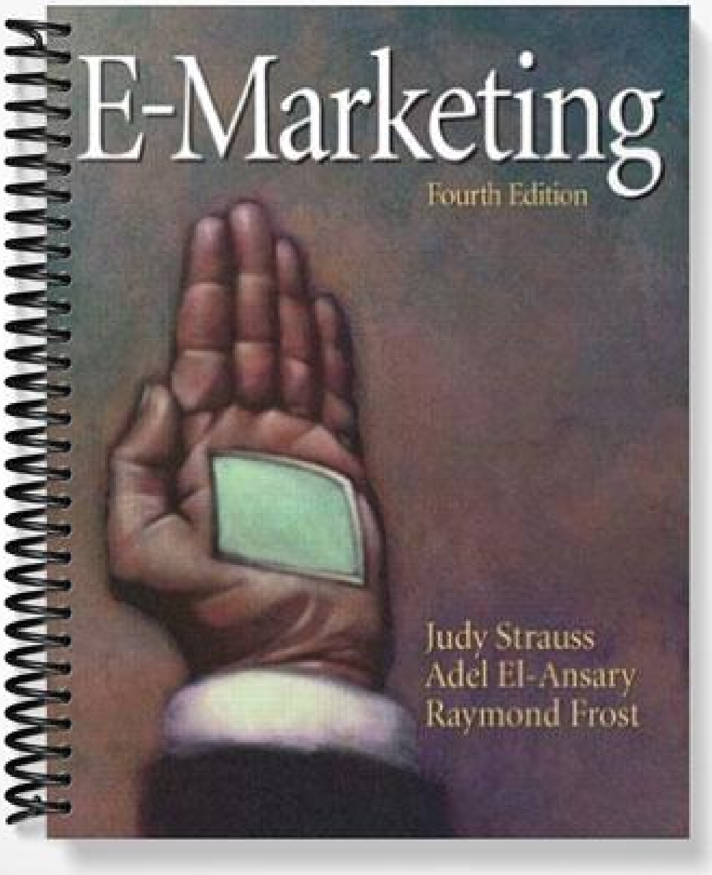
TEST BANK


E-Marketing
Fourth Edition
Judy Strauss
Adel El-Ansary
Raymond Frost

Chapter 2: Strategic E-Marketing

Multiple Choice

1. Which of the following is not an element of strategic planning?
   a. resources
   b. establishing strategic objectives
   c. collaborative software
   d. skills
   (c; Easy; p. 23)

2. SWOT analysis consists of all of the following except ______.
   a. symptoms
   b. weaknesses
   c. opportunities
   d. threats
   (a; Medium; p. 24)

3. Which of the following is not a viable competitive position for a firm within its given industry?
   a. industry leader
   b. price leader
   c. niche firm
   d. business model
   (d; Hard; p. 23)

4. Business strategies which include information technology components are known as _____.
   a. marketing strategies
   b. e-business strategies
   c. e-marketing strategies
   d. corporate strategies
   (b; Easy; p. 24)

5. Which of the following is not one of the four appropriate rationales for choosing the objectives of a strategic plan?
   a. strategic justification
   b. operational justification
   c. technical justification
   d. final justification
   (d; Hard; p. 25)

6. A _____ is a method by which the organization sustains itself in the long term.
   a. business model
   b. strategic plan
   c. SWOT analysis
   d. knowledge management system
   (a; Hard; p. 26)

7. Important elements of value include all of the following <u>except</u> _____.
   a. customer's perception of product benefits
   b. company's perception of product costs
   c. brand name
   d. customer support
   (b, Medium, p. 25)

8. The costs associated with the value proposition are _____.
   a. monetary
   b. energy
   c. psychic
   d. all of the above
   (d; Easy, p. 27)

9. E-marketing is capable of which of the following?
   a. increasing benefits for customers
   b. decreasing costs for customers and the firm
   c. increasing the revenues of the firm
   d. all of the above
   (d; Medium; p. 28)

10. Using the pyramid model to represent the possible levels of e-business commitment, which levels carry the highest risk?
   a. narrow levels
   b. higher levels
   c. lower levels
   d. automated levels
   (b; Easy; 27)

11. The various levels of commitment to e-business include all of the following <u>except</u> _____.
   a. activity
   b. business policy
   c. entrepreneur
   d. pure play
   (c; Medium; p. 28)

12. Which of the following processes is unlikely to be carried out at the activity level of e-business commitment?
    a. community building
    b. online purchasing
    c. e-mail
    d. online advertising
    (a; Hard; p. 30)

13. Which of the following is <u>not</u> an activity which is likely to be undertaken at the business process level of e-business commitment?
    a. customer relationship management
    b. knowledge management
    c. database marketing
    d. direct selling
    (d; Hard; pp. 31-32)

14. _____ are specific measures designed to evaluate the effectiveness and efficiency of an organization's operations.
    a. Strategic outcomes
    b. Business models
    c. Performance metrics
    d. Strategic objectives
    (c; Hard; p. 34)

15. A firm's performance metrics are the measurable translation of all or any of the following elements of a firm <u>except</u> _____.
    a. outcomes
    b. vision
    c. strategy
    d. e-business model
    (a; Hard; p. 35)

