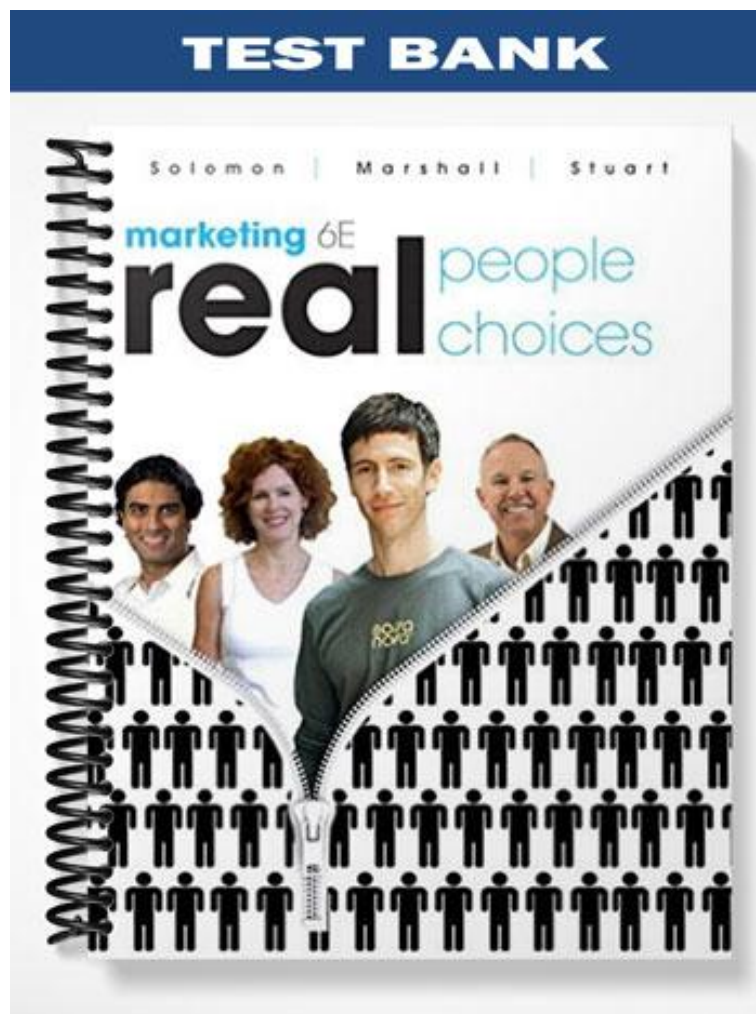


**TEST BANK**



**Marketing: Real People, Real Choices, 6e (Solomon/Marshall/Stuart)**

**Chapter 2 Strategic Market Planning: Take the Big Picture**

- 1) A business plan \_\_\_\_\_.
- A) is a document that describes the marketing environment
  - B) is the managerial guideline that process matches a firm's resources and needs
  - C) is also called a tactical plan
  - D) includes the decisions that guide the entire organization or its business units
  - E) is another name for a SWOT analysis

Answer: D

Diff: 2 Page Ref: 38

Skill: Conceptual

Objective: 1 Business planning

- 2) \_\_\_\_\_ is an ongoing process of decision making that guides the firm both in the short term and the long term.
- A) SWOT analysis
  - B) Business planning
  - C) Financial planning
  - D) Operational planning
  - E) External adaptation

Answer: B

Diff: 2 Page Ref: 39

Skill: Conceptual

Objective: 1 Business planning

- 3) A marketing plan \_\_\_\_\_.
- A) is a document that includes a description of the marketing environment
  - B) is the managerial guideline process that matches a firm's resources and needs
  - C) is the process that matches the organizations resources and capabilities
  - D) includes the decisions that guide the entire organization or its business units
  - E) is another name for a SWOT analysis

Answer: A

Diff: 2 Page Ref: 39

Skill: Conceptual

Objective: 1 Business planning

- 4) A \_\_\_\_\_ is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.
- A) marketing plan
  - B) communications plan
  - C) business plan
  - D) strategic plan
  - E) financial plan

Answer: A

Diff: 2 Page Ref: 39

Skill: Conceptual

Objective: 1 Business planning

- 5) \_\_\_\_\_ are rules of conduct - how most people in a culture judge what is right and what is wrong.
- A) Plans
  - B) Segments
  - C) Ethics
  - D) Habits
  - E) Tactics
- Answer: C  
Diff: 1      Page Ref: 40  
Skill: Conceptual  
Objective: 1 Business planning
- 6) A \_\_\_\_\_ is a firm's set of written standards of moral behavior to which everyone in the organization must subscribe and which set standards for how the organization interacts with its stakeholders.
- A) civil law
  - B) strategic plan
  - C) code of ethics
  - D) marketing plan
  - E) business plan
- Answer: C  
Diff: 2      Page Ref: 40  
Skill: Conceptual  
Objective: 1 Business planning
- 7) Richard Pickering and National Book Swap, LLC needs to do \_\_\_\_\_ that includes defining the product's identity and purpose.
- A) operations
  - B) business planning
  - C) target marketing
  - D) market segmentation
  - E) marketing metrics
- Answer: B  
Diff: 1      Page Ref: 38-9  
AACSB: Analytic Skills  
Skill: Application  
Objective: 1 Business planning
- 8) Business planning is a process of making decisions that guide the firm in both the short and the long term.
- Answer: TRUE  
Diff: 2      Page Ref: 38  
Skill: Conceptual  
Objective: 1 Business planning
- 9) A marketing plan is a document that describes the marketing environment, outlines the marketing objectives and strategies, and identifies how the strategies imbedded in the plan will be implemented and controlled.
- Answer: TRUE  
Diff: 1      Page Ref: 39  
Skill: Conceptual  
Objective: 1 Business planning

- 10) The primary purpose of the firm's code of ethics help marketers to understand the target market.

Answer: FALSE

*Diff: 2 Page Ref: 40*

*Skill: Conceptual*

*Objective: 1 Business planning*

- 11) The Enron company committed a major accounting fraud by hiding hundreds of millions of dollars of debt. Identify three norms in the AMA Code of Ethics that Enron violated.

Answer: The norms that were violated included 1. do no harm, 2. foster trust in the marketing system, and 3. improve consumer confidence in the marketing exchange system.

*Diff: 2 Page Ref: 41*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 1 Business planning*

- 12) Explain how business planning helps managers in the firm.

Answer: Business planning is an ongoing process of making decisions that guide the firm both in the short term and for the long haul. Planning identifies and builds on a firm's strengths, and it helps managers at all levels make informed decisions in a changing business environment. Planning means the company develops objectives before it takes action.

*Diff: 2 Page Ref: 38*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 1 Business planning*

- 13) Explain how society at large is hurt by a company like WorldCom participating in unethical accounting practices that led to the company's collapse?

Answer: The fallout from the WorldCom demonstrates how society at large can be hurt by unethical practices of a company. Everyone suffers from these unethical practices. Thousands of people lose their jobs and their retirement. Stakeholders such as stockholders lose their investments. Consumers end up paying for worthless merchandise or services.

*Diff: 3 Page Ref: 39-40*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 1 Business planning*

- 14) \_\_\_\_\_ is the managerial decision process that matches the organization's resources and capabilities to its market opportunities for long-term growth.

