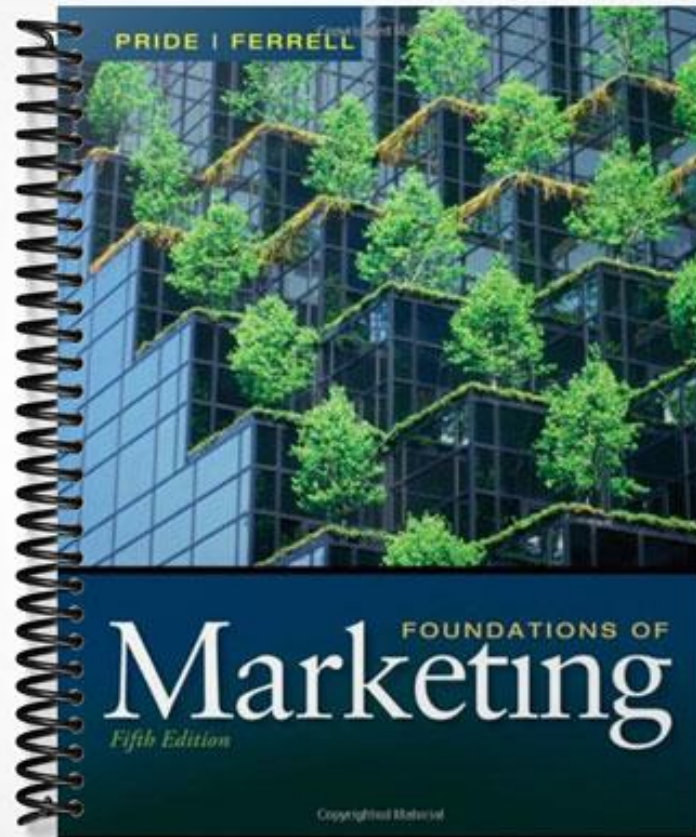


**TEST BANK**



## Chapter 2—Planning Marketing Strategies

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### ESSAY

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

ANS:

Answer not provided.

PTS: 1                    DIF: Easy                    OBJ: 02-01 Describe the strategic planning process.  
NAT: AACSB: Analytic | MKTG: Model Marketing Plan                    MSC: Knowledge

2. How does a firm use a market opportunity to reach a particular target market?

ANS:

Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-02 Explain how organizational resources and opportunities affect the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

3. In what ways does having a mission statement help an organization achieve its goals?

ANS:

Answer not provided.

PTS: 1                    DIF: Easy  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Communication | AACSB: Strategy | MKTG: Model Marketing Plan  
MSC: Knowledge

4. Compare and contrast corporate strategy and marketing strategy.

ANS:

Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy                    MSC: Knowledge

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

ANS:

Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

6. Explain the different types of growth strategies that can be used by a strategic business unit.

ANS:  
Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

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

ANS:  
Answer not provided.

PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Analytic | MKTG: Model Strategy                    MSC: Knowledge

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

ANS:  
Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

9. What is internal marketing? Why is it helpful for a firm to initiate an internal marketing program?

ANS:  
Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Analytic | MKTG: Model Marketing Plan                    MSC: Knowledge

10. Discuss the different ways of organizing the marketing unit.

ANS:  
Answer not provided.

PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                    NAT: AACSB: Analytic | MKTG: Model Marketing Plan  
MSC: Knowledge

11. Discuss how a firm's orientation is related to the development of its strategic plan.

ANS:  
Answer not provided.

PTS: 1                    DIF: Difficult  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing

implementation. NAT: AACSB: Analytic | MKTG: Model Marketing Plan  
MSC: Knowledge

## SHORT ANSWER

12. Strategic planning is the process of \_\_\_\_\_.

ANS:

establishing an organizational mission and formulating goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

PTS: 1 DIF: Difficult OBJ: 02-01 Describe the strategic planning process.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

## MULTIPLE CHOICE

13. When managers at Logistics Pro are developing their strategic plan, they use a market orientation as a guide to ensure that \_\_\_\_ is an integral part of the process.
- customer satisfaction
  - employee satisfaction
  - the best use of their marketing resources
  - the marketing mix
  - the marketing function

ANS: A PTS: 1 DIF: Easy

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Application

14. Managers at the Littlefield Corporation are engaged in a complex process of revising their organization's mission and goals and developing corporate strategy, marketing objectives, marketing strategy, and, eventually, a marketing plan. This process is called
- marketing planning.
  - strategic planning.
  - marketing strategy.
  - corporate strategy.
  - strategic business planning.

ANS: B PTS: 1 DIF: Moderate

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Application

15. Identifying and analyzing a target market and developing a marketing mix to satisfy individuals in that market are essential elements of which of the following parts of strategic planning?
- Establishing marketing objectives
  - Coordinating marketing activities
  - Organizing marketing functions
  - Developing a marketing strategy
  - Planning marketing activities

ANS: D PTS: 1 DIF: Moderate

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Knowledge

16. Safeway Food Stores is involved in identifying and analyzing a target market. The firm then develops a marketing mix to satisfy individuals in that market to gain long-term competitive advantages. Based on this example, Safeway is creating a
- corporate strategy.
  - target design.
  - mix strategy.
  - marketing strategy.
  - marketing tactic.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Application

17. To formulate a marketing strategy, one must
- identify and analyze a target market and develop a marketing mix to satisfy individuals in that market.
  - develop a statement of what is to be accomplished through marketing activities.
  - develop plans for implementation and control.
  - develop an adequate marketing control process.
  - determine marketing objectives.

