

TEST BANK



Eleventh Edition

RETAIL MANAGEMENT

A Strategic Approach



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Retail Management: A Strategic Approach, 11e (Berman/Evans)
Chapter 2 Building and Sustaining Relationships in Retailing

1) All of the activities and processes that provide a certain value for the customer are referred to as _____.

- A) a value chain
- B) customer service
- C) a value delivery system
- D) relationship retailing

Answer: A

Diff: 1 Page Ref: 29

Skill: Terminology/Concept

2) The bundle of benefits offered to consumers through a channel of distribution is _____.

- A) a value chain
- B) customer service
- C) a value delivery system
- D) relationship retailing

Answer: A

Diff: 1 Page Ref: 29

Skill: Terminology/Concept

3) An important component of the value chain concept is _____.

- A) the inevitability of channel conflict
- B) dependency of each channel member on one another
- C) the need for independence among channel members
- D) the need to minimize total channel costs

Answer: B

Diff: 2 Page Ref: 29

Skill: Terminology/Concept

4) Just-in-time inventory management and electronic data interchange are examples of _____.

- A) a value chain
- B) channel conflict
- C) seamless logistics management
- D) direct store delivery

Answer: A

Diff: 2 Page Ref: 29

Skill: Terminology/Concept

5) The minimum value chain elements a given customer segment expects from a type of retailer is a(n) _____.

- A) proposed retail strategy
- B) augmented retail strategy
- C) expected retail strategy
- D) potential retail strategy

Answer: C

Diff: 1 Page Ref: 30

Skill: Terminology/Concept

6) Which of the following does not comprise a competitive advantage to a retailer?

- A) a proposed retail strategy
- B) an augmented retail strategy
- C) an expected retail strategy
- D) a potential retail strategy

Answer: C

Diff: 1 Page Ref: 30

Skill: Terminology/Concept

7) A clean store environment, adequate parking facilities, and standard return privileges constitute a(n) _____.

- A) proposed retail strategy
- B) augmented retail strategy
- C) expected retail strategy
- D) potential retail strategy

Answer: C

Diff: 1 Page Ref: 30

Skill: Terminology/Concept

8) A unique strategy that no competing retailer in a given retail format has perfected constitutes a(n) _____.

- A) proposed retail strategy
- B) augmented retail strategy
- C) expected retail strategy
- D) potential retail strategy

Answer: D

Diff: 1 Page Ref: 30

Skill: Terminology/Concept

9) A retailer's focus on satisfaction of existing customers through seeking to form and maintain long-term bonds with customers is referred to as _____.

- A) commitment-based retailing
- B) customer satisfaction
- C) relationship retailing
- D) SERVQUAL

Answer: C

Diff: 2 Page Ref: 32

Skill: Terminology/Concept

10) The customer base, customer service, customer satisfaction, and loyalty programs and defection rates are components of _____.

- A) the American Consumer Satisfaction Index (ACSI)
- B) customer satisfaction
- C) the marketing concept applied to retailing
- D) relationship retailing

Answer: D

Diff: 1 Page Ref: 32

Skill: Terminology/Concept

11) Which statement concerning a retailer's core customers is not correct?

- A) A retailer's core customers are generally least price conscious.
- B) A retailer's core customers should represent its target market.
- C) A retailer's core customers deserve special treatment.
- D) A retailer's core customers prefer long-term relationships.

Answer: A

Diff: 2 Page Ref: 33

Skill: Terminology/Concept

12) Activities that enhance the shopping experience and give retailers a competitive advantage are referred to as a(n) _____.

- A) customer loyalty program
- B) potential customer service
- C) expected customer service
- D) augmented customer service

Answer: D

Diff: 2 Page Ref: 33

Skill: Terminology/Concept

13) A customer is billed monthly on the basis of his/her outstanding cumulative balance in a(n) _____.

- A) debit account
- B) open credit account
- C) revolving credit account
- D) option credit account

Answer: C

Diff: 1 Page Ref: 36

Skill: Terminology/Concept

14) A customer must pay his/her full bill when it is due in a(n) _____.

