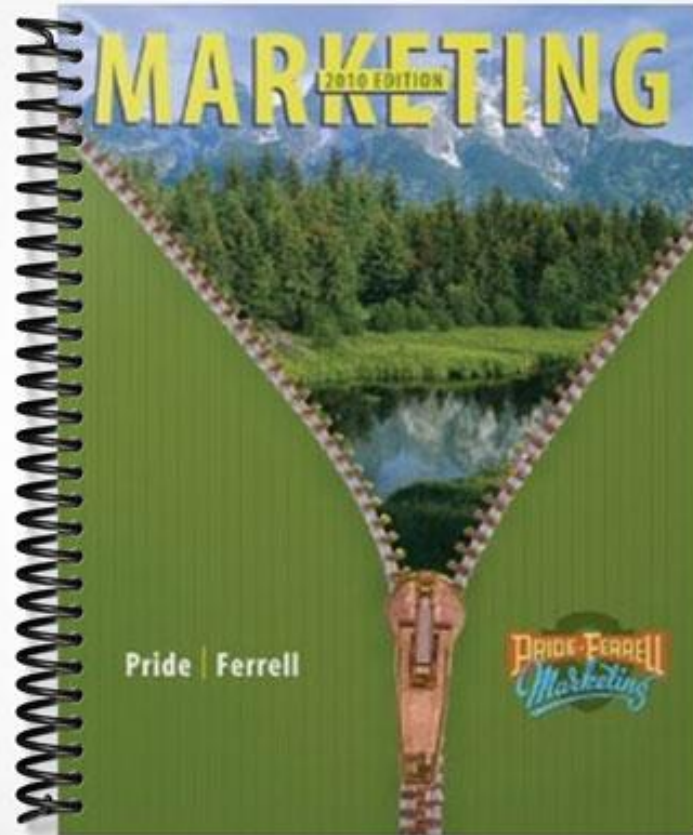


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CHAPTER 2

Planning, Implementing, and Controlling Marketing Strategies

1. Describe the process of strategic planning. How does this process help marketing managers?
AACSB: Analytic DF: E Page: 32 Type: KN
2. How does a firm use a market opportunity to reach a particular target market?
AACSB: Reflective Thinking, Strategy DF: M Page: 34 Type: KN
3. In what ways does having a mission statement help an organization achieve its goals?
AACSB: Communication, Strategy DF: E Page: 37 Type: KN
4. Compare and contrast corporate strategy and marketing strategy.
AACSB: Communication, Marketing plan, strategy DF: M Page: 38-39 Type: KN
5. Define the four product categories used in the Boston Consulting Group (BCG) product-portfolio analysis.
AACSB: Communication, Marketing plan DF: M Page: 40-41 Type: KN
6. Explain the different types of growth strategies that can be used by a strategic business unit.
AACSB: Communication, Marketing plan, strategy DF: M Page: 40 Type: KN
7. Describe the two major components of marketing strategy. What should marketing managers consider when developing marketing strategy?
AACSB: Analytic DF: E Page: 42 Type: KN
8. Discuss the creation of a marketing plan. What are the major components of a marketing plan?
AACSB: Communication, Marketing plan DF: M Page: 44 Type: KN
9. What is internal marketing? Why is it helpful for a firm to initiate an internal marketing program?
AACSB: Analytic, Marketing Plan DF: M Page: 48 Type: KN
10. Discuss the different ways of organizing the marketing unit.
AACSB: Analytic DF: M Page: 49-50 Type: KN
11. Discuss how a firm's orientation is related to the development of its strategic plan.
AACSB: Analytic, Marketing Plan DF: D Page: 32-34 Type: KN
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.
AACSB: Communication, Marketing plan, strategy DF: D LO: LO1 Page: 32 Type: KN

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13. When managers at Logistics Pro are developing their strategic plan, they use a marketing 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 AACSB: Analytic, Strategy DF: E Page: 32 Type: AP*
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 AACSB: Analytic, Strategy DF: M LO: LO1 Page: 32 Type: AP*
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 AACSB: Reflective Thinking, Strategy DF: M LO: LO1 Page: 33 Type: KN*
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 AACSB: Analytic, Strategy DF: E LO: LO1 Page: 33 Type: AP*
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 AACSB: Reflective Thinking, Strategy DF: D LO: LO1 Page: 33 Type: CH*
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 AACSB: Communication, Marketing plan DF: D LO: LO1 Page: 33 Type: KN*

