems based on common life experiences and situations.
(Answer: True; p. 129; Moderate)

82. Asian Americans, the fastest growing and most affluent U.S. demographic segment, include Chinese Americans, Japanese Americans, Asian Indians, Korean Americans, and Filipino Americans.
(Answer: True; p. 132; Easy)

83. Younger consumers are better off financially than mature consumers. They are the ideal market for exotic travel, restaurants, high-tech home entertainment products, and leisure goods and services. (Answer: False; p. 132; Easy)

84. Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors.
(Answer: True; p. 132; Easy)

85. Social classes are now taking to the streets, as well as cafes, nightclubs, and the Internet, in record numbers. Their goal: to seek out the trendsetters in each

community and subtly push them into talking up a specific brand to their friends and admirers.
(Answer: False; p. 132; Moderate)

86. Lifestyle is a person's pattern of living as expressed in his or her psychographics. (Answer: True; p. 136; Easy)

87. A belief is the specific mix of human traits that may be attributed to a particular brand.
(Answer: False; p. 141; Moderate)

88. A person's buying choices are further influenced by four major psychological factors: motivation, perception, learning, and beliefs and attitudes.
(Answer: True; p. 138; Easy)

89. A motive exists when consumers are highly involved with an expensive, infrequent, or risky purchase but see little difference among brands.
(Answer: False; p. 138; Easy)

90. Maslow's theory is that human needs are arranged in a hierarchy. They include physiological needs, safety needs, social needs, esteem needs, and selfactualization needs. An unsatisfied need motivates one to take action to satisfy it. (Answer: True; p. 139; Moderate)

91. Alternative evaluation is the process by which people select, organize, and interpret information to form a meaningful picture of the world.
(Answer: False; p. 142; Challenging)

92. The consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and purchase decision. The first factor is need recognition. (Answer: False; p. 143; Moderate)

93. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in postpurchase behavior.
(Answer: True; p. 144; Easy)

94. Almost all major purchases result in cognitive dissonance, or discomfort caused by postpurchase conflict. (Answer: True; p. 144; Easy)

95. When a consumer learns about a new product for the first time and makes a decision to try it, it is called the alternative evaluation process.
(Answer: False; p. 142; Moderate)

96. People differ greatly in their readiness to try new products. In each product area, there are "consumption pioneers." They are also called laggards. (Answer: False; p. 146; Challenging)

97. Early adopters are guided by respect; they are opinion leaders in their communities and adopt new ideas early but carefully.
(Answer: True; p. 146; Moderate)

98. The early majority are deliberate; although they rarely are leaders, they adopt new ideas before the average person. (Answer: True; p. 146; Moderate)

99. The late majorities are skeptical; they adopt an innovation only after their friends have tried it.
(Answer: False; p. 146; Challenging)

100. In general, innovators tend to be relatively older, more mature, and have a lower income than late adopters.
(Answer: False; p. 146; Challenging)

101. Five characteristics are especially important in influencing an innovation's rate of adoption. Two of these are relative advantage and compatibility.
(Answer: True; p. 147; Moderate)

102. Although consumers in different countries have different values, attitudes, and behaviors, the products they buy are very similar to each other.
(Answer: False; p. 148; Challenging)

103. Dissonance-reducing buying behavior occurs when consumers are highly involved with an expensive, infrequent, or risky purchase but see a lot of difference among brands.
(Answer: False; p. 144; Challenging)

104. Alternative evaluation is how the consumer processes information to arrive at brand choices. Consumers do not use a simple and single evaluation process in all buying situations.
(Answer: True; p. 143; Moderate)

105. The consumer's purchase decision will be to buy the most preferred brand, but two factors can come between the purchase intention and purchase decision. The first factor is need recognition. (Answer: False; p. 143; Moderate)

1.

2. Customer value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers.

1. True
2. False

3. Marketing offers are limited to physical products.

1. True
2. False

4. Human needs are shaped by culture and individual personality.

1. True
2. False

5. Selling is managing profitable customer relationships.
1. True
2. False

6. When railroad companies thought that users wanted trains rather than transportation and overlooked the growing challenge of other modes of transportation they were following the selling concept.
1. True
2. False

7. Delivering superior customer value and customer satisfaction are the two keys to building lasting customer relationships.
1. True
2. False

8. The production concept and product concept are two philosophies that can both lead to marketing myopia.
1. True
2. False

9. When backed by buying power, needs become demands.
1. True
2. False

10. Customer-perceived value depends on the product's perceived performance relative to a buyer's expectations.
1. True
2. False

11. Mission statements should be realistic and general in nature.
1. True
2. False

12. Strategic control involves looking at whether a company's basic strategies are well matched to its opportunities.
1. True
2. False

13. After carefully questioning your msjor suppliers and resellers, you ascertain they do not form important sources of intelligence information for marketing decision making.
1. True
2. False

14. Marketing strategy is the marketing logic by which a company hopes to achieve profitable customer relationships.
1. True
2. False

15. Making more sales to current customers without changing a firm's products is market penetration.
1. True
2. False

16. Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught

you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company.

1. True
2. False

17. Strategic market planning is the task of selecting an overall company strategy for long-run survival and growth.

1. True
2. False

18. When you collect informationfrom your company's accounting and sales records stored in the computer. You are developing an internal database.

1. True 2. False

19. "At Nike, we sell shoes" is a market-oriented business definition.

1. True
2. False

20. Derived demand refers to the business demand that ultimately comes from the demand for consumer goods.

1. True
2. False

21. The twofold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction.

1. True
2. False

22. The late majorities are skeptical; they adopt an innovation only after their friends have tried it.

1. True
2. False

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2. False

25. Dissonance-reducing buying behaviour occurs when consumers are highly involved with an expensive, infrequent, or risky purchase but see a lot of difference among brands.

1. True
2. False

26. Demarketing is a marketing philosophy focused upon product differentiation and positioning.

1. True
2. False

27. At Air Online, "we provide online services." is a market-oriented business definition.

1. True

2. False

28. When your marketing manager discussed factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers, you knew that she was talking about the external marketing concept.

1. True
2. False

29. Customer Relationship Management (CRM) is nothing more than a customer data management activity.

1. True
2. False

30. Alternative evaluation is how the consumer processes information to arrive at brand choices. Consumers do not use a simple and single evaluation process in all buying situations.

