TEST BANK

Services Marketing
Concepts, Strategies, & Cases

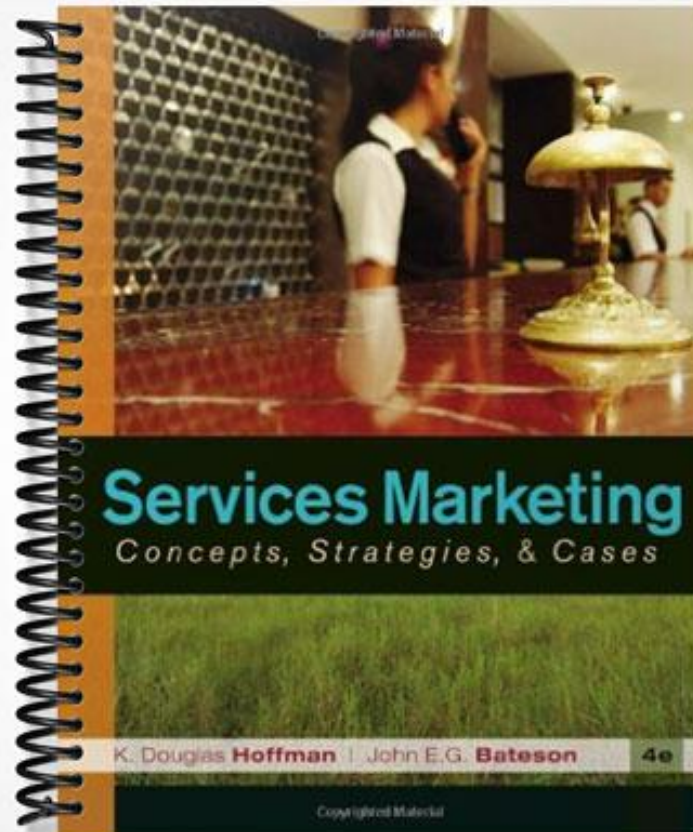K. Douglas **Hoffman** | John E.G. **Bateson** 4e

CHAPTER 2
MULTIPLE CHOICE QUESTIONS

1. It is generally accepted that the _____ includes the "soft parts" of the economy consisting of nine industry supersectors.
    a. service economy
    b. industrial economy
    c. agricultural economy
    d. information economy
    e. goods economy

ANS: A
REF: 32

2. Who provides an overview of each of the nine supersectors as well as a career guide?

    a. A government
    b. US Bureau of Labor Statistics
    c. Federal Trade Commission
    d. Federal Communication Commission
    e. American Marketing Association

ANS: B
REF: 32

3. Financial activities supersector consists of all the following except:

    a. Finance
    b. Insurance
    c. Social assistance
    d. Investments
    e. Securities

ANS: C
REF: 34

4. The world's largest industry in the private sector and highest projected generator of jobs is:

    a. business services
    b. the hospitality industry
    c. health services
    d. professional services
    e. the food service industry

ANS: C
REF: 34

5. Which subsector is the second largest employment industry, accounting for 13.3 million jobs?

    a. Educational services
    b. Healthcare
    c. Social assistance
    d. Professional services
    e. The food services

ANS: A
REF: 34

6. Employment in the Department of Homeland Security is expected to increase while the other jobs within which supersector will experience decline?

    a. Educational
    b. Business
    c. Government
    d. Information
    e. Leisure and Hospitality

ANS: C
REF: 36

7. The service supersector that is the fastest growing sector in terms of employment is:

    a. Wholesale and retail trade
    b. Transportation and warehousing
    c. Financial activities
    d. Professional and business services
    e. Education and health services

ANS: E
REF: 34

8. The leisure and hospitality industry comprises a variety of services. Which of the following is not one of them?

    a. food service
    b. lodging
    c. travel and tourism
    d. meeting and convention planning
    e. All the above are part of the hospitality industry

ANS: E
REF: 38

9. More than ____ percent of the workforce within the Arts, Entertainment, and Recreation subsector has no formal education beyond high school.

    a. 35
    b. 40
    c. 45
    d. 50
    e. 55

ANS: B
REF: 38

10. ____ percent of employees within the food service and drinking establishments are between the ages of 16 and 19.

