

TEST BANK



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

1) Disney has been successful in selecting an overall company strategy for long-run survival and growth called _____. 1) _____

- A) tactical planning
- B) marketing planning
- C) strategic planning
- D) relationship marketing
- E) futuristic planning

2) When your firm practices developing and maintaining a strategic fit between your organization's goals and capabilities, it is forming a(n) _____. 2) _____

- A) operating plan
- B) mission statement
- C) values statement
- D) strategic plan
- E) short-term purpose

3) At the corporate level, a company starts the strategic planning process by defining its overall purpose and _____. 3) _____

- A) options
- B) vision
- C) values
- D) strengths
- E) mission

4) Regardless of the size of company you work for, it is correct to say that strategic planning is _____ to that firm's success. 4) _____

- A) crucial
- B) sometimes useful
- C) irrelevant
- D) optional
- E) sometimes important

5) A company's strategic plan establishes what kinds of businesses the company will be in and its _____ for each one. 5) _____

- A) promotional campaign
- B) marketing plan
- C) objectives
- D) product line
- E) management team

6) _____ sets the stage for the rest of the firm's planning activities. 6) _____

- A) Functional planning
- B) Strategic planning
- C) Corporate planning
- D) Business level planning
- E) Business unit planning

7) A clear mission statement acts as an "invisible hand" that guides people _____ in the firm.

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- A) fact
- B) purpose
- C) values
- D) employee commitment
- E) financial goals

8) The statement of the organization's purpose that acts as an "invisible hand" in guiding people in the organization to action is called: 8) _____

- A) the marketing strategy
- B) the strategic plan
- C) the target market
- D) the company objective
- E) the mission statement

9) Typically, answers to the questions "Who is our customer?", "What is our business?" and "What should our business be?" are found in: 9) _____

- A) the product concept
- B) the company's mission statement
- C) the organizational culture
- D) the marketing plan
- E) the personnel manual

10) Ideally, the best company mission statements are: 10) _____

- A) production-oriented
- B) market-oriented
- C) employee-oriented
- D) product-oriented
- E) legally binding

11) "3M does more than make adhesives, scientific equipment and health-care products. It solves people's problems by putting innovation to work for them." This is a description of: 11) _____

- A) a strategic plan
- B) a goal statement
- C) an annual plan
- D) a profit oriented business definition
- E) a market-oriented mission statement

12) The company you work for is on the "right track" because its mission statement fits the _____ environment. 12) _____

- A) natural
- B) political-legal
- C) market
- D) social-cultural
- E) economic

13) A market-oriented mission statement defines the business in terms of: 13) _____

- A) market demographics
- B) innovative solutions
- C) product markets
- D) serving potentially profitable markets
- E) satisfying customer needs

- 14) Which of the following is NOT true about mission statements? 14) _____
- A) they should broadly stated and include market, product, and functional goals
 - B) many are written for public relations purposes
 - C) mission statements should be realistic and specific
 - D) market-oriented statements are better than product-oriented ones
 - E) they should be motivating and fit the market
- 15) Marketing planning at your firm occurs at what levels? 15) _____
- A) business unit; market
 - B) business unit; product
 - C) product; market
 - D) business unit; financial unit; market
 - E) business unit; product; market
- 16) Experts agree that the first step in strategic planning is to _____. 16) _____
- A) set the company's objectives and goals
 - B) design a business portfolio
 - C) find the perfect location to do business
 - D) define the company's mission
 - E) plan the marketing strategy
- 17) Corporate level strategic planning addresses which of the following steps? 17) _____
- A) designing functional plans
 - B) conducting market research
 - C) developing business unit strategy
 - D) defining the overall purpose and mission
 - E) creating a marketing plan
- 18) When helping to write your company's mission statement, you'll want to ensure it is both _____ and specific. 18) _____
- A) unachievable
 - B) realistic
 - C) long term
 - D) value laden
 - E) short term
- 19) Marketers must find ways to get all departments to think in terms of _____. 19) _____
- A) Shareholder equity
 - B) customers
 - C) sales
 - D) new markets
 - E) profits

- 20) Which of the following is the BEST mission statement for 3M: 20) _____
- A) we are innovative.
 - B) we make equipment for the health care industry.
 - C) we make solvents and adhesives.
 - D) we provide the best quality for the most reasonable price.
 - E) we solve people's problems with innovative solutions.
- 21) A company's mission needs to be turned into detailed supporting objectives for _____. 21) _____
- A) generating stockholder wealth
 - B) each level of management
 - C) managing financial success
 - D) ensuring market growth
 - E) recognizing corporate needs
- 22) Monsanto is a company which produces food, agricultural and pharmaceutical products. Its mission is to feed the world's exploding population while sustaining the environment. Its _____ is ".....to create environmentally better products and get them to market faster and at lower costs". 22) _____
- A) sub-mission statement
 - B) strategy
 - C) code of ethics
 - D) vision
 - E) overall purpose or aim
- 23) An executive at Monsanto commented: "To enter new foreign markets, the company may cut prices and target large firms abroad". This statement is an example of Monsanto's _____. 23) _____
- A) marketing objective
 - B) business definition
 - C) vision statement
 - D) marketing strategy
 - E) mission goal
- 24) A strategic plan has this item or items following its marketing objectives: 24) _____
- A) marketing strategies
 - B) target market selection
 - C) budgetary requirements
 - D) research plans
 - E) marketing mix
- 25) Paul Pierce is busy working with other managers evaluating the products and businesses making up their company. Paul is engaged in _____. 25) _____
- A) preparing a business portfolio
 - B) marketing planning
 - C) portfolio analysis
 - D) marketing auditing
 - E) strategic business unit analysis

- 26) Kimball Gardens is a company that operates as two distinctive businesses □ one that sells lawn and garden products and one that markets booklets. Each business is called a _____. 26) _____
- A) profit centre (PC)
 - B) strategic business unit (SBU)
 - C) business portfolio
 - D) separate entity
 - E) division
- 27) The firm you work for has decided to use the Boston Consulting Group's (BCG's) approach to classify its business units. What is the approach based on? 27) _____
- A) cost-benefit analysis
 - B) most profitable units
 - C) customer retention
 - D) customer satisfaction
 - E) growth-share matrix
- 28) If you were using the Boston Consulting Group's (BCG's) approach, you would know that market growth rate is a measure of _____. 28) _____
- A) company strength in the market
 - B) market attractiveness
 - C) the unit stock value
 - D) customer attractiveness
 - E) decline of competitors
- 29) Your company's relative market share on the BCG matrix serves as a measure of _____. 29) _____
- A) sales potentiality
 - B) company strength in the market
 - C) profit
 - D) market attractiveness
 - E) diversification options
- 30) Having classified the SBUs for your company according to the BCG approach, the next step is to determine _____. 30) _____
- A) what role each will play in the future
 - B) diversification options
 - C) the three-year marketing budget
 - D) the tactical five year plan
 - E) sales potentiality for each product
- 31) What do we call the collection of businesses and products that make up the company? 31) _____
- A) investment diversity
 - B) needs inventory
 - C) business portfolio
 - D) marketing mix
 - E) departments
- 32) The key goal of portfolio analysis is to: 32) _____
- A) evaluate the businesses within the company