1. True
2. False

31. Product, price, place, and promotion make up the elements of a firm's marketing mix.

1. True
2. False

32. Smart marketers look beyond the attributes of the products and services they sell. They create brand experiences for consumers.

1. True
2. False

33. Most firms follow the production concept when they face overcapacity.

1. True
2. False

34. The simplest definition of modern marketing is managing profitable customer relationships.

1. True
2. False

35. The societal marketing concept calls on marketers to balance consumer wants and desires, company profits, and society's interest.

1. True
2. False

36. The selling concept holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort.

1. True
2. False

37. Marketers of products, services, and ideas only practice marketing, whereas buyers do not.

1. True
2. False

38. At times it becomes necessary to reduce demand for some products and services. When the government tries to reduce smoking of tobacco products, it adds more tax to the products and is practicing demarketing.

1. True

2. False

39. Marketing management is interested in serving all customers in every way to remain competitive in today's markets.

1. True
2. False

40. An exchange is the core concept of marketing, whereas a transaction is marketing's unit of measurement.

1. True
2. False

41. The difference between human needs and wants is that needs are states of felt deprivation.

1. True
2. False

42. When sellers focus on existing needs and lose sight of underlying customer wants, they suffer from marketing myopia.

1. True
2. False

43. Most firms follow the production concept when they face overcapacity.

1. True
2. False

44. Who is our target market and what's our value proposition are two important questions underlying marketing strategy.

1. True
2. False

76. In the last decade, Coach has ignored marketing research when designing new bags.

(Answer: True; p. 96; Easy)

77. Many analysts believe that Coach's exhaustive market research has failed to pay off.

(Answer: True; p. 96; Easy)

78. Today, marketing managers are viewing research information not only as an input for making internal decisions but also as an input for external partners.

(Answer: True; p. 97; Moderate)

79. Most marketers today believe they still lack a sufficient quantity of research data to make high-quality decisions.

(Answer: False; p. 97; Easy)

80. An effective MIS assesses information needs, develops needed information, and distributes the information to help managers use it in decision making.

(Answer: True; p. 98; Moderate)

81. Too much information can be as harmful as too little.
(Answer: True; p. 98; Easy)

82. When you glean information from your company's accounting and sales records stored in the computer, you are developing an internal database.
(Answer: True; p. 99; Moderate)

83. You have just extracted sales and cost data used by the accounting department for preparing financial statements. Most likely, this information should be complete and in useable form to build an internal marketing database.
(Answer: False; p. 99; Challenging)

84. It is important to note that data age quickly, and keeping the database current requires a major effort. (Answer: True; p. 99; Easy)

85. After carefully questioning your major suppliers and resellers, you ascertain they do not form important sources of intelligence information for marketing decision making.
(Answer: False; p. 101; Challenging)

86. Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company.
(Answer: False; p. 101; Challenging)

87. Good sources of marketing intelligence information include competitors' annual reports, business publications, trade show exhibits, press releases, advertisements, and Web pages.
(Answer: True; p. 101; Moderate)

88. Your firm faces determined marketing intelligence efforts by competitors. You take the typical response by "letting it ride."
(Answer: False; p. 101; Easy)

89. Marketing research is conducted to systematically design, collect, and report data directly relevant to a specific marketing situation facing the organization.
(Answer: False; p. 102; Moderate)

90. The research and development department just released a report and commented that "Defining the problem and research objectives is often the hardest step in the research process."
(Answer: True; p. 102; Easy)

91. Once the research problems and objectives have been defined, researchers must determine the exact information needed and present it to management.
(Answer: False; p. 102; Challenging)

92. After conducting formal marketing research for your department, you make an oral presentation with notes to management. You are following normal marketing research steps.
(Answer: False; p. 102; Moderate)

93. Marketing researchers can conduct their own searches of secondary data sources today by using commercial secondary data sources.
(Answer: True; p. 103; Easy)

94. Secondary data provide good starting points and often help to define problems and research objectives, though most companies must also collect primary data.
(Answer: True; p. 105; Moderate)

95. ABC Interior Designs wants to collect research data through mechanical observation. The three typical methods are video cameras, checkout scanners, and Internet cookies.
(Answer: False; p. 111; Challenging)

96. A single-source data system uses huge consumer panels and electronically monitors survey respondents' purchases and exposure to various marketing activities.
(Answer: True; p. 107; Moderate)

97. Focus groups use no interviewer to bias the answers, may produce more honest answers, and can be used to collect large amounts of data at a low cost per respondent.
(Answer: False; p. 108; Moderate)

98. You have decided upon a method of collecting research data with flexible interviewing, whereby trained interviewers can explain difficult questions and explore issues as the situation requires. Audio-visual aids can also be used. We refer to this as focus group interviewing. (Answer: False; p. 108; Moderate)

99. Parley Trade Shows wants to use the latest technology in marketing research. You are told this method is online (Internet) marketing research.
(Answer: True; p. 109; Easy)

100. Ideally, a sample should be representative so that the researcher can make accurate estimates of the thoughts and behaviors of the larger population. (Answer: True; p. 110; Easy)

101. You want to calculate confidence limits for sampling error. It would be best to use nonprobability samples. (Answer: False; p. 110; Challenging)

102. Marketers all agree that questionnaires are the most common research instrument.
(Answer: True; p. 111; Easy)

103. The researcher interprets findings, draws conclusions, and reports those conclusions to management. Ideally, we should present important findings that are useful to the major decisions faced by management to prevent overwhelming them. (Answer: True; p. 113; Moderate)

104. You have just identified the "touch points" of the 400 best customers in your database. At this point, you want to manage detailed information about each of them to maximize customer loyalty. You should use customer relationship management (CRM).
(Answer: True; p. 113; Challenging)

105. Buy-It-Lower Stores has gained many benefits from CRM. If this company is typical, it will realize how to provide higher levels of customer service and develop deeper customer relationships. Management can also pinpoint low-value customers and begin to eliminate them while tailoring offers to specific customers.
(Answer: False; p. 114; Challenging)

121) Bombay Gifts divides its markets into units of nations, regions, and cities. Bombay uses geographic segmentation.
Answer: TRUE
Diff: 2 Page Ref: 191
AACSB: Analytic Skills
Skill: Application
Objective: 7-2

122) Shopping for the Rich and Famous is a buying service that helps wealthy clients find the best buys in exclusive clothing, high-end cars, travel, and financial services. This firm most likely uses income segmentation.
Answer: TRUE
Diff: 2 Page Ref: 194
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 7-2

