Student name:\_\_\_\_\_\_\_\_\_\_

**TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.
1)** A commonly held misconception about marketing is that it is all about advertising and selling.

 ⊚ true
 ⊚ false

**2)** Marketing is relevant only to people in the organization who work directly in the marketing department.

 ⊚ true
 ⊚ false

**3)** The American Marketing Association defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

 ⊚ true
 ⊚ false

**4)** Peter Drucker stated that since it is the customer who defines value, the business enterprise has only two business functions: marketing and innovation.

 ⊚ true
 ⊚ false

**5)** Sustainability refers to business practices that prolong the life cycle of a product.

 ⊚ true
 ⊚ false

**6)** Firms that are stuck in a production orientation mentality likely will have great difficulty competing successfully for customers.

 ⊚ true
 ⊚ false

**7)** When Henry Ford said, “People can have the Model T in any color—so long that it’s black,” he was reflecting a sales orientation.

 ⊚ true
 ⊚ false

**8)** Don Peppers and Martha Rogers popularized the term one-to-one marketing. Some firms come close to one-to-one marketing by combining flexible manufacturing with flexible marketing to enhance customer choices.

 ⊚ true
 ⊚ false

**9)** Fred Wiersema’s book*The New Market Leaders* states that marketers will continue to have more power than customers in both B2B and B2C markets.

 ⊚ true
 ⊚ false

**10)** In the current business environment, firms have learned to be open about products and services with consumers who have endless sources of information, including blogs, chat rooms, and independent websites.

 ⊚ true
 ⊚ false

**11)** Customer orientation, a component of market orientation, places the customer at the core of all aspects of the enterprise.

 ⊚ true
 ⊚ false

**12)** Direct-to-consumer marketing by pharmaceutical companies and the vast amount of health information available to patients on websites has consumers ready to self-diagnose and self-prescribe.

 ⊚ true
 ⊚ false

**13)** Gen Y consumers tend to value in-person relationships with marketers like State Farm Insurance in exactly the same way as the prior generations.

 ⊚ true
 ⊚ false

**14)** In contrast to Marketing (Big M), marketing (little m) serves the firm and its stakeholders at a functional or operational level.

 ⊚ true
 ⊚ false

**15)** Marketing (Big M) refers to the strategic, long-term, firm-level commitment to investing in marketing.

 ⊚ true
 ⊚ false

**16)** For successful Marketing (Big M), firms need to align all internal organizational processes and systems around the customer.

 ⊚ true
 ⊚ false

**17)** Strategic marketing refers to the idea that firms should direct energy and resources into establishing a learning relationship with each customer and connect the learned knowledge with the firm’s production and service capabilities.

 ⊚ true
 ⊚ false

**18)** Practicing marketers tend to pitch marketing internally as an expense, not an investment in the future success of the organization.

 ⊚ true
 ⊚ false

**19)** If aspects of marketing can’t be measured, they can still be managed.

 ⊚ true
 ⊚ false

**MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.
20)** Of all the business fields,\_\_\_\_\_\_\_\_Blank is generally the most visible to people outside the organization.

 A) financial management
 B) accounting
 C) marketing
 D) information technology
 E) operations management

**21)** Marketing often doesn’t get the “respect” it deserves as a professional field of study, primarily because

 A) compared to other business functions, it has had few useful metrics to measure its performance impact.
 B) people generally don’t understand what marketing is or what it does.
 C) marketing is all about the emotion and less about facts.
 D) marketing positions tend to pay less than other business functions.
 E) it fails to impact the bottom line of the company and isn’t factored into executive decisions.

**22)** Which statement about marketing is true?

 A) Unlike most other key areas of business, marketing as a field is not visible by nature.
 B) Marketing departments “own” an organization’s marketing initiative.
 C) Most aspects of marketing take place behind the curtain of an organization, out of the public’s sight.
 D) Marketing is all about advertising and selling.
 E) Marketing is no more inherently unethical than other business areas.

**23)** Which area of business is highly public and readily visible outside the confines of the internal business operation?

 A) marketing
 B) finance
 C) manufacturing
 D) operations management
 E) human resource management

**24)** A misconception about marketing is that it is

 A) relevant to everyone.
 B) no more inherently unethical than other business areas.
 C) all about selling.
 D) highly visible by nature.
 E) highly public.

**25)** Peter Drucker, the father of modern management, stated that the only purpose of an organization is to

 A) create products.
 B) make products affordable and accessible to the majority of the public.
 C) improve the quality of life for all people.
 D) create a customer.
 E) make a profit.

**26)** Peter Drucker, the father of modern management, believed that marketing

 A) should be a separate function within the business.
 B) is the business as seen from an internal point of view.
 C) is the whole business as seen from the customer’s point of view.
 D) is not the central dimension of the entire business.
 E) should be considered just as a “department” in an organization.