- B) set short- and long-term goals
- C) find new markets for existing products
- D) find new business opportunities
- E) rate and rank opportunities

- 33) Under the BCG growth-share matrix, the market growth rate provides: 33) _____
- A) the primary information for investment/divestiture decisions
 - B) a measure of profitability for all products
 - C) a measure of company attractiveness
 - D) a measure of market attractiveness
 - E) a measure of the company's strength in the market
- 34) The VP marketing was conducting a business analysis of the new product that had been launched six months ago. Its potential was strong with high market shares and rapid market growth. The VP classified the product as: 34) _____
- A) a star
 - B) a target market
 - C) a GE matrix candidate
 - D) a BCG matrix candidate
 - E) a cash cow
- 35) Under the BCG growth-share matrix, relative market share provides: 35) _____
- A) a measure of the company's strength in the market
 - B) a measure of market attractiveness
 - C) a measure of profitability for all products
 - D) the primary information for investment/divestiture decisions
 - E) an analysis of the cash cows
- 36) Under the BCG growth-share matrix a product is classified as a "dog" when: 36) _____
- A) products are in low growth areas
 - B) a star is not achievable
 - C) products generate enough cash to build stars
 - D) products have high market shares
 - E) a question mark is not achievable
- 37) Phocas Enterprises' main product is olive oil, a growth market in Canada. In Greece while their market share remain high, the market segment is mature and exhibits little growth. Phocas Enterprises' olive oil in Greece is considered: 37) _____
- A) a star
 - B) a cash cow
 - C) an exclamation mark
 - D) a divestiture
 - E) a dog
- 38) The pharmaceuticals division of Omni Healthcare holds low market share in a high-growth market. In order to increase market share, managers may decide to _____. 38) _____
- A) continually add new products in the market
 - B) implement a harvest strategy

- C) use money from a cash cow to promote the pharmaceuticals division
- D) divest the SBU
- E) A or C

39) According to the BCG growth-share matrix, which type of SBU may generate enough cash to maintain itself, but does not appear to be a source of extra profits? 39) _____

- A) dogs
- B) new opportunities
- C) stars
- D) cash cows
- E) question marks

40) CSI introduced Howardo, their Internet connection service, 6 months ago. Overall, the market for this product is increasing at 25% per year, yet CSI only controls 8% of the market. Together, the three market leaders control 63% of the market. Where would you place this product on a BCG grid? 40) _____

- A) as a cow
- B) as a dog
- C) as a diversification opportunity
- D) as a star
- E) as a question mark

41) John Koonz loves pizza. Two years ago he opened "Johnny K's" pizzeria in Newfoundland. Within six months he discovered the market was growing by only 0.5% per year. He still thought he could turn a profit by capturing a large share. His current share of the pizza market is 2%. How would you describe "Johnny K's?" 41) _____

- A) as a star
- B) as a dog
- C) as a question mark
- D) as covering the middle of most quadrants
- E) as a cow

42) Debra wants to open a coffee shop. She knows that in her community, coffee sales are booming, and are expected to continue healthy growth over the next few years. According to the Boston Consulting Group (growth-share) matrix, Debra is facing a: 42) _____

- A) cash cow
- B) market development opportunity
- C) question mark
- D) dog
- E) market penetration opportunity

43) With regards to matrix methods of strategic planning: 43) _____

- A) computers are making the process easier and less expensive
- B) research has shown that it doesn't work well
- C) many companies have stopped doing matrix-based planning
- D) matrix-based planning methods are growing in popularity
- E) employees may not be supportive of its outcomes, resulting in

problems with employee morale

- 44) Which of these is NOT one of the common strategies of the BCG approach? 44) _____
A) build
B) divest
C) hold
D) harvest
E) abandon
- 45) The decision to milk an SBU of its short-term cash flow, regardless of the long-term effects of this action is called a _____ strategy. 45) _____
A) star
B) cash cow
C) harvest
D) divest
E) hold
- 46) Matrix approaches to planning have been criticized because of their _____ in implementation. 46) _____
A) lack of accuracy
B) cost
C) complexity
D) density
E) fallibility
- 47) A problem with using the BCG matrix centres around the fact that it is _____ oriented instead of _____ oriented. 47) _____
A) financially; customer
B) future; now
C) now; market
D) customer; supplier
E) now; future
- 48) Today much of strategic planning is: 48) _____
A) formalized
B) matrix based
C) customized
D) centralized
E) ineffective
- 49) When McDonald's servers ask "Would you like fries with that?", they are engaging in this type of strategy: 49) _____
A) market development
B) product development
C) business development
D) diversification and market development
E) market penetration
- 50) A common practice among marketers is to increase sales to current customers without changing their products. What is this practice called? 50) _____
A) market skimming

- B) business development
- C) market development
- D) product extension
- E) market penetration

- 51) A common practice among marketers is to identify and develop new markets for their existing products. This practice is called _____. 51) _____
- A) product development
 - B) market development
 - C) market adaptation
 - D) market penetration
 - E) market skimming
- 52) MegaVitamins Company has decided to pursue a product development strategy whereby it will offer _____ products to _____ markets. 52) _____
- A) modified or new; current
 - B) current; current
 - C) consumer; business
 - D) current; new
 - E) new or modified; new
- 53) Mountain Home Farms is now using the product/market expansion grid. The owners have found it to be quite useful for identifying _____. 53) _____
- A) new products
 - B) key customers
 - C) suppliers
 - D) growth opportunities
 - E) target markets
- 54) You have been given the assignment to develop new markets for your current products and services. Which of the following might work? 54) _____
- A) reviewing new demographic markets
 - B) reviewing new geographic markets
 - C) reviewing current sales records
 - D) A and B
 - E) reviewing current customer attitudes
- 55) The product-market expansion grid: 55) _____
- A) doesn't work well with service or non-profit marketing planning
 - B) helps to identify cash cow opportunities
 - C) provides six different strategies for firms to pursue
 - D) provides a numerical rating from 1 to 100% which is very useful for evaluating opportunities
 - E) allows firms to investigate new, and existing, product/market combinations
- 56) The introduction of the McDonald's Express (smaller restaurants that offer limited seating and menu choices) is an example of a: 56) _____
- A) market penetration strategy
 - B) market entry strategy
 - C) diversification strategy