123) LaGrange Florists segments markets into groups of nonusers, ex-users, potential users, first-time users, and regular users of its flowers and services. This firm uses usage rate as its segmentation approach. Answer: FALSE
Diff: 2 Page Ref: 197
AACSB: Analytic Skills

Skill: Application
Objective: 7-2

124) Because Cruise Ships International currently has limited financial and personnel resources, it should avoid concentrated or niche marketing until its resources are again substantial.
Answer: FALSE
Diff: 2 Page Ref: 203
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 7-3

125) Kia offers a new car model with the same features as a comparable but higher priced Toyota or Ford and provides a longer warranty. Kia is following a moreforless strategy.
Answer: FALSE
Diff: 3 Page Ref: 213
AACSB: Analytic Skills
Skill: Application
Objective: 7-4

1) We define a _____ as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.
A) private brand
B) service variability
C) service
D) product
E) service encounter Answer: D
Diff: 1 Page Ref: 224
Skill: Concept
Objective: 8-1

101) Today, most companies have moved back toward mass marketing and are being choosier about the customers with whom they wish to build relationships.
Answer: FALSE
Diff: 2 Page Ref: 190
Skill: Concept
Objective: 7-1

102) Your company wants to move away from mass marketing and engage in customer-driven marketing. The four steps to take, in order, are market segmentation, marketing positioning, differentiation, and targeting.
Answer: FALSE
Diff: 2 Page Ref: 190
Skill: Concept
Objective: 7-1

103) Demographic segmentation can be used to divide the market by different time periods of people's lives and different family situations.
Answer: TRUE
Diff: 2 Page Ref: 191
Skill: Concept
Objective: 7-2

104) Gender segmentation has long been used in clothing, cosmetics, toiletries, and magazines.
Answer: TRUE
Diff: 2 Page Ref: 193
AACSB: Multicultural and Diversity Understanding
Skill: Concept
Objective: 7-2

105) Your assignment at work is to divide buyers into different groups based on social class, lifestyle, and personality characteristics. After a planning session with the marketing and sales staff, you issue a memo to upper management recommending psychographic segmentation. You are right on target.
Answer: TRUE
Diff: 2 Page Ref: 194
Skill: Concept
Objective: 7-2

106) Research about and planning for loyalty status as a segmentation approach is generally not useful or practical for most firms.
Answer: FALSE
Diff: 2 Page Ref: 197
Skill: Concept
Objective: 7-2

107) For simplicity's sake, most marketers generally limit their segmentation analysis to one or a few variables.
Answer: FALSE
Diff: 2 Page Ref: 198
Skill: Concept
Objective: 7-2

108) Clusters of marketable groups of customers with similar likes, dislikes, lifestyles, and purchase behaviors can be identified by multivariable segmentation systems that merge and analyze geographic, demographic, lifestyle, and behavioral data.
Answer: TRUE
Diff: 2 Page Ref: 198
AACSB: Use of Information Technology
Skill: Concept
Objective: 7-2

109) There are many exceptions to the geographic segmentation assumption that consumers in nations close to one another will have many common behaviors and traits.
Answer: TRUE
Diff: 2 Page Ref: 199
AACSB: Dynamics of the Global Economy
Skill: Concept
Objective: 7-2

110) Because there is such variation among the economies of countries around the world, it is not practical to segment international markets on the basis of economic factors.
Answer: FALSE
Diff: 2 Page Ref: 199
AACSB: Dynamics of the Global Economy
Skill: Concept
Objective: 7-2

111) In evaluating different market segments, a firm should look at three factors: segment size and growth, segment structural attractiveness, and company objectives and resources.
Answer: TRUE
Diff: 2 Page Ref: 201
Skill: Concept
Objective: 7-3

112) At a recent marketing seminar, the featured speaker stated that a target market consists of a set of buyers who share common needs or characteristics that the company decides to serve. This is a correct definition.
Answer: TRUE
Diff: 1 Page Ref: 201
Skill: Concept
Objective: 7-3

113) Developing a stronger position within several segments creates more total sales than undifferentiated marketing across all segments.

Answer: TRUE
Diff: 2 Page Ref: 202
Skill: Concept
Objective: 7-3

114) Niche marketing offers smaller companies an opportunity to compete by focusing their limited resources on serving niches that may be unimportant to or overlooked by larger companies.
Answer: TRUE
Diff: 1 Page Ref: 203
Skill: Concept
Objective: 7-3

115) Though the use of mass marketing has been widespread in the past 100 years, for centuries consumers were served as individuals as businesses practiced individual marketing.
Answer: TRUE
Diff: 3 Page Ref: 205
Skill: Concept
Objective: 7-3

116) Mass marketing is becoming a marketing principle for the 21st century.
Answer: FALSE
Diff: 2 Page Ref: 205
Skill: Concept
Objective: 7-3

117) When a company chooses a target marketing strategy, its choices are influenced by factors related to company resources, the degree of product variability, and the product's life-cycle stage.
Answer: TRUE
Diff: 3 Page Ref: 206
Skill: Concept
Objective: 7-3

118) A product's position is the way the product is defined by the retailers who sell it to target markets. It is how it is defined on important attributes?the place the product occupies in the retailers' minds relative to competing products.
Answer: FALSE
Diff: 2 Page Ref: 207
AACSB: Communication Abilities
Skill: Concept
Objective: 7-4

119) Consumers position products in their minds in order to simplify the buying process.
Answer: TRUE

Diff: 3 Page Ref: 207
Skill: Concept
Objective: 7-4

120) A market rarely exists for products that offer less and therefore cost less.
Answer: FALSE
Diff: 3 Page Ref: 214
Skill: Concept

Objective: 7-4

101) Wholesaling includes all the activities involved in selling products or services directly to final consumers for their personal, nonbusiness use.
Answer: FALSE
Diff: 1 Page Ref: 374
Skill: Concept
Objective: 13-1

102) Marketers who use shopper marketing use the retail store itself as an important marketing medium. Answer: TRUE
Diff: 2 Page Ref: 377
Skill: Concept
Objective: 13-1

103) Department stores carry narrow product lines with deep assortments within those lines.
Answer: FALSE
Diff: 1 Page Ref: 376
Skill: Concept
Objective: 13-1