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 AACSB: Communication, Marketing plan DF: E LO: LO1 Page: 33 Type: AP*
20. The strategic planning process begins with
- development of an organizational mission statement.
 - development of marketing strategy.
 - analysis of the marketing environment.
 - analysis of target markets.
 - development of a marketing plan.
- Ans: c AACSB: Analytic, Strategy DF: D LO: LO2 Page: 33 Type: KN*
21. A _____ is something that an organization does extremely well and may give a company an advantage over its competition.
- benchmark
 - sustainable competitive advantage
 - core competency
 - strategic vision
 - marketing opportunity
- Ans: c AACSB: Analytic, Strategy DF: E LO: LO2 Page: 34 Type: KN*
22. A market opportunity results from
- the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
 - monitoring the firm's capabilities.
 - an increase in market share and profits.
 - an assessment of environmental forces.
 - technological determinism.
- Ans: a AACSB: Reflective Thinking, Strategy DF: M LO: LO2 Page: 34 Type: KN*
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
- market objective.
 - market requirement.
 - strategic market plan.
 - market opportunity.
 - corporate objective.
- Ans: d AACSB: Reflective Thinking, Strategy DF: E LO: LO2 Page: 34 Type: KN*
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 core competency
 - a market opportunity
 - its sales orientation
 - its distribution plan
 - a competitive advantage
- Ans: b AACSB: Reflective Thinking, Strategy DF: M Page: 34 Type: AP*

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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 AACSB: Reflective Thinking, Strategy DF: E LO: LO2 Page: 34 Type: AP*
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 AACSB: Reflective Thinking, Strategy DF: M LO: LO2 Page: 34 Type: AP*
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 AACSB: Communication, Strategy DF: D LO: LO2 Page: 34 Type: KN*
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 AACSB: Communication, Strategy DF: D LO: LO2 Page: 35 Type: KN*
29. A _____ is created when a company matches its core competency to opportunities it has discovered in the marketplace.
- market opportunity
 - market requirement
 - competitive advantage
 - strategic window
 - competitive opportunity
- Ans: c AACSB: Analytic, Strategy DF: E LO: LO2 Page: 35 Type: KN*
30. Microsoft's marketing, technical skills, and continuing investment in improving its software systems give it a(n) _____ because it makes computers easier to use.
- organizational opportunity advantage
 - strategic window
 - market requirement
 - market opportunity
 - competitive advantage
- Ans: e AACSB: Communication, Strategy DF: E LO: LO2 Page: 35 Type: AP*

31. An analysis of _____ examines internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.
- a) opportunities and threats
 - b) market opportunities
 - c) strengths and weaknesses
 - d) activities and responsibilities
 - e) organizational resources
- Ans: c AACSB: Analytic, Strategy DF: E LO: LO2 Page: 36 Type: KN*
32. John Deere's strong name recognition and solid customer demand for its farm and garden equipment are two elements of the firm's
- a) strengths.
 - b) opportunities.
 - c) weaknesses.
 - d) threats.
 - e) strategies.
- Ans: a AACSB: Analytic, Strategy DF: E LO: LO2 Page: 36 Type: AP*
33. Favorable conditions in the marketplace environment that could produce business rewards for the organization if acted upon properly are called
- a) strengths.
 - b) market strategies.
 - c) market niches.
 - d) threats.
 - e) opportunities.
- Ans: e AACSB: Analytic, Strategy DF: E LO: LO2 Page: 36 Type: KN*
34. Successful business organizations should take actions to convert internal weaknesses into _____ and external threats into _____.
- a) opportunities; core competencies
 - b) core competencies; strengths
 - c) opportunities; strengths
 - d) strengths; core competencies
 - e) strengths; opportunities
- Ans: e AACSB: Reflective Thinking, Strategy DF: M LO: LO2 Page: 36-37 Type: CH*
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
- a) implementing the marketing mix
 - b) maintaining their corporate identity
 - c) a marketing objective
 - d) a strategic plan
 - e) a mission statement
- Ans: c AACSB: Reflective Thinking, Strategy DF: D Page: 38 Type: AP*
36. A long-term view, or vision, of what an organization wants to become is called a
- a) mission statement.
 - b) purpose statement.
 - c) vision statement.
 - d) marketing plan.
 - e) strategic vision.
- Ans: a AACSB: Communication, Strategy DF: E LO: LO3 Page: 37 Type: KN*

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37. The questions “Who are our customers?” and “What is our core competency?” are answered in the firm's
- business plan.
 - strategic window.
 - mission statement.
 - market opportunity statement.
 - marketing plan.