ANS: A                      PTS: 1                      DIF: Difficult

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Comprehension

18. The marketing plan is
- a plan of all aspects of an organization's business strategy.
  - written differently for each SBU.
  - a written document detailing activities to be performed to implement and control marketing actions.
  - designed to specify not only marketing, but all other functional areas of business activities as well.
  - updated only periodically.

ANS: C                      PTS: 1                      DIF: Difficult

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

19. CyberCycle Inc., is preparing a written document specifying the activities to be performed to implement and control its marketing activities. This document is called the
- profit plan.
  - marketing program.
  - strategic market program.
  - strategic business plan.
  - marketing plan.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Application

20. The strategic planning process begins with
- development of an organizational mission statement.

- b. development of marketing strategy.
- c. analysis of the marketing environment.
- d. analysis of target markets.
- e. development of a marketing plan.

ANS: C                      PTS: 1                      DIF: Difficult

OBJ: 02-01 Describe the strategic planning process.

NAT: AACSB: Analytic | MKTG: Model Strategy                      MSC: Knowledge

21. A \_\_\_\_ is something that an organization does extremely well and may give a company an advantage over its competition.
- a. benchmark
  - b. sustainable competitive advantage
  - c. core competency
  - d. strategic vision
  - e. marketing opportunity

ANS: C                      PTS: 1                      DIF: Easy

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan                      MSC: Knowledge

22. A market opportunity results from
- a. the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
  - b. monitoring the firm's capabilities.
  - c. an increase in market share and profits.
  - d. an assessment of environmental forces.
  - e. technological determinism.

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                      MSC: Knowledge

23. When the right combination of circumstances occurs at the right time to allow an organization to take action toward a target market, the firm is faced with a
- a. market objective.
  - b. market requirement.
  - c. strategic market plan.
  - d. market opportunity.
  - e. corporate objective.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                      MSC: Knowledge

24. In response to the increase in demand for organic foods, Wegmans, Inc., a regional supermarket, recently created organic food departments within their large stores. The creation of these departments was a result of
- a. a core competency
  - b. a market opportunity
  - c. its sales orientation
  - d. its distribution plan
  - e. a competitive advantage

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

25. Realizing that consumers have begun to seek vehicles that use less gasoline, Toyota heavily promotes its hybrid automobiles to capitalize on this \_\_\_\_ while the strategic window is open.
- marketing mix
  - market opportunity
  - objective
  - requirement
  - goal

ANS: B PTS: 1 DIF: Easy

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

26. After determining that consumers had concerns about fat and carbohydrates, Sardino's Pizza began offering a low-fat, low-carb pizza product. The creation of this new product was the result of
- a competitive advantage.
  - a well-defined mission statement.
  - good strategic planning.
  - a market opportunity.
  - opportunistic behavior.

ANS: D PTS: 1 DIF: Moderate

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

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

ANS: D PTS: 1 DIF: Difficult

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

28. A competitive advantage exists when a
- firm matches a core competency to opportunities it has discovered in the marketplace.
  - firm does marketing better than its competitors.
  - combination of circumstances and timing allow a firm to reach an attractive target market.
  - firm observes a fit between the key requirements of a market and its own capabilities.
  - firm has a strong marketing plan.

ANS: A PTS: 1 DIF: Difficult

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

29. A \_\_\_\_ is created when a company matches its core competency to opportunities it has discovered in the marketplace.





OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Analytic | MKTG: Model Strategy MSC: Knowledge

34. Successful business organizations should take actions to convert internal weaknesses into \_\_\_\_ and external threats into \_\_\_\_.
- opportunities; core competencies
  - core competencies; strengths
  - opportunities; strengths
  - strengths; core competencies
  - strengths; opportunities

ANS: E PTS: 1 DIF: Moderate

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Comprehension

35. When Opryland Hotel wants to have at least 90 percent of its customers indicating they had a memorable and satisfying experience at the hotel, this is an example of
- implementing the marketing mix
  - maintaining their corporate identity
  - a marketing objective
  - a strategic plan
  - a mission statement

ANS: C PTS: 1 DIF: Difficult

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan | MKTG: Model Customer  
MSC: Application

36. An organization's business goals should be derived from its
- mission statement.
  - strategic plan.
  - strategic business plan.
  - marketing plan.
  - marketing strategy.

ANS: A PTS: 1 DIF: Easy

OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

37. The reputation and well-known brand name of Rolex watches represents a \_\_\_\_ for Rolex.
- competitive advantage
  - core competency
  - market opportunity
  - strategic window
  - pricing strategy

ANS: B PTS: 1 DIF: Easy

OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Analytic | MKTG: Model Marketing Plan MSC: Knowledge

38. A firm's unique symbols, personalities, and philosophies comprise its
- corporate persona.
  - corporate identity.



OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

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

ANS: B PTS: 1 DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Knowledge

44. Kraft purchased the Duracell Battery Company and now operates this division as a separate profit center within the firm. In this example, Duracell is a(n) \_\_\_\_\_ unit of Kraft.
- strategic business
  - marketing
  - dependent
  - independent
  - corporate

ANS: A PTS: 1 DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy MSC: Application

45. A group that has the willingness, ability, and authority to buy a product is a
- market.
  - consumer.
  - strategic business unit.
  - business customer.
  - strategic window.