104) In recent years, convenience stores have redesigned their stores to closely focus on serving their primary target market made up of young, blue-collar men.
Answer: FALSE
Diff: 3 Page Ref: 377
Skill: Concept
Objective: 13-1

105) Category killers carry a deep assortment of a particular product line and have a knowledgeable staff. Answer: TRUE
Diff: 2 Page Ref: 378

Skill: Concept

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Objective: 13 1

106) Off-price retailers pay regular wholesale prices for their merchandise but maintain low prices by accepting lower margins and selling higher volume.
Answer: FALSE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

107) A discount store buys at less-than-regular wholesale prices and charges consumers less than retail.
Answer: FALSE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

108) Independent off-price retailers may in fact be divisions of larger retail corporations.
Answer: TRUE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

109) Warehouse clubs appeal almost exclusively to low-income consumers seeking bargains.
Answer: FALSE
Diff: 2 Page Ref: 381
Skill: Concept
Objective: 13-1

110) Chain stores are located near residential areas and are open long hours, seven days a week; they carry a limited line of high-turnover goods.
Answer: FALSE
Diff: 2 Page Ref: 377
Skill: Concept
Objective: 13-1

111) In a retailer cooperative, independent retailers contract with each other to set up a central buying operation and conduct joint promotional efforts.
Answer: TRUE
Diff: 2 Page Ref: 381
Skill: Concept
Objective: 13-1

112) Retailers first must position themselves in a market and then decide how they will define the target customers in these markets. Answer: FALSE
Diff: 2 Page Ref: 383

Skill: Concept
Objective: 13-2

113) To create the right atmosphere, some retailers control every aspect of the consumer's store experience, including what customers hear and smell.
Answer: TRUE
Diff: 1 Page Ref: 386
Skill: Concept
Objective: 13-2

114) Power centers are decreasing in number.
Answer: FALSE
Diff: 2 Page Ref: 388
Skill: Concept
Objective: 13-2

115) The wheel-of-retailing concept deals mainly with wholesalers rolling out reduced service levels.
Answer: FALSE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

116) The life cycle of new retail forms is getting longer.
Answer: FALSE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

117) Retail convergence means greater competition for retailers and greater difficulty in differentiating offerings.
Answer: TRUE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

118) Megaretailers have shifted the balance of power between retailers and producers, giving retailers more power.
Answer: TRUE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

119) Like retailers, a wholesaler must decide on segmentation and targeting, differentiation and positioning, and the marketing mix.
Answer: TRUE
Diff: 1 Page Ref: 396

Skill: Concept
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Objective: 13 4

120) In an automated warehouse, orders are fed directly from the retailer's information system to the wholesaler's, and the items are picked up by mechanical devices and taken to a shipping platform where they are assembled.
Answer: TRUE
Diff: 2 Page Ref: 398
AACSB: Use of Information Technology
Skill: Concept
Objective: 13-4

121) Full-service retailers such as JC Penney provide more sales assistance because they carry more shopping goods about which customers need information.
Answer: FALSE
Diff: 3 Page Ref: 376
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 13-1

122) Limited-service retailers, such as specialty stores and first-class department stores, employ salespeople who assist customers in every phase of the shopping process.
Answer: FALSE
Diff: 2 Page Ref: 376
AACSB: Reflective Thinking Skills
Skill: Synthesis
Objective: 13-1

123) Factory outlets, independent off-price retailers, and warehouse clubs all buy their merchandise in a similar fashion.
Answer: TRUE
Diff: 3 Page Ref: 378
AACSB: Reflective Thinking Skills
Skill: Critical Thinking
Objective: 13-1

124) Unlike mass marketers, niche marketers expect to see continued growth in their online sales.
Answer: FALSE
Diff: 3 Page Ref: 391
AACSB: Use of Information Technology
Skill: Application
Objective: 13-3

125) The distinction between large retailers and large wholesalers is changing because most large wholesalers are abandoning their retail operations.
Answer: FALSE

Diff: 2 Page Ref: 400
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 13-4

101) Prices have a direct impact on a company's bottom line.
Answer: TRUE
Diff: 1 Page Ref: 290
Skill: Concept
Objective: 10-1

102) Demand and consumer value perceptions set the floor for prices.
Answer: FALSE
Diff: 2 Page Ref: 291
Skill: Concept
Objective: 10-2

103) Product costs set a floor to the price; consumer perceptions of the product's value set the ceiling. Answer: TRUE
Diff: 2 Page Ref: 291
Skill: Concept
Objective: 10-2

104) Value-based pricing is being used when costs vary directly with the level of product.
Answer: FALSE
Diff: 3 Page Ref: 291
Skill: Concept
Objective: 10-2

105) Value-based pricing uses the company's perception of value.
Answer: FALSE
Diff: 2 Page Ref: 291
Skill: Concept
Objective: 10-2

106) Value-based pricing is the reverse of cost-based pricing.
Answer: TRUE
Diff: 2 Page Ref: 291
Objective: 10 2

Skill: Concept

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107) EDLP is very similar to high-low pricing.
Answer: FALSE
Diff: 2 Page Ref: 293
Skill: Concept
Objective: 10-2

108) Overhead cost is another term for fixed cost.
Answer: TRUE
Diff: 1 Page Ref: 296
Skill: Concept
Objective: 10-2

109) Cost-based pricing relies on consumer perception of value to drive pricing.
Answer: FALSE
Diff: 2 Page Ref: 295
Skill: Concept
Objective: 10-2

110) Average unit cost increases with accumulated production experience.
Answer: FALSE
Diff: 1 Page Ref: 297
Skill: Concept
Objective: 10-2

111) An upward-sloping experience curve is beneficial for a company.
Answer: FALSE
Diff: 3 Page Ref: 297
Skill: Concept
Objective: 10-2

112) The simplest pricing method is cost-plus pricing, which involves adding a standard markup to the cost of the product.
Answer: TRUE
Diff: 1 Page Ref: 297
Skill: Concept
Objective: 10-2

113) Markup pricing is popular because prices tend to be similar and price competition is thus minimized.
Answer: TRUE
Diff: 2 Page Ref: 298
Skill: Concept
Objective: 10-2

114) Target return pricing is used when a firm tries to determine the price at which it will break even or make the profit it is seeking.
Answer: TRUE
Diff: 3 Page Ref: 298
Skill: Concept
Objective: 10-2

115) A break-even chart shows the total cost and total revenue expected at various sales volume levels.
Answer: TRUE
Diff: 2 Page Ref: 298
Skill: Concept
Objective: 10-2