Ans: c AACSB: Analytic, Strategy DF: E LO: LO3 Page: 37 Type: KN

38. A firm's unique symbols, personalities, and philosophies comprise its

- corporate persona.
- corporate identity.
- corporate character.
- CEO's identity.
- ethics.

Ans: b AACSB: Communication, Strategy DF: E LO: LO3 Page: 37 Type: KN

39. Which of the following is *not* a characteristic of a marketing objective?

- It is consistent with both business-unit and corporate strategy.
- It is expressed in clear, simple terms.
- It is written so that it can be measured accurately.
- It specifies a time frame for its accomplishment.
- It clearly identifies how marketing strategy will be implemented.

Ans: e AACSB: Reflective Thinking, Strategy DF: M LO: LO3 Page: 38 Type: KN

40. Which of the following statements is *incorrect*?

- Of the three levels of planning, corporate strategy is the broadest.
- Business-unit strategy should be consistent with the corporate strategy.
- Marketing strategy should be consistent with both the business-unit and corporate strategies.
- Strategic planning begins at the marketing level and proceeds through business-unit and corporate levels.
- Strategic planning begins at the corporate level and proceeds through business-unit and marketing levels.

Ans: d AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 38-39 Type: KN

41. Resource deployment and coordination of functional areas of business are determined by

- the mission statement.
- corporate strategy.
- business-unit strategy.
- marketing strategy.
- the marketing mix.

Ans: b AACSB: Communication, Strategy DF: M LO: LO4 Page: 38 Type: KN

42. _____ strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organization's goals.

- Corporate
- Business-unit
- Marketing
- Mission statement
- Marketing mix

Ans: a AACSB: Communication, Strategy DF: E LO: LO4 Page: 38 Type: KN

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

- a) profit entity.
- b) strategic business unit.
- c) marketing program.
- d) small business.
- e) diversified corporation.

Ans: b AACSB: Communication, Strategy DF: E LO: LO4 Page: 39 Type: KN

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.

- a) strategic business
- b) marketing
- c) dependent
- d) independent
- e) corporate

Ans: a AACSB: Communication, Strategy DF: M LO: LO4 Page: 39 Type: AP

45. A group that has the willingness, ability, and authority to buy a product is a

- a) market.
- b) consumer.
- c) strategic business unit.
- d) business customer.
- e) strategic window.

Ans: a AACSB: Communication, Marketing plan DF: D LO: LO4 Page: 40 Type: KN

46. According to the text, a market is defined as

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

Ans: d AACSB: Communication, Marketing plan DF: E LO: LO4 Page: 40 Type: KN

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.

- a) ability
- b) willingness
- c) authority
- d) need
- e) location

Ans: c AACSB: Reflective Thinking, Marketing Plan DF: M Page: 40 Type: AP

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 AACSB: Communication, Strategy DF: E LO: LO4 Page: 40 Type: KN

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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 AACSB: Communication, Strategy DF: E LO: LO4 Page: 40 Type: KN*
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 AACSB: Analytic, Strategy DF: M LO: LO4 Page: 40-41 Type: KN*
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 AACSB: Analytic, Strategy DF: E LO: LO4 Page: 40-41 Type: KN*
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?
- a) Problem child
 - b) Star
 - c) Cash cow
 - d) Dog
 - e) Question mark
- Ans: c AACSB: Reflective Thinking, Strategy DF: D LO: LO4 Page: 40-41 Type: AP*
53. Products that have a relatively low market share and low prospects for growth are considered by the Boston Consulting Group to be
- a) dogs.
 - b) cash cows.
 - c) stars.
 - d) cash contributors.
 - e) question marks.
- Ans: a AACSB: Communication, Strategy DF: D LO: LO4 Page: 40-41 Type: KN*

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 AACSB: Communication, Strategy DF: D LO: LO4 Page: 41 Type: KN

55. Which of the following is the *most* specific and detailed type of business strategy?

- business-unit
- marketing
- corporate
- customer service
- tactical

Ans: b AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 41 Type: KN

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 AACSB: Analytic, Strategy DF: E Page: 42 Type: AP