- A) Operational planning
- B) Strategic planning
- C) Portfolio analysis
- D) SWOT analysis
- E) Corporate culture

Answer: B

*Diff: 1 Page Ref: 42*

*Skill: Conceptual*

*Objective: 2 Three levels of business planning*

15) The three levels of business planning are \_\_\_\_\_.

- A) managerial, operational, promotional
- B) strategic, functional, operational
- C) portfolio, strategic, functional
- D) SWOT, strategic, tactical
- E) operational, functional, tactical

Answer: B

*Diff: 2 Page Ref: 42*

*Skill: Conceptual*

*Objective: 2 Three levels of business planning*

16) The marketing plan is a type of \_\_\_\_\_.

- A) marketing environment
- B) outline of marketing strategies
- C) product development
- D) assurance the firm has a strong monopoly in the industry
- E) functional plan

Answer: E

*Diff: 2 Page Ref: 42*

*Skill: Conceptual*

*Objective: 2 Three levels of business planning*

17) The CEO, president, and top executive officers are responsible for \_\_\_\_\_ in the strategic plan.

- A) operational planning
- B) developing the details of the pricing strategy
- C) designing ad campaigns
- D) defining the firm's purpose
- E) corporate culture

Answer: D

*Diff: 2 Page Ref: 42*

*Skill: Conceptual*

*Objective: 2 Three levels of business planning*

18) Strategic planning occurs at both the overall company level and at the \_\_\_\_\_ level.

- A) operational
- B) marketing
- C) financial
- D) strategic business unit
- E) corporate cultural

Answer: D

*Diff: 2 Page Ref: 42*

*Skill: Conceptual*

*Objective: 2 Three levels of business planning*

19) Functional planning is also called \_\_\_\_\_ planning.

- A) product
- B) tactical
- C) hierarchical
- D) long-term
- E) strategic

Answer: B

Diff: 1 Page Ref: 42

Skill: Conceptual

Objective: 2 Three levels of business planning

20) Functional planning \_\_\_\_\_.

- A) includes detailed plans for strategies and tactics for the short-term
- B) is also called hierarchical management
- C) encompasses a longer time span than strategic planning
- D) has a shorter time span than operational planning
- E) is the same as strategic planning

Answer: A

Diff: 2 Page Ref: 42

AACSB: Analytic Skills

Skill: Conceptual

Objective: 2 Three levels of business planning

21) Which of the following types of managers would be most likely to engage in operational planning on a daily basis?

- A) the company CEO
- B) the company's sales manager
- C) the company's vice president of product research and development
- D) the company's vice president of human resources
- E) the company's chief financial officer

Answer: B

Diff: 2 Page Ref: 43

AACSB: Analytic Skills

Skill: Conceptual

Objective: 2 Three levels of business planning

22) SBU stands for \_\_\_\_\_.

- A) strategy buying utilities
- B) successful business utilities
- C) strategic business units
- D) standard business units
- E) successful business units

Answer: C

Diff: 1 Page Ref: 42

Skill: Conceptual

Objective: 2 Three levels of business planning

- 23) Areas of business within a firm that are different enough to have their own mission, business objectives, resources, managers, and competitors are \_\_\_\_\_.
- A) strategic business units
  - B) market development units
  - C) market penetration units
  - D) standard business units
  - E) competitive intelligence units

Answer: A

Diff: 1 Page Ref: 42

Skill: Conceptual

Objective: 2 Three levels of business planning

- 24) \_\_\_\_\_ is the third level of planning.
- A) Strategic planning
  - B) Functional planning
  - C) Operational planning
  - D) Product development
  - E) Business planning

Answer: C

Diff: 2 Page Ref: 43

AACSB: Analytic Skills

Skill: Conceptual

Objective: 2 Three levels of business planning

- 25) A sales managers set an objective for her team to increase the units sold for the quarter by 5%. This is an example of an activities that are part of the detailed \_\_\_\_\_ plans that are created annually, semiannually, or quarterly.
- A) strategic
  - B) functional
  - C) operational
  - D) product development
  - E) business

Answer: C

Diff: 2 Page Ref: 43

AACSB: Analytic Skills

Skill: Conceptual

Objective: 2 Three levels of business planning

26) Orkin knows homeowners skimp on maintenance services such as pest control during recessions. It also knows that the more consumers know about bugs, the more likely they are to buy its services. So it teamed with the Smithsonian Institution on the Insect Safari, a traveling exhibit designed to teach people about the critters. The Safari truck visited 108 cities during one year, leaving a wake of creeped-out insectophobes reaching for the phone numbers of the local Orkin franchise. Business increased in each city visited. Decisions on which insects to feature, where to put the Orkin logo on the truck, and what kinds of promotion to use in each city visited are all examples of \_\_\_\_\_ plans.

- A) functional
- B) qualitative
- C) operational
- D) strategic
- E) hierarchical

Answer: C

Diff: 3 Page Ref: 43

AACSB: Analytic Skills

Skill: Application

Objective: 2 Three levels of business planning

27) Strategic planning for a large firm such as Disney probably occurs \_\_\_\_\_.

- A) only in its corporate headquarters
- B) only at the individual business unit level
- C) at both the overall corporate level and at the individual strategic business unit level
- D) on an as needed basis based upon the success of the division
- E) at the location best suited for this function based upon findings of the SWOT analysis

Answer: C

Diff: 2 Page Ref: 42

AACSB: Analytic Skills

Skill: Application

Objective: 2 Three levels of business planning

28) Columbia Sportswear has introduced a new line of comfortable, lightweight clothing for people who fish. An example of \_\_\_\_\_ is the decision to run a full-page ad in *Field & Stream* magazine in May to get potential customers to ask their sporting goods stores to carry the products that were introduced the preceding month.

- A) operational planning
- B) strategic planning
- C) business planning
- D) product competition
- E) brand competition

Answer: A

Diff: 3 Page Ref: 43

AACSB: Analytic Skills

Skill: Application

Objective: 2 Three levels of business planning



29) Argo is the world's leading manufacturer of small vehicles that are designed to be driven on all types of terrains and in all types of weather. The vehicles can carry up to six passengers. A sales manager decided to increase sales revenue by raising its salespeople's commission from 3 percent to 5 percent on the company's three most expensive models. This decision is an example of \_\_\_\_\_.

- A) operational planning
- B) strategic planning
- C) business planning
- D) brand competition
- E) SWOT analysis

Answer: A

Diff: 3 Page Ref: 43

AACSB: Analytic Skills

Skill: Application

Objective: 2 Three levels of business planning

30) Serengeti makes lightweight sunglasses with 100 percent UV protection for hunters, hikers, and cyclists. Serengeti's long-term plans include the development of lenses for fishermen. These new lenses will have effective water-sheeting action to reduce lens spotting. Serengeti believes it can use its reputation as a sunglass manufacturer for specialized markets to enter this new market of fishermen. The managerial decision to add sunglasses for people who fish is an example of \_\_\_\_\_.

- A) operational planning
- B) strategic planning
- C) portfolio analysis
- D) functional planning
- E) SWOT analysis

Answer: B

Diff: 3 Page Ref: 42

AACSB: Reflective Thinking

Skill: Application

Objective: 2 Three levels of business planning

31) Columbia Sportswear makes nylon activewear. Its marketing manager set a goal to increase its sales 12 percent over the next three years through the introduction of a new line of comfortable, lightweight clothing for people who fish. Its marketing manager is engaged in \_\_\_\_\_.