**27)** \_\_\_\_\_\_\_\_Blank is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

 A) Accounting
 B) Marketing
 C) Manufacturing
 D) Finance
 E) Economics

**28)** Purpose-driven marketing, or pro-social marketing, as practiced by the well-known Tom’s shoe company,

 A) is a least preferred marketing strategy.
 B) is a for-profit part of the business.
 C) focuses primarily on increasing productivity.
 D) engages consumers in a meaningful way.
 E) has no impact on consumers who care about social issues.

**29)** From a customer’s perspective, what is defined as a ratio of the bundle of benefits a customer receives from an offering, compared to the costs incurred by the customer in acquiring that bundle of benefits?

 A) exchange
 B) strategy
 C) sustainability
 D) value
 E) power

**30)** \_\_\_\_\_\_\_\_Blank is a central tenet of marketing in which a person gives up something of value to them for something else they desire to have.

 A) Power
 B) Sustainability
 C) Sales orientation
 D) Customization
 E) Exchange

**31)** Bridgit loved her old car, but she decided it was time for a new one. She went to the dealership and picked one out, and paid for it with her trade-in and cash. This is an example of

 A) purpose-driven marketing.
 B) an exchange.
 C) a production orientation.
 D) product differentiation.
 E) one-to-one marketing.

**32)** A medieval knight could not go to the armor maker and pick out a size 44 long suit of armor to protect him in battle. Nor could a person living in the Middle Ages go to the cobbler and get a pair of shoes in a few minutes. This period before the advent of marketing is known as the

 A) Industrial Revolution.
 B) mass production era.
 C) Dark Ages.
 D) pre–Industrial Revolution.
 E) sales orientation era.

**33)** The AMA’s definition of marketing reflects the view toward marketing activities as focused on

 A) producing innovative products.
 B) increasing productivity.
 C) maintaining relationships with suppliers.
 D) creating and delivering offerings that have value.
 E) advertising and selling.

**34)** After a recent 140-day strike, the union members in California went back to work at area grocery stores. The union negotiated raises, better health care benefits, and a one-tier pay scale. The union may best be described as a(n)

 A) governmental body.
 B) stakeholder.
 C) vendor.
 D) customer.
 E) management group.

**35)** Companies that promote sustainability practices like Starbucks, which has a recycling program, or General Electric, which makes environmentally-sensitive products, are practicing\_\_\_\_\_\_\_\_Blank marketing.

 A) green
 B) predictive
 C) affiliate
 D) shotgun
 E) one-to-one

**36)** Bryan gets reduced fees for his daughter’s piano lessons by maintaining her teacher’s website. Bryan is practicing the central tenet of marketing called

 A) value.
 B) exchange.
 C) growth.
 D) sustainability.
 E) power.

**37)** Which of these are core marketing concepts?

 A) supply and demand
 B) money and time
 C) skill and expertise
 D) quality and quantity
 E) value and exchange

**38)** Henry Ford is well known to business students for creating the assembly line that enabled mass production of the Model T. This is an example of the\_\_\_\_\_\_\_\_Blank orientation.

 A) production
 B) selling
 C) marketing
 D) customer
 E) relationship

**39)** The stereotypical automobile dealership uses tactics like high pressure and bargaining to get customers to buy. This is an example of the\_\_\_\_\_\_\_\_Blank orientation.

 A) production
 B) sales
 C) marketing
 D) customer
 E) relationship

**40)** Why did production capacity utilization began to decline around the end of World War I?

 A) Firms that had dominated their respective industries before the war maintained their positions due to lack of competition.
 B) High entry barriers prevented new companies from entering into the market place.
 C) Financial markets placed more pressure on firms to continually increase sales volume and profits.
 D) Financial markets were becoming less sophisticated.
 E) Capacity had been decreased greatly for the war.

**41)** Companies that conduct a great deal of research to learn how they can successfully put the marketing concept into practice most likely have a\_\_\_\_\_\_\_\_Blank orientation.

 A) production
 B) selling
 C) market
 D) research
 E) differentiation

**42)** When was the marketing concept introduced?

 A) after the Civil War
 B) after World War I
 C) during the Great Depression
 D) in the 1980s
 E) in the 1950s

**43)** The marketing concept was first articulated in the *Annual Report* of

 A) Ford Motor Company.
 B) AT&T.
 C) RCA.
 D) General Motors.
 E) General Electric.

**44)** Making a change in any one of the marketing mix elements will

 A) leave the other elements unchanged.
 B) have a negative effect on a similar element.
 C) also change the other elements.
 D) require the firm to introduce new products.
 E) require an increase in promotion.

**45)** After World War II, business began to change in many long-lasting ways. What is least likely to have caused this shift?

 A) advent of readily available mainframe computing capability
 B) opening up of production capacity dominated for years by war production
 C) pent-up demand for consumer goods and services after the war
 D) desperate need to regain a normalcy of day-to-day life after years of war
 E) focus on sales orientation with the objective of achieving short-term profits

**46)** A consumer products company makes a cleanser for the hospital and nursing home market that is guaranteed to kill 99 percent of staphylococcus germs, a major concern for medical facilities. Unlike the competition, this company is not interested in pursuing the consumer market. In this case, the company has adopted a\_\_\_\_\_\_\_\_Blank orientation.