116) Environmental elements are categorized as external factors that affect pricing decisions.
Answer: TRUE
Diff: 2 Page Ref: 300
Skill: Concept
Objective: 10-3

117) In a pure monopoly, the market consists of one seller.
Answer: TRUE
Diff: 2 Page Ref: 302
Skill: Concept
Objective: 10-3

118) The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the lower the demand.
Answer: TRUE
Diff: 2 Page Ref: 302
Skill: Concept
Objective: 10-3

119) If demand changes greatly with price, we say the demand is inelastic.
Answer: FALSE
Diff: 2 Page Ref: 303
Skill: Concept
Objective: 10-3

120) Once a company cuts prices, it's difficulty to raise prices again when the economy recovers. Answer: TRUE

Diff: 2 Page Ref: 304
Skill: Concept
Objective: 10-3

121) When faced with price competition, cutting prices is often not the best answer.
Answer: TRUE
Diff: 2 Page Ref: 290
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 10-1

122) Using value-based pricing, a marketer would not design a product and marketing program before setting the price.
Answer: TRUE
Diff: 3 Page Ref: 291
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 10-2

123) Monopolies charge the full price because they do not fear attracting competition or regulation.
Answer: FALSE
Diff: 2 Page Ref: 302
AACSB: Reflective Thinking Skills
Skill: Synthesis
Objective: 10-3

124) Marketers may learn a few simple rules that apply equally to all price-demand relationships.
Answer: FALSE
Diff: 2 Page Ref: 302
AACSB: Reflective Thinking Skills
Skill: Critical Thinking
Objective: 10-3

125) The more elastic the demand, the more it pays for the seller to raise the price.
Answer: FALSE
Diff: 2 Page Ref: 303
AACSB: Reflective Thinking Skills
Skill: Critical Thinking

Objective: 10-3

101) A company's marketing communications mix is also called its promotion mix.

Answer: TRUE
Diff: 1 Page Ref: 408
AACSB: Communication Abilities
Skill: Concept
Objective: 14-1

102) Sales promotion makes use of press releases and special events.
Answer: FALSE
Diff: 2 Page Ref: 408
AACSB: Communication Abilities
Skill: Concept
Objective: 14-1

103) Mass markets have fragmented; thus, marketers are shifting away from mass marketing.
Answer: TRUE
Diff: 2 Page Ref: 409
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

104) Though mass marketing was effective in past decades, large companies no longer routinely invest large chunks of their advertising budgets in mass media outlets such as television and magazines.
Answer: FALSE
Diff: 2 Page Ref: 410
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

105) New communications technologies such as cell phones and the Internet give companies new media for interacting with targeted consumers, but these new technologies also give consumers more control over the advertising messages they receive.
Answer: TRUE
Diff: 2 Page Ref: 409
AACSB: Use of Information Technology
Skill: Concept
Objective: 14-2

106) Mass marketers can expect consumers to distinguish between commercial message sources to maintain a clear image of a company and its brands.
Answer: FALSE
Diff: 2 Page Ref: 410
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

107) The integrated marketing concept ties together all of the company's messages and images.
Answer: TRUE
Diff: 1 Page Ref: 412
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

108) Integrated marketing communications allows different brand messages to be developed by different departments within an organization.
Answer: FALSE
Diff: 2 Page Ref: 412
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

109) A marketing communications director has overall responsibility for the company's communications efforts.
Answer: TRUE
Diff: 2 Page Ref: 414
AACSB: Communication Abilities
Skill: Concept
Objective: 14-2

110) The communications process should start with mass media advertising to reach many consumers.
Answer: FALSE
Diff: 2 Page Ref: 414
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

111) The four major communication functions are encoding, decoding, response, and noise.
Answer: FALSE
Diff: 2 Page Ref: 414
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

112) Encoding is the process by which the receiver assigns meaning to symbols.
Answer: FALSE
Diff: 2 Page Ref: 415
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

113) Decoding is the process of putting thought into symbolic form.
Answer: FALSE
Diff: 2 Page Ref: 415
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

114) Awareness, knowledge, and preference are buyer-readiness stages.
Answer: TRUE
Diff: 2 Page Ref: 416
Skill: Concept
Objective: 14-3

115) There are three types of appeal from which marketers may choose as they design their message content. These types are rational, emotional, and moral appeals.
Answer: TRUE
Diff: 2 Page Ref: 417
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

116) Buzz marketing involves cultivating opinion leaders and getting them to spread information about a product or service to others in their communities.
Answer: TRUE
Diff: 1 Page Ref: 419
AACSB: Communication Abilities
Skill: Concept
Objective: 14-3

117) The percentage-of-sales method wrongly views sales as the cause of promotion rather than the result.
Answer: TRUE
Diff: 2 Page Ref: 423
Skill: Concept
Objective: 14-4

118) The affordable method sets promotion budgets to match competitors' outlays.
Answer: FALSE
Diff: 2 Page Ref: 423
Skill: Concept
Objective: 14-4

119) Large-scale advertising conveys a positive message about the seller's size, popularity, and success. Answer: TRUE
Diff: 2 Page Ref: 424
Skill: Concept
Objective: 14-4

120) If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.
Answer: TRUE
Diff: 2 Page Ref: 425
Skill: Concept
Objective: 14-4

121) Vast improvements in information technology are speeding the movement toward segmented marketing. Answer: TRUE
Diff: 3 Page Ref: 409
AACSB: Use of Information Technology
Skill: Synthesis
Objective: 14-2

122) "Teaser" advertising is most closely associated with the buyer-readiness stage of liking a product.
Answer: FALSE
Diff: 3 Page Ref: 416
AACSB: Analytic Skills
Skill: Application
Objective: 14-3

123) The "Stop. Think. Tylenol." ad is an example of a moral appeal.
Answer: FALSE
Diff: 2 Page Ref: 417
AACSB: Analytic Skills
Skill: Application
Objective: 14-3

124) Advertisements for prescription drugs often feature potential benefits and negative side effects that consumers may experience with use of the medication. These ads present two-sided arguments.
Answer: TRUE
Diff: 2 Page Ref: 418
AACSB: Analytic Skills
Skill: Application
Objective: 14-3

125) A recent trend toward more push than pull in the mixes of consumer-goods companies may achieve short-run sales at the expense of brand equity.
Answer: TRUE
Diff: 3 Page Ref: 426
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 14-4