- A) operational planning
- B) strategic planning
- C) strategic implementation
- D) tactical implementation
- E) functional planning

Answer: E

Diff: 3 Page Ref: 42

AACSB: Reflective Thinking

Skill: Application

Objective: 2 Three levels of business planning

- 32) Tactical planning is also referred to as functional planning.  
Answer: TRUE  
*Diff: 1 Page Ref: 42*  
*Skill: Conceptual*  
*Objective: 2 Three levels of business planning*
- 33) A manager's decision to run a quarter-page ad in the business section of the local newspaper to promote goodwill toward his company is an example of a step in executing the operational plan.  
Answer: TRUE  
*Diff: 1 Page Ref: 43*  
*AACSB: Analytic Skills*  
*Skill: Conceptual*  
*Objective: 2 Three levels of business planning*
- 34) Strategic business units (SBUs) are individual units representing different areas of business within the firm that are each different enough to have their own mission, business objectives, resources, managers, and competitors.  
Answer: TRUE  
*Diff: 1 Page Ref: 42*  
*Skill: Conceptual*  
*Objective: 2 Three levels of business planning*
- 35) Functional planning at the corporate level today requires the development of a very broad-based mission statement.  
Answer: FALSE  
*Diff: 2 Page Ref: 42*  
*AACSB: Analytic Skills*  
*Skill: Conceptual*  
*Objective: 2 Three levels of business planning*
- 36) The top executives of company gathered at the annual retreat dedicated to planning. The first item of business was to clarify the three levels of business planning. What are the three levels?  
Answer: The three levels of business planning are strategic, functional (or tactical), and operational.  
*Diff: 1 Page Ref: 42*  
*AACSB: Analytic Skills*  
*Skill: Application*  
*Objective: 2 Three levels of business planning*
- 37) Under which level of business planning would the following statement made by Under Armour best be categorized? Explain. "To stay on top of fabric technology and ahead of the growing list of competitors, the apparel design team at Under Armour works many seasons and often years in advance."  
Answer: Functional planning, also called tactical planning, typically includes both a broad multiyear plan to support the firm's strategic plan and a detailed annual plan for the coming year.  
*Diff: 4 Page Ref: 42*  
*AACSB: Reflective Thinking*  
*Skill: Application*  
*Objective: 2 Three levels of business planning*

38) What main concepts must management teams involved with strategic planning, functional planning, and operational planning all keep in focus?

Answer: Management teams dealing within an organization's strategic, functional, and operational plans must work together for the benefit of the whole. Planners at all levels must consider good principles of accounting, the value of the company to its stockholders, and the requirements for staffing and human resource management. They must keep the "big picture" in mind even as they plan for their corner of the organization's world. They have to make sure that their plans support the overall organization's mission and objectives and that they work well together.

*Diff: 3 Page Ref: 43*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 2 Three levels of business planning*

39) The sales manager of a business-to-business service company was given the firm's strategic plan and marketing plan. He was told to develop the operational plan. Compare and contrast strategic planning and operational planning process.

Answer: Strategic planning is the managerial decision process that matches the firm's resources and capabilities to its market opportunities for long-term growth. In a strategic plan, top management defines the firm's purpose and specifies what the firm hopes to achieve. Operational planning focuses on the day-to-day execution of the functional plans and includes detailed annual, semiannual, or quarterly plans. Operational planning is done by supervisory managers.

*Diff: 2 Page Ref: 42-3*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 2 Three levels of business planning*

40) A chief marketing officer helped to develop both the strategic and the marketing plan? How did he know when one type of plan ended and the other began?

Answer: Strategic planning must be completed first, since the functional plans including marketing plans depend upon the strategic plan. Developing the mission statement, assessing the internal and external environments, setting objectives, establishing the business portfolio, and developing growth strategies all should be accomplished before moving to the marketing plan. The marketing plan provides details in the areas of product, pricing, distribution (place, and promotion methods. The marketing planning manager performs a situation analysis, sets marketing objectives, develops marketing strategies, as well as implements and controls the marketing plan.

*Diff: 3 Page Ref: 42*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 2 Three levels of business planning*

41) How would PaperBackSwap.com recognize the differences between marketing strategic plans and marketing functional plans?

Answer: The top executive(s) of PaperBackSwap.com would begin the planning process with the broad view of the strategic plans. The mission would be defined and an analysis of the internal and external environments would be conducted then the objectives would be set for the organization.

Functional plans start with the situational analysis. Marketing objectives and strategies are developed implemented and monitored for controlled.

*Diff: 2 Page Ref: 42-3*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 2 Three levels of business planning*

42) Explain strategic business units (SBUs). What would be some of the SBUs of the Walt Disney Company?

Answer: Individual units representing different areas of business within the firm that are each different enough to have their own mission, business objectives, resources, managers, and competitors at the Disney Company would include its theme park, movie studios, television networks, and cruise line.

*Diff: 2 Page Ref: 42*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 2 Three levels of business planning*

43) To develop strategic plans, top-level corporate managers follow three steps. The first of these steps is to \_\_\_\_\_.

- A) recruit and hire the right personnel
- B) examine historical data
- C) define a mission for the total corporation
- D) allocate resources to the company's various SBUs
- E) establish the marketing's short-term objectives

Answer: C

*Diff: 1 Page Ref: 44*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

44) The internal environment of an organization identifies its \_\_\_\_\_.

- A) strengths and weaknesses
- B) strengths and opportunities
- C) opportunities and threats
- D) weaknesses and threats
- E) strengths and threats

Answer: A

*Diff: 2 Page Ref: 45*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

45) A firm's internal business environment does *not* include \_\_\_\_\_.

- A) its employees
- B) its corporate culture
- C) its products
- D) its technologies
- E) elements of the legal environment

Answer: E

*Diff: 2 Page Ref: 45*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

46) The external environment of an organization determines the organization's \_\_\_\_\_.

- A) strengths and weaknesses
- B) strengths and opportunities
- C) opportunities and threats
- D) weaknesses and threats
- E) strengths and threats

Answer: C

*Diff: 2 Page Ref: 45*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

47) A \_\_\_\_\_ is a tool management uses to assess the potential of a firm's products or businesses. It helps management decide which of its current SBUs should receive resources.

- A) SWOT analysis
- B) portfolio analysis
- C) value chain
- D) situational analysis
- E) compatibility assessment

Answer: B

*Diff: 1 Page Ref: 48*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

48) There are a total of \_\_\_\_\_ symbols within the BCG growth-market share matrix to designate business units that fall within a certain range for market growth rate and market share.