 A) market
 B) mass customization
 C) differentiation
 D) relationship
 E) product

**47)** Soria Brothers provides accounting services to small businesses. Before and after tax season, the partners meet with each client company. They send a monthly newsletter to update clients with tax changes. The firm’s business practices mainly focus on keeping profitable current customers rather than gaining new customers. Soria Brothers has adopted a\_\_\_\_\_\_\_\_Blank orientation approach.

 A) market
 B) mass customization
 C) differentiation
 D) relationship
 E) product

**48)** To significantly enhance customer choices, Levi combines flexible manufacturing with flexible marketing. Customers may visit the Levi’s clothing website or some company-owned stores and order a pair of jeans that will be made especially for them. Levi’s has adopted a\_\_\_\_\_\_\_\_Blank orientation approach.

 A) market
 B) mass customization
 C) differentiation
 D) product
 E) relationship

**49)** Many marketers today are more focused on\_\_\_\_\_\_\_\_Blank, or the bundles of benefits from an offering that solve a problem or fill a need of a customer, than they are on products.

 A) customizations
 B) returns on investments
 C) solutions
 D) stakeholder returns
 E) promotion

**50)** The concept of engaging in a learning relationship with customers and directing the firm’s resources to making each product or service as customized as possible is known as

 A) market orientation.
 B) pro-social marketing.
 C) differentiation orientation.
 D) one-to-one marketing.
 E) relationship orientation.

**51)** In the context of the 4Ps of the marketing mix, high-tech media options like cell phones and the Internet have had a huge impact on

 A) product.
 B) promotion.
 C) people.
 D) position.
 E) price.

**52)** A local landscaping company works hard to keep and cultivate profitable current customers instead of constantly investing in gaining new customers that come with unknown return on investment. This company has a\_\_\_\_\_\_\_\_Blank orientation.

 A) sales
 B) differentiation
 C) market
 D) production
 E) relationship

**53)** Relationship-oriented firms tend to

 A) be driven by meeting a quarter’s financial projections.
 B) keep and cultivate their profitable current customers who are highly satisfied with the firm’s offering.
 C) constantly invest in new customers that come with unknown return on investment.
 D) often lose great customers and scramble to replace the associated lost revenue.
 E) focus primarily on increasing sales through catchy and entertaining advertisements.

**54)** Customer relationship management (CRM) is designed primarily to

 A) assess the personality characteristics of target customers.
 B) identify profitable customers in new markets.
 C) position products to serve very specific customer groups.
 D) clearly distinguish a firm’s products from those of competitors in the minds of customers.
 E) facilitate higher levels of customer satisfaction.

**55)** Independent Manufacturers keeps an in-house database of its customers, their buying history, and their preferences so it can better meet customers’ needs and gain their loyalty. This demonstrates the use of

 A) one-to-one marketing.
 B) customer relationship management.
 C) differentiation orientation.
 D) sales orientation.
 E) exchange.

**56)** Today customers have limitless access to facts about companies, products, competitors, other customers, and even detailed elements of marketing plans and strategies. In the context of change drivers impacting the future of marketing, this reflects the shift

 A) in information power from marketer to customer.
 B) to demanding return on marketing investment.
 C) in generational values and preferences.
 D) to distinguishing Marketing (Big M) from marketing (little m).
 E) to product glut and customer shortage.

**57)** The Girl Scouts introduced a cookie finder app in 2013. In the context of change drivers impacting the future of marketing, this reflects the shift

 A) to product glut and customer shortage.
 B) in power from marketer to customer.
 C) in generational values and preferences.
 D) to distinguishing Marketing (Big M) from marketing (little m).
 E) to justifying the relevance and payback of the marketing investment.

**58)** The Bazooka brand of candy revamped its package inserts by changing from comic strips to quizzes and brainteasers that direct kids to digital content. In the context of change drivers impacting the future of marketing, this reflects the

 A) shift to product glut and customer shortage.
 B) shift in information power from marketer to customer.
 C) shift in generational values and preferences.
 D) shift to distinguishing Marketing (Big M) from marketing (little m).
 E) shift to justifying the relevance and payback of the marketing investment.

**59)** In the context of change drivers impacting the future of marketing, the way a firm looks at strategy and tactics is reflected in the shift

 A) to product glut and customer shortage.
 B) in power from marketer to customer.
 C) in generational values and preferences.
 D) to distinguishing Marketing (Big M) from marketing (little m).
 E) to justifying the relevance and payback of the marketing investment.

**60)** In the context of change drivers impacting the future of marketing, marketing tactics such as designing the elements of the marketing mix are reflected in the shift

 A) to product glut and customer shortage.
 B) in power from marketer to customer.
 C) in generational values and preferences.
 D) to distinguishing Marketing (Big M) from marketing (little m).
 E) to justifying the relevance and payback of the marketing investment.

**61)** The 4Ps of marketing refer to

 A) product, price, place, and promotion.
 B) policy, production, plan, and preference.
 C) promotion, plan, place, and procedure.
 D) price, policy, program, and position.
 E) place, production, provision, and plan.