- A) debit account
- B) open credit account
- C) revolving credit account
- D) option credit account

Answer: B

Diff: 1 Page Ref: 36

Skill: Terminology/Concept

15) Partial, revolving payments are not permitted in a(n) _____.

- A) debit account
- B) open credit account
- C) revolving credit account
- D) option credit account

Answer: B

Diff: 1 Page Ref: 36

Skill: Terminology/Concept

16) A retailer can reward its best customers through _____.

- A) everyday low pricing
- B) manufacturer-sponsored coupons
- C) customer loyalty programs
- D) contests and sweepstakes

Answer: C

Diff: 1 Page Ref: 38

Skill: Terminology/Concept

17) A vital component of a customer loyalty program is _____.

- A) restricted membership
- B) new rules of participation
- C) standardized letters to participants
- D) a database to track consumer purchases

Answer: D

Diff: 2 Page Ref: 38

Skill: Terminology/Concept

18) An ongoing relationship between all the parties that develop, produce, deliver, and sell particular goods and services is referred to as _____.

- A) a value delivery system
- B) channel cooperation
- C) a channel partnership
- D) vertical integration

Answer: A

Diff: 1 Page Ref: 39

Skill: Terminology/Concept

19) A retailer seeks to maximize the profitability of its inventory assortment through _____.

- A) Efficient Consumer Response
- B) category management
- C) optimal space planning
- D) everyday low pricing

Answer: B

Diff: 2 Page Ref: 40

Skill: Terminology/Concept

20) Consumers lease physical products for a specified period of time with _____ services.

- A) owned-goods
- B) rented-goods
- C) intangible
- D) nongoods

Answer: B

Diff: 1 Page Ref: 41

Skill: Terminology/Concept

21) Airline travel is an example of a(n) _____ service.

- A) rented-goods
- B) regulated goods
- C) nongoods
- D) owned-goods

Answer: A

Diff: 2 Page Ref: 41

Skill: Terminology/Concept

22) Consumers have goods that they own repaired, maintained, or altered with _____ services.

- A) nongoods
- B) repair
- C) rented-goods
- D) owned-goods

Answer: D

Diff: 1 Page Ref: 41

Skill: Terminology/Concept

23) Lawn care and house painting are examples of _____ services.

- A) repair
- B) owned-goods
- C) nongoods
- D) rented-goods

Answer: B

Diff: 1 Page Ref: 41

Skill: Terminology/Concept

24) Tutoring is an example of a(n) _____ service.

- A) repair
- B) owned-goods
- C) nongoods
- D) rented-goods

Answer: C

Diff: 1 Page Ref: 42

Skill: Terminology/Concept

25) Intangibility particularly affects _____ services.

- A) nongoods
- B) repair
- C) rented-goods
- D) owned-goods

Answer: A

Diff: 2 Page Ref: 42

Skill: Terminology/Concept

26) Inseparability for a service provider affects which element of a retail strategy?

- A) the setting of a price
- B) advertising the firm in a distinctive manner
- C) accommodating demand in peak periods
- D) the establishment of branch units

Answer: D

Diff: 2 Page Ref: 42

Skill: Terminology/Concept

27) "Revenues from an "unrented hotel room are lost forever" refers to which characteristic of services?

- A) the perishability of services
- B) the variability of a service's quality
- C) the inseparability of the producer from the service
- D) the inseparability of the service from the service provider

Answer: A

Diff: 2 Page Ref: 42

Skill: Terminology/Concept

28) Which statement concerning retail technology is not correct?

- A) The roles of technology and humans must be clear and consistent with the objectives and style of a business.
- B) Technology can be viewed as impersonal and cold by some consumers.
- C) Consumers should be forced to use the most advanced technology as a means of cost control.
- D) Customers now expect certain technological advances, such as feedback on product availability.

Answer: C

Diff: 2 Page Ref: 43-44

Skill: Terminology/Concept

29) Electronic banking involves _____.