- A) two
- B) three
- C) four
- D) five
- E) six

Answer: C

*Diff: 2 Page Ref: 49*

*Skill: Conceptual*

*Objective: 3 Strategic planning*

- 49) According to the BCG growth-market share matrix, \_\_\_\_\_ are strategic business units with products that have a dominant market share in a high-growth market.
- A) problem children
  - B) exclamation points
  - C) cash cows
  - D) stars
  - E) question marks
- Answer: D  
Diff: 2      Page Ref: 49  
Skill: Conceptual  
Objective: 3 Strategic planning
- 50) According to the BCG growth-market share matrix, \_\_\_\_\_ are strategic business units with products that have a dominant market share in a low-growth market.
- A) dogs
  - B) exclamation points
  - C) cash cows
  - D) stars
  - E) question marks
- Answer: C  
Diff: 2      Page Ref: 49  
Skill: Conceptual  
Objective: 3 Strategic planning
- 51) According to the BCG growth-market share matrix, \_\_\_\_\_ are strategic business units with products that have low market shares in a fast-growth market.
- A) dogs
  - B) exclamation points
  - C) cash cows
  - D) stars
  - E) question marks
- Answer: E  
Diff: 2      Page Ref: 49  
Skill: Conceptual  
Objective: 3 Strategic planning
- 52) According to the BCG growth-market share matrix, \_\_\_\_\_ are strategic business units with products having a small share of a slow-growth market.
- A) dogs
  - B) exclamation points
  - C) cash cows
  - D) stars
  - E) question marks
- Answer: A  
Diff: 2      Page Ref: 49  
Skill: Conceptual  
Objective: 3 Strategic planning

53) An SBU fits into the \_\_\_\_\_ category of the BCG model when sales have been steady and the firm has a large market share.

- A) problem child
- B) dog
- C) cash cow
- D) star
- E) question mark

Answer: C

Diff: 2 Page Ref: 49

AACSB: Reflective Thinking

Skill: Conceptual

Objective: 3 Strategic planning

54) The market for two-way radios is disappearing. If a company has a small share of the two-way radio market, it would be considered a \_\_\_\_\_ in terms of the BCG growth-market share matrix.

- A) problem child
- B) dog
- C) cash cow
- D) star
- E) question mark

Answer: B

Diff: 2 Page Ref: 49

AACSB: Reflective Thinking

Skill: Conceptual

Objective: 3 Strategic planning

55) A film company has a high market share in the films for children segment. The children's segment is a low growth market. This business fits into the \_\_\_\_\_ category of the BCG growth-market share matrix.

- A) problem child
- B) dog
- C) cash cow
- D) star
- E) question mark

Answer: C

Diff: 3 Page Ref: 49

AACSB: Reflective Thinking

Skill: Conceptual

Objective: 3 Strategic planning

56) A growth strategy that attracts users of competitive brands is called a \_\_\_\_\_ strategy.

- A) market development
- B) product penetration
- C) market penetration
- D) diversification
- E) product development

Answer: C

Diff: 2 Page Ref: 50

Skill: Conceptual

Objective: 3 Strategic planning

- 57) A donut shop chain became available outside of North America for the first time with the opening of a shop in Australia. The company used a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: A

Diff: 2 Page Ref: 50

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 58) A hamburger fast food company announced bought a chain of Mexican food restaurants to appeal to a new market used a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: D

Diff: 3 Page Ref: 50

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 59) The \_\_\_\_\_ provides managers with four different fundamental marketing strategies--market penetration, market development, product development, and diversification.
- A) marketing plan
  - B) mass-marketing communications plan
  - C) strategic plan
  - D) strengths, weaknesses, opportunities, and threats
  - E) product-market growth matrix

Answer: E

Diff: 1 Page Ref: 50

Skill: Conceptual

Objective: 3 Strategic planning

- 60) The product-market growth matrix \_\_\_\_\_.
- A) provides managers with four different fundamental marketing strategies--market penetration, market development, product development, and diversification
  - B) is a graphic illustration of what tactics should be used within a marketing strategy for products at different growth stages
  - C) graphically illustrates whether a manager should use personal marketing communications or mass-marketing communications
  - D) helps top management identify and label their various SBUs
  - E) lists strengths, weaknesses, opportunities, and threats that can impede the growth of a market

Answer: A

Diff: 3 Page Ref: 50

Skill: Conceptual

Objective: 3 Strategic planning



- 61) The growth-market share matrix developed by the Boston Consulting Group (BCG) is an example of a type of \_\_\_\_\_.
- A) SWOT analysis
  - B) portfolio analysis
  - C) value chain
  - D) situational analysis
  - E) compatibility assessment

Answer: B

Diff: 2 Page Ref: 48

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 62) When Quaker Oatmeal urged users to lower their cholesterol by taking the 30 day challenge the aim was to increase usage. Quaker used a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: C

Diff: 2 Page Ref: 50

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 63) Home Depot expanded its operations into Canada by offering the same products to a new market. Home Depot implemented a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: A

Diff: 2 Page Ref: 50

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 64) \_\_\_\_\_ emphasize both new products and new markets to achieve growth.
- A) Diversification strategies
  - B) Market penetration strategies
  - C) Monopolies
  - D) Operational plans
  - E) Strategic plans

Answer: A

Diff: 1 Page Ref: 51

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 65) The \_\_\_\_\_ for Mothers Against Drunk Driving (MADD) is "to stop drunk driving, support the victims of this violent crime, and prevent underage drinking."
- A) operational plan
  - B) mission statement
  - C) portfolio analysis
  - D) market penetration strategy
  - E) diversification strategy

Answer: B

Diff: 2 Page Ref: 44

Skill: Conceptual

Objective: 3 Strategic planning

- 66) The \_\_\_\_\_ for Internet auction site eBay.com is "We help people trade practically anything on earth. We will continue to enhance the online trading experiences of all-- collectors, dealers, small businesses, unique item seekers, bargain hunters, opportunity sellers, and browsers."
- A) functional plans
  - B) strategic objectives
  - C) marketing objectives
  - D) strategic plans
  - E) mission statement

Answer: E

Diff: 2 Page Ref: 44

Skill: Conceptual

Objective: 3 Strategic planning

- 67) In recent years security regulations, driven by the federal government through the Transportation Safety Administration, impacted Southwest Airlines. These regulations are part of the \_\_\_\_\_ affecting this airline.
- A) external environment
  - B) internal environment
  - C) competitive intelligence
  - D) diversification strategies
  - E) market development strategies

Answer: A

Diff: 3 Page Ref: 45-46

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 68) Biopure is a company that manufactures and markets oxygen therapeutics. Its products are Hemopure for human use and Oxyglobin for animal use. Both have been developed as alternatives to red blood cell transfusions. Which of the following would be part of Biopure's internal environment?
- A) approval by the U.S. Food and Drug Administration to allow veterinarians to use Oxyglobin
  - B) the global market for the raw materials needed to make Hemopure and Oxyglobin
  - C) the patented manufacturing process that it uses to produce Hemopure and Oxyglobin
  - D) a competitor developing a similar product
  - E) changes in patent law

Answer: C

*Diff: 3 Page Ref: 45*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 3 Strategic planning*

- 69) Each year, Honeywell asks every department manager to rate his or her department's strengths and weaknesses as well as those of the other departments with which the department interacts. Then each department manager is asked what s/he sees as the greatest threat and/or opportunity for the company. Honeywell has its department managers engage in an annual \_\_\_\_\_.
- A) SWOT analysis
  - B) portfolio analysis
  - C) value chain
  - D) functional planning session
  - E) compatibility assessment

Answer: A

*Diff: 1 Page Ref: 46*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 70) John H. Harland Company is a large company with 5,200 employees and almost \$800 million in sales. The company is best known for printing personal and business checks. Harland Analytical Services is a technology company that produces software that enables banks to gauge the behavior of their customers by tracking their spending habits. In addition, Harland owns Scantron, a computerized testing and assessment company. The \_\_\_\_\_ for John H. Harland Company includes its check-printing business, its financial software business, and its testing and assessment business.
- A) business portfolio
  - B) marketing mix
  - C) market penetration
  - D) functional plan
  - E) market classification

