TEST BANK

THINK MARKETING

TUCKWELL

1) Would you describe Fairmont Hotels and Resorts as having a socially responsible marketing orientation? Give specific examples to justify your answer. Are their actions are driven by corporate philosophy, or marketing? Are they 'greenwashing' or sincere? Justify your answer with specifics.

Answer:

Students could indicate 'greenwashing' skepticism, however, Fairmont Hotels and Resorts has taken some leadership in socially responsible marketing. They have implemented a range of sustainability initiatives such as using energy efficient lighting and diverting organic waste in their kitchens, to purchasing sustainable food items and highlighting those choices on their menus. Skepticism could stem from recognition that these programs all save the company money, so there are ulterior motives; however, it is important to give credit where it's due and these are truly important green initiatives. Their actions are driven by both corporate philosophy and listening to their customers, which should not be mutually exclusive. Clearly they have undertaken initiatives to make sure their business practices are in the best interests of society, but also, they are aware that their clientele is educated and aware of the importance of sustainability, and so Fairmont is also 'listening' and responding to their customers.

Diff: 3 Type: ES Page Ref: 3 Skill: Applied

2) Would you describe Fairmont Hotels and Resorts as having a socially responsible marketing orientation? Give specific examples to justify your answer. Are their actions are driven by corporate philosophy, or marketing? Are they 'greenwashing' or sincere? Justify your answer with specifics.

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Diff: 3 Type: ES Page Ref: 3 Skill: Applied

3) Explain the statement, "Marketing is an agent of change."

Answer:

Marketing is a means to assess changing conditions and provides the expertise to develop strategies that will allow an organization to adapt to change. Marketing uses systems to listen to the customer and then takes action to ensure that products and services are continually improved to meet customers' changing needs and wants.

Diff: 2 Type: ES Page Ref: 4 Skill: Recall

4) What is marketing? Use your own words to define and describe marketing.

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Answer:
Student answers will vary but could include reference to the following:
- need identification, listening to customers
- taking steps to satisfy needs (product or service improvements)
- a mutually beneficial transaction or exchange between a buyer and a seller
- planning and execution of conception, pricing, promotion, and distribution of ideas, goods and services

Diff: 2 Type: ES Page Ref: 5 Skill: Recall

5) In recent years the scope of socially responsible marketing has expanded. What was initially considered to be socially responsible marketing? What does socially responsible mean today? Give examples of three activities with which a socially responsible organization could be concerned.

Answer:
Initially, cause marketing, supporting worthy causes and donating money and services to needy groups was considered to be socially responsible marketing.
Socially responsible companies of today are expected to behave in the best interests of consumers and society. The organization is expected to enhance the well-being of society through sound relationships and corporate citizenship. Ethical business practices are paramount.
Students will generate numerous examples of socially responsible business activities. These could include, but are not limited to:
- environmentally conscious operations
- reducing packaging and misuse of resources
- proper treatment of workers
- workplace safety
- product safety
- making positive contributions to public health
- transparency for public corporations
- preservation of diversity in global markets

Diff: 2 Type: ES Page Ref: 7-10 Skill: Applied

6) Use examples to illustrate two main types of programs that a company can implement in order to be perceived as "socially responsible".

Answer:
· Programs to conserve, preserve, and protect the environment: Fairmont Hotels
· Programs to support societal causes; referred to as "cause" marketing: Toyota Prius, Earth Day Scholarship, Kraft 'Living with Diabetes', CIBC Run for the Cure
Programs to control the sourcing of materials only from suppliers who meet their human rights and sustainability principles. Mountain Equipment Coop

Diff: 2 Type: ES Page Ref: 7-10 Skill: Applied

7) Describing the four stages in the evolution of marketing and explain how the focus changed from the company to becoming a good corporate citizen.

Answer:
· Production era: market in a way that is first and foremost best for the company. Limitations on technology drove this.
· Selling era: some consideration given to the customer but approach is to make first and then find a market.

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· Marketing era: uncover market's need and then satisfy it in way that benefits both the customer and the company.
· Socially Responsible Marketing era: satisfy needs in a way that is in society's best interests and in so doing become a good corporate citizen.

Diff: 1 Type: ES Page Ref: 13 Skill: Recall

8) Explain how a manufacturer of personal computers could use each of the different marketing orientations in its sales efforts.
Answer:
· Production orientation: produce a limited choice of PC's and focus on what is best for the company especially in terms of profit.
· Selling orientation: produce PC's with a wide variety of options and then try to find a market which will find these options attractive.
· Marketing orientation: get customer input about desired options in a PC and then produce systems which will satisfy these needs.
· Socially responsible marketing orientation: satisfy the computer buyer's needs in a manner which indicates that the company is a good corporate citizen; sponsor local events, donate used systems to schools.

Diff: 2 Type: ES Page Ref: 5-11 Skill: Applied

9) Why do companies need to select target markets? Give an example of how you would communicate to a target market of Generation Y students. What would you consider?
Answer:
Generation Y: tech savvy, social media users, don't read newspapers or watch TV ads.
Style: trendy, adventurous.
Social media contest like Carlsberg
Diff: 2 Type: ES Page Ref: 16 Skill: Applied

10) A supplier of computer software has decided to produce educational CD ROMs. A consultant has advised that to be successful, a marketer should be employed to implement marketing practices and philosophies within the company. In line with a marketing orientation, what are the first two things this new marketing employee should determine about the business this company wishes to start?
Answer:
· Step 1 includes a needs assessment of the consumer to determine unmet needs and the potential for the new products. This step is done through market research.
· Step 2 involves identifying and selecting the target market(s) the firm wants to pursue.