ANS: A PTS: 1 DIF: Difficult  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

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

ANS: D PTS: 1 DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Customer MSC: Knowledge

47. Jason, a 17-year old high school student, wants to buy a pack of Marlboro Lights. He has the money to purchase them, but he is still not considered to be a market for the product due to his lack of \_\_\_\_\_ to buy.
- ability

- b. willingness
- c. authority
- d. need
- e. location

ANS: C                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Customer    MSC: Application

48. The Boston Consulting Group's matrix is based on the
- a. idea that a firm's market share and market attractiveness are the important factors for a marketing strategy.
  - b. assumption that a firm's actions have a profitable impact on marketing strategy.
  - c. business position and market attractiveness of the firm.
  - d. philosophy that a product's market growth rate and its market share are important determinants of its marketing strategy.
  - e. idea that a product's market growth rate and market attractiveness determine the marketing strategy.

ANS: D                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product            MSC: Knowledge

49. According to the Boston Consulting Group, marketers may classify their products as all of the following *except*
- a. dogs.
  - b. cash contributors.
  - c. question marks.
  - d. stars.
  - e. cash cows.

ANS: B                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product            MSC: Knowledge

50. Based on the work by the Boston Consulting Group, products with a dominant share of the market and good prospects for growth are
- a. dogs.
  - b. cash cows.
  - c. stars.
  - d. question marks.
  - e. pigs.

ANS: C                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Analytic | MKTG: Model Product                    MSC: Knowledge

51. The Boston Consulting Group classifies products that have a dominant market share but low prospects for growth and that generate more cash than is required to maintain market share as
- a. dogs.
  - b. cash cows.
  - c. stars.
  - d. cash contributors.
  - e. question marks.

ANS: B                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Analytic | MKTG: Model Product                    MSC: Knowledge

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

ANS: C                    PTS: 1                    DIF: Difficult  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Product                    MSC: Application

53. The percentage of a market which actually buys a specific product from a specific company is referred to as that product's
- strategic segment
  - target market
  - market share
  - market cut
  - market position

ANS: C                    PTS: 1                    DIF: Difficult  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Customer                    MSC: Knowledge

54. According to the Boston Consulting Group, question marks are characterized as products
- having a small share of a growing market and requiring large amounts of cash to build market share.
  - generating more cash than is required to maintain share.
  - encompassing the greatest number of products.
  - existing at a cost disadvantage and revealing few opportunities for growth at a reasonable cost.
  - having substantial reported profits but needing a lot of cash to finance the rate of growth.

ANS: A                    PTS: 1                    DIF: Difficult  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

55. Which of the following is the *most* specific and detailed type of business strategy?
- business-unit
  - marketing
  - corporate
  - customer service
  - tactical

ANS: B                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

56. High Gliding Air Academy is developing its marketing mix for the coming year. Its managers know that they must first select \_\_\_\_, which may be the most important decision they make in the planning process.
- the promotional strategy
  - a distribution method
  - the pricing strategy
  - a target market
  - the desired profit margin

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan                      MSC: Application

57. Which of the following statements about the marketing mix is *incorrect*?
- The selection of the target market serves as the basis for the creation of the marketing mix.
  - The elements of the marketing mix are sometimes referred to as *marketing mix variables*.
  - Each element of the marketing mix must be precisely matched with the needs of the target market.
  - Once a marketing mix has been created for a particular target market, it cannot be changed until a new strategic window opens.
  - Each element of the marketing mix must be precisely matched with the other elements of the marketing mix.

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan                      MSC: Comprehension

58. Business decisions made in creating a marketing mix
- are made before a target market is identified.
  - are unchangeable once they are agreed upon by management.
  - are only as good as the organization's understanding of the needs of the target market.
  - usually take place when a strategic window is open.
  - must always be consistent with the firm's opportunities.

ANS: C                      PTS: 1                      DIF: Difficult

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Comprehension

59. All marketing mix decisions must have two characteristics: \_\_\_\_ and \_\_\_\_.
- consistency; flexibility
  - consistency; rigidity
  - formality; flexibility
  - variability; flexibility
  - formality; rigidity

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

60. Gucci Group, a marketer of high-fashion products, achieved a company turnaround by ensuring that its brand had the same image and proper display around the world. It also lowered prices on some items, like handbags, to be more competitive. This illustrates a company working to develop a marketing mix that is both \_\_\_\_ and \_\_\_\_.

- a. consistent; flexible
- b. formal; flexible
- c. variable; flexible
- d. consistent; rigid
- e. consistent; formal

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Analytic | MKTG: Model Marketing Plan                      MSC: Application

61. A competitive advantage that cannot be readily copied by the competition is referred to as a(n) \_\_\_\_ advantage.
- a. controllable
  - b. sustainable
  - c. noncopyable
  - d. effective
  - e. implementable

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 42

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Communication | CBE: Model Marketing Plan                      MSC: Knowledge

62. Harley-Davidson's Harley Owner's Group (HOG) helps to foster strong relationships between riders and their motorcycles, giving it a(n) \_\_\_\_ over other motorcycle manufacturers.
- a. controllable advantage
  - b. uncontrollable competitive advantage
  - c. sustainable marketing advantage
  - d. effective competitive advantage
  - e. sustainable competitive advantage

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan | MKTG: Model Customer

MSC: Application

63. Because of its highly efficient and low-cost distribution system, Walmart has a \_\_\_\_ advantage over Kmart.
- a. nonsustainable competitive
  - b. sustainable marketing
  - c. sustainable control
  - d. sustainable implementation
  - e. sustainable competitive

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Analytic | MKTG: Model Distribution                      MSC: Application

64. A marketing plan
- a. is characteristic of production-oriented firms and other mass producers.
  - b. provides a framework for implementing and controlling marketing activities.
  - c. always increases the marketing manager's operating costs.
  - d. produces plans that are short term in orientation.
  - e. restricts the marketing manager's future options.