Answer: A

*Diff: 3 Page Ref: 48*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 71) Edy's is a high-quality brand of ice cream. Edy's introduced Godiva ice cream and Starbucks ice cream to tempt ice cream lovers to eat even more ice cream. Edy's used a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: E

*Diff: 2 Page Ref: 51*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 72) John H. Harland Company is best known for printing personal and business checks, but it also owns Scantron, a computerized testing and assessment company. Harland's purchase of Scantron was an example of the implementation of a \_\_\_\_\_ strategy.
- A) market development
  - B) product penetration
  - C) market penetration
  - D) diversification
  - E) product development

Answer: D

*Diff: 8 Page Ref: 51*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 73) If Xerox had continued to define its \_\_\_\_\_ in terms of just producing copy machines instead of providing "document solutions," the shift to electronic documents would have left them in the dust.
- A) operational plan
  - B) portfolio analysis
  - C) SWOT analysis
  - D) mission
  - E) external environment

Answer: D

*Diff: 2 Page Ref: 44*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 74) "The purpose of Motorola is to honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by doing so provide the opportunity for our employees and shareholders to achieve their reasonable personal objectives." The preceding statement is Motorola's \_\_\_\_\_.
- A) external environment philosophy
  - B) strategic objective
  - C) marketing objective
  - D) strategic plan
  - E) mission statement

Answer: E

*Diff: 3 Page Ref: 44*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 75) Archetype is a Unilever SBU that markets a number of different tea brands around the world. Each brand addresses the taste and emotions of local tea cultures. Which of the following would be part of Archetype's internal environment?
- A) changes in the way people drink tea
  - B) increased competition from a local tea producer
  - C) government regulations of information on package labels
  - D) marketing Archetype does to reach consumers and satisfy their cultural needs
  - E) a shortage of tea leaves due to unusual weather conditions

Answer: D

*Diff: 3 Page Ref: 45*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

- 76) Archetype is a Unilever SBU that markets a number of different tea brands around the world. Each brand addresses the taste and emotions of local tea cultures. How would you classify the marketing Archetype does to create specific products for the more than 100 countries in which it is sold?
- A) a weakness
  - B) a strength
  - C) a threat
  - D) an opportunity
  - E) its mission statement

Answer: B

*Diff: 2 Page Ref: 45*

*AACSB: Reflective Thinking*

*Skill: Application*

*Objective: 3 Strategic planning*

77) Serengeti makes lightweight sunglasses with 100 percent UV protection for people who love to hunt, hike, and bike ride. Its long-term plans include the development of lenses that, in addition to protecting users from UV rays, will also have effective water-sheeting action to reduce lens spotting; this new feature will be valuable to people who fish. The company believes it can use its reputation as a sunglass manufacturer for a specialized market in combination with its current manufacturing facilities and labor force to enter this new market. In terms of a SWOT analysis, Serengeti will be relying on its marketing \_\_\_\_\_ to make its new product a success.

- A) weaknesses
- B) strengths
- C) threats
- D) opportunities
- E) BCG matrix

Answer: B

Diff: 3 Page Ref: 45

AACSB: Communication

Skill: Application

Objective: 3 Strategic planning

78) Serengeti makes lightweight sunglasses with 100 percent UV protection for people who love to hunt, hike, and bike ride. Its long-term plans include the development of lenses that, in addition to protecting users from UV rays, will also have effective water-sheeting action to reduce lens spotting; this new feature will be valuable to people who fish. Serengeti has determined that fishing is one of the fastest growing sports in the United States. In terms of a SWOT analysis, Serengeti has recognized a market \_\_\_\_\_.

- A) weakness
- B) strength
- C) threat
- D) opportunity
- E) corporate culture

Answer: D

Diff: 1 Page Ref: 46

AACSB: Communication

Skill: Application

Objective: 3 Strategic planning

79) Unilever makes Rexona deodorant and antiperspirant, and it is the world's number one brand of deodorant and antiperspirant. Because the worldwide market for deodorants and antiperspirants is growing rapidly, Unilever would classify Rexona as a \_\_\_\_\_ on the BCG growth-market share matrix.

- A) problem child
- B) dog
- C) cash cow
- D) star
- E) question mark

Answer: D

Diff: 3 Page Ref: 49

AACSB: Analytic Skills

Skill: Application

Objective: 3 Strategic planning

80) Argo is the world's leading brand of small vehicles that are designed to be driven on all types of terrain and in all types of weather. The vehicles can carry up to six passengers. The market for such vehicles has become stagnant due to the recent economic downturn. In terms of the BCG growth-market share matrix, Argo would be classified as a \_\_\_\_\_.

- A) problem child
- B) dog
- C) cash cow
- D) star
- E) question mark

Answer: C

Diff: 3 Page Ref: 49

AACSB: Analytic Skills

Skill: Application

Objective: 3 Strategic planning

81) Teddy Grahams are small graham cookies shaped like teddy bears. Nabisco, which makes Teddy Grahams, created Teddy Graham Bearwich cookies (two Teddy Grahams stuck together with a cream filling) to implement its \_\_\_\_\_ strategy. Nabisco believed its Teddy Grahams customers would buy the new product as well.

- A) market development
- B) product penetration
- C) market penetration
- D) diversification
- E) product development

Answer: E

Diff: 2 Page Ref: 51

AACSB: Analytic Skills

Skill: Application

Objective: 3 Strategic planning

82) Employee morale, promotion strategies, and competitors' reactions are all examples of a company's internal environment.

Answer: FALSE

Diff: 2 Page Ref: 45

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

83) SWOT stands for strengths, willingness, opportunities, and threats.

Answer: FALSE

Diff: 1 Page Ref: 46

Skill: Conceptual

Objective: 3 Strategic planning

84) Opportunities and threats come from a company's internal environment.

Answer: FALSE

Diff: 1 Page Ref: 45

AACSB: Analytic Skills

Skill: Conceptual

Objective: 3 Strategic planning

- 85) Managers using the Boston Consulting Group growth-market share matrix are determining the potential of a firm's existing SBUs to generate cash needed to invest in new businesses.  
Answer: TRUE  
*Diff: 2 Page Ref: 48*  
*AACSB: Analytic Skills*  
*Skill: Conceptual*  
*Objective: 3 Strategic planning*
- 86) On the BCG growth-market share matrix, question marks are also referred to as problem children.  
Answer: TRUE  
*Diff: 2 Page Ref: 49*  
*Skill: Conceptual*  
*Objective: 3 Strategic planning*
- 87) Diversification strategies emphasize both new products and new markets.  
Answer: TRUE  
*Diff: 1 Page Ref: 51*  
*Skill: Conceptual*  
*Objective: 3 Strategic planning*
- 88) Because Cie de Saint-Gobain of France is Europe's leading distributor of building materials in the high-growth building industry, it would be an example of a cash cow.  
Answer: FALSE  
*Diff: 3 Page Ref: 49*  
*AACSB: Analytic Skills*  
*Skill: Application*  
*Objective: 3 Strategic planning*
- 89) Movie production companies also re-release movie classics to theaters to give people who enjoyed them the first time a chance to see the movie again. This would be an example of a market penetration strategy.  
Answer: TRUE  
*Diff: 3 Page Ref: 50*  
*AACSB: Analytic Skills*  
*Skill: Application*  
*Objective: 3 Strategic planning*
- 90) Hershey introduced edible Valentine cards when it launched Hugs & Kisses Friendship Exchange and packaged one white chocolate and one brown chocolate Kiss with write-on "To" and "From" areas. This was an example of a market development strategy.  
Answer: FALSE  
*Diff: 2 Page Ref: 50*  
*AACSB: Analytic Skills*  
*Skill: Application*  
*Objective: 3 Strategic planning*



91) PaperBackSwap.com needs to conduct a SWOT analysis. Explain the purpose of a SWOT analysis.