**62)** An offering today is considered to be the\_\_\_\_\_\_\_\_Blank in the marketing mix.

 A) product
 B) price
 C) promotion
 D) place
 E) policy

**63)** Supply chain management is considered to be part of the\_\_\_\_\_\_\_\_Blank of the marketing mix.

 A) product
 B) price
 C) promotion
 D) place
 E) plan

**64)** In the context of the marketing mix,\_\_\_\_\_\_\_\_Blank today is largely regarded in relationship to the concept of value.

 A) product
 B) price
 C) promotion
 D) place
 E) policy

**65)** Ming Yue’s tailoring business works around the needs of the customer by providing hours of operation that vary throughout the week, including some evening and weekend hours. It could be said that Ming Yue’s business is

 A) differentiated.
 B) customer-centric.
 C) market-oriented.
 D) product-oriented.
 E) socially responsible.

**66)** What clearly distinguishes your product from those of the competition is

 A) orientation.
 B) differentiation.
 C) organization.
 D) relationships.
 E) development.

**67)** In Wiersema’s book, *The New Market Leaders*, he identifies six new market realities. Which of these is included in the list?

 A) competitors fade away
 B) few secrets are open secrets
 C) innovation is universal
 D) information appreciates
 E) hard times make easy growth

**68)** Which characteristic about millennials is the least accurate?

 A) They favor content over authenticity.
 B) They are brand loyal.
 C) They are highly connected through technology.
 D) They wish to be part of a company’s development process.
 E) They seek ethical companies to work for.

**69)** As of 2019, which generational segment is the largest in the United States?

 A) baby boomers
 B) the silent generation
 C) Gen X
 D) millennials
 E) Gen Z

**70)** Clarissa and her mother are both in marketing positions. Clarissa’s job is satisfying to her primarily because it gives her a flexible schedule and pays well so she can take vacations with her friends. Her mother chose a job that provides health benefits and structured work with regular hours. This demonstrates how shifts in\_\_\_\_\_\_\_\_Blank can influence work life versus family life.

 A) generational values and preferences
 B) information power from marketer to customer
 C) product glut and customer shortage
 D) buying power from customer to marketer
 E) competitive influences

**71)** Marketing (Big M) is also known as\_\_\_\_\_\_\_\_Blank marketing.

 A) pro-social
 B) tactical
 C) strategic
 D) green
 E) operational

**72)** In the context of change drivers impacting the future of marketing, marketing (little m) is also known as\_\_\_\_\_\_\_\_Blank marketing.

 A) pro-social
 B) tactical
 C) strategic
 D) predatory
 E) green marketing

**73)** Which action element is required for successful Marketing (Big M)?

 A) aligning all internal organizational processes and systems around the product
 B) ensuring that everyone in an organization understands the concept of customer orientation
 C) finding somebody at the lower level of the firm to consistently champion this Marketing (Big M) business philosophy
 D) remembering the fact that the marketing department is where Marketing (Big M) takes place
 E) creating market-driven, not market-driving, strategies

**74)** Strategic marketing refers, in part, to

 A) a firm’s internal focus on production and customer satisfaction.
 B) working with competitors, when appropriate, and with suppliers.
 C) a long-term, firm-level commitment to investing in marketing.
 D) making an unwavering commitment on which customers to serve.
 E) studying promotion, distribution, delivery, and production.

**75)** The core marketing concept characteristics of an organization-wide customer orientation and long-run profits are\_\_\_\_\_\_\_\_Blank in nature.

 A) objective
 B) strategic
 C) ethical
 D) operational
 E) subjective

**76)** \_\_\_\_\_\_\_\_Blank refers to approaches that drive the market toward fulfilling a whole new set of needs that customers did not realize was possible or feasible before.

 A) Green marketing
 B) Tactical marketing
 C) Market creation
 D) Market orientation
 E) Marketing mix

**77)** In 2000, Samsung manufactured the first cell phone with a built-in camera. Before that, people just used their cell phones to make and receive calls. Samsung fulfilled a need that consumers didn’t know they had through

 A) green marketing.
 B) tactical marketing.
 C) market creation.
 D) market orientation.
 E) the marketing mix.

**78)** For successful Marketing (Big M), customer orientation must be understood by

 A) an organization’s competitors.
 B) the top management only.
 C) an organization’s suppliers.
 D) the existing customers.
 E) everyone in the organization.

**79)** For successful Marketing (Big M), all internal organizational practices should be aligned around

 A) profits.
 B) management.
 C) manufacturing.
 D) the customer.
 E) information technology.

**80)** In order for Marketing (Big M) to succeed, it must be championed by

 A) the sales force.
 B) top management.
 C) middle management.
 D) frontline personnel.
 E) everyone in the organization.

**81)** A small business spent a large amount of time determining its brand image and how it would deliver its message to its customers. These are elements of

 A) Marketing (Big M).
 B) marketing (little m).
 C) strategic marketing.
 D) the supply chain.
 E) stakeholder relations.