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-05 Understand the process of creating the marketing plan.

NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Knowledge

65. Starbucks is presently involved in a process of assessing marketing opportunities and resources, determining marketing objectives, re-defining marketing strategies, and developing guidelines for implementation and control. Thus, Starbucks is involved in
- strategic analysis.
  - marketing planning.
  - marketing management.
  - marketing.
  - market organization.

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-05 Understand the process of creating the marketing plan.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy      MSC: Application

66. Which of the following is *not* a purpose of the marketing plan?
- Communicate internally with employees
  - Assign tasks and responsibilities for implementation
  - Specify the allocation of resources
  - Monitor the performance of a marketing strategy
  - Serve as a contract with the customer

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 02-05 Understand the process of creating the marketing plan.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Comprehension

67. Hallaway's Corp.'s new shampoo, VS2, is faltering badly in the market. Hallaway's marketing personnel are unsure who is responsible for various marketing tasks, when these tasks are to be completed, or what resources have been allocated. Hallaway Marketing Director Carolyn Willis said that the problem is that VS2 has the most poorly written \_\_\_\_ she has ever seen.
- marketing plan
  - competitive plan
  - implementation plan
  - media schedule
  - product specification sheet

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 02-05 Understand the process of creating the marketing plan.

NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan

MSC: Application

68. The Texas Pitt Barbecue Corporation has conducted a SWOT analysis of its competition, and sees a marketing opportunity for its new Texas Pit Barbecue restaurant. It has developed its marketing plan to include the type of products it will sell, the location for the restaurant, and the pricing it will use. Their plan includes a marketing objective to make a profit of 5% the first year of operation. So far, the owners of the restaurant have eliminated a key piece of the marketing plan, which is \_\_\_\_.
- specifying how they will achieve their marketing objective
  - how they will address the competition's prices
  - coming up with a quantitative measure for their objective
  - developing a qualitative measure for their objective
  - assessing their weaknesses



ANS: A                    PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Application

69. Which of the following is *not* a component of a marketing plan?
- Environmental analysis
  - Marketing strategies
  - Product
  - Executive summary
  - Marketing implementation

ANS: C                    PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Analytic | MKTG: Model Marketing Plan                    MSC: Knowledge

70. A marketing plan usually begins with a(n)
- executive summary.
  - introduction to the company's marketing objectives.
  - summary of current performance as compared with past performance.
  - situation analysis.
  - opportunity and threat analysis.

ANS: A                    PTS: 1                    DIF: Easy  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

71. The process of putting marketing strategies into action is called
- marketing implementation.
  - marketing control.
  - marketing action.
  - marketing auditing.
  - the marketing action plan.

ANS: A                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                    NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

72. In essence, all organizations have two types of strategy: \_\_\_\_ is the strategy that the organization decides on during the planning phase, and \_\_\_\_ is the strategy that actually takes place.
- planned strategy; realized strategy
  - intended strategy; realized strategy
  - intended strategy; implemented strategy
  - planned strategy; implemented strategy
  - realized strategy; implemented strategy

ANS: B                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                    NAT: AACSB: Analytic | MKTG: Model Strategy  
MSC: Knowledge

73. The \_\_\_\_ strategy in an organization often does not live up to marketing planners' expectations.
- intended

- b. expected
- c. planned
- d. control
- e. realized

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

74. Sayid's employer is currently developing a new marketing strategy. The top managers have developed the marketing strategy and have given it to Sayid so that he can now develop an implementation plan. Sayid's company will *most likely* end up with which type of strategy?
- a. Decentralized
  - b. Centralized
  - c. Rigid
  - d. Intended
  - e. Realized

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Application

75. For marketing implementation to be successful, the needs of \_\_\_\_ customers must be met.
- a. external
  - b. internal
  - c. both internal and external
  - d. planned
  - e. both planned and realized

ANS: C                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Customer

MSC: Knowledge

76. Starbucks provides training and support to its employees, including health care benefits. Through these \_\_\_\_ efforts Starbucks is better able to deliver quality products and service to its customers.
- a. internal management
  - b. extended marketing
  - c. intended marketing
  - d. external marketing
  - e. internal marketing

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

77. Using information about customers to create marketing strategies that develop and sustain desirable long-term customer relationships is known as
- a. computer resource management.
  - b. customer resource management.
  - c. customer relationship management.
  - d. customer research management.

e. e-marketing.

ANS: C                    PTS: 1                    DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.           NAT: AACSB: Communication | MKTG: Model Customer

MSC: Knowledge

78. What focuses on using information about customers to create marketing strategies that develop and sustain desirable customer relationships?