- D) product development strategy
- E) market development strategy

- 57) Your textbook suggested that Tim Hortons might consider a _____ strategy. This strategy would allow the company to start up or buy businesses outside of its current products and markets. 57) _____
- A) product penetration
 - B) market development
 - C) diversification
 - D) product development
 - E) either A or B
- 58) General Motors' purchase of Hughes Aerospace is an example of which type of strategy? 58) _____
- A) diversification
 - B) product development
 - C) market penetration
 - D) market development
 - E) market expansion
- 59) Acme, Inc., has modified the production processes of its widgets and gadgets in order to tap into the Eastern European market. Acme is likely following a _____ strategy. 59) _____
- A) matrix
 - B) market development
 - C) product development
 - D) market penetration
 - E) diversification
- 60) AgrEvo's introduction of its first post-emergent herbicide is an example of what growth strategy? 60) _____
- A) diversification
 - B) the BCGB matrix
 - C) the GE matrix
 - D) product development
 - E) market penetration
- 61) Duncan Aviation operates a series of successful executive aircraft repair facilities across the U.S. Recently Todd Duncan decided to obtain the rights to provide meals for all Air Canada and Canadian flights departing from Winnipeg. This is an example of what strategy? 61) _____
- A) market penetration
 - B) the GE approach
 - C) diversification
 - D) the BCG approach
 - E) product development
- 62) The efforts of Levi Strauss management to increase jean purchases among its existing customers is consistent with which growth strategy? 62) _____
- A) market development and product development
 - B) product diversification
 - C) cash cow maintenance

- D) star divestiture
- E) market penetration

- 63) In seeking to identify new demographic groups which can be encouraged to buy Levi Strauss products for the first time, the company is pursuing which growth strategy? 63) _____
- A) product development
 - B) demographic development
 - C) market development
 - D) diversification
 - E) geographic development
- 64) An example of diversification for McDonald's would be to: 64) _____
- A) continue to ask, "Want fries with that?"
 - B) develop a new chicken wrap sandwich
 - C) add financial services to their website
 - D) market products low in sodium for seniors markets
 - E) reduce the price on Big Macs
- 65) Tim Horton's approach has long been established on what strategy? 65) _____
- A) diversification
 - B) market development
 - C) product development
 - D) market penetration
 - E) star expansion
- 66) Which organizational function has primary responsibility for achieving profitable growth for the company? 66) _____
- A) finance & accounting
 - B) Research & development
 - C) the production department
 - D) marketing
 - E) labour relations and HR
- 67) Which of the following explain(s) why a firm might want to abandon products? 67) _____
- A) The firm may have grown too fast.
 - B) The firm may have entered areas where it lacks experience.
 - C) The products may have become less profitable.
 - D) The market environment might have changed.
 - E) All of the above.
- 68) Partner relationship management is related to: 68) _____
- A) new relationships
 - B) customer enhancement
 - C) customer relationships
 - D) value chains
 - E) product relationships
- 69) Pioneer Dried Foods works hard to link each of its company departments to accomplish its goals in what is called a company _____. 69) _____

- A) value chain
- B) networking
- C) value-delivery network
- D) channel of distribution
- E) profile

70) A company's value chain is successful when each department adds _____ for customers and _____ other departments. 70) _____

- A) satisfaction; coordinates with
- B) value; coordinates with
- C) value; shares budgets with
- D) value; strengthens
- E) efficiency; differentiates among

71) Jack Welch, CEO at General Electric, expresses the message that "If you are not thinking _____, you are not thinking". 71) _____

- A) growth
- B) success
- C) efficiency
- D) customer
- E) strategically

72) McDonald's partners well with others in its marketing system. What does the "C" stand for in its QSCV standard? 72) _____

- A) career
- B) customer
- C) catering
- D) caring
- E) cleanliness

73) When Campbell Soup sets high standards for suppliers and then selects only those few who meet those standards, their joint effort to constantly improve performance is an example of a(n): 73) _____

- A) customer value delivery network
- B) joint venture
- C) customer/product profitability analysis
- D) integrated production operations management
- E) value added production synergy

74) A major reason that more companies are partnering with other members of the supply chain is to improve the performance of the customer _____. 74) _____

- A) relations' feedback
- B) value-delivery network
- C) global systems network
- D) purchasing model
- E) profile analysis

75) Wal-Mart relies on sound relationships with its low-cost suppliers in order to pass low prices on to consumers. Thus, forming a _____ is crucial to Wal-Mart's success. 75) _____

- A) market concept philosophy

- B) diversification strategy
- C) value chain
- D) customer relationship management policy
- E) value-delivery network

76) Partnering with other members in the distribution channel (supply chain) is part of a _____.

- A) value chain
- B) value-delivery network
- C) value orientation
- D) value discipline
- E) product partnership

76) _____

77) Partner relationship management with other companies has as its purpose to form an effective _____ that serves the customer.

- A) value chain
- B) supply chain
- C) value-delivery network
- D) channel of distribution
- E) promotion

77) _____

78) In today's marketplace, competition has shifted away from individual competition between companies to competition among the entire _____.

- A) industry
- B) supply chain
- C) market
- D) value-delivery network
- E) global market

78) _____

79) The marketing manager took the trainee aside to explain how companies determine the best marketing mix to support their businesses. What should the trainee be told?

- A) the marketing mix is determined by engaging in marketing analysis, planning, implementation and control
- B) the marketing mix is determined by using the product / market expansion grid
- C) the marketing mix is determined by using the GE strategic planning grid
- D) the marketing mix is determined by using the BCG growth share matrix
- E) the marketing mix is determined by designing product, price, place and psychological elements

79) _____

80) The "4 Ps" of marketing refer to all of the following except:

- A) product
- B) place
- C) person
- D) promotion
- E) price

80) _____

81) You are excited about studying marketing. You tell your younger

brother that

product, 81)
price,
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and
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- A) marketing mix
- B) marketing combination
- C) marketing value
- D) marketing strategy
- E) marketing package

82) Leslie Ohmann has just prepared a PowerPoint presentation of the marketing process to show at a sales meeting. If you look closely, you will see that _____ stand(s) in the centre.

