

TEST BANK



philip

KOTLER

kevin lane

KELLER

peggy h.

CUNNINGHAM

subramanian

SIVARAMAKRISHNAN

MM

canadian

marketing

thirteenth

management

edition

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) A key ingredient of the marketing management process is insightful, _____ marketing strategies and plans that can guide marketing activities. 1) _____
- A) measurable
 - B) macro
 - C) micro
 - D) niche
 - E) creative
- 2) Transit A.T. has been described as the "best-managed travel company in Canada". This success is due to understanding its market well and segmenting it carefully. Which market segment demands good value for money when seeking a sunny holiday? 2) _____
- A) Europeans
 - B) Canadians
 - C) the French
 - D) Americans
 - E) Asians
- 3) The task of any business is to deliver _____ at a profit. 3) _____
- A) customer value
 - B) products and services
 - C) improved quality
 - D) products
 - E) customer needs
- 4) In a hypercompetitive economy such as ours, a company can win only by fine-tuning the value delivery process and choosing, providing, and _____ superior value. 4) _____
- A) selecting target markets with
 - B) researching
 - C) developing
 - D) communicating
 - E) composing
- 5) The traditional view of marketing is that the firm makes something and then _____ it. 5) _____
- A) prices
 - B) distributes
 - C) sells
 - D) markets
 - E) services
- 6) Today, the "mass-market" is actually splintering into numerous _____, each with its own wants, perceptions, preferences, and buying criteria. 6) _____
- A) customer cliques
 - B) micromarkets
 - C) market targets

- D) macromarkets
- E) demographic units

7) The first phase of the value creation and delivery sequence is _____ 7) _____
that represents the "homework" marketing must do before any product exists.

- A) target marketing
- B) choosing the value
- C) market research
- D) projective thinking
- E) service consideration

8) The last step in the value creation and delivery sequence is _____ the 8) _____
value where the sales force, sales promotion, advertising, and other communication tools announce and promote the product.

- A) distributing
- B) developing
- C) reversing
- D) communicating
- E) researching

9) You've been hired by a company to guide them through replacing the 9) _____
traditional physical process sequence with a value creation and delivery sequence. You would recommend that they replace their first step
"make the product" with

- A) "communicate the value".
- B) "design the product".
- C) "sell the product".
- D) "provide the value".
- E) "choose the value".

10) Which of the "Vs" in the "3 Vs" approach to marketing defines customers 10) _____
and their needs?

- A) value proposition
- B) value chain
- C) value segment
- D) value network
- E) value delivery

11) The _____ is a tool for identifying ways to create more customer 11) _____
value.

- A) promotion channel
- B) value chain
- C) supplier database
- D) customer survey
- E) brand loyalty index

12) As indicated in the text, critics of Nike and its shoe products often 12) _____
complain that

- A) Nike has an unfair advantage in product design.
- B) Nike does not support ecological causes.
- C) Nike shoes cost almost nothing to make yet cost the consumer so

much.

- D) Nike has unfair leverage with distributors.
- E) Nike has too many professional athletes endorsing their products.

- 13) When Apple determines features for its next generation of iPod models, the decision can be considered one in a set of which marketing processes? 13) _____
- A) value delivering processes
 - B) value developing processes
 - C) value defining processes
 - D) value chain processes
 - E) value support processes
- 14) The _____ identifies nine strategically relevant activities that create value and cost in a specific business. 14) _____
- A) annual report
 - B) value proposition
 - C) value chain
 - D) mission statement
 - E) manager's log
- 15) The _____ in the value chain cover the sequence of bringing materials into the business (inbound logistics), converting them into final products (operations), shipping out final products (outbound logistics), marketing them (marketing and sales), and servicing them (service). 15) _____
- A) tertiary activities
 - B) manufacturing process
 - C) primary activities
 - D) secondary activities
 - E) operations process
- 16) Procurement, technology development, human resource management, and firm infrastructure are handled in certain specialized departments and are called 16) _____
- A) benchmark activities.
 - B) inventory activities.
 - C) primary activities.
 - D) support activities.
 - E) materials handling.
- 17) The firm should estimate its competitors' costs and performances as _____ against which to compare its own costs and performance. 17) _____
- A) challenges
 - B) moveable standards
 - C) standards
 - D) competition
 - E) benchmarks
- 18) The firm's success depends not only on how well each department performs its work, but also on how well the various departmental activities are coordinated to conduct 18) _____

- A) core business processes.
- B) core technologies.
- C) core strategies.
- D) satellite businesses.
- E) core values.