- A) consumers being able to complete transactions any day, any hour at both bank and nonbank locations
- B) weekly bank statements that reflect the past week's transactions
- C) the use of a national debit transfer system
- D) the use of a national credit reporting system

Answer: A

Diff: 2 Page Ref: 44

Skill: Terminology/Concept

30) A "smart card" is a form of a(n) _____.

- A) open credit plan
- B) layaway plan
- C) electronic payment plan
- D) revolving credit plan

Answer: C

Diff: 2 Page Ref: 44

Skill: Terminology/Concept

31) Retailers can quickly complete customer transactions, amass sales data, and adjust inventory through _____.

- A) electronic data interchange
- B) data warehousing
- C) computer-assisted ordering system
- D) point-of-sale scanning equipment

Answer: D

Diff: 1 Page Ref: 44-45

Skill: Terminology/Concept

32) _____ relates to the moral principles and values of a retailer.

- A) Social responsibility
- B) Ethics
- C) The golden rule
- D) Consumerism

Answer: B

Diff: 1 Page Ref: 46

Skill: Terminology/Concept

33) The balancing of corporate citizenship with a fair level of profits for stockholders, management, and employees concerns _____.

- A) social responsibility
- B) ethics
- C) the golden rule
- D) consumerism

Answer: A

Diff: 1 Page Ref: 48

Skill: Terminology/Concept

34) The activities of government, business, and other organizations to protect people from practices infringing upon their rights as consumers is _____.

- A) consumerism
- B) advertising regulation
- C) a consumer orientation
- D) social responsibility

Answer: A

Diff: 1 Page Ref: 49

Skill: Terminology/Concept

35) The right to safety, information, choice, and to be heard directly concern _____.

- A) social responsibility
- B) ethics
- C) the golden rule
- D) consumerism

Answer: D

Diff: 2 Page Ref: 49

Skill: Terminology/Concept

36) Which statement concerning value is not correct?

- A) Value is based on shoppers' perceptions.
- B) Value is based on perceived benefits received versus the price paid.
- C) Value relates to tangible product dimensions.
- D) A price-oriented shopper seeks low prices.

Answer: C

Diff: 1 Page Ref: 28

Skill: Applied/Comprehensive/Integrative

37) The major difference between value and a value chain is that only _____.

- A) value covers tangible benefits
- B) value covers intangible benefits
- C) the value chain relates to a channel of distribution
- D) the value chain covers the total bundle of benefits received by consumers

Answer: B

Diff: 2 Page Ref: 28-29

Skill: Applied/Comprehensive/Integrative

38) Which retail strategy does not provide a differential advantage to a consumer?

- A) optimal retail strategy
- B) augmented retail strategy
- C) expected retail strategy
- D) potential retail strategy

Answer: C

Diff: 2 Page Ref: 30

Skill: Applied/Comprehensive/Integrative

39) A retailer bases its overall customer service strategy on providing a 7-day return policy, having sufficient quantities of advertised goods on hand, and well-lit parking areas. The retailer's retail strategy can be described as a(n) _____.

- A) optimal retail strategy
- B) augmented retail strategy
- C) expected retail strategy
- D) potential retail strategy

Answer: C

Diff: 2 Page Ref: 30

Skill: Applied/Comprehensive/Integrative

40) Which return policy can be viewed as part of an augmented retail strategy?

- A) 7-day return policy
- B) 10-day return policy
- C) exchanges allowable but no money-back guarantee
- D) unconditional money-back guarantee

Answer: D

Diff: 2 Page Ref: 30

Skill: Applied/Comprehensive/Integrative

41) An expected retail strategy for a _____ can be an augmented retail strategy for a _____.

- A) costly specialty store; discount store
- B) warehouse club; department store
- C) shopping center; shopping district
- D) chain store; independent retailer

Answer: A

Diff: 2 Page Ref: 30

Skill: Applied/Comprehensive/Integrative

42) The optimal level of a value-oriented retail strategy is a(n) _____.

- A) augmented retail strategy
- B) potential retail strategy
- C) expected retail strategy
- D) optimal retail strategy

Answer: B

Diff: 2 Page Ref: 30

Skill: Applied/Comprehensive/Integrative

43) Relationship retailing can be distinguished from other retail strategies in that it stresses _____.