82) _____

- A) customers
- B) customer retention
- C) company objectives
- D) sales goals
- E) the profit motive

83) TelStar Plastics is in the process of dividing a market into distinct groups of buyers with different needs, characteristics, or behaviour who might require separate products or marketing programs. What is this firm engaged in?

83) _____

- A) market skimming
- B) market penetration
- C) market segmentation
- D) market development
- E) market diversification

84) Paul Pendergraff has discovered a group of potential customers who seem to respond in a similar way to a given set of marketing efforts. Paul has discovered a(n) _____.

84) _____

- A) market segment
- B) gold mine
- C) market
- D) target market
- E) undefined niche

85) Paul Pendergraff is evaluating each market segment's attractiveness and is in the process of selecting one or more segments to enter. What is Paul doing?

85) _____

- A) target marketing
- B) marketing segmenting
- C) marketing
- D) wasting his company's time
- E) market positioning

- 86) The process of dividing a market into distinct groups of buyers with different needs, characteristics, or behaviours is called: 86) _____
- A) demand forecasting
 - B) market targeting
 - C) market analysis
 - D) market segmentation
 - E) market positioning
- 87) The marketing process identifies the _____ and divides it into smaller _____. 87) _____
- A) industry; markets
 - B) customer; preferences
 - C) market; segments
 - D) market; market shares
 - E) competition; competitors
- 88) The brand manager was trying to establish a process for determining how to best market her products. What process should she follow? 88) _____
- A) choose a product, then find a segment to buy it
 - B) develop a product and promote it aggressively to a mass market
 - C) focus on producing goods cheaply to focus on a discount market
 - D) divide up the total market, choose the best segments, and select profitable strategies for the segment
 - E) a process of establishing a mission statement and corporate objectives
- 89) If managers of Burger World intended to model their marketing strategy on Jollibee's smart niching strategy, which of the following may occur? 89) _____
- A) A mass marketing strategy may be used.
 - B) Managers may work to strongly differentiate the goods-and-services combination from all competitors.
 - C) The unique tastes of only a small, local target market may be more important than standardized fare.
 - D) Managers may concentrate their limited resources within a small geographic region.
 - E) All of the above, except A
- 90) A(n) _____ consists of consumers who respond in a similar way to a given set of marketing stimuli. 90) _____
- A) portfolio matrix
 - B) market segment
 - C) objective
 - D) strategy
 - E) market niche
- 91) When it tried to break into the coffee market, Sun-Rype learned an important lesson in target marketing. That lesson is: 91) _____
- A) investing in coffee is a losing proposition.
 - B) the coffee market is ripe for new entrants.
 - C) over-diversifying can be a mistake.
 - D) expanding one's product offering is always a good strategy.
 - E) over-reliance on core competencies can cause one to miss good

opportunities.

- 92) Most companies enter a new market by serving _____ segment(s). 92) _____
A) multiple
B) dual
C) a single
D) three or more
E) the most profitable
- 93) When we practice _____, we arrange for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers. 93) _____
A) target segmenting
B) market selling
C) repositioning
D) market positioning
E) product distribution
- 94) Arranging for a product to occupy a clear, distinctive, and desirable place relative to competing products in the minds of target consumers is called: 94) _____
A) market segmentation
B) market leadership
C) market positioning
D) market targeting
E) market placing
- 95) Phil Reno has researched new markets and has decided which segments to enter. Next he should decide what _____ his company should occupy in those segments. 95) _____
A) position
B) percentage of space
C) rating
D) place
E) rank
- 96) In general terms, Time Out chocolate bars are positioned as the perfect way to take a light snack/break. For Time Out to be perceived this way by consumers, its marketing program must: 96) _____
A) focus its promotional efforts on personal selling
B) focus the entire marketing program to support the positioning strategy
C) prioritize advertising to support its positioning strategy
D) place its greatest efforts on efficiently producing the product
E) divest competitive products
- 97) Saturn uses the tag line, "a different kind of company, a different kind of car." This demonstrates Saturn's _____. 97) _____
A) portfolio analysis
B) mission statement
C) the influence of GE's strategic planning grid
D) positioning

E) market expansion grid

- 98) The key to successfully positioning a product such as 7-up as the "uncola" is: 98) _____
- A) conducting a portfolio analysis
 - B) using the product-market expansion grid
 - C) looking at geographic, psychographic and behavioural elements
 - D) identifying potential advantages versus the competition
 - E) focusing on corporate strategies
- 99) In positioning its product, a company first identifies possible _____. 99) _____
- A) target markets
 - B) customer satisfaction indexes
 - C) competitive advantages
 - D) competitors' positions
 - E) customer benefits
- 100) Services, packaging, brand name and variety are all part of the _____ part of the marketing mix. 100) _____
- A) product
 - B) promotion
 - C) target market
 - D) place
 - E) price
- 101) Market coverage, inventory assortment and location are all part of the _____ component of the marketing strategy: 101) _____
- A) target market
 - B) place
 - C) product
 - D) price
 - E) promotion
- 102) Once your company has decided on its overall competitive marketing strategy, it is ready to begin planning the details of its _____. 102) _____
- A) marketing mix
 - B) sales forecast
 - C) promotion campaign
 - D) strategic plan
 - E) tactical plan
- 103) Environmental Service Company wants to practice effective market positioning. The owners have discovered that it begins with actually _____ the company's marketing offer so that it gives consumers more value. 103) _____
- A) selling
 - B) advertising
 - C) representing
 - D) promoting
 - E) differentiating
- 104) The brand manager changed the combination of goods and services the _____ company

offered 104)
to its
target
market.
This
emphasi
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which
element
of the
marketin
g mix?

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- A) product
- B) place
- C) payment
- D) price
- E) promotion

105) Which of the four Ps describes the goods-and-services combination the company offers to the target market? 105) ____

- A) package
- B) promotion
- C) product
- D) place
- E) price

106) Decisions regarding inventory and availability of the company's offer to the target consumer are part of which element of the marketing mix? 106) ____

- A) person
- B) promotion
- C) payment
- D) place
- E) price

107) Banking, airline, and retailing services are properly termed _____. 107) ____

- A) accessories
- B) adjunct products
- C) service encounters
- D) products
- E) service products

108) As one of the 4 C's, "convenience" is related to: 108) ____

- A) place
- B) price
- C) promotion
- D) target market
- E) product

109) A concern with the four Ps is that it takes the _____ view and not the _____ view. 109) ____