**82)** In order for Marketing (Big M) to succeed, firms should create\_\_\_\_\_\_\_\_Blank strategies.

 A) predatory pricing
 B) market-driving
 C) diversification
 D) vertical integration
 E) market-driven

**83)** In the context of change drivers impacting the future of marketing, marketing (little m)

 A) is often thought of as strategic marketing.
 B) almost always takes place at the top level of a firm.
 C) serves as a core driver of business strategy.
 D) need not be couched within the philosophy of a firm’s Marketing (Big M).
 E) serves the firm and its stakeholders at a functional level.

**84)** Microsoft’s revolution of the information field and Disney’s creation of the modern theme park industry are classic examples of

 A) marketing mix.
 B) marketing (little m).
 C) pro-social marketing.
 D) green marketing.
 E) market creation.

**85)** Everything from brand image to the message sales people and advertisements deliver to customer service to packaging and product features to the chosen distribution channel exemplify

 A) strategic marketing.
 B) relationship orientation.
 C) Marketing (Big M).
 D) sales orientation.
 E) marketing (little m).

**86)** Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement. In the context of change drivers affecting the future of marketing, this reflects the shift

 A) to justifying the relevance and payback of the marketing investment.
 B) to product glut and customer shortage.
 C) to distinguishing Marketing (“Big M”) from marketing (“little m”).
 D) in generational values and preferences.
 E) in information power from marketer to customer.

**87)** Sharon’s manager asked her to identify, track, evaluate, and provide key benchmarks for improvement in her marketing department. To do this, Sharon used

 A) marketing metrics.
 B) market research.
 C) the marketing mix.
 D) market creation.
 E) strategic marketing.

**88)** When the text states that marketers need to create tools for ongoing, meaningful measurement of marketing productivity, it is referring to the need for

 A) accountability.
 B) responsibility.
 C) subjectivity.
 D) visibility.
 E) identification.

**89)** Manjit’s job is to measure, manage, and analyze marketing performance to maximize marketing effectiveness and optimize return on marketing investment. Manjit is practicing

 A) financial metrics.
 B) marketing analytics.
 C) economic analysis.
 D) marketing metrics.
 E) budget analysis.

**90)** Which of these is a macro-level environmental trend in business that affects marketing?

 A) a shift to digital and social media approaches to marketing communication
 B) the emphasis on internal stakeholders
 C) CEOs being held more responsible for assessing marketing productivity
 D) the view of marketing as an investment instead of a cost
 E) the quantification of marketing objectives and results

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.
91)** Name three of the marketing misconceptions discussed in the text, and explain why these do not accurately describe the field of marketing.

**92)** How do you define the term marketing? How does the AMA definition compare with Drucker’s definition?

**93)** Compare and contrast the production orientation, the sales orientation, the differentiation orientation, the market orientation, and the relationship orientation.

**94)** Describe three ways in which information power has shifted from the marketer to the customer.

**Answer Key**Test name: chapter 1

1) TRUE

2) FALSE

3) TRUE

4) TRUE

5) FALSE

The concept of environmentally friendly marketing, or green marketing, has been a growing trend in socially responsible companies. Today the movement has evolved into a part of the philosophical and strategic core of many firms under the label*sustainability*, which refers to business practices that meet humanity’s needs without harming future generations.

6) TRUE

7) FALSE

8) TRUE

9) FALSE

Fred Wiersema, in his book*The New Market Leaders*, builds a powerful case that the balance of power is shifting between marketers and their customers, both in business-to-consumer (B2C/end user) markets and business-to-business (B2B) markets. Wiersema’s central point is that not only is a customer orientation desirable, but also in today’s market it is a necessity for survival.

10) TRUE

11) TRUE

12) TRUE

13) FALSE

14) TRUE

15) TRUE

16) TRUE

17) FALSE

18) FALSE

19) FALSE

20) C

Unlike most other key areas of business, marketing as a field is highly public and readily visible outside the confines of the internal business operation. Of all the business fields, marketing is almost certainly the most visible to people outside the organization.

21) A

Despite the fact that much of marketing is easily observable to just about anyone, marketing as a professional field worthy of serious study doesn’t always get the respect it deserves, maybe in part because of its overexposure, but also because in the past, marketing has had few useful metrics or measures to gauge the performance impact of a firm’s marketing investment, while other areas of the firm have historically been much more driven by measurement of results.

22) E

Marketing is no more inherently unethical than other business areas. The accounting scandals at Enron, WorldCom, and other firms in the early 2000s show that to be true. However, when some element of marketing proves to be unethical (or even illegal), it tends to be visible to the general public. See Exhibit 1.1.

23) A

Unlike most other key areas of business, marketing as a field is highly public and readily visible outside the confines of the internal business operation. Most aspects of financial management, accounting, information technology, production, operations management, and human resource management take place behind the curtain of an organization, out of the general public’s sight. But marketing is very different. A good portion of marketing is very public.