- A) long-term relationships with existing customers
- B) obtaining a constant stream of new customers
- C) short-term relationships with both existing and new customers
- D) short-term relationships with highly profitable customers

Answer: A

Diff: 2 Page Ref: 32

Skill: Applied/Comprehensive/Integrative

44) A regional airline found that its best 10 percent of customers accounted for 35 percent of its total revenues. These customers comprise the hotel's _____.

- A) expected customers
- B) niche customers
- C) loyal customers
- D) core customers

Answer: D

Diff: 1 Page Ref: 33

Skill: Applied/Comprehensive/Integrative

45) A restaurant carefully trains its employees to give them discretion to correct a service-related problem. For example, a waiter can give a guest a free appetizer if the wait for a table is more than 15 minutes. This illustrates _____.

- A) employee empowerment
- B) an expected customer service
- C) a potential customer service
- D) lip service, not real service

Answer: A

Diff: 2 Page Ref: 34

Skill: Applied/Comprehensive/Integrative

46) An advantage to a retailer's use of its individual retailer credit card over a bank-sponsored card is _____.

- A) greater flexibility in extending credit
- B) lower capital requirements
- C) lower interest costs
- D) lower bad debt costs

Answer: A

Diff: 2 Page Ref: 36

Skill: Applied/Comprehensive/Integrative

47) A retailer seeking to minimize bad debts should utilize what type of credit?

- A) revolving credit account
- B) commercial credit card
- C) option credit account
- D) open credit account

Answer: B

Diff: 1 Page Ref: 36

Skill: Applied/Comprehensive/Integrative

48) Which type of credit account does not allow a consumer to make a partial payment?

- A) layaway plan
- B) revolving credit account
- C) open credit account
- D) option credit account

Answer: C

Diff: 1 Page Ref: 36

Skill: Applied/Comprehensive/Integrative

49) Which statement concerning complaints is correct?

- A) Most consumers complain when dissatisfied.
- B) Complaining is relatively easy.
- C) Marketers should make it more difficult for consumers to complain.
- D) Most people feel complaining produces little or no positive results.

Answer: D

Diff: 1 Page Ref: 38

Skill: Applied/Comprehensive/Integrative

50) Airline-based affinity credit cards that give consumers one airline mile for each \$1 charged are an example of a _____.

- A) retailer-generated credit card
- B) customer loyalty program
- C) debit card
- D) smart card

Answer: B

Diff: 2 Page Ref: 38-39

Skill: Applied/Comprehensive/Integrative

51) A customer loyalty program is part of _____.

- A) relationship retailing
- B) customer satisfaction
- C) transactional retailing
- D) revolving credit

Answer: A

Diff: 2 Page Ref: 38-39

Skill: Applied/Comprehensive/Integrative

52) To properly study customer defection rates, a retailer needs _____.

- A) an experimental design
- B) a competitive intelligence reporting system
- C) a marketing information system
- D) a customer database

Answer: D

Diff: 1 Page Ref: 39

Skill: Applied/Comprehensive/Integrative

53) The interdependency among all channel members is expressed _____.

- A) in a value delivery system
- B) in an independent vertical channel system
- C) through vertical integration
- D) in franchising

Answer: A

Diff: 1 Page Ref: 39

Skill: Applied/Comprehensive/Integrative

54) In micro-merchandising, retailers seek to match local assortments to the needs of the population that each store serves. Thus, a supermarket located near a college may feature dormitory supplies, while a store located in a family area may feature discounts on frozen foods. Micro-merchandising is a form of _____.

- A) value-oriented strategy
- B) adaptation strategy
- C) category management
- D) consumerism

Answer: C

Diff: 2 Page Ref: 40

Skill: Applied/Comprehensive/Integrative

55) A retailer develops a merchandise plan on the basis of classifying goods into substitutes or complements. This illustrates _____.

- A) self-scanning
- B) nongoods services
- C) just-in-time inventory management
- D) category management

Answer: D

Diff: 2 Page Ref: 40

Skill: Applied/Comprehensive/Integrative

56) Which service most closely resembles goods-based retailing?