- A) seller's; buyer's
- B) broad; narrow

- C) buyer's; seller's
- D) traditional; modern
- E) domestic; global

- 110) Today the four Ps are compared to the four Cs. Product and price are called _____ and _____ respectively. 110) _____
- A) communication; customer solution
 - B) customer solution; customer cost
 - C) communication; convenience
 - D) convenience; customer solution
 - E) customer cost; convenience
- 111) Marketers see themselves as selling products, while customers see themselves as buying _____. 111) _____
- A) satisfaction
 - B) products, services, or ideas
 - C) value or solutions to their problems
 - D) experiences
 - E) bargains
- 112) Managing the marketing process involves four management functions. This includes all but which one of the following? 112) _____
- A) planning
 - B) categorizing
 - C) implementing
 - D) controlling
 - E) analyzing
- 113) Which of the following statements is true about marketing planning? 113) _____
- A) it is separate from strategic planning
 - B) it is determined by the target market
 - C) it starts with the company mission statement
 - D) it evolves from the marketing mix
 - E) it involves deciding on marketing strategies
- 114) The assistant product manager was asked to identify her product's strengths and weaknesses while considering its opportunities and threats. She is conducting: 114) _____
- A) marketing planning
 - B) marketing implementation
 - C) a marketing analysis
 - D) marketing control
 - E) a marketing evaluation
- 115) The product manager at Hallmark Cards was responsible for turning marketing strategies into specific day-to-day, month-to-month activities. He is responsible for: 115) _____
- A) marketing analysis
 - B) marketing control
 - C) marketing planning
 - D) marketing strategies
 - E) marketing implementation

- 116) A brilliant marketing strategy counts for little if the company fails to _____ it properly. 116) _____
A) implement
B) adopt
C) construct
D) budget
E) strategically plan
- 117) The answers to questions such as, "What will be done?", "When will it be done?", "Who will do it?" and "How much will it cost?" all come under which section of the marketing plan? 117) _____
A) the executive summary
B) the current marketing situation
C) the executive evaluation
D) the action program
E) the marketing strategy
- 118) This type of marketing organization is based on the jobs that people do. 118) _____
A) the product management organization
B) the functional organization
C) the market management organization
D) the geographic organization
E) the brand management organization
- 119) Marketing planning addresses the what and why of marketing activities. Implementation addresses the _____. 119) _____
A) when, where, how
B) who, where, when, how much
C) who, where, when, how
D) why not
E) who, when, where
- 120) According to the textbook, your boss is referring to _____ when she mentions "doing the right things". 120) _____
A) strategy
B) objectives
C) proper execution
D) efficiency
E) planning
- 121) David is a sales representative for Xerox. His sales territories are based on the first 3 digits of postal code areas. This is characteristic of what type of organization? 121) _____
A) a psychographic
B) a product management
C) a geographic
D) a functional
E) a market management
- 122) New Health Age has its sales and marketing people assigned to specific countries, regions, and districts. We refer to this organization as _____ orga d by
nize _____

- 122) _____

- A) function
 - B) product
 - C) geography
 - D) division
 - E) psychographics
- 123) Firms that use a _____ form of organizational structure can be confident that each product, market and function get the attention required. 123) _____
- A) marketing management organization
 - B) geographic organization
 - C) formal organization
 - D) functional organization
 - E) combination of geographic, functional, market or product management organization
- 124) Which of the following is/are step(s) in the marketing control process? 124) _____
- A) taking corrective action
 - B) identifying customer attitudes
 - C) creating promotion goals
 - D) choosing target markets
 - E) setting sales performance goals
- 125) The process of measuring and evaluating the results of marketing plans is part of the _____ process. 125) _____
- A) marketing control
 - B) planning and auditing
 - C) environmental control
 - D) environmental planning
 - E) strategic marketing
- 126) Emerson Studios, a chain of 25 portrait stores in five Provinces, has organized its marketing organization into different marketing activities headed by specialists. What kind of marketing organization is this? 126) _____
- A) organic
 - B) market
 - C) product
 - D) functional
 - E) geographic
- 127) Peter Cramer is involved in evaluating the results of marketing strategies and plans and taking corrective action to ensure that objectives are attained. What do we call Peter's current work? 127) _____
- A) auditing
 - B) marketing planning
 - C) strategic planning
 - D) marketing control
 - E) tactical planning
- 128) The third stage in the marketing control process is: 128) _____

- A) identifying target markets
- B) evaluating performance
- C) measuring performance
- D) designing the marketing mix
- E) taking corrective action

129) David is responsible for checking the ongoing performance of his firm against its annual plan and troubleshooting when the firm's outcomes do not meet original objectives. What process is David responsible for completing? 129) _____

- A) an environmental audit
- B) operating control
- C) marketing planning
- D) a marketing audit
- E) strategic control

130) A major diagnostic marketing control tool is the comprehensive, systematic, independent review of a company's environment, objectives, strategies, and activities. This is called the: 130) _____

- A) profitability plan
- B) marketing audit
- C) strategic plan
- D) marketing plan
- E) annual control process

131) Judy is responsible for reviewing her company's marketing environment, marketing strategy, marketing mix, marketing productivity and profitability. Judy is completing a(n) _____. 131) _____

- A) marketing audit
- B) strategic audit
- C) strategic planning
- D) environmental plan
- E) marketing plan

132) Juanita Calistro is looking at whether her company's strategies are well matched to its opportunities. It seems that Juanita is engaged in _____. 132) _____

- A) market control
- B) strategic control
- C) operating control
- D) loss of control
- E) marketing auditing

133) Customers, channel members, suppliers, competitors and consumers are all part of the firm's marketing _____. 133) _____

- A) future
- B) environment
- C) plan
- D) team
- E) mix

134) A company analyzes its environment so that it can identify both _____ _____

and 134) _____

- A) channel members and opportunities
- B) threats and opportunities
- C) competitors and customers
- D) new ideas and limitations
- E) suppliers and channel members

135) Ashley is part of a team that ensures that the firm's marketing strategies are a good match for the opportunities in the marketing environment. 135) _____

She and her team are engaged in:

- A) market selection
- B) operating management
- C) operating control
- D) strategic management
- E) strategic control

136) Which of the following is not true about Return on Marketing? 136) _____

- A) If firms don't measure the return on marketing expenditures, they may be wasting money.
- B) Marketing ROI can easily be determined by the application of a formula.
- C) Many executives are still searching for adequate Return on Marketing measurement tools.
- D) Measuring Marketing ROI is an important control function.
- E) Marketing ROI provides critical information to guide future actions of the firm.