    a. 15
    b. 18
    c. 19
    d. 20
    e. 22

ANS: E
REF: 38

11. The professional and business supersector includes all of the following except:

    a. computer services
    b. legal advice
    c. hospitals
    d. accounting
    e. architectural

ANS: C
REF: 39

12. Which supersector has consulting projected to be the fastest growing service and one of the highest paid for the period of 2006-2016?

    a. Transportations and Warehousing
    b. Professional and Business Services
    c. Wholesale and Retail Trade
    d. Education and Health Services
    e. Other Services

ANS: B
REF: 39

13. Which of the following is considered as part of the other service sector?

    a. pet services
    b. health care
    c. dentists
    d. physicians
    e. engineers

ANS: A
REF: 40

14. Most wholesalers are small, employing fewer than 20 workers. Which of the following is not an occupation in which 7 out of 10 wholesalers work?

    a. Administrative support
    b. Sales
    c. Transportation
    d. Purchasing
    e. Material-moving

ANS: D
REF: 40

15. The term that reflects the belief that without manufacturing, there will be less for people to service and more people available to do less work is:

    a. Materialismo snobbery
    b. manufacturing superiority
    c. industrial champions
    d. manufacturing dichotomization
    e. none of the above

ANS: A
REF: 41

16. The service industry criticism that low wages will possibly lead to dramatic changes in future governments is:

    a. Materialismo snobbery
    b. dichotomization of wealth
    c. service industries are slow to adopt new technology
    d. service productivity is weak
    e. service inflation is difficult to control

ANS: B
REF: 41

17. Paying close attention to whether one's actions are right or wrong and why one is behaving in that matter is referred to as:

    a. business ethics
    b. dichotomization of wealth
    c. ethical vigilance
    d. service ethics
    e. materialism snobbery

ANS: C
REF: 42

18. The principles of moral conduct that guide behavior in the business world is called:
    a. business ethics
    b. ethics
    c. ethical vigilance
    d. service ethics
    e. all of the above

ANS: A
REF: 42

19. Consumers often have a difficult time objectively evaluating services. This is due primarily to:

    a.   intangibility
    b.   inseparability
    c.   perishability
    d.   standardization
    e.   heterogeneity

ANS: A
REF: 44

20. Which of the following reasons is not an explanation for why service consumers are particularly vulnerable to ethical misconduct?

    a.   services possess few search attributes
    b.   services are often technical and specialized
    c.   services are deeds, efforts, or performances
    d.   the time lapse between performance and evaluation is sometimes conducted in the distant future
    e.   many services are sold without guarantees and warranties.

ANS: C
REF: 44

21. Which of the following reasons is not an explanation for why service consumers are particularly vulnerable to ethical misconduct?

    a.   services are provided by boundary-spanning personnel
    b.   variability in service performance is somewhat accepted
    c.   outcome-based reward systems may encourage ethical misconduct
    d.   consumers are involved in the production process
    e.   other consumers are involved in the production process

ANS: E
REF: 44

22. Service consumers often have little prepurchase information available to assist in making an informed decision. This is due to:

    a.   the consumer's involvement in the production process
    b.   services are performed by boundary-spanning personnel
    c.   services possess few search attributes
    d.   service providers are inherently unethical
    e.   services are sold without guarantees

ANS: C
REF: 44

23. Service providers who deliver their services outside the firm's physical facilities are called:

    a.   roaming salespeople
    b.   expanding service providers
    c.   boundary-spanning personnel
    d.   area coordinators
    e.   regional responders

ANS: C
REF: 45

24. Situations where the service provider feels torn between the needs of the customer, the organization, and the service provider's own personal interest are referred to as:

    a.   cognitive moral development
    b.   conflict of interest
    c.   organizational relationships
    d.   structure conflict
    e.   relationship conflict

ANS: B
REF: 47

25. Tim is an insurance agent who works for a large insurance agency. Tim's friend, who is also his client, wants Tim to coach him on how to obtain a larger insurance settlement than what he legitimately has coming to him. This type of ethical issue is called:

     a.   cognitive moral development
     b.   structure conflict
     c.   organizational relationships
     d.   conflict of interest
     e.   relationship conflict

ANS: D
REF: 48

26. The characteristics of truthfulness, integrity, and trustworthiness is called:

     a.   honesty
     b.   reward system
     c.   ethics
     d.   fairness
     e.   moral development