101) A firm can obtain new products in two ways: acquisition or new-product development. Answer: TRUE
Diff: 2 Page Ref: 260
Skill: Concept
Objective: 9-1

102) Up to 80 percent of all new consumer products fail or seriously underperform.
Answer: TRUE
Diff: 2 Page Ref: 260
Skill: Concept
Objective: 9-1

103) New-product development begins with a systematic search for new product ideas through idea generation.
Answer: TRUE
Diff: 1 Page Ref: 261
Skill: Concept
Objective: 9-2

104) Companies rarely solicit ideas from customers during the idea generation stage of product development.
Answer: FALSE
Diff: 1 Page Ref: 262
Skill: Concept
Objective: 9-2

105) A product idea is an idea for a possible product a company can offer the market, while a product concept is a detailed version of the idea stated in meaningful consumer terms.
Answer: TRUE
Diff: 3 Page Ref: 264
Skill: Concept
Objective: 9-2

106) Concept testing works best with people who are familiar with the new idea and the new product's purpose. This generally includes top management, the sales force, and research and development. Answer: FALSE
Diff: 3 Page Ref: 265
Skill: Concept
Objective: 9-2

107) The business analysis stage represents the first large jump in financial investment in the new-product development process.
Answer: FALSE
Diff: 2 Page Ref: 266
Skill: Concept
Objective: 9-2

108) The stage at which new product and marketing programs are introduced into realistic market settings is called concept testing.
Answer: FALSE
Diff: 1 Page Ref: 267
Skill: Concept
Objective: 9-2

109) A company launching a new product into the market must first decide on when to launch the product.
Answer: TRUE
Diff: 2 Page Ref: 268
Skill: Concept
Objective: 9-2

110) JumBo Games is launching a new set of game toys in the commercialization stage. The first decision to make is introduction timing and the second is where to launch the new product. Answer: TRUE
Diff: 2 Page Ref: 268
Skill: Concept
Objective: 9-2

111) Sequential product development has the advantage of not only being a teamoriented approach, but also of being faster in bringing products to market.
Answer: FALSE
Diff: 2 Page Ref: 270
Skill: Concept
Objective: 9-2

112) To avoid too few new-product ideas and the failure of many good ideas, management should install an innovation management system that collects, reviews, evaluates, and manages new-product ideas.
Answer: TRUE

Diff: 2 Page Ref: 270
Skill: Concept
Objective: 9-2

113) Using the PLC concept to develop marketing strategy can be problematic because strategy is both a cause and a result of the product's life cycle.
Answer: TRUE
Diff: 3 Page Ref: 275
Skill: Concept
Objective: 9-3

114) Profits rise during the growth stage of the PLC because promotion costs are spread over a large volume and unit manufacturing costs fall.
Answer: TRUE
Diff: 2 Page Ref: 275
Skill: Concept
Objective: 9-3

115) Although products that remain in the maturity stage of the PLC seem unchanged, the most successful ones actually evolve to meet changing consumer needs.
Answer: TRUE
Diff: 2 Page Ref: 277
Skill: Concept
Objective: 9-3

116) When sales of a product falter during the PLC, a company can take several approaches. The more common ones are to modify the marketing mix, modify the product, or modify the market.
Answer: TRUE
Diff: 2 Page Ref: 277
Skill: Concept
Objective: 9-3

117) Companies need to pay attention to their aging products. Management should regularly review sales, market shares, costs, and profit trends, and then decide whether to maintain, harvest, or drop these declining products.
Answer: TRUE
Diff: 2 Page Ref: 279
Skill: Concept
Objective: 9-3

118) When a company decides to maintain a product in the decline stage, it will reduce costs and hope that sales hold up to increase the profits in the short run.
Answer: FALSE
Diff: 2 Page Ref: 279

Skill: Concept
Objective: 9-3

119) The federal government may prevent a company from adding products through acquisitions if acquisition threatens to lessen competition.
Answer: TRUE
Diff: 2 Page Ref: 280
AACSB: Ethical Understanding and Reasoning Abilities
Skill: Concept
Objective: 9-4

120) The international growth of many professional and business services such as accounting, consulting, and advertising led to the globalization of the client companies they serve. Answer: FALSE
Diff: 3 Page Ref: 282
AACSB: Multicultural and Diversity Understanding
Skill: Concept
Objective: 9-4

121) Malibu Beach Parties finds that the tastes and preferences of its customers change more rapidly than in the past. The manager should constantly look for external ideas from customers, suppliers, and the competition.
Answer: TRUE
Diff: 2 Page Ref: 262
AACSB: Reflective Thinking Skills
Skill: Critical Thinking
Objective: 9-2

122) Blair Housewares wants to add new lines of products to its 46-store chain. Managers are correct in believing that the purpose of idea generation is to create a few ideas and the purpose of succeeding stages is to increase that number.
Answer: FALSE
Diff: 2 Page Ref: 264
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 9-2

123) GreenTree Lawn and Garden Products is engaged in marketing strategy development. Management should first create a statement outlining the product's planned price, distribution, and marketing budget for the first year.
Answer: FALSE
Diff: 3 Page Ref: 265
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 9-2

124) GreenTree Lawn and Garden Products is engaged in a review of the sales, costs, and profit projections for some new products to find out whether they satisfy the company's objectives. This activity is called business product development.
Answer: FALSE
Diff: 2 Page Ref: 266
AACSB: Analytic Skills
Skill: Application
Objective: 9-2

125) Sales for the time-tried household cleansers made by Brite and New, Inc. have been declining for some time. If these products are typical, sales are declining because of technological advances, shifts in consumer tastes, and lack of raw materials from foreign suppliers.
Answer: FALSE
Diff: 3 Page Ref: 278
AACSB: Reflective Thinking Skills
Skill: Application

Objective: 9-3

101) A service is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.
Answer: FALSE
Diff: 1 Page Ref: 224
Skill: Concept
Objective: 8-1

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Diff: 3 Page Ref: 230
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Objective: 8-2

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AACSB: Communication Abilities
Skill: Concept
Objective: 8-2

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Objective: 8-3

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Objective: 8-4

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Skill: Concept
Objective: 8-4

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Skill: Application
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Answer: FALSE
Diff: 3 Page Ref: 246
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 8-4