24) C

A misconception about marketing is that it is all about selling. The general public also experiences a lot of selling. Much of this day-to-day selling is in retail store environments. Selling, or more correctly “personal selling,” is simply another method of marketing communication. See Exhibit 1.1.

25) D

Consider this quote from Drucker, circa 1954: If we want to know what a business is we have to start with its purpose. There is only one valid definition of business purpose: to create a customer.

26) C

According to Peter Drucker, marketing is so basic that it cannot be considered a separate function within the business. It is a central dimension of the entire business. It is the whole business seen from the customer’s point of view. Concern and responsibility for marketing must permeate all areas of the enterprise.

27) B

The American Marketing Association’s definition of marketing is “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

28) D

Purpose marketing, or pro-social marketing, is growing as a marketing strategy. This growing popularity can be attributed to an increasing number of consumers who say what a company stands for influences their purchasing decisions. Toms shoe company is renowned for its social entrepreneurism and socially conscious purpose marketing. Toms’ “One for One” mission assures customers that with every purchase, “Toms will help a person in need.”

29) D

From a customer’s perspective, we define value as a ratio of the bundle of benefits a customer receives from an offering compared to the costs incurred by the customer in acquiring that bundle of benefits.

30) E

A central tenet of marketing is the concept of exchange, in which people give up something of value to them for something else they desire to have. Usually an exchange is facilitated by money, but not always.

31) B

Bridgit exchanged something of value (her old car and cash) for something else that was of value to her.

32) D

When a person needed a new pair of shoes in the pre–Industrial Revolution, one would likely go visit the village cobbler, who would take precise measurements and then send the customer away with instructions to return in a week or so to.

33) D

The AMA defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

34) B

The range of external stakeholders—those outside a firm—includes customers, vendors, governmental bodies, labor unions, and many others.

35) A

The concept of environmentally friendly marketing, or green marketing, has been a growing trend in socially responsible companies. Environmental awareness coupled with a sense of social responsibility is leading many companies to assess their environmental policies and business practices.

36) B

A central tenet of marketing is the concept of exchange, in which people give up something of value to them for something else they desire to have. Usually an exchange is facilitated by money, but not always. Sometimes people trade or barter nonmonetary resources such as time, skill, expertise, intellectual capital, and other things of value for something else they want.

37) E

Value and exchange are two core marketing concepts. From a customer’s perspective, we define value as a ratio of the bundle of benefits a customer receives from an offering compared to the costs incurred by the customer in acquiring that bundle of benefits. Another central tenet of marketing is the concept of exchange, in which a person gives up something of value to them for something else they desire to have.

38) A

Maximizing production capacity utilization became a predominant concern. For the early part of the 20th century, the focus was on this production orientation of improving products and production efficiency without much regard for what was going on in the marketplace.

39) B

A sales orientation suggests that, to increase sales and consequently production capacity utilization, professional salespeople need to “push” product into the hands of customers, both businesses and end users.

40) C

Around the end of World War I, production capacity utilization began to decline for several reasons. First, capacity had been increased greatly for the war. Second, a number of firms that had dominated their respective industries before the war now found themselves with stiff competition for sales because many new competitors had flooded into the marketplace. And third, financial markets were becoming more sophisticated and were placing more pressure on firms to continually increase sales volume and profits.

41) C

A great deal of research has been devoted to learning how a firm can successfully put the marketing concept into practice. Think of market orientation as the implementation of the marketing concept.

42) E

In the 1950s, increased demand for consumer goods and services, a new focus on family and the need for normalcy, increased production capacity, and the advent of mainframe computers—combined with growing frustration with high-pressure selling—sparked a shift in the focus of American business. The resulting business philosophy has been labeled the *marketing concept*, which is an organization-wide customer orientation with the objective of achieving long-run profits.

43) E

General Electric’s 1952 *Annual Report* is often cited as the first time the marketing concept was articulated in writing by a major corporation.

44) C

An important rubric in marketing is the following: making a change in any one of the marketing mix elements tends to result in a domino effect on the others.

45) E

After World War II, business began to change in many long-lasting ways. Business historians point to a number of reasons for this shift, including: pent-up demand for consumer goods and services after the war, euphoric focus on family and a desperate need to regain a normalcy of day-to-day life after years of war, opening up of production capacity dominated for years by war production, and advent of readily available mainframe computing capability, and especially the associated statistical analytic techniques that allowed for more sophisticated market research.

46) C

More sophisticated research and analytical approaches have made it possible to do increasingly precise refinement of market segmentation, target marketing, and positioning of products to serve very specific customer groups. Differentiation is what clearly distinguishes your products from those of competitors in the minds of customers.

47) D

The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

48) B

Some firms come close to one-to-one marketing by employing mass customization, in which they combine flexible manufacturing with flexible marketing to greatly enhance customer choices. Retailers have even entered into mass customization.

49) C

Many marketers today are more focused on solutions than products. Think of a solution as a bundle of benefits from an offering that solves a problem or fills a need of a customer. The characterization of an offering as a solution is nice because of the implication that a solution has been developed in conjunction with specific, well-understood customer wants and needs.