- 19) With respect to core business processes, all the activities involved in gathering market intelligence, disseminating it within the organization, and acting on the information is referred to as the 19) _____
- A) market sensing process.
 - B) market pulse process.
 - C) target marketing process.
 - D) deployment process.
 - E) market research process.
- 20) With respect to the core business processes, all the activities involved in researching, developing, and launching new high-quality offerings quickly and within budget are referred to as the 20) _____
- A) new offering realization process.
 - B) product development process.
 - C) return on investment process.
 - D) product launch process.
 - E) new product process.
- 21) With respect to the core business processes, the _____ is considered to be all the activities involved in defining target markets and prospecting for new customers. 21) _____
- A) fulfillment management process
 - B) customer prospecting process
 - C) customer relationship management process
 - D) customer acquisition process
 - E) customer equity process
- 22) A good way to describe the _____ would be discuss all the activities involved in building deeper understanding, relationships, and offerings to individual customers. 22) _____
- A) customer relationship management process
 - B) customer equity process
 - C) customer acquisition process
 - D) customer prospecting process
 - E) customer fulfillment management process
- 23) Apex Corporation is known in its industry being "best of class" in terms of costs and performance. Your firm could probably use Apex Corporation as a 23) _____
- A) benchmark.
 - B) competitor to beat.
 - C) sounding board for ideas.
 - D) future supplier.
 - E) target.

- 24) Lee Wong has been put in charge of gathering marketing intelligence, disseminati

ng it 24)
within
his
organizat
ion, and
eventuall
y
directing
action on
the
informati
on.
Which of
the
followin
g core
business
processe
s most
closely
matches
with the
task that
Mr.
Wong
has been
given?

- A) market sensing process
- B) customer relationship management process
- C) customer acquisition process
- D) new offering realization process
- E) fulfillment management process

25) Another way to describe a value delivery network (partnering with specific suppliers and distributors) is to call it a

25) _____

- A) cabal.
- B) supply chain.
- C) link to relationships.
- D) domestic power centre.
- E) teamwork group.

26) The key to utilizing organizational core competencies is to _____ that make up the essence of the business.

26) _____

- A) make the competencies pay for themselves
- B) own and nurture the resources and competencies
- C) segment workforces
- D) own all intermediaries who come in contact with your goods and services
- E) emphasize global promotions

27) We can say that a _____ has three characteristics: (1) It is a source of competitive advantage in that it makes a significant contribution to

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er 27)

benefits,
(2) it has
applicati
ons in a
wide
variety
of
markets,
and (3) it
is
difficult
for
competit
ors to
imitate.

—
—

- A) strategic business unit
- B) core competency
- C) winning strategy
- D) business strategy
- E) core technology

28) Core competencies tend to refer to areas of special technical and production expertise, where _____ tend to describe excellence in broader business processes.

28) _____

- A) value statements
- B) mission statements
- C) distinctive capabilities
- D) process benchmarks
- E) core business values

29) George Day sees market-driven organizations as excelling in three distinctive capabilities: _____, customer linking, and channel bonding.

29) _____

- A) target marketing
- B) customer service relationships
- C) market sensing
- D) market research
- E) fulfilling customer needs

30) Competitors find it hard to imitate companies such as WestJet Airlines, Dell, or IKEA because they are unable to copy their

30) _____

- A) distribution strategy.
- B) logistics system.
- C) activity systems.
- D) pricing policies.
- E) product innovations.

31) One conception of holistic marketing views it as "integrating the value exploration, _____, and value delivery activities with the purpose of building long-term, mutually satisfying relationships and co-prosperity among key stakeholders."

31) _____

- A) value research
- B) value creation
- C) value chain
- D) value proposition
- E) value management

- 32) Holistic marketers achieve profitable growth by expanding customer share, _____, and capturing customer lifetime value. 32) _____
- A) building customer loyalty
 - B) renewing a customer base
 - C) undermining competitive competencies
 - D) inspecting all market share data
 - E) milking the market for product desires
- 33) The holistic marketing framework is designed to address three key management questions. Which of the following is one of those questions? 33) _____
- A) Value claims□how does the company deal with value erosion?
 - B) Value exploration□how can a company identify new value opportunities?
 - C) Value chain□are there weak links in the company's value chain
 - D) Value network□how can a company effectively network?
 - E) Value proposition□how can value propositions be made profitable?
- 34) The Hospital for Sick Children, located in Toronto, has what is called _____ because they have demonstrated excellence in broader business processes. 34) _____
- A) distinctive capabilities
 - B) market savvy
 - C) business touch
 - D) core competency
 - E) intuitive synergy
- 35) WestJet Airlines is considered an organization that excels in three distinctive capabilities: market sensing, customer linking, and channel bonding. Which type of organization could WestJet be considered? 35) _____
- A) market-driven
 - B) human resource-driven
 - C) globally-driven
 - D) engineering-driven
 - E) production-driven
- 36) If Canadian retailer, Hbc, seeks to be a more holistic marketer, it should achieve profitable growth by expanding _____, building customer loyalty, and capturing customer lifetime value. 36) _____
- A) customer share
 - B) design skills
 - C) promotion venues
 - D) competitive space share
 - E) database resources