- A) rented-goods services
- B) leased-goods services
- C) nongoods services
- D) owned-goods services

Answer: A

Diff: 2 Page Ref: 40

Skill: Applied/Comprehensive/Integrative

57) The purchase of a Toyota Camry hybrid car on the basis of a three-year loan is a goods-based transaction; the lease of a Toyota Camry hybrid car on the basis of a three-year lease is a(n)

- _____.
- A) rented-goods service
 - B) leased-goods service
 - C) nongoods service
 - D) owned-goods service

Answer: A

Diff: 1 Page Ref: 41

Skill: Applied/Comprehensive/Integrative

58) Low-cost financing available from manufacturers for purchases of capital goods may lower the overall demand for _____ services.

- A) owned-goods
- B) leased-goods
- C) nongoods
- D) rented-goods

Answer: D

Diff: 2 Page Ref: 41

Skill: Applied/Comprehensive/Integrative

59) Instruction in home repair by home improvement centers is likely to reduce the demand for _____ services.

- A) rented-goods
- B) leased-goods
- C) nongoods
- D) owned-goods

Answer: D

Diff: 1 Page Ref: 41

Skill: Applied/Comprehensive/Integrative

60) Which service is the least tangible?

- A) rented-goods services
- B) leased-goods services
- C) nongoods services
- D) owned-goods services

Answer: C

Diff: 2 Page Ref: 42

Skill: Applied/Comprehensive/Integrative

61) The statement "in the supermarket, lettuce wilts; in a Broadway show, the curtain goes up" refers to which characteristic of services?

- A) the high variability in services
- B) the inseparability of the services from its provider
- C) low tangibility
- D) inability to stockpile inventories

Answer: D

Diff: 2 Page Ref: 42

Skill: Applied/Comprehensive/Integrative

62) A major problem for a service retailer seeking to expand into new geographic markets is _____.

- A) the high variability of services
- B) the inseparability of the services from its provider
- C) low tangibility
- D) inability to stockpile inventories

Answer: B

Diff: 2 Page Ref: 42

Skill: Applied/Comprehensive/Integrative

63) A potential problem relating to scanning that is unique to the self-checkout system is _____.

- A) consumer fraud
- B) scanner error
- C) employee training of how to use the scanner
- D) need for special shopping bags

Answer: A

Diff: 2 Page Ref: 45

Skill: Applied/Comprehensive/Integrative

64) A retailer can encourage ethical behavior among its employees through the development and communication of a _____.

- A) corporate mission statement
- B) code of ethics
- C) customer exchange policy
- D) customer service standard

Answer: B

Diff: 2 Page Ref: 46

Skill: Applied/Comprehensive/Integrative

65) The major difference between social responsibility of retailers and consumerism is that _____.

- A) consumerism is concerned with moral issues, while social responsibility is concerned with legal issues
- B) social responsibility is concerned with moral issues, while consumerism is concerned with legal issues
- C) social responsibility reflects an obligation to all parties (employees, the general public), whereas consumerism is concerned with the obligation to consumers
- D) consumerism reflects an obligation to all parties (employees, the general public), whereas social responsibility is concerned with the obligation to consumers

Answer: C

Diff: 2 Page Ref: 48-49

Skill: Applied/Comprehensive/Integrative

66) A retailer can best implement a consumer's "right to safety" by _____.

- A) providing an exchange policy on all goods and services
- B) refusing to sell foods with any additive
- C) nutritional labeling of all food products
- D) engaging in systematic product testing programs

Answer: D

Diff: 1 Page Ref: 49

Skill: Applied/Comprehensive/Integrative

67) A retailer can best implement a consumer's "right to be informed" by _____.

- A) giving a consumer advice newsletter to all customers
- B) selling private label merchandise
- C) sponsoring a consumer advisory panel
- D) providing a money-back guarantee on all goods and services

Answer: A

Diff: 1 Page Ref: 49

Skill: Applied/Comprehensive/Integrative

68) Increased deregulation of industries should have a positive impact on which consumer right?