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 AACSB: Analytic, Product, Promotion, Price, Distribution DF: M LO: LO4 Page: 42 Type: CH

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 AACSB: Reflective Thinking, Marketing Plan DF: D LO: LO4 Page: 42 Type: CH

59. All marketing mix decisions must have two characteristics: _____ and _____.

- consistency; flexibility
- consistency; rigidity
- formality; flexibility
- variability; flexibility
- formality; rigidity

Ans: a AACSB: Communication, Marketing plan DF: M LO: LO4 Page: 44 Type: KN

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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 AACSB: Analytic, Marketing Plan DF: M LO: LO4 Page: 44 Type: AP

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 AACSB: Communication, Marketing plan DF: E LO: LO4 Page: 44 Type: KN

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 AACSB: Reflective Thinking, Marketing Plan, Strategy DF: E Page: 44 Type: AP

63. Because of its highly efficient and low-cost distribution system, Wal-Mart has a _____ advantage over Kmart.

- a) nonsustainable competitive
- b) sustainable marketing
- c) sustainable control
- d) sustainable implementation
- e) sustainable competitive

Ans: e AACSB: Analytic, Strategy DF: E LO: LO4 Page: 44 Type: AP

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 AACSB: Communication, Marketing plan DF: D LO: LO5 Page: 44 Type: KN

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 AACSB: Reflective Thinking, Marketing Plan, Strategy DF: D LO: LO5 Page: 44*
Type: AP
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 AACSB: Reflective Thinking, Marketing Plan DF: M LO: LO5 Page: 44*
Type: CH
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 AACSB: Reflective Thinking, Marketing Plan DF: M LO: LO5 Page: 44-45*
Type: AP
68. The Texas Pitt Barbecuem 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 AACSB: Reflective Thinking, Marketing Plan, Strategy Page: 44-45 Type: AP*
69. Which of the following is *not* a component of a marketing plan?
- Environmental analysis
 - Marketing strategies
 - Product
 - Executive summary
 - Marketing implementation
- Ans: c AACSB: Analytic, Marketing Plan DF: M LO: LO5 Page: 44-45 Type: KN*

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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 AACSB: Communication, Marketing plan DF: E LO: LO5 Page: 44-45*
Type: KN
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 AACSB: Communication, Marketing plan DF: E LO: LO6 Page: 45 Type: KN*
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 AACSB: Analytic, Strategy DF: E LO: LO6 Page: 46 Type: KN*
73. The _____ strategy in an organization often does not live up to marketing planners' expectations.
- intended
 - expected
 - planned
 - control
 - realized
- Ans: e AACSB: Communication, Strategy DF: M LO: LO6 Page: 46 Type: KN*
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?
- Decentralized
 - Centralized
 - Rigid
 - Intended
 - Realized
- Ans: e AACSB: Analytic, Strategy DF: M LO: LO6 Page: 46 Type: AP*
75. For marketing implementation to be successful, the needs of _____ customers must be met.
- external
 - internal
 - both internal and external
 - planned
 - both planned and realized
- Ans: c AACSB: Communication, Strategy DF: E LO: LO6 Page: 48 Type: KN*

76. _____ refers to the coordination of internal exchanges between the organization and its employees to better achieve successful external exchanges between the organization and its customers.
- Internal management
 - Internal leadership
 - Empowerment
 - Internal marketing
 - Total quality management
- Ans: d AACSB: Communication, Strategy DF: M LO: LO6 Page: 48 Type: KN*
77. Using information about customers to create marketing strategies that develop and sustain desirable long-term customer relationships is known as
- computer resource management.
 - customer resource management.
 - customer relationship management.
 - customer research management.
 - e-marketing.
- Ans: c AACSB: Communication, Strategy DF: E LO: LO4 Page: 47 Type: KN*
78. What focuses on using information about customers to create marketing strategies that develop and sustain desirable customer relationships?
- Customer relationship management
 - Electronic data interchange
 - Business-to-consumer marketing
 - Strategic partnerships
 - The marketing concept
- Ans: a AACSB: Communication, Strategy DF: E LO: LO4 Page: 47 Type: KN*
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
- budget.
 - consumer online time.
 - customer.
 - awareness.
 - commitment.
- Ans: c AACSB: Analytic, Technology, Strategy DF: E LO: LO4 Page: 47 Type: KN*
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.
- target market positioning
 - SWOT analysis
 - customer relationship management
 - total quality management
 - internal marketing
- Ans: c AACSB: Analytic, Technology, Strategy DF: M LO: LO4 Page: 47 Type: AP*

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81. Which of the following is *false* with regard to customer lifetime value?
- It is a key measurement that forecasts a customer's lifetime economic contribution based on continued relationship marketing efforts.
 - It can be calculated by taking the sum of the customer's present value contributions to profit margins over a specific timeframe.
 - 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.
 - All customers have equal value to a firm.
 - It is the only gauge that incorporates revenue, expense, and customer behavior and adopts a customer-centric approach.