50) D

In their books and articles, Don Peppers and Martha Rogers popularized the term one-to-one marketing, which advocates that firms should direct energy and resources into establishing a learning relationship with each customer and then connect that knowledge with the firm’s production and service capabilities to fulfill that customer’s needs in as custom a manner as possible.

51) B

To grasp the magnitude of changes in promotion since the 1960s one need only consider the proliferation of high-tech media options available to marketers today, from the Internet to cell phones and beyond.

52) E

The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

53) B

The move toward a relationship orientation by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment.

54) E

Much of customer relationship management (CRM) is designed to facilitate higher levels of customer satisfaction and loyalty, as well as to provide a means for identifying the most profitable customers—those worthy of the most marketing investment.

55) B

Much of CRM is designed to facilitate higher levels of customer satisfaction and loyalty, as well as to provide a means for identifying the most profitable customers—those worthy of the most marketing investment.

56) A

Nowadays, customers of all kinds have nearly limitless access to information about companies, products, competitors, other customers, and even detailed elements of marketing plans and strategies. Customers are empowered to access boundless information about all kinds of products and services on the Internet.

57) C

In 2013 Girl Scouts of the USA introduced the Girl Scout Cookie Finder App. The app provides users with GPS coordinates for the nearest cookie sales location. For many, gone are the days of strictly relying on face-to-face selling. This preference has clear implications for how marketing carries out its management of customer relationships across generations and also calls into question how much value younger customers derive from the different approaches to relationships.

58) C

Generational changes have been noticed in the competitive candy industry. Bazooka brand candy rebranded its product line to remain relevant and to better position itself with younger, tech-savvy generations. The company began replacing the traditional miniature comic strips on its candy with quizzes and brainteasers that direct kids to digital content.

59) D

Marketing is thought of as occurring on two dimensions within an organization. These dimensions exist in tandem, and even intersect on occasion, but harbor fundamental differences in goals and properties. For convenience, we can distinguish these dimensions by capitalizing the word for one (“Marketing”—“Big M”) and leaving the word in lowercase for the other (“marketing”—“little m”). Marketing (Big M) refers to strategic marketing, and marketing (little m) is often thought of as tactical marketing.

60) D

Marketing (Big M) and marketing (little m) should be quite naturally connected within a firm, as the latter tends to represent the day-to-day operationalization and implementation of the former. Everything from brand image, to the message sales people and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel-in fact, all elements of the marketing mix and beyond-exemplify marketing (little m).

61) A

In the mid-1960s, a convenient way of teaching the key components was developed with the advent of the marketing mix, or 4Ps of marketing, originally for product, price, place, and promotion.

62) A

The product is now regarded broadly in the context of an overall offering, which could include a bundle of goods, services, ideas (for example, intellectual property), and other components, often represented by strong overarching branding.

63) D

Place has undergone tremendous change. Rather than just connoting the process of getting goods from Point A to Point B, firms now understand that sophisticated, integrated supply chain approaches are a crucial component of business success.

64) B

Price today is largely regarded in relationship to the concept of value within the marketing mix.

65) B

The decisions to place the customer at the core of the enterprise (often referred to as a customer-centric approach to business), focus on investment in customers over the long term, and focus on marketing as an organization-wide issue.

66) B

Differentiation is what clearly distinguishes your products from those of competitors in the minds of customers.

67) C

He identifies “six new market realities”: Competitors proliferate, all secrets are open secrets, innovation is universal, information overwhelms and depreciates, easy growth makes hard times, and customers have less time than ever.

68) A

Millennials favor authenticity over content, are brand loyal (especially if those brands are active on social media), are highly connected through technology, and wish to be part of a company’s product development process. They also seek to join companies that are tuned in to ethical business practices and social responsibility.

69) D

In 2019, Pew Research Center announced that millennials had overtaken baby boomers as the largest generational segment in the United States, with 72.1 million versus 71.6 million.

70) A

Generational differences in attitudes toward work life versus family life, expectations about job satisfaction and rewards, and preferred modes of learning and working (e.g., electronic versus face-to-face) affect the ability of firms to hire people into various marketing-related positions.

71) C

Marketing (Big M) serves as a core driver of business strategy. That is, an understanding of markets, competitors, and other external forces, coupled with attention to internal capabilities, allows a firm to successfully develop strategies for the future. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

72) B

Marketing (little m) serves the firm and its stakeholders at a functional or operational level; hence, marketing (little m) is often thought of as tactical marketing.

73) B

The concept of Marketing (Big M) necessitates several important actions on the part of the organization to maximize marketing’s impact. Ensuring that everyone in an organization understands the concept of customer orientation is an action element required for successful Marketing (Big M).

74) C

Marketing (Big M) serves as a core driver of business strategy. That is, an understanding of markets, competitors, and other external forces, coupled with attention to internal capabilities, allows a firm to successfully develop strategies for the future. This approach is often referred to as strategic marketing, which means a long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

75) B

The core concepts of customer value, exchange, customer relationships, and benefit to the organization and its stakeholders are all very strategic in nature and help form the core business philosophy of a firm. The marketing concept includes a strong Marketing (Big M) thrust: “an organization-wide customer orientation with the objective of achieving long-run profits.” Certainly the core marketing concept characteristics of an organization-wide customer orientation and long-run profits are very strategic.