- A) the right to be heard
- B) the right to safety
- C) the right to choose
- D) the right to be informed

Answer: C

Diff: 2 Page Ref: 49

Skill: Applied/Comprehensive/Integrative

69) Which of the following is a potential consumerism-related difficulty with a specialization merger?

- A) A consumer's right to safety may be lessened.
- B) A consumer's right to be heard may be lessened.
- C) A consumer's right to choose may be lessened.
- D) A consumer's right to be informed may be lessened.

Answer: C

Diff: 2 Page Ref: 49

Skill: Applied/Comprehensive/Integrative

70) A retailer has a consumer advisory committee which meets monthly with a vice-president of operations. The committee reflects which element of the consumer's bill of rights?

- A) the right to be heard
- B) the right to safety
- C) the right to choose
- D) the right to be informed

Answer: A

Diff: 2 Page Ref: 49

Skill: Applied/Comprehensive/Integrative

71) Generally, consumers are more concerned with the results of a value chain, as opposed to the value chain process.

Answer: TRUE

Diff: 1 Page Ref: 29

Skill: Terminology/Concept

72) An expected retail strategy involves a higher level of customer service than an augmented retail strategy.

Answer: FALSE

Diff: 2 Page Ref: 30

Skill: Terminology/Concept

73) Relationship retailing is based on the building and maintenance of long-term relationships with profitable customers.

Answer: TRUE

Diff: 1 Page Ref: 32

Skill: Terminology/Concept

74) A good relationship retailing program requires a database to maintain the retailer's customer loyalty program and to determine defection rates.

Answer: TRUE

Diff: 2 Page Ref: 32

Skill: Terminology/Concept

75) The value delivery system concept suggests that each channel member must retain its standard retail tasks.

Answer: FALSE

Diff: 2 Page Ref: 39

Skill: Terminology/Concept

76) The service strategy process for services retailing is the same as for goods retailing.

Answer: TRUE

Diff: 2 Page Ref: 41

Skill: Terminology/Concept

77) There are no physical products in nongoods services.

Answer: TRUE

Diff: 1 Page Ref: 42

Skill: Terminology/Concept

78) The perishability of services prevents the shifting of services from low to high demand periods.

Answer: TRUE

Diff: 2 Page Ref: 42

Skill: Terminology/Concept

79) Service retailers often seek to reduce the perishability of services through standardization.

Answer: FALSE

Diff: 2 Page Ref: 42

Skill: Terminology/Concept

80) Most electronic banking transactions are now through debit cards.

Answer: FALSE

Diff: 1 Page Ref: 44

Skill: Terminology/Concept

81) An increasingly popular point-of-sale system involves self-scanning.

Answer: TRUE

Diff: 1 Page Ref: 45

Skill: Terminology/Concept

82) The standard of what constitutes ethical behavior is whether the proposed act is legal.

Answer: FALSE

Diff: 2 Page Ref: 46

Skill: Terminology/Concept

83) A retailer can promote ethical behavior through the development of a code of ethics and through disciplining employees that violate the code.

Answer: TRUE

Diff: 1 Page Ref: 46

Skill: Terminology/Concept

84) When an action affects stockholders, employees, and the general public, it involves consumerism.

Answer: FALSE

Diff: 2 Page Ref: 49

Skill: Terminology/Concept

85) Self-service merchandising makes the implementation of consumerism more difficult, especially with respect to the right of information.

Answer: TRUE

Diff: 2 Page Ref: 49

Skill: Terminology/Concept

86) The value chain concept relates to a channel of distribution.

Answer: TRUE

Diff: 2 Page Ref: 28

Skill: Applied/Comprehensive/Integrative

87) A retailer concerned with relationship retailing should concern itself with attracting and keeping new customers.

Answer: FALSE

Diff: 2 Page Ref: 32

Skill: Applied/Comprehensive/Integrative

88) Developing a description of a retailer's core customers is an important part of developing a target market strategy for a retailer.