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

137) Theme parks are part of Disney's value proposition. 137) _____

138) The first step in understanding a company's marketing strategy is understanding its overall corporate strategy. 138) _____

139) When your organization is involved in the task of selecting an overall company strategy for long-run survival and growth, it is conducting strategic planning. 139) _____

140) A company starts the strategic planning process at the corporate level by defining its values statement and internal strengths. 140) _____

141) Your major activity in strategic planning is strategic business unit planning where you evaluate the products and businesses making up the company. 141) _____

142) Just because your business is small doesn't mean that strategic planning is any less crucial than it is to a major corporation's future. 142) _____

143) You told your employees that the purpose of strategic planning is to find ways in which your company can best use its strengths to take advantage of attractive opportunities in the environment. Is your state or ment false? true 143) _____

143) _____

144) ABC Fortunes has just developed a formal statement of purpose. This firm has put together a mission statement. 144) _____

145) A company's long-term survival depends on its ability to respond effectively and efficiently to changing market conditions. 145) _____

146) Stanley has run a successful business for more than twenty years and he has benefited from advice he received early on; that is, to write and periodically revise a mission statement so that it remains current and guides people in his operation. Is the advice Stanley received true or false? 146) _____

147) Mission statements should be realistic and general in nature. 147) _____

148) Mission statements should both fit the market environment and be motivating. 148) _____

149) Experts advise that mission statements should be defined in terms of consumer needs. 149) _____

150) Studies show that firms with well-crafted mission statements have better organizational and financial performance. 150) _____

151) Selecting an overall company strategy for long-run survival and growth is called strategic planning. 151) _____

152) Defining a company's mission is the start of the strategic planning process. 152) _____

153) The consultant was advising a company on how to construct a company mission statement. He explained a mission statement does not need to be motivating, instead it should focus on profits and sales. Is this true or false? 153) _____

154) If MacDonald's defined its mission as "we make hamburgers" they would be using a product-based approach. 154) _____

155) If Air Canada were to phrase its mission as "to become the world's largest airline", this would be a good mission statement. 155) _____

156) After creating a mission statement and objectives, a firm should develop a business portfolio. 156) _____

157) Portfolio analysis identifies existing and desirable SBUs for the company to own, but does not evaluate their performance. 157) _____

158) A real estate firm whose mission focused on introducing new high tech computer products would not be a good mission statement because it would not fit with the organization's distinctive competencies. 158) _____

- 159) By definition, an SBU can be a division or even a product line but not a single product. 159) _____
- 160) Kathryn was busy focusing on future opportunities for growth and development. She was involved in planning the business portfolio. 160) _____
- 161) A cash cow opportunity only happens when a firm has a high market share of a high growth market. 161) _____
- 162) One division of your company is a low-growth, high-share business. This unit is referred to as a "star". 162) _____
- 163) Valerie owns a flower shop that has a leading market share in her area. The industry, however, is in a slump. According to the BCG grid, Valerie's flower shop is a "dog" opportunity. 163) _____
- 164) One problem with matrix approaches is that they focus on current businesses but provide little advice for future planning. 164) _____
- 165) A disadvantage of the BCG matrix approach is that it is too future oriented rather than current oriented. 165) _____
- 166) If Kellogg's created a Rice Krispie product high in fibre and vitamins, targeted at the 65 + age group, it would be following a strategy of market penetration. 166) _____
- 167) Marketing functions have the main responsibility for achieving profitable growth for companies. 167) _____
- 168) The major party responsible for achieving profitable growth for a company is top management, especially the CEO. 168) _____
- 169) When an organization identifies and develops new markets for its current products and services, it is engaged in market development. 169) _____
- 170) This strategy calls for offering modified or new products to current markets. We call it *product development*. 170) _____
- 171) Diversification often involves buying new businesses unrelated to a company's current products and markets. 171) _____
- 172) When a firm finds products or businesses that no longer fit its overall strategy, it must carefully prune, harvest, or merge them. 172) _____
- 173) It is not too much to say that in customer-centred companies, marketing is responsible for designing and managing a superior value-delivery network to reach target customer segments. 173) _____
- 174) When your employer looks beyond its own value chain and into the value chain of its suppliers, distributors, and ultimately customers, it is stressing the value-delivery network. 174) _____

- 175) In today's marketplace, competition takes place between individual competitors rather than between the entire value-delivery networks created by those competitors. 175) _____
- 176) A customer value delivery network includes the different areas of the company that add value to a product. It is not concerned with external suppliers or distributors. 176) _____
- 177) When Honda used its engineers to reduce the costs of its main supplier of mirrors, it was focusing on the customer value delivery network. 177) _____
- 178) The consultant explained that segmentation occurs when a product occupies a clear, distinctive, and desirable place in the minds of target consumers. Is this statement true or false? 178) _____
- 179) We segment markets to find distinct groups of buyers with different needs, behaviours, or characteristics who might require separate products or marketing programs. 179) _____
- 180) The product manager turned to the trainee and stated: "the first step in selecting target consumers is to segment the market." Is this advice true or false? 180) _____
- 181) Correct Fit Clothiers evaluates each market segment's attractiveness and selects one or more segments to enter when considering adding new lines of clothing. Correct Fit is engaged in selective marketing. 181) _____
- 182) Market positioning is something every business should consider. In order to develop a strong market position, companies must first identify possible competitive advantages upon which to build the position. 182) _____
- 183) The marketing mix consists of product, price, positioning, and promotion. 183) _____
- 184) The marketing mix is the set of controllable tactical marketing tools and uncontrollable consumer reactions to their use. 184) _____
- 185) Managing the marketing function first requires the company to analyze its markets and marketing environment to find attractive opportunities and to avoid environmental threats. 185) _____
- 186) A marketing analysis includes evaluating the company's situation, markets, environment, strengths and weaknesses, and current and possible marketing actions to determine which opportunities it can best pursue. 186) _____
- 187) In the threats and opportunities section of the marketing plan, the manager lists as many potential threats as can be imagined but stops short of assessing the likelihood of their occurrence. 187) _____
- 188) Action programs for marketing plans address what will be done, when it will be done, and who is responsible for doing it, but not how much it will cost, which is only

addresse 188)
d in the
budget
section.