- 37) In the past Kodak was not necessarily known for embracing technology that did not come from Kodak engineers and designers. However, as Kodak addresses the digital revolution taking over the photographic industry, it wants customers to see it as a leader in digital photography and is moving away from its connection to print-only photography. This would be an example of which of the following value-creation steps? 37) _____
- A) identifying new customer benefits
 - B) researching its competitors
 - C) reshaping the business scope
 - D) redefining the big idea
 - E) redoing its corporate logo
- 38) The customer's _____ reflects existing and latent needs and includes dimensions such as the need for participation, stability, freedom, and change. 38) _____
- A) relationship space
 - B) cognitive space
 - C) competence space
 - D) emotional space
 - E) resource space
- 39) The company's _____ can be described in terms of breadth□broad versus focused scope of business; and depth□physical versus knowledge-based capabilities. 39) _____
- A) cognitive space
 - B) competency space
 - C) resource space
 - D) core strategy
 - E) business mission
- 40) The collaborator's _____ involves horizontal partnerships, where companies choose partners based on their ability to exploit related market opportunities, and vertical partnerships, where companies choose partners based on their ability to serve their value creation. 40) _____
- A) resource space
 - B) service space
 - C) rational space
 - D) competency space
 - E) cognitive space
- 41) Which of the following is an example of a value-creation skill? 41) _____
- A) identifying new customer benefits from the customer's view
 - B) choosing partners for their ability to exploit related market opportunities
 - C) handling complex relationships with trading partners
 - D) broadening the scope of the business
 - E) substantial investment in infrastructure and capabilities
- 42) Business realignment may be necessary to maximize core competencies. Which of the following would be one of the steps in this realignment process? 42) _____
- A) reviewing global outreach projections.

- B) redefining the business concept (the "big idea").
- C) reviewing successes from e-commerce (if any).
- D) revamping the ethics statement.
- E) reviewing all macro relationships.

- 43) In order to ensure value delivery, Chapters.Indigo had to handle complex relationships with its partners to source, process, and deliver products. Which type of management does this represent? 43) _____
- A) customer relationship management
 - B) competency space management
 - C) business partnership management
 - D) value delivery management
 - E) internal resource management
- 44) _____ allows the company to discover who its customers are, how they behave, and what they need or want. It also enables the company to respond appropriately, coherently, and quickly to different customer opportunities. 44) _____
- A) Total quality management
 - B) Strategic management
 - C) Customer relationship management
 - D) Network management
 - E) Marketing management
- 45) To respond effectively and provide value delivery, the company requires _____ to integrate major business processes (e.g., order processing, general ledger, payroll, and production) within a single family of software modules. 45) _____
- A) strategic management
 - B) human resource management
 - C) marketing management
 - D) internal auditing management
 - E) internal resource management
- 46) With respect to value delivery, _____ allows the company to handle complex relationships with its trading partners to source, process, and deliver products. 46) _____
- A) a business development strategy
 - B) a value matrix
 - C) total quality management
 - D) a global distribution policy
 - E) business partnership management
- 47) Holistic marketers achieve profitable growth by expanding customer share, building customer loyalty, and 47) _____
- A) increasing production capacity.
 - B) building better products.
 - C) capturing customer lifetime value.
 - D) training a stronger sales force.
 - E) mirroring the competition.
- 48) Gerta Schulz is seen as a _____ planner because she plans the daily pro motion

al 48)
releases
about
her
company
's
products
and
services.

- A) niche
- B) selective
- C) organizational
- D) strategic
- E) tactical

49) Which aspect of value delivery allows the company to discover who its customers are, how they behave, and what they need or want? 49) _____

- A) cognitive space management
- B) core competency management
- C) business partnership management
- D) internal resource management
- E) customer relationship management

50) What master marketer is known for building a brand in a product area where no brand name had ever existed before? 50) _____

- A) Intel
- B) IKEA
- C) Virgin
- D) Molson
- E) Canadian Tire

51) Strategic planning calls for action in three key areas. Which of these key areas deals specifically with devising a game plan for achieving long-run objectives? 51) _____

- A) creating a viable business opportunity
- B) producing a strategic fit
- C) expanding core competencies
- D) establishing a strategy
- E) developing an investment portfolio

52) Most large companies consist of four organizational levels: the _____, the division level, the business unit level, and the product level. 52) _____

- A) management team level
- B) strategic level
- C) major stakeholder level
- D) corporate level
- E) board of director level

53) The _____ is the central instrument for directing and coordinating the marketing effort. 53) _____

- A) marketing plan
- B) strategic plan

- C) tactical plan
- D) customer value statement
- E) corporate mission

- 54) The _____ lays out the target markets and the value proposition that will be offered, based on an analysis of the best market opportunities. 54) _____
- A) strategic marketing plan
 - B) organizational plan
 - C) customer value statement
 - D) corporate mission
 - E) corporate tactical plan
- 55) In which of the following plans would we most likely find directions for implementing and addressing daily challenges and opportunities in product features, promotion, merchandising, pricing, sales channels, and service areas? 55) _____
- A) tactical marketing plan
 - B) deployment plan
 - C) target marketing plan
 - D) product development plan
 - E) product launch plan
- 56) If you wanted to find out more about target markets and the organization's value proposition, which of the following types of plans would most likely contain information that might be useful to you in your quest? 56) _____
- A) marketing plan
 - B) tactical marketing plan
 - C) organizational plan
 - D) marketing mix plan
 - E) strategic marketing plan
- 57) The _____ process consists of corporate, division, business, and product planning. 57) _____
- A) innovation
 - B) planning
 - C) competitive
 - D) implementing
 - E) controlling
- 58) All corporate headquarters undertake four planning activities, the first of which is 58) _____
- A) understanding target markets.
 - B) defining the corporate mission.
 - C) assigning resources to each SBU.
 - D) assessing growth opportunities.
 - E) establishing strategic business units.
- 59) A clear, thoughtful mission statement provides employees with a shared sense of purpose, direction, and 59) _____
- A) target market feasibility.
 - B) profitability.