16. The four performance areas of the balanced scorecard include all of the following <u>except</u> _____.
    a. customer perspective
    b. external environment perspective
    c. innovation/learning perspective
    d. financial perspective
    (b; Hard ; p. 35)

17. The customer perspective tends to focus on which of the following values?
    a. time
    b. quality
    c. cost
    d. all of the above
    (d; Easy; p. 36)

18. The internal perspective of the balanced scorecard includes attention to _____.
    a. market share
    b. shareholder value
    c. supply chain management
    d. customer satisfaction
    (c; Hard; p. 37)

19. Profits and ROI are the most frequently used metrics of which of the following performance perspectives _____.
    a. customer
    b. internal
    c. innovation/learning
    d. financial
    (d; Easy; p. 38)

20. _____ is defined as profits divided by total assets.
    a. ROI
    b. Market capitalization
    c. Earnings
    d. Income
    (a; Medium; p. 38)

21. A problem many dot-com companies faced in the mid to late 90's was that they ignored ______.
    a. market share or growth
    b. financial measurements
    c. technology improvements
    d. none of the above
    (b; Medium; p. 35)

22. Content Sponsorship is _____.
    a. a specialized chat room
    b. a type of public relations for e-commerce companies
    c. advertising that e-commerce companies sell
    d. a form of e-commerce
    (c; Hard; pp. 32-33)

True/False

23. A company's strengths and weaknesses are likely to be identical for both the online and brick-and-mortar operations.
    a. True
    b. False
    (b; Medium; 24)

24. Objectives, strategies and tactics exist exclusively at the executive level.
  a. True
  b. False
  (b; Hard; p. 24)

25. A firm may select several business models in order to accomplish their goals.
  a. True
  b. False
  (a; Medium; p. 25)

26. In order to determine whether a business model is an appropriate fit for a given firm it is important to consider connected activities and price.
  a. True
  b. False
  (a; Hard; p. 26)

27. All e-business models are Internet business models.
  a. True
  b. False
  (b; Easy; p. 26)

28. All businesses should take on some e-business involvement.
  a. True
  b. False
  (b; Hard; p. 27)

29. Customer relationship management focuses only on retaining existing individual customers.
  a. True
  b. False
  (b; Easy; p. 31)

30. The balanced scorecard can be used by all types of businesses.
  a. True
  b. False
  (a, Hard, p. 35)

31. Firms must review scorecard measures often in order to stay up to date.
  a. True
  b. False
  (a; Medium; p. 37)

32. Strategy is the means to achieve a goal.
    a. True
    b. False
    (a; Easy; p.24)

33. An e-business model is a method by which the organization sustains itself in the long term using information technology.
    a. True
    b. False
    (a; Medium; p.26)

34. Information technology always lowers costs to business stakeholders.
    a. True
    b. False
    (b; Medium; p. 27)

35. Growth in market share is the main way for e-commerce companies to measure long term success.
    a. True
    b. False
    (b, Medium, p. 35)

Essay

36. When setting strategic objectives firms should focus on their competitive position. Give four examples of viable positions and an example of at least one firm that operates successfully in each position.
    - Industry Leader – Microsoft, E-Bay, Barnes and Noble
    - Price Leader – Priceline.com , Overstock.com, WalMart
    - Quality Leader – Mercedes, Tiffany
    - Customer Service – Dell, Land'End
      (Medium; p. 23)

37. In what ways does e-marketing increases benefits to customers.
    - Online mass customization
    - Personalization
    - 24/7 Convenience
    - Self-service ordering and tracking
    - One-stop shopping
      (Medium; p.27)

38. Customer relationship management (CRM) aims to create a complete picture of customer characteristics, behavior, and preferences. In what ways may a firm use information technology to accomplish this goal?
    - Integrates customer information at every touch point
    - Transaction point
    - Online Registration
    - Individualized communication- mail, e-mail, telephone, face to face sales.
      (Easy, p. 31)

39. Why are performance metrics an important complement to strategic planning. What attributes determine the usefulness of these metrics?
    - Evaluate effectiveness and efficiency of an organization's operations.
    - Monitor performance in terms of objectives and goals.
    - Translating strategy and business model into components or objectives that are measurable. This can be used to create action plans for the firm.
    - Firms employees will be motivated to make decisions that will result in the desired results.
      (Hard; pp. 34-35)

40. What are the benefits of the Balanced Scorecard?
    - Means to monitor and measure performance
    - Links strategy to measurement
    - Measure performance metrics in customer, internal, innovation and learning, and financial areas.
      (Medium; p. 36)

41. What are the components to evaluate an organization's business model?
    - Customer Value
    - Scope
    - Price
    - Revenue Sources
    - Connected Activities
    - Implementation
    - Capabilities
    - Sustainability
      (Medium, pp. 25-26)

42. Under the Balanced Scorecard, what metrics are used to evaluate the customer perspective?
    - Customer Loyalty
    - Lifetime Value
    - Customer perceptions
    - Penetration of target market
    - Customer buying patterns
      (Hard; p. 37)