-

- 189) Richard Kite, a seasoned marketing manager, commented that "often, planning good marketing strategies is easier than implementing them". Is Richard's statement true or false? 189) ____
- 190) "I want you to measure and evaluate the results of these marketing programs," stated the marketing manager to the product manager. This means the product manager needs to implement the marketing plan. 190) ____
- 191) "The couponing program will be evaluated after three months by monitoring redemption versus plan." This statement should go in the control section of the marketing plan. 191) ____
- 192) Marketing implementation is the process that turns marketing actions into marketing strategies in order to accomplish strategic marketing objectives. 192) ____
- 193) A new member of the team, you have been asked to organize the company geographically. What this means is the sales and marketing people are organized by specific countries, regions, and districts; true or false? 193) ____
- 194) A firm that organizes by specialist departments is called a divisional organization. 194) ____
- 195) The new employee was hired to develop and implement a marketing program for a new soap powder. This is a typical request in a product management organizational structure. 195) ____
- 196) Lever Brothers sells many different types of bar soaps such as Lever 2000 and Dove. Lever should use a product management organization. 196) ____
- 197) A clothing retailer sells garments to three different countries. The retailer should use a product management organization. 197) ____
- 198) Operating control involves checking ongoing performance against the annual plan and taking corrective action when necessary. 198) ____
- 199) Strategic control involves assessing whether or not the company's basic strategies are well matched with its opportunities. 199) ____
- 200) A marketing audit is a thorough examination of a company's performance, problems areas, and opportunities. 200) ____
- 201) Marketing environments are complex but the various forces that influence it are all within a firm's control. 201) ____
- 202) Marketing produces intangible outcomes which cannot be measured in term s of

productivity or return. 202) _____

203) Today, Marketing is viewed as an expense, not an investment. 203) _____

204) Like managers of other organizational functions, marketers must be able to show how their expenditures add value to the firm. 204) _____

205) Another name for "Return on Marketing" is "Return on Investment" or ROI. 205) _____

206) Ideally, marketing investments pay off in terms of improved customer service and staffing. 206) _____

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

207) Explain how a company begins the strategic planning process at the corporate level. 207) _____

208) Why should a mission statement be market oriented instead of focused on product or technology? 208) _____

209) Why should a mission statement be "motivating" instead of stated in terms of sales or profits? 209) _____

210) What provides the best business portfolio? 210) _____

211) How might the BCG matrix represent a product life cycle? 211) _____

212) What is a strategic business unit (SBU)? 212) _____

213) Into what BCG quadrant does a high-share, high-growth SBU fall? 213) _____

214) What type of strategy might a cash cow follow? 214) _____

215) According to the product/market expansion grid, what strategy would Starbucks follow when attempting to increase sales of current products to current customers? 215) _____

216) Into what quadrant of the product/market expansion grid would a "new and improved" product fall? 216) _____

217) How might Starbucks implement a market development strategy? 217) _____

218) According to the product/market expansion grid, what strategy would McDonald's follow when offering a salad bar option during lunch hours? 218) _____

219) Explain how a company begins the strategic planning process at the corporate

- level. 219) _____

- 220) Give two situations in which a company may develop strategies for downsizing its business portfolio. 220) _____
- 221) How are partner relationship management and the value chain related? 221) _____
- 222) Explain how a marketer of baking soda may attempt to attract more than one market segment. 222) _____
- 223) Give an example of a product for which segmenting the market would not be useful. 223) _____
- 224) How might a marketer of pens alter the "product" portion of the marketing mix when targeting female college students versus male college students? 224) _____
- 225) What role does the marketing mix play in positioning? 225) _____
- 226) Why is marketing analysis such an important part of marketing management? 226) _____
- 227) Give a situation in which the suggested strategy for a "dog" business or product might NOT be to divest. 227) _____

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

- 228) What are the four steps involved in strategic planning?
- 229) At a meeting of local business owners, you overhear a manager state that "Strategic planning does not apply to small businesses". Do you agree with this claim? Provide reasons to support your argument.
- 230) List the steps involved in strategic planning, and give an example for each.
- 231) For each of Disney and Zellers, give an example of a market-oriented, and a product-oriented, business definition.
- 232) The Boston Consulting Group growth share matrix consists of four types of business opportunities, all of which are classified based on two criteria. Explain the two criteria used to classify the opportunities, and name and describe the four types of opportunities in the matrix using the two criteria.
- 233) Describe the BCG matrix model. What are the limitations of portfolio analyses?
- 234) Using the Product-Market Expansion Grid, indicate how Tim Horton's could have an opportunity in each part of the grid. Describe what each quadrant in the grid is by name and describe how they differ from the other quadrants.
- 235) Compare and contrast the following strategies for growth: market penetration,

market development, product development, and diversification.

- 236) How do marketers use partner relationship management to their advantage?
- 237) Explain the role of the target market as the marketer attempts to build the marketing mix.
- 238) You have decided to sell fashionable jeans to the plus-size market. How will you segment this market and who is your target? Would your approach be any different if you had limited resources?
- 239) Compare the traditional four Ps to the current four Cs.
- 240) Identify the sections of the marketing plan. In your answer be sure to describe the strategic function of each section and what each section contains.
- 241) Define the marketing implementation process and explain how companies implement, organize, and control their marketing efforts.
- 242) What is a marketing audit? On what elements does the marketing audit focus?

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

- 52) A
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- 54) D
- 55) E
- 56) D
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- 73) A
- 74) B
- 75) E
- 76) B
- 77) C
- 78) D
- 79) A
- 80) C
- 81) A
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- 84) A
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- 195) TRUE
- 196) TRUE
- 197) FALSE
- 198) TRUE
- 199) TRUE
- 200) TRUE
- 201) FALSE
- 202) FALSE
- 203) FALSE
- 204) TRUE
- 205) TRUE
- 206) FALSE
- 207) At the corporate level, the company starts the strategic planning process by defining its