- C) opportunity.
- D) continuous improvement.
- E) quality products.

- 60) Mission statements are at their best when they are guided by a 60) _____
- A) value.
 - B) strength.
 - C) competency.
 - D) vision.
 - E) market.
- 61) Fred Smith wanted to deliver mail anywhere in the United States before 10:30 a.m. the next day, so he created FedEx. Which of the following planning aids most likely assisted Mr. Smith with his vision? 61) _____
- A) an executive summary
 - B) the mission statement
 - C) a database
 - D) knowledge of customers
 - E) a SWOT analysis
- 62) Which of the following most closely matches a correct market definition of a business? 62) _____
- A) Imperial Oil □ we sell gasoline.
 - B) Xerox □ we make copying equipment.
 - C) Canadian National Railroad □ we run a railroad.
 - D) Alliance Atlantis □ we make movies.
 - E) Encyclopedia Britannica □ we distribute information.
- 63) Which of the following terms matches to the phrase "it is a single business or collection of related businesses that can be planned separately from the rest of the company"? 63) _____
- A) niche market unit
 - B) strategic business unit
 - C) diverse business unit
 - D) growth business unit
 - E) specialized business unit
- 64) Market-penetration, product-development, and market-development strategies would all be examples of _____ strategies. 64) _____
- A) intensive growth
 - B) conglomerate
 - C) concentric
 - D) horizontal
 - E) integrative growth
- 65) If you were the CEO of a company that was looking to implement strategies to fill a perceived gap between future desired sales and projected sales, you would most likely explore _____ growth first because it would be easier to improve an existing business rather than building a new one. 65) _____
- A) concentric
 - B) intensive

- C) conglomerate
- D) integrative
- E) diversification

- 66) If you were the marketing manager of an organization that had chosen growth via current products sold to new markets, your organization would have chosen a _____ strategy. 66) _____
- A) concentric
 - B) market-penetration
 - C) product-development
 - D) market-development
 - E) diversification
- 67) When Mairu Ahmed arrived on his first day of work for his new employer, a small high-tech start-up, he was surprised at how casually his new co-workers were dressed, how informally they talked to one another, and the relaxed way in which they greeted their customers. Mairu was experiencing his new company's 67) _____
- A) distinctive advantage.
 - B) strategic orientation.
 - C) HR training strategy.
 - D) corporate culture.
 - E) competitive positioning.
- 68) A(n) _____ is when a company might seek new businesses that have no relationship to its current technology, products, or markets. 68) _____
- A) integrative strategy
 - B) intensive growth strategy
 - C) conglomerate strategy
 - D) horizontal strategy
 - E) concentric strategy
- 69) Which of the following terms most closely matches to "the shared experiences, stories, beliefs, and norms that characterize an organization"? 69) _____
- A) customer relationships
 - B) organizational dynamics
 - C) a business mission
 - D) an ethical/value statement
 - E) corporate culture
- 70) The first step in the business unit strategic-planning process deals with which of the following? 70) _____
- A) SWOT analysis
 - B) business mission
 - C) goal formulation
 - D) program formulation
 - E) strategy formulation
- 71) If a firm pursues a(n) _____ strategy, it must be good at engineering, purchasing, manufacturing, and physical distribution. 71) _____
- A) overall cost leadership

- B) market share
- C) focus
- D) domestic customer relationship
- E) differentiation

- 72) Tim Hortons has become a major Canadian cultural icon and business success due to a well-planned and carefully executed marketing strategy. In its annual planning process, once Tim Hortons establishes its business mission, conducts a SWOT analysis, and goes through a goal formulation process, it is ready to go through a step called _____ to continue with a strategic-planning process. 72) _____
- A) program formulation
 - B) strategy formulation
 - C) feedback and control
 - D) implementation
 - E) functional analysis
- 73) Michelin teamed up with the Air Canada Grand Prix for the summer of 2002. All teams racing at the Gilles Villeneuve circuit in Montreal used Michelin tires. The best description of this form of alliance would a _____ alliance. 73) _____
- A) pricing collaboration
 - B) product alliance
 - C) promotional
 - D) service
 - E) logistics alliance
- 74) When a business gets to know market segments intimately and pursues either cost leadership or differentiation within the target segment it is referred to as a _____ 74) _____
- A) defined strategy.
 - B) customer-focused strategy.
 - C) value-added strategy.
 - D) competitive advantage strategy.
 - E) focused strategy.
- 75) To keep their strategic alliances thriving, corporations have begun to develop organizational structures to support them and have come to view the ability to form and manage partnerships as core skills. This is called _____ 75) _____
- A) value managed partnership.
 - B) win-win relationship management.
 - C) synergistic partnership.
 - D) centralized partnership.
 - E) partner relationship management.
- 76) According to McKinsey & Company, strategy is only one of seven elements in successful business practice. The first three elements are considered the "hardware" of success, and include _____ 76) _____
- A) skills.
 - B) shared values.
 - C) staff.