Ans: d AACSB: Reflective Thinking, Marketing Plan, Strategy DF: M LO: LO4 Page: 47 Type: KN

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 AACSB: Communication, Strategy DF: M LO: LO4 Page: 47 Type: KN

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 AACSB: Communication, Strategy DF: E LO: LO4 Page: 47 Type: KN

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 AACSB: Communication, Strategy DF: M LO: LO4 Page: 47 Type: CH

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 AACSB: Analytic, Strategy DF: E LO: LO4 Page: 47 Type: KN

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 AACSB: Reflective Thinking, Strategy DF: E LO: LO4 Page: 47 Type: AP

87. The employees of Zingerman's Deli are its _____ customers.
- a) external
 - b) extended
 - c) intended
 - d) internal
 - e) domestic
- Ans: d AACSB: Communication, Marketing plan DF: E LO: LO6 Page: 48 Type: AP*
88. Which of the following statements *best* describes total quality management?
- a) A process aimed at improving product quality, increasing competition based on quality, and quality improvement among employees
 - b) The coordination of efforts directed at improving customer satisfaction, increasing employee participation, forming and strengthening supplier partnerships, and facilitating continuous quality improvements
 - c) A method of increasing overall financial benefits, emphasizing faster development of innovations, and improving customer satisfaction
 - d) A process directed at controlling marketing activities at a higher level of involvement among the firms' employees
 - e) An approach used to emphasize the need for quality among a firm's hierarchy of employees, beginning with top-level executives
- Ans: b AACSB: Reflective Thinking, Strategy DF: D LO: LO6 Page: 48 Type: KN*
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?
- a) Improving customer satisfaction
 - b) Purchasing lowest-cost materials
 - c) Increasing employee participation
 - d) Strengthening supplier partnerships
 - e) Continuous product improvements
- Ans: b AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 48 Type: AP*
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
- a) uniform commitment to quality marketing.
 - b) internal marketing.
 - c) external marketing.
 - d) quality marketing.
 - e) benchmarking.
- Ans: e AACSB: Analytic, Strategy DF: E LO: LO6 Page: 49 Type: AP*
91. The term “_____” describes measuring and evaluating a firm's quality in products and processes against industry leaders.
- a) total quality management
 - b) benchmarking
 - c) internal marketing
 - d) empowerment
 - e) implementation
- Ans: b AACSB: Communication, Strategy DF: E LO: LO6 Page: 49 Type: KN*

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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

- a) benchmarking.
- b) individualism.
- c) good training.
- d) empowerment.
- e) localized authority.

Ans: d AACSB: Communication, Marketing plan LO: LO6 Page: 49 Type: AP

93. _____ involves giving customer-contact employees the authority and responsibility to make marketing decisions without seeking the approval of a supervisor.

- a) Benchmarking
- b) Internal marketing
- c) Total quality management
- d) Marketing implementation
- e) Empowerment

Ans: e AACSB: Communication, Marketing plan DF: E LO: LO6 Page: 49 Type: KN

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?

- a) Employee empowerment
- b) Centralized management
- c) Structured
- d) Immediate-focused
- e) Product-focused

Ans: a AACSB: Analytic, Strategy DF: M LO: LO6 Page: 49 Type: AP

95. In a traditional organization, marketing decisions are likely to be

- a) very decentralized.
- b) centralized at the top levels of the organization.
- c) made by frontline employees.
- d) made by frontline managers.
- e) made only by the CEO.

Ans: b AACSB: Communication, Marketing plan, strategy DF: E LO: LO6 Page: 49-50 Type: CH

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.