101) Today, most companies have moved back toward mass marketing and are being choosier about the customers with whom they wish to build relationships.
Answer: FALSE
Diff: 2 Page Ref: 190
Skill: Concept
Objective: 7-1

102) Your company wants to move away from mass marketing and engage in customer-driven marketing. The four steps to take, in order, are market segmentation, marketing positioning, differentiation, and targeting.
Answer: FALSE
Diff: 2 Page Ref: 190
Skill: Concept
Objective: 7-1

103) Demographic segmentation can be used to divide the market by different time periods of people's lives and different family situations.
Answer: TRUE
Diff: 2 Page Ref: 191
Skill: Concept
Objective: 7-2

104) Gender segmentation has long been used in clothing, cosmetics, toiletries, and magazines.
Answer: TRUE
Diff: 2 Page Ref: 193
AACSB: Multicultural and Diversity Understanding
Skill: Concept
Objective: 7-2

105) Your assignment at work is to divide buyers into different groups based on social class, lifestyle, and personality characteristics. After a planning session with the marketing and sales staff, you issue a memo to upper management recommending psychographic segmentation. You are right on target.
Answer: TRUE
Diff: 2 Page Ref: 194
Skill: Concept
Objective: 7-2

106) Research about and planning for loyalty status as a segmentation approach is generally not useful or practical for most firms.
Answer: FALSE
Diff: 2 Page Ref: 197
Skill: Concept
Objective: 7-2

107) For simplicity's sake, most marketers generally limit their segmentation analysis to one or a few variables.
Answer: FALSE
Diff: 2 Page Ref: 198
Skill: Concept
Objective: 7-2

108) Clusters of marketable groups of customers with similar likes, dislikes, lifestyles, and purchase behaviors can be identified by multivariable segmentation systems that merge and analyze geographic, demographic, lifestyle, and behavioral data.
Answer: TRUE
Diff: 2 Page Ref: 198
AACSB: Use of Information Technology
Skill: Concept

Objective: 7-2

109) There are many exceptions to the geographic segmentation assumption that consumers in nations close to one another will have many common behaviors and traits.
Answer: TRUE
Diff: 2 Page Ref: 199
AACSB: Dynamics of the Global Economy
Skill: Concept
Objective: 7-2

110) Because there is such variation among the economies of countries around the world, it is not practical to segment international markets on the basis of economic factors.
Answer: FALSE
Diff: 2 Page Ref: 199
AACSB: Dynamics of the Global Economy
Skill: Concept
Objective: 7-2

111) In evaluating different market segments, a firm should look at three factors: segment size and growth, segment structural attractiveness, and company objectives and resources.
Answer: TRUE
Diff: 2 Page Ref: 201
Skill: Concept
Objective: 7-3

112) At a recent marketing seminar, the featured speaker stated that a target market consists of a set of buyers who share common needs or characteristics that the company decides to serve. This is a correct definition.
Answer: TRUE
Diff: 1 Page Ref: 201
Skill: Concept
Objective: 7-3

113) Developing a stronger position within several segments creates more total sales than undifferentiated marketing across all segments.
Answer: TRUE
Diff: 2 Page Ref: 202
Skill: Concept
Objective: 7-3

114) Niche marketing offers smaller companies an opportunity to compete by focusing their limited resources on serving niches that may be unimportant to or overlooked by larger companies.
Answer: TRUE
Diff: 1 Page Ref: 203

Skill: Concept
Objective: 7-3

115) Though the use of mass marketing has been widespread in the past 100 years, for centuries consumers were served as individuals as businesses practiced individual marketing.
Answer: TRUE
Diff: 3 Page Ref: 205
Skill: Concept
Objective: 7-3

116) Mass marketing is becoming a marketing principle for the 21st century.
Answer: FALSE
Diff: 2 Page Ref: 205
Skill: Concept
Objective: 7-3

117) When a company chooses a target marketing strategy, its choices are influenced by factors related to company resources, the degree of product variability, and the product's life-cycle stage.
Answer: TRUE
Diff: 3 Page Ref: 206
Skill: Concept
Objective: 7-3

118) A product's position is the way the product is defined by the retailers who sell it to target markets. It is how it is defined on important attributes?the place the product occupies in the retailers' minds relative to competing products.
Answer: FALSE
Diff: 2 Page Ref: 207
AACSB: Communication Abilities
Skill: Concept
Objective: 7-4

119) Consumers position products in their minds in order to simplify the buying process.
Answer: TRUE
Diff: 3 Page Ref: 207
Skill: Concept
Objective: 7-4

120) A market rarely exists for products that offer less and therefore cost less.
Answer: FALSE
Diff: 3 Page Ref: 214
Skill: Concept

Objective: 7-4

101) Wholesaling includes all the activities involved in selling products or services directly to final consumers for their personal, nonbusiness use.
Answer: FALSE
Diff: 1 Page Ref: 374
Skill: Concept
Objective: 13-1

102) Marketers who use shopper marketing use the retail store itself as an important marketing medium. Answer: TRUE
Diff: 2 Page Ref: 377
Skill: Concept
Objective: 13-1

103) Department stores carry narrow product lines with deep assortments within those lines.
Answer: FALSE
Diff: 1 Page Ref: 376
Skill: Concept
Objective: 13-1

104) In recent years, convenience stores have redesigned their stores to closely focus on serving their primary target market made up of young, blue-collar men.
Answer: FALSE
Diff: 3 Page Ref: 377
Skill: Concept
Objective: 13-1

105) Category killers carry a deep assortment of a particular product line and have a knowledgeable staff. Answer: TRUE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

106) Off-price retailers pay regular wholesale prices for their merchandise but maintain low prices by accepting lower margins and selling higher volume.
Answer: FALSE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

107) A discount store buys at less-than-regular wholesale prices and charges consumers less than retail.
Answer: FALSE

Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

108) Independent off-price retailers may in fact be divisions of larger retail corporations.
Answer: TRUE
Diff: 2 Page Ref: 378
Skill: Concept
Objective: 13-1

109) Warehouse clubs appeal almost exclusively to low-income consumers seeking bargains.
Answer: FALSE
Diff: 2 Page Ref: 381
Skill: Concept
Objective: 13-1

110) Chain stores are located near residential areas and are open long hours, seven days a week; they carry a limited line of high-turnover goods.
Answer: FALSE
Diff: 2 Page Ref: 377
Skill: Concept
Objective: 13-1

111) In a retailer cooperative, independent retailers contract with each other to set up a central buying operation and conduct joint promotional efforts.
Answer: TRUE
Diff: 2 Page Ref: 381
Skill: Concept
Objective: 13-1

112) Retailers first must position themselves in a market and then decide how they will define the target customers in these markets.
Answer: FALSE
Diff: 2 Page Ref: 383
Skill: Concept
Objective: 13-2

113) To create the right atmosphere, some retailers control every aspect of the consumer's store experience, including what customers hear and smell.
Answer: TRUE
Diff: 1 Page Ref: 386
Skill: Concept
Objective: 13-2

114) Power centers are decreasing in number.