- D) style.
- E) systems.

77) A _____ is a written document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives. 77) _____

- A) target market plan
- B) marketing plan
- C) strategic plan
- D) competitive analysis plan
- E) sales plan

78) Which of the following permits senior management to grasp the marketing plan's major thrust? 78) _____

- A) marketing strategy
- B) financial projections
- C) executive summary and table of contents
- D) situation analysis
- E) implementation and controls

79) Most marketing plans cover 79) _____

- A) three years.
- B) four years.
- C) two years.
- D) five years.
- E) one year.

80) The most frequently cited shortcomings of current marketing plans, according to marketing executives, are lack of realism, insufficient competitive analysis, and a _____ focus. 80) _____

- A) product
- B) long-term
- C) short-run
- D) price
- E) profit

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

81) The traditional view of marketing is that the firm makes something and then sells it. 81) _____

82) In today's economy, numerous micromarkets are merging into one "mass market". 82) _____

83) The formula "segmentation, targeting, and positioning" is the essence of strategic marketing. 83) _____

84) The "3 Vs" approach to marketing involves the selection of three trusted vendors to handle all distribution of a company's products and services. 84) _____

85) The customer relationship management process is all the activities involved in receiving and approving orders, shipping the goods on time, and collecting payment. 85) _____

- 86) A principle of the value chain is that every firm is a synthesis of activities performed to design, produce, market, deliver, and support its product. 86) _____
- 87) Another name for a company's value delivery network is "the intermediary team." 87) _____
- 88) A core competency is usually common among competitors in a given industry. 88) _____
- 89) Holistic marketing focuses on the integration of value exploration, value creation, and value delivery as a means to build long-term relationships with consumers. 89) _____
- 90) If a manager asks "How can my company identify new value opportunities?," he or she is examining a management question identified as being value creation. 90) _____
- 91) Master marketers focus on the customer and are organized to respond effectively to changing customer needs. 91) _____
- 92) The marketing plan is the central instrument for directing and coordinating the marketing effort. 92) _____
- 93) A mission statement has as its primary focus the product and how to make it. 93) _____
- 94) One of the characteristics of a good mission statement is that it has an expansive number of goals for doing business. 94) _____
- 95) A good illustration of a market definition of the business a company is in would be "We sell gasoline." 95) _____
- 96) If a company sought to expand the number of existing products sold to its current markets, it would use an integrative growth strategy labeled as "market-penetration strategy." 96) _____
- 97) If a company sought to grow via a strategy that required the company to seek new businesses that have no relationship to its current technology, products, or markets, the company would be using a diversification strategy called a *conglomerate strategy*. 97) _____
- 98) Sometimes corporate culture develops organically and is transmitted directly from the CEO's personality and habits to company employees. 98) _____
- 99) Once an organization has established a business mission in its business unit strategic-planning process, it may proceed to the second step of the planning process called *goal formulation*. 99) _____
- 100) Good illustrations of *microenvironment actors* in the strategic planning process would be demographics, technology, and the social-cultural aren 100) a.

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- 101) To evaluate opportunities, companies can use Market Opportunity Analysis (MOA) to determine the attractiveness and probability of success. 101) ____
- 102) An environmental threat is a challenge posed by an unfavourable trend or development that would lead, in the absence of defensive marketing action, to lower sales or profit. 102) ____
- 103) Once a SWOT analysis has been completed, the strategic planner is ready to proceed to the goal formulation stage of the strategic planning process model. 103) ____
- 104) In applying MBO (management by objectives) all objectives are treated as being equally important□objective discrimination is not allowed. 104) ____
- 105) For an MBO (management by objectives) system to work, one of the four criteria that the unit's objectives must meet is that objectives must be stated quantitatively whenever possible. 105) ____
- 106) A strategy is a game plan for achieving what the business unit wants to achieve. 106) ____
- 107) Firms choosing a generic strategy centering on *focus* must be good at engineering, purchasing, manufacturing, and physical distribution. 107) ____
- 108) One of the four major categories of strategic alliance involves sharing personnel (e.g., human resource alliance) to staff alliance member marketing departments. 108) ____
- 109) Partner Relationship Management (PRM) can be thought of as a corporation's development of structures that support strategic alliances and treats the formation and management of partnerships as a core skill. 109) ____
- 110) Companies normally measure their profit performance using ROI; however, this approach suffers because profits are arbitrarily measured and subject to manipulation. 110) ____
- 111) A *marketing vision statement* is a written document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives. 111) ____
- 112) Marketing plans are becoming more production-oriented because of the high costs of doing business in today's economy. 112) ____
- 113) The marketing plan should open with a situation analysis. 113) ____
- 114) When a manager reaches the marketing strategy section of a marketing plan, he or she will define the mission and marketing and financial objectives. 114) ____