- a) centralized
- b) decentralized
- c) empowered
- d) marketing-oriented
- e) total quality management

Ans: a AACSB: Communication, Marketing plan, strategy DF: E LO: LO6 Page: 50 Type: AP

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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 AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 50 Type: AP*
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 AACSB: Communication, Strategy DF: E LO: LO6 Page: 50 Type: KN*
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 AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 50 Type: KN*
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 AACSB: Reflective Thinking, Marketing Plan, Strategy DF: D LO: LO6 Page: 50 Type: CH*
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 AACSB: Reflective Thinking, Marketing Plan, Strategy DF: D LO: LO6 Page: 50-51 Type: CH*

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102. A disadvantage of organizing a firm's marketing unit by products is that
- product managers do not have adequate control over marketing activities.
 - large firms might experience coordination problems.
 - it can be rather expensive.
 - specialized marketing assistance is less readily available.
 - marketing flexibility is limited.
- Ans: c AACSB: Reflective Thinking, Marketing Plan, Strategy DF: M LO: LO6 Page: 50-51 Type: KN*
103. A firm that markets diverse products would *most likely* base the organization of its marketing department on
- products.
 - regions.
 - functions.
 - types of customers.
 - marketing objectives.
- Ans: a AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 50-51 Type: CH*
104. Procter & Gamble, like many firms in the consumer packaged-goods industry, is organized by
- function.
 - product.
 - region.
 - types of customers.
 - subregion.
- Ans: b AACSB: Communication, Strategy DF: M LO: LO6 Page: 510 Type: AP*
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
- product.
 - region.
 - types of customers.
 - subregion.
 - function.
- Ans: e AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 50 Type: AP*
106. Organizing a marketing unit by regions works well for a company that
- produces and markets diverse products.
 - is small and has a centralized marketing operation.
 - markets products throughout the nation.
 - has several groups of customers whose needs and problems are different.
 - offers specialized marketing mixes for different products.
- Ans: c AACSB: Communication, Marketing plan DF: M LO: LO6 Page: 50-51 Type: KN*

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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 AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 51 Type: AP

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 AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51 Type: KN

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 AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51 Type: CH

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 AACSB: Communication, Strategy DF: D LO: LO6 Page: 51 Type: KN

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 AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51 Type: AP

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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 AACSB: Communication, Strategy DF: E LO: LO6 Page: 51-52 Type: KN*
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 AACSB: Communication, Strategy DF: E LO: LO6 Page: 51 Type: KN*
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 AACSB: Communication, Strategy DF: E LO: LO6 Page: 51 Type: AP*
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 AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51-52 Type: AP*
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 AACSB: Analytic, Strategy DF: D LO: LO6 Page: 520 Type: KN*
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 AACSB: Communication, Strategy DF: D LO: LO6 Page: 52 Type: KN*

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 AACSB: Analytic, Strategy DF: E LO: LO6 Page: 52 Type: CH*

Use the following to answer questions 119-122:

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. 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 AACSB: Reflective Thinking, Strategy DF: M LO: LO1 Page: 48-49 Type: AP*
120. The fact that Southwest Airlines has a history of being able to retain its employees is a ___ in its SWOT analysis.
- weakness
 - strength
 - threat
 - opportunity
 - comparative advantage
- Ans: b AACSB: Reflective Thinking, Strategy DF: E LO: LO4 Page: 36 Type: AP*
121. 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 AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 38 Type: AP*
122. 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 AACSB: Reflective Thinking, Strategy DF: E LO: LO2 Page: 35 Type: AP*

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Use the following to answer questions 123-126:

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. According to the BCG matrix, the hang-gliding and bungee jumping tours have been a ____ for EXperience Limited, while the skydiving and motocross 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 AACSB: Reflective Thinking, Strategy DF: M LO: LO5 Page: 40-41 Type: AP

124. 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; a marketing opportunity
- d) a company strength; a competitive advantage
- e) a marketing opportunity; competitive advantage

Ans: a AACSB: Reflective Thinking, Strategy DF: M LO: LO2 Page: 34 Type: AP

125. 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 AACSB: Reflective Thinking, Marketing Plan DF: M LO: LO4 Page: 47
Type: AP

126. The college-aged student represents EXperience Limited's _____, and the tours its operates represent the _____ element of the marketing mix.

- a) target market; distribution
- b) customer relationships; distribution
- c) cash cow; product
- d) cash cow; distribution
- e) target market; product

Ans: e AACSB: Reflective Thinking, Marketing Plan, Strategy DF: E LO: LO2 Page: 42
Type: AP

127. T F Through the process of strategic planning, a firm establishes an organizational mission and goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.