- a. Customer relationship management
- b. Electronic data interchange
- c. Business-to-consumer marketing
- d. Strategic partnerships
- e. The marketing concept

ANS: A                    PTS: 1                    DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.           NAT: AACSB: Communication | MKTG: Model Customer

MSC: Knowledge

79. Electronic marketing has greatly improved the ability of marketers to target individual customers. As a result, many feel that marketing's emphasis is shifting from share of market to share of

- a. budget.
- b. consumer online time.
- c. customer.
- d. awareness.
- e. commitment.

ANS: C                    PTS: 1                    DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.           NAT: AACSB: Analytic | AACSB: Technology | MKTG: Model Customer

MSC: Knowledge

80. Borders Books uses technology to help them identify specific customers, establish interactive dialogues with them to learn about their needs, and combine this information with their purchase histories to customize products to meet those needs. Borders Books is using the \_\_\_\_ approach.

- a. target market positioning
- b. SWOT analysis
- c. customer relationship management
- d. total quality management
- e. internal marketing

ANS: C                    PTS: 1                    DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.           NAT: AACSB: Analytic | AACSB: Technology | MKTG: Model Customer

MSC: Application

81. Which of the following is *false* with regard to customer lifetime value?

- a. It is a key measurement that forecasts a customer's lifetime economic contribution based on continued relationship marketing efforts.
- b. It can be calculated by taking the sum of the customer's present value contributions to profit margins over a specific timeframe.
- c. It includes not only an individual's propensity to engage in purchases but also his or her strong word-of-mouth communication about the firm's products.
- d. All customers have equal value to a firm.

- e. It is the only gauge that incorporates revenue, expense, and customer behavior and adopts a customer-centric approach.

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Reflective Thinking | MKTG: Model Customer

MSC: Knowledge

82. According to the text, the 80/20 rule suggests that
- 80 percent of profits come from 20 percent of business customers.
  - 20 percent of profits come from 80 percent of business customers.
  - 20 percent of profits come from 80 percent of customers.
  - 80 percent of profits come from 20 percent of customers.
  - 80 percent of profits come from 20 percent of sales.

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.

NAT: AACSB: Communication | MKTG: Model Strategy | MKTG: Model Customer

MSC: Knowledge

83. Customer relationship management is facilitated by gathering useful data from
- telephone interactions with customers.
  - personal interactions with customers.
  - online interactions with customers.
  - all customer-contact points.
  - all exchange transactions.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Customer

MSC: Knowledge

84. Customer relationship management systems cannot be effective unless they are developed as
- market-share building tools.
  - profit-boosting tools.
  - selling tools.
  - cost-reduction tools.
  - relationship-building tools.

ANS: E                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Customer

MSC: Comprehension

85. The most important component of customer relationship management is
- technology.
  - profits.
  - sales.
  - share of an individual customer's purchases.
  - relationships with customers.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Analytic | MKTG: Model Customer

MSC: Knowledge

86. Meredith knows that whether she decides to interact with her customers in person, on the telephone, online, or by fax, that \_\_\_\_ should ultimately drive the marketing strategy.
- marketing research
  - polite responsiveness
  - her customers
  - product availability
  - company goals

ANS: C                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy | MKTG: Model Customer

MSC: Application

87. The employees of Zingerman's Deli are its \_\_\_\_ customers.
- external
  - extended
  - intended
  - internal
  - domestic

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Marketing Plan

MSC: Application

88. Which of the following statements *best* describes total quality management?
- A process aimed at improving product quality, increasing competition based on quality, and quality improvement among employees
  - The coordination of efforts directed at improving customer satisfaction, increasing employee participation, forming and strengthening supplier partnerships, and facilitating continuous quality improvements
  - A method of increasing overall financial benefits, emphasizing faster development of innovations, and improving customer satisfaction
  - A process directed at controlling marketing activities at a higher level of involvement among the firms' employees
  - An approach used to emphasize the need for quality among a firm's hierarchy of employees, beginning with top-level executives

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

89. Stratford Manufacturing is interested in total quality management and wants to learn more about its principles. Which of the following elements will Stratford *not* address in its investigation of TQM?
- Improving customer satisfaction
  - Purchasing lowest-cost materials
  - Increasing employee participation
  - Strengthening supplier partnerships
  - Continuous product improvements

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Application

90. If Apple measured and evaluated the quality of its goods, services, and processes as compared with those of the best-performing companies in the computer industry, it would be employing
- uniform commitment to quality marketing.
  - internal marketing.
  - external marketing.
  - quality marketing.
  - benchmarking.

ANS: E PTS: 1 DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Analytic | MKTG: Model Strategy  
MSC: Application

91. The term "\_\_\_\_" describes measuring and evaluating a firm's quality in products and processes against industry leaders.
- total quality management
  - benchmarking
  - internal marketing
  - empowerment
  - implementation

ANS: B PTS: 1 DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

92. A server in a fine restaurant has the authority to give a complimentary dessert to a dissatisfied customer when the customer complains about the meal or service. This is an example of
- benchmarking.
  - individualism.
  - good training.
  - empowerment.
  - localized authority.