- 115) One of the key questions to ask in evaluating a marketing plan is whether the plan is simple or not. 115) ____
- 116) Such areas as sales forecasts, expense forecasts, and break even analysis are usually found in the financial projections section of the marketing plan. 116) ____
- 117) Return on investment (ROI) shows how many units must be sold monthly to offset the monthly fixed costs and average per-unit variable costs. 117) ____
- 118) Most marketing plans conclude with a section that indicates how the plan will be implemented. 118) ____
- 119) During the marketing strategy section of the marketing plan, goals and budgets are spelled out for each month or quarter so management can review each period's results and take corrective action as needed. 119) ____
- 120) A good illustration of a marketing objective would to "decrease customer acquisition costs by 1.5 percent per quarter." 120) ____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 121) If you were the marketing manager for a small regional toy manufacturer what activities would you recommend your company invest in as part of the value developing processes? 121) _____
- 122) In the example of Transat A.T, we see that this successful marketer creates the value its diverse customers demand. Instead of emphasizing making and selling, this company sees itself as part of a value delivery process. The value delivery process consists of three parts. What are those parts and what is their function? 122) _____
- 123) Explain how the value chain is used as a tool by a marketer such as Canadian Tire. 123) _____
- 124) If an organization was very strong at defining target markets and prospecting for new customers, which of the core business processes would this organization have mastered? 124) _____
- 125) You've been asked by your marketing director to provide a holistic marketing perspective with respect to customer focus. What components must you review and match to value exploration, value creation, and value delivery? 125) _____
- 126) What three spaces are discussed when a holistic marketing organization goes through a value exploration? Provide an example of each for a marketer such as Roots. 126) _____
- 127) In the central role of strategic planning, only a handful of companies stand out as master marketers□Molson, Tim Hortons, WestJet, Bombardier

Airlines, 127)

Wal-Mart,

and

McDonald's

to

name a

few.

From a

consumer

perspective

why

do you

think

they

stand

out?

Explain.

128) Cara Operations Limited give their business units (including Swiss Chalet, Second Cup, and Harvey's) some flexibility in setting their own sales and profit goals and strategies. Like all corporate headquarters they must undertake what four planning activities?

128) _____

129) Mission statements define the major competitive spheres within which a company will operate. Porsche makes only expensive cars and Gerber serves primarily the baby market. Which of the major competitive spheres are likely to be defined in these marketers' mission statements?

129) _____

130) Ansoff's product-market expansion grid shows three intensive growth strategies that can be used to assist a marketing manager in finding creative ways to close a perceived strategic gap. Characterize each of the cells of Ansoff's grid., then explain how a marketer like Second Cup might use each of the three major intensive growth strategies to increase its sales.

130) _____

131) If a company, like Weston Foods decides to acquire one of its suppliers, such as Ace Bakery, in order to gain more control or generate profit, it would have chosen which form of integrative growth strategy?

131) _____

132) When Yahoo! began to flounder in the 2001, CEO Terry Semel imposed a more conservative, buttoned-down atmosphere on the freewheeling Internet startup. At the new Yahoo!, spontaneity is out and order is in. What term is most closely applied to the organizational change phenomenon described above? Be sure to explain what the term means with respect to the example provided.

132) _____

133) Describe what happens in scenario analysis and explain why

firms such as Royal

Dutch/Sh 133)

ell

Group

use the

techniqu

e.

- 134) Natalie Plante has been asked to conduct the SWOT analysis for her business unit. Exactly what will Natalie be evaluating? 134) _____
- 135) The marketing team at Alliance Atlantis has been asked to perform an MOA. What questions should they ask as part of this market opportunity analysis? 135) _____
- 136) Pierre Lefebvre has been asked to examine why his firm's MBO system failed to work as planned. What four criteria will Mr. Lefebvre examine in his business unit's objectives? 136) _____
- 137) Which of Michael Porter's generic strategies would be most appropriate for an organization that concentrates on achieving superior performance in an important customer benefit area valued by a large part of the market? Quality leadership would be one example of the end result of such a strategy. 137) _____
- 138) When H&R Block and Hyatt Legal Services combined their efforts (two service businesses), they also joined marketing forces to create a strong alliance. Which of the alliance forms cited in the text most closely matches the H&R Block and Hyatt Legal Services alliance? Explain. 138) _____
- 139) Melissa Lee-Wen has been tasked with developing a marketing plan. Explain what this document is and how it is used. 139) _____
- 140) Naturalizer Shoes wishes to reposition their shoes to a younger audience. During which stage of the marketing plan will their marketing manager establish the product line's positioning? 140) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 141) There are two views of the value delivery process that may be followed by organizations seeking to gain business from consumers. Briefly, summarize each of those views.
- 142) The firm's success depends not only on how well each department performs its work, but also on how well the various departmental activities are coordinated to conduct core business processes. List and briefly describe the five core business processes outlined in the text.
- 143) A successful company nurtures its resources and competencies. A core competency has three characteristics. Describe those characteristics and relate them to the Hospital for Sick Children, located in Toronto.
- 144) A holistic marketing orientation can provide insight into the process of capturing

customer the holistic marketing framework is designed to address three key management value. In questions. Describe and illustrate each of these key management questions. this vain,