Answer: SWOT stands for strengths, weaknesses, opportunities, and threats. A firm's strengths and weaknesses focus on their internal environment while the opportunities and threats focus on external environmental issues. A SWOT analysis enables a firm to develop strategies that make sure of what the firm does best in seizing opportunities for growth while at the same time avoiding external threats that might hurt the firm's sales and profits.

*Diff: 1 Page Ref: 46*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

92) Under Armour Performance Apparel has developed five gear lines to keep athletes substantially cooler or warmer, not to mention two to three pounds lighter than the cotton standard, inspiring the company's slogan. In expanding the product line, what marketing strategy is Under Armour Performance Apparel following?

Answer: Product development strategies create growth by selling new products in existing markets. Product development may mean that the firm improves a product's performance, or it may mean extending the firm's product line by developing new variations of the item.

*Diff: 3 Page Ref: 51*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

93) How is a portfolio analysis related to a firm's business portfolio?

Answer: A business portfolio shows the range of different businesses that a large firm operates. The portfolio analysis is a tool management uses to assess the potential of a firm's business portfolio. It helps management decide which of its current SBUs should receive more or less of the firm's resources and which of its SBUs are most consistent with the firm's overall mission.

*Diff: 2 Page Ref: 48*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

94) Periodically, the Walt Disney Company recycles its oldest animated films such as *Snow White* back into the movie theaters to delight another generation of consumers. To what classification of the BCG growth-market share matrix would these old movies belong? Explain.

Answer: These old movies would be classified as cash cows. They have a high market share that the firm can sustain with minimal funding.

*Diff: 2 Page Ref: 49*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

95) When analyzing its portfolio of businesses with the Boston Consulting Group model, Disney views its movie brand as a star. What does this mean?

Answer: A star SBU means that Disney's movies have a dominant market share in a high-growth market. Stars generate large revenues, but also require large amounts of funding to keep up with production and promotion demands. Disney invests heavily in franchise players like Hanna Montana and Narnia to gain the largest share of loyal customers to generate profits that can be reallocated to other parts of the company.

*Diff: 3 Page Ref: 49*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

96) According to the text why did McDonald's choose a diversification strategy?

Answer: After a long period of sluggish performance in the fast-food market and feeling it had maxed out in the hamburger business in the late 90s, McDonald's pursued a strategy to attract new markets with new businesses. This diversification strategy reenergized its business.

*Diff: 2 Page Ref: 51*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

97) Richard Pickering at PaperBackSwap.com may use the Boston Consulting Group (BCG) matrix to help him in making decisions for his firm. What does he need to understand about the purpose of the matrix and the four categories of the BCG growth-market share matrix .

Answer: The BCG model focuses on determining the potential of a firm's existing successful SBUs to generate cash that the firm can then use to invest in other businesses. By categorizing SBUs as stars, cash cows, question marks, or dogs, the matrix helps managers make good decisions about how the firm should grow. Stars are SBUs with products that have a dominant market share in high-growth markets. Cash cows have a dominant market share in a low-growth potential market. Question marks, also called *problem children*, are SBUs with low market shares in fast-growth markets.

*Diff: 3 Page Ref: 48-49*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

98) Campbell's can advertise new uses for soup in lunches and dinners to encourage customers to eat more soup. The firm might try to increase sales by cutting prices, improving distribution, or conducting promotions aimed at attracting users on a competing soup brand. What growth strategy was Campbell's implementing? Explain.

Answer: Campbell's is implementing the market penetration strategy. It is seeking to increase sales of existing products to existing markets such as current users, nonusers, and users of competing brands within their market.

*Diff: 2 Page Ref: 50*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

99) During past years, the Oreo cookie has undergone many changes. It is no longer just a cookie. Oreo cookies now appear in breakfast cereals, ice cream, pudding crust, cake mix, frosting, brownies, and granola bars. What aspect of the business strategy process reflects the changes to the Oreo cookie? Explain.

Answer: Changes to the Oreo cookie fall within the guidelines of the product development strategies. One aspect of this strategy is in extending the product line by developing new variations to the item.

*Diff: 1 Page Ref: 51*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

100) Nintendo introduced the Wii home gaming system to older consumers in retirement homes for light exercise. Explain the kind of growth strategy Nintendo used.

Answer: Market development strategies introduce existing products to new markets. This can mean reaching new customer segments within an existing geographic market, or it may mean expanding into new geographic areas. Nintendo's Wii target market was originally the young, game-playing consumer.

*Diff: 3 Page Ref: 50*

*AACSB: Analytic Skills*

*Skill: Application*

*Objective: 3 Strategic planning*

101) Which of the following actions would NOT be a part of a marketing plan?

- A) describing the marketing environment
- B) outlines of marketing strategies
- C) identification as to how marketing strategies will be implemented
- D) making sure the firm has a strong monopoly in the industry
- E) identification as to how marketing strategies will be monitored and controlled

Answer: D

*Diff: 2 Page Ref: 52-58*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

102) The four Ps (product, price, place and promotion) are known as the \_\_\_\_\_?

- A) marketing environment
- B) functional planning mix
- C) marketing mix
- D) marketing concept
- E) controls

Answer: C

*Diff: 1 Page Ref: 52*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

103) Which of the following best describes the components of the marketing mix?

- A) all aspects of the marketing environment
- B) everything considered during functional planning
- C) product, price, place, and promotion
- D) production, price, distribution, and people
- E) people, product, price, and placement

Answer: C

Diff: 1 Page Ref: 52

Skill: Conceptual

Objective: 4 Marketing planning

104) The \_\_\_\_\_ is the most fundamental part of the marketing mix.

- A) product
- B) distribution
- C) price
- D) production
- E) people

Answer: A

Diff: 2 Page Ref: 53

Skill: Conceptual

Objective: 4 Marketing planning

105) During the analysis of the \_\_\_\_\_, managers build on the SWOT analysis by searching out information that specifically affects the marketing plan.

- A) outline of marketing strategies
- B) product development process
- C) monopoly power of the firm
- D) marketing environment
- E) functional plan

Answer: D

Diff: 2 Page Ref: 52

AACSB: Analytic Skills

Skill: Conceptual

Objective: 4 Marketing planning

106) The \_\_\_\_\_ is the step in developing a marketing plan that includes an analysis of the marketing environment.