Answer: FALSE
Diff: 2 Page Ref: 388
Skill: Concept
Objective: 13-2

115) The wheel-of-retailing concept deals mainly with wholesalers rolling out reduced service levels.
Answer: FALSE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

116) The life cycle of new retail forms is getting longer.
Answer: FALSE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

117) Retail convergence means greater competition for retailers and greater difficulty in differentiating offerings.
Answer: TRUE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

118) Megaretailers have shifted the balance of power between retailers and producers, giving retailers more power.
Answer: TRUE
Diff: 2 Page Ref: 390
Skill: Concept
Objective: 13-3

119) Like retailers, a wholesaler must decide on segmentation and targeting, differentiation and positioning, and the marketing mix.
Answer: TRUE
Diff: 1 Page Ref: 396
Skill: Concept
Objective: 13-4

120) In an automated warehouse, orders are fed directly from the retailer's information system to the wholesaler's, and the items are picked up by mechanical devices and taken to a shipping platform where they are assembled.
Answer: TRUE
Diff: 2 Page Ref: 398
AACSB: Use of Information Technology
Skill: Concept
Objective: 13-4

121) Full-service retailers such as JC Penney provide more sales assistance because they carry more shopping goods about which customers need information.
Answer: FALSE
Diff: 3 Page Ref: 376
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 13-1

122) Limited-service retailers, such as specialty stores and first-class department stores, employ salespeople who assist customers in every phase of the shopping process.
Answer: FALSE
Diff: 2 Page Ref: 376
AACSB: Reflective Thinking Skills
Skill: Synthesis
Objective: 13-1

123) Factory outlets, independent off-price retailers, and warehouse clubs all buy their merchandise in a similar fashion.
Answer: TRUE
Diff: 3 Page Ref: 378
AACSB: Reflective Thinking Skills
Skill: Critical Thinking
Objective: 13-1

124) Unlike mass marketers, niche marketers expect to see continued growth in their online sales.
Answer: FALSE
Diff: 3 Page Ref: 391
AACSB: Use of Information Technology
Skill: Application
Objective: 13-3

125) The distinction between large retailers and large wholesalers is changing because most large wholesalers are abandoning their retail operations.
Answer: FALSE
Diff: 2 Page Ref: 400
AACSB: Reflective Thinking Skills
Skill: Application
Objective: 13-4

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True/False

1. Companies tend to set a pricing structure, rather than a single price, that covers different items in its line.
(True; p. 274; Moderate)

2. Companies that set a low initial price in order to get their "foot in the door" quickly and deeply, attract a large number of buyers quickly, and win a large market share practice market-skimming pricing.
(False; p. 275; Easy)

3. Pricing often plays an important role in helping to accomplish a company's multi-level objectives.
(True; p. 263; Easy)

4. Melt-In-Your-Mouth Candy Stores prices its candy displays at ten different price levels, ranging from $2.00 per pound to $4.95 per pound. This is an illustration of price points. (True; p. 276; Moderate)

5. Target costing reverses the usual marketing process.
(True; p. 269; Easy)

6. Overhead cost is another term for variable cost.
(False; p. 266; Easy)

7. When a major moving van company sells accessory products that must be used in moving a household's furniture, it is practicing captive-product pricing. (True; p. 277; Easy)

8. Some industries commonly use two-part pricing, where the price is broken down into a fixed fee and a fixed usage rate.
(False; p. 277; Moderate)

84. In industrial markets, salespeople outrank top management in determining the sales price of products.
(False; p. 269; Easy)

85. In industrial markets, product managers have an influence on the company's price-setting decisions.
(True; p. 269; Easy)

86. Environmental elements are categorized as external factors that affect pricing decisions. (True; p. 268; Easy)

87. When a manufacturer seeks a market for by-products and accepts a price that covers more than the cost of storing and delivering them, it is able to reduce the main product's price to make it more competitive.
(True; p. 277; Moderate)

88. In a regulated monopoly, the government permits the company to set rates that will yield a "fair" return.
(True; p. 272; Easy)

89. Nonregulated monopolies do not always charge the full price because they do not desire to attract competition.
(True; p. 272; Moderate)

90. The demand curve shows the number of units the market will buy in a given time period at different prices that might be charged. In normal cases, the higher the price, the higher the demand.
(False; p. 272; Easy)

91. If demand changes greatly, we say the demand is inelastic.
(False; p. 273; Easy)

92. The more elastic the demand, the more it pays for the seller to raise the price.
(False; p. 273; Challenging)

93. If Canon Camera Company follows a high-price, high-margin strategy, it may attract competition from Nikon, Minolta, and Pentax.
(True; p. 273; Moderate)

94. Product costs set a floor to the price; consumer perceptions of the product's value set the ceiling.
(True; p. 263; Easy)

95. All companies today now realize how valuable their by-products are for resale.
(False; p. 277; Easy)

96. The six major price-adjustment strategies include discount and allowance pricing, segmented pricing, psychographic pricing, promotional pricing, geographical pricing, and international pricing.
(False; p. 278; Moderate)

97. Value-based pricing is when costs vary directly with the level of product.
(False; p. 264; Moderate)

98. Value-based pricing is the reverse of cost-based pricing.

(True; p. 264; Challenging)

99. EDLP is very similar to competition-based pricing.
(False; p. 265; Easy)

100. Competitors' prices and offers are external factors that companies have to deal with.
(True; p. 268; Easy)

101. Demand and consumer value perceptions set the floor for prices.
(False; p. 263; Moderate)

102. The difference between a discount and an allowance is that a discount is in its simplest terms a reduction in price.
(False; p. 278; Easy)

103. Cost-based pricing relies on consumer perception of value to drive pricing.
(False; p. 267; Easy)

105. A break-even chart shows the total cost and total revenue expected at various sales volume levels.
(True; p. 267; Easy)