- 145) Delivering value often means substantial investment in infrastructure and capabilities. Explain how customer relationship management, internal resource management, and business partnership management factor into value delivery.
- 146) Explain the differences between the following terms: *marketing plan*, *strategic marketing plan*, and *tactical marketing plan*.
- 147) Good mission statements are essential to being a success in business. Describe the three major characteristics that good mission statements should have.
- 148) Assessing growth opportunities involves planning new businesses, downsizing, or terminating older businesses. The company's plans for existing businesses allow it to project total sales and profits. If there is a gap between future desired sales and projected sales, corporate management will have to develop or acquire new businesses to fill it. Identify and describe the three strategies that can be used to fill the strategic gap.
- 149) Assume that you are directed to prepare short brief explaining the steps of the Business Unit Strategic-Planning Process. Your task is to construct such a brief by carefully outlining the steps of the aforementioned process.
- 150) As a marketing manager for a large steel company you have been assigned the task of educating a group of new managers on how to prepare a marketing plan. Though few of these managers will actually ever have to prepare such a plan because of their functional roles in the organization, it is still very useful that each new manager know how to construct a marketing plan. Prepare a brief summary of the contents of the marketing plan for the new managers. You may keep your discussion general or make it specific to the steel industry.

- 1) E
- 2) B
- 3) A
- 4) D
- 5) C
- 6) B
- 7) B
- 8) D
- 9) E
- 10) C
- 11) B
- 12) C
- 13) B
- 14) C
- 15) C
- 16) D
- 17) E
- 18) A
- 19) A
- 20) A
- 21) D
- 22) A
- 23) A
- 24) A
- 25) B
- 26) B
- 27) B
- 28) C
- 29) C
- 30) C
- 31) B
- 32) A
- 33) B
- 34) A
- 35) A
- 36) A
- 37) A
- 38) B
- 39) B
- 40) A
- 41) A
- 42) B
- 43) C
- 44) C
- 45) E
- 46) E
- 47) C
- 48) E
- 49) E
- 50) A
- 51) D

52) D
53) A
54) A
55) A
56) E
57) B
58) B
59) C
60) D
61) B
62) E
63) B
64) A
65) B
66) D
67) D
68) C
69) E
70) B
71) A
72) B
73) C
74) E
75) E
76) E
77) B
78) C
79) E
80) C
81) TRUE
82) FALSE
83) TRUE
84) FALSE
85) FALSE
86) TRUE
87) FALSE
88) FALSE
89) TRUE
90) FALSE
91) TRUE
92) TRUE
93) FALSE
94) FALSE
95) FALSE
96) TRUE
97) TRUE
98) TRUE
99) FALSE
100) FALSE
101) TRUE
102) TRUE
103) TRUE

- 104) FALSE
- 105) TRUE
- 106) TRUE
- 107) FALSE
- 108) FALSE
- 109) TRUE
- 110) TRUE
- 111) FALSE
- 112) FALSE
- 113) FALSE
- 114) TRUE
- 115) TRUE
- 116) TRUE
- 117) FALSE
- 118) TRUE
- 119) FALSE
- 120) TRUE
- 121) Dartmouth's Frederick Webster views marketing in terms of (1) value defining processes, (2) value developing processes, and (3) value delivering processes. Value developing processes include new-product development, sourcing strategy, and vendor selection.
- 122) The first phase, choosing the value, represents the "homework" marketing must do before any product exists. The second phase, providing the value, is where product features, prices, and distribution are selected. The third phase, communicating the value, utilizes the sales force, sales promotion, advertising, and other communication tools to announce and promote the product.
- 123) A value chain is a tool for identifying ways to create more customer value. According to this model, every firm is a synthesis of activities performed to produce, market, deliver, and support its product. Students should be able to use examples to distinguish between primary activities and support activities in the generic value chain.
- 124) The core business process of customer acquisition.
- 125) With respect to customer focus, the value exploration would be "cognitive space", value creation would be "customer benefits", and value delivery would be "customer relationship management. For additional information, refer to Figure 2.3.
- 126) The spaces would be cognitive space (customer focus), competency space (core competencies), and resource space (collaborative network). Students should be able to translate these three spaces to Roots' customers' existing and latent needs, competencies described in terms of breadth and depth, and horizontal and vertical partnerships.
- 127) Students should explain that these companies focus on the customer and are organized to respond effectively to changing customer needs. They all have well-staffed marketing departments, and all their other departments—manufacturing, finance, research and development, personnel, purchasing—also accept the concept that the customer is king.
- 128) The activities are (1) defining the corporate mission, (2) establishing strategic business units, (3) assigning resources to each SBU, and (4) assessing growth opportunities.
- 129) Several competitive spheres are mentioned in the chapter(e.g., industry, products and applications, competence, market segment, vertical, and geographical). The sphere most appropriate in both cases is market segment.
- 130) The three cells are: (1) market-penetration strategy—current products sold to current markets, (2) market-development strategy—current products sold to new markets, and (3) product-development strategy—new products sold to current markets. The students' recommendations for Second Cup should demonstrate their understanding of the product-market expansion grid.
- 131) The company would have selected a backward integration strategy.