Answer: TRUE

Diff: 2 Page Ref: 33

Skill: Applied/Comprehensive/Integrative

89) In contrast to a revolving credit account, with an open account, a consumer must pay the full balance when it is due.

Answer: TRUE

Diff: 1 Page Ref: 36

Skill: Applied/Comprehensive/Integrative

90) Customer loyalty programs are based on the concept of reinforcing a consumer's purchasing activity.

Answer: TRUE

Diff: 1 Page Ref: 38

Skill: Applied/Comprehensive/Integrative

91) A simple customer loyalty program can be based on "pay for nine car washes, get the 10th car wash for free."

Answer: TRUE

Diff: 1 Page Ref: 38

Skill: Applied/Comprehensive/Integrative

92) The central premise of a value delivery system is that each channel member is independent of each other.

Answer: FALSE

Diff: 1 Page Ref: 39

Skill: Applied/Comprehensive/Integrative

93) Category management seeks to improve a retailer's inventory management system.

Answer: TRUE

Diff: 2 Page Ref: 40

Skill: Applied/Comprehensive/Integrative

94) Rented-goods service retailers require little or no inventory investment.

Answer: FALSE

Diff: 2 Page Ref: 41

Skill: Applied/Comprehensive/Integrative

95) The same product can be a rented-goods service or a good, depending on whether it is purchased or leased.

Answer: TRUE

Diff: 2 Page Ref: 41

Skill: Applied/Comprehensive/Integrative

96) The concepts of intangibility, variability, and inseparability are most applicable to nongoods services.

Answer: TRUE

Diff: 1 Page Ref: 42

Skill: Applied/Comprehensive/Integrative

97) The basic ongoing expense for many service retailers is inventory investment costs.

Answer: FALSE

Diff: 1 Page Ref: 42

Skill: Applied/Comprehensive/Integrative

98) Point-of-sale scanning equipment enables retailers to develop up-to-date sales and inventory reports.

Answer: TRUE

Diff: 1 Page Ref: 44

Skill: Applied/Comprehensive/Integrative

99) A major concern relating to the success of self-scanning is consumer honesty.

Answer: TRUE

Diff: 2 Page Ref: 45

Skill: Applied/Comprehensive/Integrative

100) Consumerism is a broader concept than social responsibility.

Answer: FALSE

Diff: 2 Page Ref: 48, 49

Skill: Applied/Comprehensive/Integrative

101) Differentiate between the terms "value" and the "value chain."

Diff: 1 Page Ref: 28-29

102) a. Explain the difference between expected, augmented, and potential retail strategies.

b. Apply these concepts to a retailer featuring high-quality high definition televisions.

Diff: 2 Page Ref: 30

103) Develop a relationship retailing program for a local hotel chain. Incorporate the customer base, customer loyalty programs, and defection rates into your analysis.

Diff: 2 Page Ref: 32-34

104) Explain the implications for channel relations of the value delivery system concept.

Diff: 1 Page Ref: 39

105) "The attributes of perishability, intangibility, and inseparability relate most to nongoods services and least to rented-goods services." Explain this statement.

Diff: 2 Page Ref: 42

106) Describe the strategic implications of the characteristics of service retailing: intangibility, inseparability, perishability, and variability.

Diff: 1 Page Ref: 42

107) a. What factors have increased the role of technology in retailing?

b. Describe three technological innovations and their impact on retail strategies.

Diff: 2 Page Ref: 43-45

108) What are the pros and cons of the use of ATMs in retail locations from the perspective of the retailer and the banking institution?

Diff: 2 Page Ref: 44

109) Describe 10 potential applications of electronic point-of-sale systems in improving a retailer's productivity.

Diff: 2 Page Ref: 44

110) Differentiate among ethics, social responsibility, and consumerism.

Diff: 1 Page Ref: 45

111) Develop a code of ethics for a local computer retailer.

Diff: 2 Page Ref: 46, 48

112) A membership based warehouse club (such as Costco, Sam's Club or BJ's) seeks to develop a consumer-oriented program. Develop such a program based on the right to safety, to be informed, to choose, and to be heard.

Diff: 2 Page Ref: 49