- over all purpose and mission; the mission is then turned into detailed supporting objectives.
- 208) A market-oriented mission statement defines the business in terms of customer needs; products and technologies become outdated, but basic market needs may last forever.
- 209) Sales and profits are only a reward for undertaking a useful activity; a company's employees need to feel that their work is significant.
- 210) The best business portfolio is the one that best fits the company's strengths and weaknesses to environmental opportunities. Sales and profits are only a reward for undertaking a useful activity; a company's employees need to feel that their work is significant.
- 211) Many SBUs start out as question mark, then move into the star category if they succeed; stars eventually become cash cows, then perhaps, dogs.
- 212) An SBU is a key part of a business—whether a product, product line, department, or an entire division—where managers place a major emphasis; an SBU is typically a major profit centre with a separate mission.
- 213) It falls into the “star” category.
- 214) A cash cow will generate cash that could, in turn, be used to finance and/or promote question marks.
- 215) Starbucks would follow a market penetration strategy in this scenario.
- 216) The “new and improved” product would fall into the product development quadrant.
- 217) Starbucks might attempt to identify and develop new markets for its current products.
- 218) In this scenario, McDonald's would follow a product development strategy.
- 219) At the corporate level, the company starts the strategic planning process by defining its overall purpose and mission; the mission is then turned into detailed supporting objectives.
- 220) Such strategies may prevail if a company has grown too fast or has entered areas where it lacks experience, for example.
- 221) Marketers must work closely with partners in other company departments to form an effective value chain that serves the customer.
- 222) Some consumers buy baking soda as a baking ingredient and some consumers buy baking soda to use as a deodorizer, for example. The marketer will focus on both uses in the marketing mix, such as how the product is promoted.
- 223) There are numerous examples of such products that can be mass marketed. One example is Tylenol; focusing on demographics or geographics, for example, would not be useful.
- 224) The marketer may use feminine colors and a spiral-flower stripe, for example, when marketing its pens to the females; when targeting males, more neutral colors might be used.
- 225) The marketing mix creates a portion of the marketer's image in the marketplace. The marketing mix creates a “package” with which consumers can compare competitors.
- 226) This function allows the marketer to analyze environmental opportunities and threats which, in turn, allows the marketer to determine which opportunities to pursue. From this starting point, the market can continue with planning, implementation, and control.
- 227) Consider a new technology that is being launched into the market. If managers of the dog are merely waiting to implement that new technology or to somehow incorporate it into the dog, moving the dog into a different BCG quadrant, divesting would not have been practical.
- 228) Strategic planning is defined as the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities. The four steps in the strategic planning process are:
1. Defining the company mission
 2. Setting company objectives and goals
 3. Designing the business portfolio

4. Planning, marketing and other related strategies

229) The business manager is incorrect. All businesses can benefit from strategic planning. Small businesses usually start with strategic plans but as the businesses get off the ground the owners and managers are preoccupied with running the businesses and allocate little time to strategic planning. Strategic planning offers businesses the advantages of:

- helping managers anticipate market conditions
- helping managers prevent detrimental situations
- helping managers determine how to manage anticipated situations
- helping managers see market opportunities and threats
- helping managers reposition products to stay competitive in the market

230) (See Figure 2-1 in text for illustration, on page 46) Any reasonable example is suitable.

Step One: Define the corporate mission (any example)

Step Two: Set corporate goals and objectives

Step Three: Design the business portfolio

Step Four: Design functional plans for each business functional area (marketing, human resource operations, finance, management information systems)

Steps One through Three are done at the corporate level, while step Four is done at the individual business level.

231) Disney:

Product-Oriented View - we run theme parks and make films

Market-Oriented View - we provide fantasies and entertainment

Zellers:

Product-Oriented View - we run discount stores

Market-Oriented View - we offer products and services that deliver superior value to Canadians.

232) The two criteria used to classify opportunities within the Boston Consulting Group Matrix are market growth and market share.

Star: A high growth/high market share opportunity

Question Mark: A high growth/low market share opportunity

Cash Cow: A low growth/high market share opportunity

Dog: A low growth/low market share opportunity

233) The BCG portfolio matrix provide a structured approach to analyzing businesses and identifying where funding should be directed. It also serves as a sound way to review a product's strengths and weaknesses in the market, relative to the competition. However, portfolios are limited by the following:

- They are difficult to use and time consuming.

agement must still rely on its own judgment to classify businesses appropriately.

They · They encourage companies to get into growth areas where they have little expertise.

provi

de The BCG matrix consists of:

little

direc · Stars.

tion Products in high growth markets with high market share

for

futur · Cows.

e Products in low growth markets with high market shares

busi

nesse · Question Marks.

s. Products in high growth markets with low market shares

· Dogs.

Man Products in low growth markets with low market shares

234) Market penetration: This involves selling the same product that the firm already carries in target markets that it already serves. When Tim Horton's sells coffee it is practicing market penetration.

Product development: This involves selling new products to existing customers. If Tim Horton's decided to sell pizza then it would be practicing product development.

Market development: This involves selling existing products to new target markets. If Tim Horton's decided to sell its coffee to new countries (eg: Hong Kong) then it would be practicing market development.

Diversification: This approach involves completely new products and markets. If Tim Horton's decided to sell auto insurance in a foreign market then it would be pursuing diversification.

235) Market penetration consists of increasing sales of existing products in current markets. Market development, on the other hand, seeks to sell existing products in new markets. When neither of the above is effective, marketers seek to develop new or modified products for current markets by practicing product development. A final approach is to start up or buy businesses outside the firm's current products or markets; this is known as diversification.

236) They work closely with partners in other company departments to form an effective value chain that serves the customer. They also partner effectively with other companies in the marketing system to form a competitively superior value-delivery network. Each department within a company carries out value-creating activities to design, produce, market, deliver, and support the firm's products and services. Success depends on coordination and quality. These same marketers must look into the value chains of their suppliers, distributors, and ultimately customers to coordinate an effective system.

237) Depending on the demographic, psychographic, and/or geographic characteristics of the target market, the marketer will develop the product, set the right price, determine the best way to promote, and select the best place to distribute the product. All four elements, the four Ps, create a "package" that is as attractive as possible to the target market. As characteristics of the target market change, the marketing mix should also be altered.

238) Segmenting the market involves identifying distinct groups of buyers with similar needs or behaviours. We have already decided to go after plus-size consumers but there may be a number of sub-groups who require a different marketing mix. For example, we can

different segments might respond to differences not only in product (cut and fabric) but in price. Each segment must be analyzed in terms of its attractiveness as we want to target only those we can profitably serve and sustain over time. If funds were limited, deciding to serve only one or a few segments or "niches" is recommended.

239) Traditionally, the four Ps were created from the marketer's viewpoint. Today, the four Cs are created from the consumer's viewpoint. Product now is viewed as customer solution. Price is really customer cost. Place equates to convenience, and promotion is actually nothing more than communication. Customers buy value and solutions to their problems. Marketers should first think through the four Cs, and then build the four Ps on that platform.

240) Marketing plans should have eight sections.

- The executive summary provides a brief overview of key points.
- The current marketing situation presents relevant background.
- The threats and opportunities section identifies factors affecting the product.
- The objectives and issues section defines share, profit, and sales goals.
- Marketing strategy presents the broad approach.
- Action programs specify how to proceed.
- Budgets give P/L estimates.
- Controls measure planned progress.

241) Marketing implementation turns strategies into plans and actions, specifying who, where, when, and how things will occur. It requires an action program, an organization structure, decision and reward systems, human resources planning, and fit with the company culture. Controls must provide objective feedback to all these areas.

242) The marketing audit covers all marketing areas—the marketing environment, marketing strategy, marketing organization, marketing systems, marketing mix, and marketing productivity and profitability. Audits are normally conducted by an outside party. Management then decides which actions make sense and how and when to implement them.