Ans: True AACSB: Communication, Strategy DF: E LO: LO1 Page: 37-38 Type: KN

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128. T F The strategic planning process begins with a detailed analysis of the organization's strengths and weaknesses and the identification of opportunities and threats within the marketing environment.
Ans: True AACSB: Communication, Strategy DF: E LO: LO1 Page: 29 Type: KN
129. T F A marketing strategy is a written document that specifies the activities to be performed to implement and control a firm's marketing activities.
Ans: False AACSB: Communication, Strategy DF: M LO: LO1 Page: 33 Type: KN
130. T F Marketing strategies should be established before marketing objectives are decided.
Ans: False AACSB: Reflective Thinking, Strategy DF: E LO: LO1 Page: 33 Type: KN
131. T F A strategic window results from the right combination of circumstances and timing, allowing a firm to take action to reach a particular target market.
Ans: False AACSB: Communication, Strategy DF: M LO: LO2 Page: 34-35 Type: KN
132. T F A core competency is something a firm does extremely well—sometimes so well that it gives the company an advantage over its competition.
Ans: True AACSB: Communication, Strategy DF: E LO: LO2 Page: 34 Type: KN
133. T F A competitive advantage is created when a company matches its core competency to the opportunities it has discovered in the market.
Ans: True AACSB: Communication, Strategy DF: E LO: LO2 Page: 35 Type: KN
134. T F 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: True AACSB: Analytic, Strategy DF: E LO: LO2 Page: 36 Type: KN
135. T F A long-term view, or vision, of what the organization wants to become is called a mission proclamation.
Ans: False AACSB: Communication, Strategy DF: E LO: LO3 Page: 37 Type: KN
136. T F A firm's organizational goals should be derived from its opportunities.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO3 Page: 37 Type: KN
137. T F A firm's organizational mission should be derived from its goals.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO3 Page: 37 Type: KN
138. T F An organization's goals focus on the ends or results that the firm seeks.
Ans: True AACSB: Communication, Strategy DF: E LO: LO3 Page: 37 Type: KN
139. T F Marketing objectives should be stated in such a way that the degree of accomplishment can be measured accurately.
Ans: True AACSB: Reflective Thinking, Strategy DF: E LO: LO3 Page: 38 Type: KN
140. T F Marketing objectives state what is to be accomplished through marketing activities.
Ans: True AACSB: Communication, Strategy DF: E LO: LO3 Page: 38 Type: KN

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141. T F A marketing objective need not be consistent with the firm's overall objectives.
Ans: False AACSB: Reflective Thinking, Strategy DF: E LO: LO3 Page: 38 Type: KN
142. T F Corporate strategy determines the means for utilizing resources in the functional areas of business to reach the organization's goals.
Ans: True AACSB: Reflective Thinking, Strategy DF: E LO: LO4 Page: 38 Type: KN
143. T F Corporate strategic planners focus on dimensions such as competition, diversification, differentiation, environmental focus, and interrelationships among SBUs.
Ans: True AACSB: Communication, Strategy DF: M LO: LO4 Page: 38-39 Type: KN
144. T F A strategic business unit is not self-supporting in terms of sales, markets, production, and other resources.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 39 Type: KN
145. T F 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: True AACSB: Communication, Strategy DF: E LO: LO4 Page: 40 Type: KN
146. T F 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: True AACSB: Communication, Strategy DF: E LO: LO4 Page: 40-41 Type: KN
147. T F 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: True AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 40-41 Type: KN
148. T F Marketing managers can classify a firm's products into four basic types: stars, cash cows, dogs, and question marks.
Ans: True AACSB: Communication, Strategy DF: E LO: LO4 Page: 40-41 Type: KN
149. T F Stars are profitable products that usually generate more cash than is required to maintain share.
Ans: False AACSB: Communication, Strategy DF: E LO: LO4 Page: 40-41 Type: KN
150. T F Cash cows are market leaders that are growing fast, with substantial reported profits.
Ans: False AACSB: Communication, Strategy DF: E LO: LO4 Page: 40-41 Type: KN
151. T F Question marks exist at a cost disadvantage and exhibit few opportunities for growth at a reasonable cost.
Ans: False AACSB: Communication, Strategy DF: M LO: LO4 Page: 40-41 Type: KN
152. T F The long-term health of the firm depends solely on having products that generate cash and provide acceptable reported profits.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 41 Type: KN