- A) situation analysis
- B) outline of marketing strategies
- C) identification as to how marketing strategies will be implemented
- D) measurement of monopoly power
- E) functional plan

Answer: A

Diff: 2 Page Ref: 52

Skill: Conceptual

Objective: 4 Marketing planning

- 107) The \_\_\_\_\_ state what the marketing function must accomplish to achieve overall business objectives.
- A) situation analyses
  - B) strategic plans
  - C) marketing objectives
  - D) market development strategies
  - E) functional plans
- Answer: C  
Diff: 2      Page Ref: 53  
Skill: Conceptual  
Objective: 4 Marketing planning
- 108) The step in the marketing planning process in which decisions are made concerning what markets to target and what marketing mix to use is \_\_\_\_\_.
- A) perform a situation analysis
  - B) develop marketing strategies
  - C) promote corporate culture
  - D) define the management hierarchy
  - E) describe the organizational chart
- Answer: B  
Diff: 1      Page Ref: 53  
Skill: Conceptual  
Objective: 4 Marketing planning
- 109) A firm's \_\_\_\_\_ is the market segment selected because the firm believes that the offerings of the firm are most suited to winning those customers.
- A) target market
  - B) managerial portfolio
  - C) corporate culture
  - D) management hierarchy
  - E) marketing objectives
- Answer: A  
Diff: 1      Page Ref: 53  
Skill: Conceptual  
Objective: 4 Marketing planning
- 110) \_\_\_\_\_ is the number of consumers who are willing and able to pay for products.
- A) Market segment
  - B) Potential demand
  - C) Corporate culture
  - D) Marketing mix
  - E) Strategic planning
- Answer: B  
Diff: 2      Page Ref: 53  
Skill: Conceptual  
Objective: 4 Marketing planning

- 111) \_\_\_\_\_ decisions identify how marketing will accomplish its objectives in the target markets.
- A) Market segment
  - B) Managerial portfolio
  - C) Corporate culture
  - D) Marketing mix
  - E) Strategic planning

Answer: D

Diff: 2 Page Ref: 53

Skill: Conceptual

Objective: 4 Marketing planning

- 112) Including an in-seat video games during airline flights is a \_\_\_\_\_ decision.
- A) target segment
  - B) pricing
  - C) corporate culture
  - D) product strategy
  - E) strategic planning

Answer: D

Diff: 2 Page Ref: 53-4

AACSB: Analytic Skills

Skill: Conceptual

Objective: 4 Marketing planning

- 113) The \_\_\_\_\_ determines how much a firm charges for a product.
- A) product segment
  - B) corporate culture
  - C) pricing strategy
  - D) product strategy
  - E) strategic planning

Answer: C

Diff: 1 Page Ref: 54

Skill: Conceptual

Objective: 4 Marketing planning

- 114) The \_\_\_\_\_ is how marketers communicate the product's value proposition to the target market.
- A) product segment
  - B) promotion strategy
  - C) pricing strategy
  - D) product strategy
  - E) strategic planning

Answer: B

Diff: 1 Page Ref: 54

Skill: Conceptual

Objective: 4 Marketing planning

- 115) Advertising, sales promotion, public relations and publicity, direct marketing, and personal selling are all part of the \_\_\_\_\_.
- A) target market
  - B) pricing strategy
  - C) product strategy
  - D) promotion strategy
  - E) strategic planning
- Answer: D  
Diff: 2      Page Ref: 54  
Skill: Conceptual  
Objective: 4 Marketing planning
- 116) The \_\_\_\_\_ outlines how, when, and where the firm will make the product available to targeted customers.
- A) target market
  - B) pricing strategy
  - C) product strategy
  - D) promotion strategy
  - E) distribution strategy
- Answer: E  
Diff: 1      Page Ref: 54  
Skill: Conceptual  
Objective: 4 Marketing planning
- 117) Many airlines' \_\_\_\_\_ encourages customers to purchase online "ticketless" flight reservations.
- A) distribution strategy
  - B) target market
  - C) pricing strategy
  - D) product strategy
  - E) promotion strategy
- Answer: A  
Diff: 2      Page Ref: 54  
AACSB: Analytic Skills  
Skill: Conceptual  
Objective: 4 Marketing planning
- 118) After the marketing plans are created, the \_\_\_\_\_ of the plan is what usually makes or breaks the success of the firm in the marketplace.
- A) corporate culture
  - B) strategic plan
  - C) implementation
  - D) situation analysis
  - E) pricing strategy
- Answer: C  
Diff: 2      Page Ref: 55  
AACSB: Analytic Skills  
Skill: Conceptual  
Objective: 4 Marketing planning

119) \_\_\_\_\_ is the formal process of monitoring progress toward meeting marketing objectives.

- A) Corporate culture
- B) Control
- C) Implementation
- D) Situation analysis
- E) Pricing strategy

Answer: B

*Diff: 1 Page Ref: 55*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

120) \_\_\_\_\_ is the process that compares actual progress to the established marketing objectives.

- A) Corporate culture
- B) Implementation
- C) Situation analysis
- D) Control
- E) Pricing strategy

Answer: D

*Diff: 2 Page Ref: 55*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

121) Making adjustments to the marketing plan is part of \_\_\_\_\_.

- A) corporate culture
- B) promotion strategy
- C) implementation and control
- D) situation analysis
- E) pricing strategy

Answer: C

*Diff: 2 Page Ref: 55*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

122) Marketers use \_\_\_\_\_ as a means to determine whether they are meeting their marketing objectives.

- A) diversification strategies
- B) market development strategies
- C) brand competition
- D) demographics
- E) controls

Answer: E

*Diff: 2 Page Ref: 55*

*Skill: Conceptual*

*Objective: 4 Marketing planning*



123) Concrete measures of various aspects of marketing performance are \_\_\_\_\_.

- A) corporate cultures
- B) marketing metrics
- C) implementation and controls
- D) promotions strategies
- E) pricing strategies

Answer: B

*Diff: 1 Page Ref: 55*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

124) The ROI of a campaign, the value of a prospect, and the response rates in direct marketing are all examples of \_\_\_\_\_.

- A) promotions
- B) marketing metrics
- C) implementation and control
- D) situation analysis
- E) corporate culture

Answer: B

*Diff: 2 Page Ref: 55*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

125) Quantifying how an investment in marketing impacts the firm's success, financially and otherwise, is the notion of \_\_\_\_\_.

- A) return on marketing investment
- B) marketing metrics
- C) implementation and control
- D) situation analysis
- E) corporate culture

Answer: A

*Diff: 2 Page Ref: 55-6*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

126) Implementation and control manifests itself within a marketing plan through \_\_\_\_\_.

- A) return on marketing investment
- B) action plans
- C) promotion strategies
- D) situation analysis
- E) corporate culture

Answer: B

*Diff: 2 Page Ref: 56*

*AACSB: Analytic Skills*

*Skill: Conceptual*

*Objective: 4 Marketing planning*

127) Developing assignment of responsibilities, time lines, budgets, and measurement and control processes are documented in a(n) \_\_\_\_\_.

- A) price strategy
- B) promotion strategy
- C) action plan
- D) strategic plan
- E) alternative strategy

Answer: C

Diff: 2 Page Ref: 57

Skill: Conceptual

Objective: 4 Marketing planning

128) Budgets and the financial management of the marketing plan are developed around the \_\_\_\_\_ so that managers know when cash outlays are required.

- A) price strategy
- B) time line
- C) corporate culture
- D) strategic plan
- E) alternative strategy

Answer: B

Diff: 3 Page Ref: 58

AACSB: Analytic Skills

Skill: Conceptual

Objective: 4 Marketing planning

129) A marketing plan would NOT include \_\_\_\_\_.

- A) marketing research data on the travel plans of its target audience as one element of its marketing environment
- B) a list of who will be responsible for implementing each part of its marketing strategy
- C) marketing objectives such as "to increase local attendance by 20 percent"
- D) the outline for a market development strategy
- E) the name of every potential customer

Answer: E

Diff: 2 Page Ref: 57

Skill: Conceptual

Objective: 4 Marketing planning

130) Southwest Airlines uses a \_\_\_\_\_ to target customers who could not previously afford air travel.