ANS: D PTS: 1 DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Application

93. \_\_\_\_ involves giving customer-contact employees the authority and responsibility to make marketing decisions without seeking the approval of a supervisor.
- Benchmarking
  - Internal marketing
  - Total quality management
  - Marketing implementation
  - Empowerment

ANS: E PTS: 1 DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

94. Kate is upset because the bank did not credit her account with a deposit, which resulted in a returned check to Kate's landlord. When she was told the branch manager was on vacation, Kate resigned herself to waiting two weeks to have the matter resolved. To her surprise, though, the receptionist apologized for the error and drafted a letter to Kate's landlord while Kate waited. The bank was engaging in which type of decision-making strategy?
- Employee empowerment
  - Centralized management
  - Structured
  - Immediate-focused
  - Product-focused

ANS: A                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Analytic | MKTG: Model Strategy  
MSC: Application

95. In a traditional organization, marketing decisions are likely to be
- very decentralized.
  - centralized at the top levels of the organization.
  - made by frontline employees.
  - made by frontline managers.
  - made only by the CEO.

ANS: B                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Comprehension

96. At Mrs. Fill's Cookie Co., top-level managers delegate very little authority to lower-level employees. Mrs. Fill's is a(n) \_\_\_\_ organization.
- centralized
  - decentralized
  - empowered
  - marketing-oriented
  - total quality management

ANS: A                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Application

97. The Acme Corporation is expanding operations into countries outside the United States. To improve local managers' responsiveness to local conditions, Acme's senior management has decided to delegate decision-making authority further down the chain of command. Acme is
- building a marketing-oriented organization.
  - empowering employees.
  - centralizing.
  - decentralizing.
  - making a serious error.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Application

98. A marketing unit can be organized according to functions, products, regions, and
- sales.
  - target markets.
  - competitive units.
  - types of customers.
  - product features.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

99. Key factors in determining the *best* organizational structure for a marketing unit are the
- preferences of top management.
  - fiscal resources of the firm.
  - number of employees.
  - diversity of the firm's products and the characteristics and needs of the people in the target market.
  - skill levels of employees.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Knowledge

100. According to the textbook, which of the following statements is *most* accurate?
- A small company always should organize by products, and a large organization should organize by regions.
  - There is no single approach to organizing a marketing unit that works well in all businesses.
  - Some organizations, by nature, have no specific internal structure.
  - Organizing by type of customer works best for companies with few groups of customers.
  - Using several bases for organizing leads to uncoordinated marketing management.

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Comprehension

101. If you were a marketing manager, under which type of organizational structure would you *most likely* be working if your firm were a large business with centralized marketing operations?
- Organization by type of customer
  - Organization by function
  - Organization by regions
  - Organization by products and regions
  - Organization by products

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Comprehension

102. A disadvantage of organizing a firm's marketing unit by products is that
- product managers do not have adequate control over marketing activities.



- b. large firms might experience coordination problems.
- c. it can be rather expensive.
- d. specialized marketing assistance is less readily available.
- e. marketing flexibility is limited.

ANS: C                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

103. A firm that markets diverse products would *most likely* base the organization of its marketing department on
- a. products.
  - b. regions.
  - c. functions.
  - d. types of customers.
  - e. marketing objectives.

ANS: A                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Comprehension

104. Procter & Gamble, like many firms in the consumer packaged-goods industry, is organized by
- a. function.
  - b. product.
  - c. region.
  - d. types of customers.
  - e. subregion.

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Application

105. Ford has centralized marketing operations with personnel who direct marketing research, distribution, sales, advertising, and so forth reporting directly to the top-level marketing executive. Ford's marketing department is organized by
- a. product.
  - b. region.
  - c. types of customers.
  - d. subregion.
  - e. function.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Application

106. Organizing a marketing unit by regions works well for a company that
- a. produces and markets diverse products.
  - b. is small and has a centralized marketing operation.
  - c. markets products throughout the nation.
  - d. has several groups of customers whose needs and problems are different.
  - e. offers specialized marketing mixes for different products.

ANS: C                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

107. Suppose a customer calls Ann's office at Frito-Lay in Atlanta. The customer has a friend in Seattle who was just telling her about a new snack Frito-Lay has introduced that is selling rapidly. Ann's office does not market this product, and at the present knows very little about it. Based on this information, this firm is *most likely* organized according to which of the following?
- Function
  - Product
  - Region
  - Customer
  - Market

ANS: C                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Application

108. A firm that wants to put more senior management personnel into the field, to get closer to customers, and to enable the company to respond more quickly and efficiently to competitors would probably organize its marketing unit on the basis of
- functions.
  - regions.
  - customer types.
  - markets.
  - products.

ANS: B                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Knowledge

109. An appliance manufacturer that sells to large retail stores, wholesalers, and institutions would probably organize its marketing unit on the basis of
- subregions.
  - national divisions.
  - types of customers.
  - functions.
  - products.

ANS: C                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Comprehension

110. The marketing control process consists of
- establishing goals, market scanning, and market share analysis.
  - establishing performance standards, evaluating performance, and reducing the differences between desired and actual performance.
  - establishing goals and measuring performance.
  - planning, implementing, and measuring marketing activities.
  - setting objectives, implementing strategies, and reducing the differences between desired

and actual performance.

ANS: B                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

111. Marketing managers at Consolidated Equipment Corporation are involved in establishing marketing performance standards, evaluating performance, and reducing the differences between actual and desired performance. These marketing managers are engaged in
- the systems design process.
  - the marketing control process.
  - marketing systems design.
  - the marketing audit.
  - marketing evaluation.