153. T F When properly implemented, a good marketing strategy enables a company to achieve its business-unit and corporate objectives.
Ans: True AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 41 Type: KN
154. T F The decisions made in creating a marketing mix are only as good as the organization's understanding of the target market.
Ans: True AACSB: Reflective Thinking, Strategy DF: M LO: LO4 Page: 42-43 Type: KN
155. T F Marketing mix decisions must have two characteristics: consistency and timeliness.
Ans: False AACSB: Communication, Strategy DF: M LO: LO4 Page: 42-43 Type: KN
156. T F Each of the marketing mix elements must work together with the others.
Ans: True AACSB: Communication, Strategy DF: E LO: LO4 Page: 42 Type: KN
157. T F A sustainable competitive advantage is one that cannot be copied by a firm's competitors.
Ans: True AACSB: Communication, Strategy DF: E LO: LO4 Page: 44 Type: KN
158. T F Marketing planning consists of two major components: marketing objectives and a control process.
Ans: False AACSB: Communication, Marketing plan DF: M LO: LO5 Page: 44 Type: KN
159. T F Marketing planning establishes an organizational mission and goals, corporate strategy, marketing objectives, marketing strategy, and a marketing plan.
Ans: False AACSB: Communication, Marketing plan DF: M LO: LO5 Page: 44 Type: KN
160. T F Marketing planning and implementation are inextricably linked in successful businesses.
Ans: True AACSB: Reflective Thinking, Marketing Plan DF: M LO: LO5 Page: 44 Type: KN
161. T F Marketing plans may be developed for strategic business units, product lines, individual products or brands, or specific markets.
Ans: True AACSB: Communication, Marketing plan DF: E LO: LO5 Page: 44 Type: KN
162. T F The realized strategy is the one management decided upon during the planning phase and wants to implement.
Ans: False AACSB: Reflective Thinking, Marketing Plan DF: E LO: LO6 Page: 45-46 Type: KN
163. T F Internal marketing may involve market segmentation, product development, research, distribution, public relations, and sales promotion.
Ans: True AACSB: Communication, Marketing plan DF: E LO: LO6 Page: 45-46 Type: KN

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164. T F The concept of customer lifetime value includes only the customer's likelihood to engage in purchases.
Ans: False AACSB: Communication, Strategy DF: E Page: 47 Type: KN
165. T F Customer Relationship Management strives to build satisfying exchange relationships between buyers and sellers by gathering useful data at all customer-contact points.
Ans: True AACSB: Communication, Strategy DF: E Page: 47 Type: KN
166. T F 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: False AACSB: Communication, Marketing plan, strategy DF: M LO: LO6 Page: 48 Type: KN
167. T F Quality control 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: False AACSB: Communication, Strategy DF: M LO: LO6 Page: 48 Type: KN
168. T F 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: True AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 49 Type: KN
169. T F In a traditional organization, marketing decisions are generally centralized at the top levels of the organization.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 50 Type: KN
170. T F A marketing unit can be organized according to functions, products, regions, or customers.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 50 Type: KN
171. T F A functional organization works effectively for large, decentralized companies.
Ans: False AACSB: Communication, Strategy DF: E LO: LO6 Page: 50 Type: KN
172. T F Product organization is appropriate for a firm that produces and markets a diverse set of products.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 50 Type: KN
173. T F A large company that markets products throughout the nation could use a regional type of organization.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 50-51 Type: KN
174. T F Organization by types of customers can work well for a firm that has several groups of customers with different needs and problems.
Ans: True AACSB: Reflective Thinking, Strategy DF: E LO: LO6 Page: 51 Type: KN
175. T F Performance standards are established as part of the marketing control process.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 51 Type: KN
176. T F The marketing control process does not monitor the activities of external sources of marketing assistance.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51-52 Type: KN

177. T F The primary way to reduce the discrepancy between planned and actual performance is to rewrite the performance standard.
Ans: False AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 51-52 Type: KN
178. T F Sometimes the information required to control marketing activities is available but too costly.
Ans: True AACSB: Communication, Strategy DF: E LO: LO6 Page: 52 Type: KN
179. T F 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: True AACSB: Reflective Thinking, Strategy DF: M LO: LO6 Page: 52 Type: KN