- 132) The correct term would be *corporate* or *organizational culture*. Corporate culture has been defined as "the shared experiences, stories, beliefs, and norms that characterize an organization."
- 133) Scenario analysis consists of developing plausible representations of a firm's possible future that make different assumptions about forces driving the market and include different uncertainties. Answers may vary on why to use the concept but answers should be mindful of the definition above.
- 134) SWOT (strengths, weaknesses, opportunities, and threats) monitors the external and internal environment by examining key macroeconomic and microeconomic forces and actors that have an impact on the organization's business and industry. See chapter for additional details on the SWOT analysis format.
- 135) Questions would typically be: (1) Can the benefits involved in the opportunity be articulated convincingly to a defined target market(s)? (2) Can the target market(s) be located and reached with cost-effective media and trade channels? (3) Does the company possess or have access to the critical capabilities and resources needed to deliver the customer benefits? (4) Can the company deliver the benefits better than any actual or potential competitors? And (5) Will the financial rate of return meet or exceed the company's required threshold for investment?
- 136) The criteria are (1) they must be arranged hierarchically, from the most to the least important, (2) objectives should be stated quantitatively whenever possible, (3) goals must be realistic, and (4) objectives must be consistent.
- 137) The strategy that would be most appropriate would be that of differentiation.
- 138) This alliance is called a *product* or *service alliance* where one company licenses another to produce its product, or two companies jointly market their complementary products, or a new product.
- 139) A marketing plan is a written document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives. It contains tactical guidelines for the marketing programs and financial allocations over the planning period.
- 140) The stage where product line positioning will be addressed is the marketing strategy stage. This establishment of competitive positioning will inform the "game plan" to accomplish the plan's objectives.
- 141) The traditional view of marketing is that the firm makes something and then sells it. In this view, marketing takes place in the second half of this process (see Figure 2.1 for additional details). Companies that subscribe to this view have the best chance of succeeding in economies marked by goods shortages where consumers are not fussy about the quality, features, or style. If abundant choices are present, this view does not work well. Another view emphasizes the organization's role in the value delivery process. Strategic and tactical marketing are used to choose the value, provide the value, and communicate the value to consumers and channel partners. Marketing is moved to the first part of the delivery process.
- 142) The core business processes include (1) the market sensing process—all the activities involved in gathering market intelligence, disseminating it within the organization, and acting on the information; (2) the new offering realization process—all the activities involved in researching, developing, and launching new high-quality offerings quickly and within budget; (3) the customer acquisition process—all the activities involved in defining target markets and prospecting for new customers; (4) the customer relationship management process—all the activities involved in building deeper understanding, relationships, and offerings to individual customers, and (5) the fulfillment management process—all the activities involved in receiving and approving orders, shipping the goods on time, and collecting payment.
- 143) Core competency characteristics are: (1) it is a source of competitive advantage in that it

make a contribution to perceived customer benefits; (2) it has applications in a wide variety of markets; and, (3) it is difficult for competitors to imitate. Sick Kids has an incredible reputation based upon a set of unique and distinct capabilities. Students can refer to the capabilities described in the Hospital for Sick Children case in this chapter.

- 144) The three management questions are: (1) value exploration—how can a company identify new value opportunities? (2) value creation—how can a company efficiently create more promising new value offerings? and (3) value delivery—how can a company use its capabilities and infrastructure to deliver the new value offerings more efficiently?
- 145) Customer relationship management allows the company to discover who its customers are, how they behave, and what they need or want. It also enables the company to respond appropriately, coherently, and quickly to different customer opportunities. Internal resource management involves the company integrating major business processes within a single family of software modules to respond effectively. Business partnership management allows the company to handle complex relationships with its trading partners in order to source, process, and deliver products.
- 146) The marketing plan is the central instrument for directing and coordinating the marketing effort. The marketing plan operates at two levels: strategic and tactical. The strategic marketing plan lays out the target markets and the value proposition that will be offered, based on an analysis of the best market opportunities. The tactical marketing plan specifies the marketing tactics, including product features, promotion, merchandising, pricing sales, channels, and service.
- 147) Major characteristics include: (1) they focus on a limited number of goals; (2) mission statements stress the company's major policies and values; and (3) they define the major competitive spheres within which the company will operate (e.g., industry, products and applications, competence, market segment, vertical, and geographical).
- 148) The first option is to identify opportunities to achieve further growth with current businesses (intensive growth opportunities). The second is to identify opportunities to build or acquire businesses that are related to current businesses that are unrelated to current businesses (integrative growth opportunities). The third is to identify opportunities to add attractive businesses that are unrelated to current businesses (diversification growth opportunities).
- 149) Refer to Figure 2.7 in the chapter for assistance. Students should be able to describe (in order) the business mission, SWOT analysis, goal formulation, strategy formulation, program formulation, implementation, and feedback and control. The descriptions do not need to be long; however, they do need to be consistent with the text material. Answers will vary but consistency should be a learning goal.
- 150) The contents of a marketing plan include (1) an executive summary and table of contents, (2) a situation analysis, (3) marketing strategy, (4) financial projections, and (5) implementation controls. Descriptions of the content steps may vary but should be in keeping with the general outline of this section of the chapter. See text material for further information.