ANS: B                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Application

112. The first step in the marketing control process is to
- take corrective action.
  - reduce the difference between actual and desired standards.
  - evaluate actual performance.
  - compare actual performance and standards.
  - establish performance standards.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

113. An expected level of performance against which actual performance can be compared is a
- standard performance.
  - standard of excellence.
  - step in sales analysis.
  - performance standard.
  - corrective standard.

ANS: D                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

114. Morris Business Products Co. has established a monthly sales quota of \$150,000. This is a(n)
- marketing control process.
  - evaluation of actual performance.
  - evaluation standard.
  - sales analysis.
  - performance standard.

ANS: E                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.                      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Application

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

ANS: D                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Application

116. Marketing managers can take each of the following corrective actions for reducing a discrepancy between established performance standards and actual performance *except*
- improving actual performance.
  - reducing the performance standard.
  - totally changing the performance standard.
  - changing the marketing strategy.
  - coordinating a new step in performance analysis.

ANS: E                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Knowledge

117. When an organization attempts to control its marketing activities, it may find it difficult to
- determine their effect on sales volume.
  - use the information it collects.
  - obtain the necessary information.
  - get the accounting department to cooperate.
  - develop a marketing plan.

ANS: C                      PTS: 1                      DIF: Difficult

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

118. The time lag between the performance of marketing activities and their results
- limits the marketing manager's ability to measure the effectiveness of marketing activities.
  - facilitates the ability to measure performance.
  - increases the chance of accurate measurement.
  - limits the amount of money to be spent on measurement.
  - increases the likelihood of having a successful marketing mix.

ANS: A                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Analytic | MKTG: Model Strategy

MSC: Comprehension

### Scenario 2.1

Use the following to answer the questions.

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

119. Refer to Scenario 2.1. Maintaining the current culture of "fun" for Southwest Airlines' employees is most likely a(n)
- marketing strategy.
  - marketing objective.
  - organization resource.
  - environmental force.
  - overall organizational objective.

ANS: E

PTS: 1

DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation. NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Application

120. Refer to Scenario 2.1. The fact that Southwest Airlines has a history of being able to retain its employees is a(n) \_\_\_\_ in its SWOT analysis.
- weakness
  - strength
  - threat
  - opportunity
  - comparative advantage

ANS: B

PTS: 1

DIF: Easy

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

121. Refer to Scenario 2.1. In Southwest Airlines' SWOT analysis, the rising gas prices are a(n) \_\_\_\_, while the fact that other airlines are charging for all checked baggage may create a(n) \_\_\_\_.
- threat; strength
  - weakness; strength
  - threat; opportunity
  - weakness; opportunity
  - opportunity; strength

ANS: C

PTS: 1

DIF: Moderate

OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.

NAT: AACSB: Reflective Thinking | MKTG: Model Strategy MSC: Application

122. Refer to Scenario 2.1. Southwest's low fares, dependability, and its on-time flights represent its
- competitive advantage
  - marketing opportunity
  - marketing plan
  - marketing objectives
  - total quality management

ANS: A                      PTS: 1                      DIF: Easy  
OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy | MKTG: Model Marketing Plan  
MSC: Application

**Scenario 2.2**

Use the following to answer the questions.

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

123. Refer to Scenario 2.2. According to the BCG matrix, the hang-gliding and bungee jumping tours have been a \_\_\_\_ for EXperience Limited, while the skydiving and motorcross tours represent a \_\_\_\_.
- a. star; dog
  - b. cash cow; question mark
  - c. cash cow; star
  - d. star; cash cow
  - e. star; question mark

ANS: B                      PTS: 1                      DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Product      MSC: Application

124. Refer to Scenario 2.2. The fact that college enrollments have been increasing at a fast rate the past few years is an example of \_\_\_\_ and creates a \_\_\_\_ for EXperience Limited.
- a. an environmental factor; marketing opportunity
  - b. an environmental factor; strategic door
  - c. a company strength; marketing opportunity
  - d. a company strength; competitive advantage
  - e. a marketing opportunity; competitive advantage

ANS: A                      PTS: 1                      DIF: Moderate  
OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy      MSC: Application

125. Refer to Scenario 2.2. The information in EXperience Limited's database could be *best* used to develop
- a. a TQM program
  - b. SWOT analysis
  - c. a marketing plan
  - d. a CRM program
  - e. an internal marketing program

ANS: D                      PTS: 1                      DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Customer  
MSC: Application



OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

133. A competitive advantage is created when a company matches its core competency to the opportunities it has discovered in the market.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Communication | MKTG: Model Strategy | MKTG: Model Marketing Plan  
MSC: Knowledge

134. The analysis of strengths and weaknesses focuses on internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 02-02 Explain how organizational resources and opportunities affect the the planning process.  
NAT: AACSB: Analytic | MKTG: Model Strategy | MKTG: Model Marketing Plan  
MSC: Knowledge

135. A long-term view, or vision, of what the organization wants to become is called a mission proclamation.

ANS: F                      PTS: 1                      DIF: Easy  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Communication | MKTG: Model Strategy                      MSC: Knowledge

136. A firm's organizational goals should be derived from its opportunities.

ANS: F                      PTS: 1                      DIF: Moderate  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                      MSC: Knowledge

137. A firm's organizational mission should be derived from its goals.

ANS: F                      PTS: 1                      DIF: Moderate  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                      MSC: Knowledge

138. An organization's goals focus on the ends or results that the firm seeks.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 35  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Communication | CBE: Model Strategy                      MSC: Knowledge