ANS: A
REF: 48

27. The process through which an individual adapts and comes to appreciate the values, norms, and required behavior patterns of an organization is called:

     a.   a code of ethics
     b.   standards of conduct
     c.   employee socialization
     d.   rules for ethical conduct
     e.   conduct regulations

ANS: C
REF: 49

28. Formal standards of conduct that assist in defining proper organizational behavior are called:

    a.   a code of ethics
    b.   standards of conduct
    c.   employee socialization
    d.   rules for ethical conduct
    e.   conduct regulations

ANS: A
REF: 49

29. Which of the following statements are correct?

    a.   research indicates that employees desire a code of ethics
    b.   research indicates that employees of firms that have codes of ethics believe that violators of the code should be punished
    c.   leaders must be examples of the standards of ethical conduct
    d.   employees often emulate the behavior of their supervisors
    e.   All of the above

ANS: E
REF: 50

30. Which of the following is not a suggestion for controlling and managing ethical behavior?

    a.   employee socialization
    b.   corrective control
    c.   service/product knowledge
    d.   opportunity
    e.   standards of conduct

ANS: D
REF: 50

SHORT-ANSWER ESSAYS

31. Rank and discuss the projected growth rates of the nine service supersectors.

    ANS:

    - For the period 2006 – 2016, projected growth rates of the nine service supersectors including: (1) education and health services, (2) professional and business services, (3) information, (4) financial activities, (5) leisure and hospitality, (6) wholesale and retail trade, (7) transportation and utilities, (8) government, (9) other services

    - Answers may vary. The highest projected growth is Education and health services. Education will see the growth because one in four Americans is currently enrolled in educational institution. Health services are currently the largest industry in the private sector. The second highest projected growth is professional and business services because the supersector includes multitude of activities. Professional, scientific, and technical services is one of the highest paying industries across all supersectors. Finally, the third highest ranked supersector is information, software publishers are currently the fastest growing industry in the economy.

REF: 33-34

32. Discuss how the term materialismo snobbery is related to service wages.

ANS:
   - Materialismo snobbery reflects the belief that without manufacturing there will be less for people to service and more people available to do less work.
   - As a result, the supply of labor will go up and at the same time the demand for labor will go down. Both effects will drive the price of labor down.

REF: 41

33. Discuss the comparisons of changing from an agricultural economy to an industrial economy as they relate to the changes associated with moving from an industrial economy to a service economy.

ANS:
   - In 1850, 65 percent of the population was connected to farming.
   - During this period, many voiced concern over workers leaving their farms to work in factories.
   - Today, less than 2 percent of the U.S. labor force is involved in farming operations.
   - Similarly, with advances in technology and new management practices, the need no longer exists to have as many people in manufacturing as we had in the mid 1900s.

34. Discuss the reasons that consumers are particularly vulnerable to ethical misconduct within the service sector.

ANS:
- services possess few search attributes;
- services are often technical and specialized, thereby, difficult to understand;
- a time lapse sometimes exist between service performance and consumer evaluation;
- many services are sold without warranties or guarantees;
- many services are provided by unsupervised boundary-spanning personnel;
- services are nonstandardized; consequently, some variability is accepted;
- reward structures based solely on sales tend to reward and fail to punish ethical misconduct.;
- due to the consumer's involvement in the production process, consumers often accept part of the blame for less than perfect performance.

35. Describe the consequences of ethical misconduct.

ANS:
Employees forced to deal with ethical issues on a continuous basis frequently suffer from:
- job-related tension,
- frustration,
- anxiety,
- ineffective performance (i.e., reduced sales and reduced profits),
- turnover intentions and experience lower job satisfaction.

In addition to the personal effects of ethical misconduct, the organization as a whole suffers. Ethical improprieties have also been linked to:
- customer dissatisfaction (loss of sales),
- unfavorable word-of-mouth publicity for the organization, and
- negative public images for the entire industry.

36. Discuss strategies that attempt to control ethical behavior.

ANS:
Strategies suggested to control the ethical behavior of personnel include:
- employee socialization,
- specifying standards of conduct through codes of ethics,
- leadership training,
- increasing employee service/product knowledge,
- monitoring employee performance relative to ethical conduct, and
- stress to employees the benefits of long-term customer relationships.

REF: 49-50