- A) pricing strategy
- B) product segment
- C) corporate culture
- D) product strategy
- E) strategic plan

Answer: A

Diff: 3 Page Ref: 54

Skill: Application

Objective: 4 Marketing planning

131) The vice president of marketing of a software development company periodically develops a \_\_\_\_\_, which includes marketing research data on the target market, marketing objectives such as "to increase new customers by 20 percent," and a list of who will be responsible for implementation.

- A) marketing plan
- B) marketing mix
- C) pricing strategy
- D) outline for a market development strategy
- E) strategic plan

Answer: A

Diff: 2 Page Ref: 57

AACSB: Analytic Skills

Skill: Application

Objective: 4 Marketing planning

132) The president of a medium-sized company is concerned with the amount of money the company spends on marketing. He asks the vice president of marketing to develop a(n) \_\_\_\_\_ to show him how marketing has financially contributed to the company.

- A) job cost analysis
- B) return on marketing investment
- C) marketing objective
- D) outline for a market development strategy
- E) pricing strategy

Answer: B

Diff: 3 Page Ref: 55

AACSB: Analytic Skills

Skill: Application

Objective: 4 Marketing planning

133) The four Ps of marketing are production, placement, promotion, and pricing.

Answer: FALSE

Diff: 1 Page Ref: 53

Skill: Conceptual

Objective: 4 Marketing planning

134) The marketing mix is product, price, place, and promotion.

Answer: TRUE

Diff: 1 Page Ref: 53

Skill: Conceptual

Objective: 4 Marketing planning

135) The product is the most fundamental part of the marketing mix.

Answer: TRUE

Diff: 3 Page Ref: 53

Skill: Conceptual

Objective: 4 Marketing planning

136) The promotion strategy is how, when, and where the firm will make the product available to targeted customers.

Answer: FALSE

Diff: 2 Page Ref: 54

Skill: Conceptual

Objective: 4 Marketing planning

137) The distribution strategy is the same as the place strategy.

Answer: TRUE

Diff: 1 Page Ref: 54

Skill: Conceptual

Objective: 4 Marketing planning

138) Cellular telephone companies do not need marketing planning because the market does not change much.

Answer: FALSE

Diff: 2 Page Ref: 52

AACSB: Analytic Skills

Skill: Application

Objective: 4 Marketing planning

139) JetBlue Airways decided to include in-seat video games and television during the flights.

What would doing this have to do with product strategies of airplanes and air transportation?

Answer: Passengers can usually complete their travel adventures of getting from point A to point B by using more than just one airline organization. JetBlue wants its customers to be able to enjoy their traveling experiences and help to make the clock time of the trip seem shorter by offering the games and/or television to customers.

Diff: 3 Page Ref: 53-4

AACSB: Reflective Thinking

Skill: Application

Objective: 4 Marketing planning

140) You are a sales manager and you are responsible for tracking a wide range of metrics related to the firm--customer relationships such as number of new customers, sales calls per month, customer turnover, and the customer loyalty. Explain in what part of the marketing planning process would these metrics fall and why they are important.

Answer: During the implementation and control part of the marketing planning process, metrics are developed that are concrete measures of various aspects of marketing performance. The control process determines to what degree objectives are being met by measuring actual performance, comparing performance to objectives and strategies, and making adjustments to the objectives or strategies on the basis of this analysis.

Diff: 2 Page Ref: 55-56

AACSB: Analytic Skills

Skill: Application

Objective: 4 Marketing planning

141) Why might Richard Pickering at PaperBackSwap.com include return on marketing investment (ROMI) in his important marketing metrics that he tracks?

Answer: Considering marketing as an investment rather than an expense is critical because this distinction drives firms to use marketing more strategically to enhance the business.

The ROMI concept heightens the importance of identifying and tracking appropriate marketing metrics.

Diff: 3 Page Ref: 55

AACSB: Analytic Skills

Skill: Application

Objective: 4 Marketing planning

142) Marketing planning is followed by the \_\_\_\_\_, which details how the plan will be carried out, outlining the day-to-day execution.

- A) operational plan
- B) time line
- C) corporate culture
- D) strategic plan
- E) alternative strategy

Answer: A

Diff: 3 Page Ref: 59

Skill: Conceptual

Objective: 5 Create & work with market plan

143) \_\_\_\_\_ generally cover a shorter time period than other plans--perhaps only one or two months, and include detailed directions for specific activities to be carried out.

- A) Time lines
- B) Operational plans
- C) Marketing plans
- D) Strategic plans
- E) Pricing strategies

Answer: B

Diff: 3 Page Ref: 59

Skill: Conceptual

Objective: 5 Create & work with market plan

144) A firm's \_\_\_\_\_ is made up of the ethical values, norms, and beliefs that influence the behavior of everyone in the organization.

- A) cultural autonomy
- B) managerial portfolio
- C) corporate culture
- D) management hierarchy
- E) organizational chart

Answer: C

Diff: 1 Page Ref: 59

Skill: Conceptual

Objective: 5 Create & work with market plan

145) Weitz and Leupold make optical lenses. From the start, an almost Puritanical-like ethics code that tolerates no deviation from expected behavior developed. Employees are expected to report on fellow workers who do not adhere to the company norms. This is a brief description of the company's \_\_\_\_\_.

- A) cultural autonomy
- B) managerial portfolio
- C) corporate culture
- D) management hierarchy
- E) organizational chart

Answer: C

Diff: 3 Page Ref: 59

AACSB: Analytic Skills

Skill: Application

Objective: 5 Create & work with market plan

146) Operational plans focus on the long-term execution of the marketing plan that is performed by top-level management.

Answer: FALSE

Diff: 1 Page Ref: 59

AACSB: Analytic Skills

Skill: Conceptual

Objective: 5 Create & work with market plan

147) Corporate culture is made up of values, norms, and beliefs that influence the behavior of everyone in the organization.

Answer: TRUE

Diff: 1 Page Ref: 59

Skill: Conceptual

Objective: 5 Create & work with market plan

148) For many years IBM was known as "the white shirt company" because of its unwritten rule that all employees must wear white shirts to look the part of an "IBMer." This unwritten rule would be part of IBM's corporate culture.

Answer: TRUE

Diff: 3 Page Ref: 60

Skill: Application

Objective: 5 Create & work with market plan

149) A sales manager at ABC Services Inc. was required to track important marketing metrics each quarter. Give two examples of the marketing metrics this sales manager might report.

Answer: The choice of metrics should be from this list: of marketing metrics related to the firm-customer relationship, such as number of new customers, sales calls per month, customer turnover, and customer loyalty.

Diff: 3 Page Ref: 55

AACSB: Analytic Skills

Skill: Application

Objective: 5 Create & work with market plan

150) Google for years was number one on the Fortune magazine's best companies to work for list. Analyze the aspects of corporate culture that put them on the list.

Answer: Fortune bases the list of best companies to work for on a variety of criteria including company philosophy and practices, employee trust in management, pride in work and the company and camaraderie. Google's campus is like a college, the employees are well-paid, casually dressed and get free food.

Diff: 3 Page Ref: 60

AACSB: Analytic Skills

Skill: Application

Objective: 5 Create & work with market plan