139. Marketing objectives should be stated in such a way that the degree of accomplishment can be measured accurately.

ANS: T                      PTS: 1                      DIF: Easy  
OBJ: 02-03 Understand the role of the mission statement in strategic planning.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                      MSC: Knowledge

140. Marketing objectives state what is to be accomplished through marketing activities.



ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy                    MSC: Knowledge

141. A marketing objective need not be consistent with the firm's overall objectives.

ANS: F                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

142. Corporate strategy determines the means for utilizing resources in the functional areas of business to reach the organization's goals.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

143. Corporate strategic planners focus on dimensions such as competition, diversification, differentiation, environmental focus, and interrelationships among SBUs.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy                    MSC: Knowledge

144. A strategic business unit is not self-supporting in terms of sales, markets, production, and other resources.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

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

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Customer                    MSC: Knowledge

146. The Boston Consulting Group approach is based on a philosophy that a product's market growth rate and its market share relative to competition should be helpful in determining its marketing strategy.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy                    MSC: Knowledge

147. The Boston Consulting Group's model serves as a diagnostic tool to spotlight strategic business units that have an opportunity to grow rather than as a guide for making strategy prescriptions.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

148. Marketing managers can classify a firm's products into four basic types: stars, cash cows, dogs, and question marks.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

149. Stars are profitable products that usually generate more cash than is required to maintain share.

ANS: F                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

150. Cash cows are market leaders that are growing fast, with substantial reported profits.

ANS: F                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

151. Question marks exist at a cost disadvantage and exhibit few opportunities for growth at a reasonable cost.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Product                    MSC: Knowledge

152. The long-term health of the firm depends solely on having products that generate cash and provide acceptable reported profits.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy | MKTG: Model Product  
MSC: Knowledge

153. When properly implemented, a good marketing strategy enables a company to achieve its business-unit and corporate objectives.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Strategy                    MSC: Knowledge

154. The decisions made in creating a marketing mix are only as good as the organization's understanding of the target market.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

155. Marketing mix decisions must have two characteristics: consistency and timeliness.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

156. Each of the marketing mix elements must work together with the others.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

157. A sustainable competitive advantage is one that cannot be copied by a firm's competitors.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-04 Examine corporate, business-unit, and marketing strategies.  
NAT: AACSB: Communication | MKTG: Model Strategy | MKTG: Model Marketing Plan  
MSC: Knowledge

158. Marketing planning consists of two major components: marketing objectives and a control process.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

159. Marketing planning establishes an organizational mission and goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

160. Marketing planning and implementation are inextricably linked in successful businesses.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

161. Marketing plans may be developed for strategic business units, product lines, individual products or brands, or specific markets.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-05 Understand the process of creating the marketing plan.  
NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

162. The realized strategy is the one management decided upon during the planning phase and wants to implement.

ANS: F                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Marketing Plan  
MSC: Knowledge

163. Internal marketing may involve market segmentation, product development, research, distribution, public relations, and sales promotion.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Marketing Plan  
MSC: Knowledge

164. The concept of customer lifetime value includes only the customer's likelihood to engage in purchases.

ANS: F                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Customer  
MSC: Knowledge

165. Customer Relationship Management strives to build satisfying exchange relationships between buyers and sellers by gathering useful data at all customer-contact points.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Customer  
MSC: Knowledge

166. Internal management refers to the coordination of internal exchanges between the organization and its employees to achieve successful external exchanges between the organization and its customers.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Marketing Plan | MKTG: Model Strategy  
MSC: Knowledge

167. Empowerment refers to the measurement and evaluation of the quality of an organization's goods, services, or processes as compared with the best-performing companies in the industry.

ANS: F                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

168. Firms that truly adopt the marketing concept develop a distinct organizational culture based on a shared set of beliefs that makes customers' needs the pivotal point of the firm's decisions about strategy and operations.

ANS: T                    PTS: 1                    DIF: Moderate  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy  
MSC: Knowledge

169. In a traditional organization, marketing decisions are generally centralized at the top levels of the organization.

ANS: T                    PTS: 1                    DIF: Easy  
OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy  
MSC: Knowledge

170. A marketing unit can be organized according to functions, products, regions, or customers.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

171. A functional organization works effectively for large, decentralized companies.

ANS: F                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

172. Product organization is appropriate for a firm that produces and markets a diverse set of products.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

173. A large company that markets products throughout the nation could use a regional type of organization.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

174. Organization by types of customers can work well for a firm that has several groups of customers with different needs and problems.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

175. Performance standards are established as part of the marketing control process.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

176. The marketing control process does not monitor the activities of external sources of marketing assistance.

ANS: F                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

177. The primary way to reduce the discrepancy between planned and actual performance is to rewrite the performance standard.

ANS: F                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge

178. Sometimes the information required to control marketing activities is available but too costly.

ANS: T                      PTS: 1                      DIF: Easy

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Communication | MKTG: Model Strategy

MSC: Knowledge

179. The time lag between the performance of marketing activities and the effects of such activities limits a marketing manager's ability to measure the effectiveness of marketing activities.

ANS: T                      PTS: 1                      DIF: Moderate

OBJ: 02-06 Describe the marketing implementation process and the major approaches to marketing implementation.      NAT: AACSB: Reflective Thinking | MKTG: Model Strategy

MSC: Knowledge