Diff: 1 Type: ES Page Ref: 14-16 Skill: Applied

11) You are working at Procter and Gamble on their diaper business. You have been asked to review Pampers' target market. Considering what you know about target markets, provide three descriptors that you think would be typical of this group.
Answer:
Student answers will vary but should demonstrate knowledge that target markets have common characteristics that shape their need for the given product, the desire and means to purchase it. Answers could include descriptors such as:
- Parents with children aged from newborn to 3 years
- These parents must be interested in the convenience of disposable diapers and be able to

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afford them. Their household income is estimated to be above the poverty line.
- These parents prioritize convenience for them, and comfort for their children, over the environmental impact of their purchase.

Diff: 2 Type: ES Page Ref: 16 Skill: Applied

12) Describe the five essential elements of the marketing process.
Answer:
· Assessment of needs
· Identification and selection of target market(s)
· Development of strategies to serve target market(s)
· Development of CRM program
· Evaluation of strategies' effectiveness

Diff: 1 Type: ES Page Ref: 14 Skill: Recall

13) Consider the Carlsberg example to illustrate elements of the marketing process. Are there any parts of the marketing mix you think they could improve on?
Answer:
Application of the marketing process:
Assess customer needs: They looked at social and communication needs and habits of their target market effectively.
Identify and select target market: They targeted this younger market.
Develop the marketing mix: They developed a very targeted and effective communications strategy based on very creative use of social media.
Application of the four marketing mix elements, price, product, distribution and marketing communications, should be demonstrated in student responses.
Improvements: There are many possibilities, but maybe they should consider a product change, such as changing the look of the can to target this younger market.
Diff: 3 Type: ES Page Ref: 14-17 Skill: Applied

14) Assume that you have been hired by your school's cafeteria to improve their marketing. Identify the first step of the marketing process that you would embark upon and then describe what you could do to complete that first step.
Answer:
Step 1 is the needs assessment. Students may describe a variety of market research activities such as surveys, interviews, questionnaires, focus groups etc. All suggestions should lead to the discovery of unmet needs among the cafeteria's consumers and the determination of potential for new products.

Diff: 2 Type: ES Page Ref: 14-15 Skill: Applied

15) Which elements of the marketing process and were most important in the success of products like Coke Zero and Aero Snack Size Bars?
Answer:
Assess Customer Needs: Low calorie and health. Search for options to ‘indulge’ with healthier choices.
Identify and Select Target Market: Same market, but addressing lower calorie trend in preferences.
Diff: 1 Type: ES Page Ref: 14-17 Skill: Applied

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16) By outlining the various types of marketing communications decisions, illustrate how this element of the marketing mix is the most visible.

Answer:

Decisions include selection of advertising media, sales promotion, event marketing, personal selling, public relations, and publicity all of which focus on creating a favourable image. In all of these elements, both the physical and human resources of the company are very visible.

Diff: 2 Type: ES Page Ref: 19-20 Skill: Recall

17) Space Age Components Inc., a manufacturer of electronic systems, is considering a package redesign and also bypassing its traditional channel members and marketing directly to clients. Identify and explain the two components of the marketing mix which apply in this example.

Answer:

· Distribution - Space Age is changing its method of distribution from an indirect to direct
· Product - changing a package design is a product decision

Diff: 2 Type: ES Page Ref: 18-19 Skill: Applied

18) Identify and explain four marketing communications strategies other than mass media advertising that a Mutual Fund company could use to expand its client base.

Answer:

· Special event marketing - participate in a financial services trade show
· Sponsorship of community event - sponsor a local sports team
· Personal selling - direct one-to-one contact with potential clients
· Direct marketing via the Internet - design an interactive website

Diff: 2 Type: ES Page Ref: 19-20 Skill: Applied

19) Using the hotel industry as an example, explain how relationship marketing focuses on more than a hotel's guest. Give three examples of how a high end hotel could build relationships.

Answer:

Relationship marketing involves all members in the distribution channel for goods or services. In the hotel industry, relationships are established and maintained with suppliers of services and materials to the hotel as well as vendors leasing space in the hotel (hair salons, spas, travel agencies)

They could use loyalty programs and database tracking to ‘learn’ about individual customers preferences and deliver personalized service.

They could accurately value guests and offer meaningful rewards to their best customers.

They could inform their best customers of specific events and information that is relevant to them.

Diff: 3 Type: ES Page Ref: 21-22 Skill: Applied

20) Identify an organization that uses a loyalty program as part of its CRM strategy. Describe the features of the loyalty program and demonstrate how it serves as a CRM program for its organization.

Answer:

Again, the specific loyalty programs identified by students will vary based upon their own shopping behaviours and experiences. However, the demonstrations should include features such as:- offer of incentives for repeat purchases- collection of customer data- generation of "customized" offers based upon the data- communication of these offers to

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the customer. For example, Chapters has irewards. Members complete a registration process and give contact information, demographic info etc. All members receive regular and promotional discounts to encourage repeat purchase. The member number is recorded at each sale. The combination of the member profile and the POS information allows Chapters to notify members via email when favourite authors publish new books, or to mail promotional incentives just prior to heavy purchase periods.

Diff: 2 Type: ES Page Ref: 21-22 Skill: Applied

21) Describe the final stage of the marketing process and explain its importance.

Answer:

Evaluating marketing activity concludes the marketing process. Research is conducted to ensure that the activities of the organization continue to meet the objectives of the marketing plan, and also the needs of the customer. Changing market needs (tastes, preferences, habits, and lifestyles) may require the organization to adapt its marketing plans. Evaluation provides the control for the marketing process.

Diff: 1 Type: ES Page Ref: 22-23 Skill: Recall

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