76) C

Market creation refers to approaches that drive the market toward fulfilling a whole new set of needs that customers did not realize was possible or feasible before. A classic example of market creation include Microsoft’s revolution of the information field.

77) C

Market creation refers to approaches that drive the market toward fulfilling a whole new set of needs that customers did not realize was possible or feasible before.

78) E

An action element required for successful Marketing (Big M) is making sure everyone in an organization, regardless of their position or title, understands the concept of customer orientation, which places the customer at the core of all aspects of the enterprise.

79) D

An action element required for successful Marketing (Big M) is aligning all internal organizational processes and systems around the customer. The concept of Marketing (Big M) necessitates several important actions on the part of the organization to maximize marketing’s impact.

80) B

Finding somebody at the top of the firm to consistently champion this Marketing (Big M) business philosophy is crucial for its success. The CEO is the most appropriate person for this role, perhaps manifest through the CMO (chief marketing officer).

81) B

Everything from brand image, to the message salespeople and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel—in fact, all elements of the marketing mix and beyond—exemplify marketing (little m).

82) B

In order for Marketing (Big M) to succeed, firms should create market-driving, not just market-driven, strategies. It is imperative to study the market and competition as part of the marketing planning process.

83) E

In contrast to Marketing (Big M), marketing (little m) serves the firm and its stakeholders at a functional or operational level; hence, marketing (little m) is often thought of as tactical marketing. In fact, marketing (little m) almost always takes place at the functional or operational level of a firm.

84) E

Classic examples of market creation include Microsoft’s revolution of the information field, Disney’s creation of the modern theme park industry, and Apple’s innovations in integrated communications with the iPhone and iPad. These were all market-driving strategies that created new markets.

85) E

Everything from brand image, to the message salespeople and advertisements deliver, to customer service, to packaging and product features, to the chosen distribution channel—in fact, all elements of the marketing mix and beyond—exemplify marketing (little m).

86) A

The final change driver affecting the future of marketing is a topic on the minds of many CEOs and CMOs today. The issue is how management can effectively measure and assess the level of success a firm’s investment in various aspects of marketing has had. Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement.

87) A

The issue is how management can effectively measure and assess the level of success a firm’s investment in various aspects of marketing has had. Appropriate and effective marketing metrics must be designed to identify, track, evaluate, and provide key benchmarks for improvement just as various financial metrics guide the financial management of the firm.

88) A

CEOs and stockholders expect marketing accountability. Marketers need to create tools for ongoing, meaningful measurement of marketing productivity.

89) B

Note that marketing metrics is a different concept from that of *marketing analytics*, which is the practice of measuring, managing, and analyzing marketing performance to maximize marketing effectiveness and optimize return on marketing investment (ROMI).

90) A

Many trends in the macro-level environment of business also affect marketing, including globalization, ethnic diversification, and the growth and proliferation of technology, such as a precipitous shift to digital and social media approaches to marketing communication.

91)The common misperceptions about marketing include:
● Catchy and entertaining advertisements—or perhaps the opposite, incessant and bor­ing advertisements.
● Pushy salespeople trying to persuade someone to buy it right now.
● Incessant spam in your e-mail inbox and unwelcome solicitations on your smartphone.
● Obtrusive tracking and recording of your every click and browsing activity online.
● Famous brands and their celebrity spokespeople, such as Nike’s athlete endorsers.
● Product claims that turn out to be overstated or just plain false, causing doubt about the trustworthiness of a company.
● Marketing departments “own” an organization’s marketing initiative.
 Students should be able to explain each of these in terms of why some people may believe them, but also why they do not accurately represent the field.

92)The American Marketing Association defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Peter Drucker defines it as “Marketing is so basic that it cannot be considered a separate function (i.e., a separate skill or work) within the business . . . it is, first, a central dimension of the entire business. It is the *whole business* . . . seen from the *customer’s* point of view. Concern and responsibility for marketing must, therefore, permeate all areas of the enterprise.”

93)● For the early part of the 20th century, the focus was on the **production orientation** of improving products and production efficiency without much regard for what was going on in the marketplace. In fact, consumers snapped up this new pipeline of reasonably priced goods, even if the products didn’t give much choice in style or function. Around the end of World War I, production capacity utilization began to decline for several reasons. These factors resulted in the rise of many of the great sales organizations of today.
● A **sales orientation** suggests that, to increase sales and consequently production capacity utilization, professional salespeople need to “push” product into the hands of customers, both businesses and end users.
● More sophisticated research and analytical approaches have made it possible to do increasingly precise refinement of market segmentation, target marketing, and positioning of products to serve very specific customer groups. The idea is to create and communicate **differentiation**, or what clearly distinguishes your products from those of competitors in the minds of customers. The ability for marketers to tailor and deliver different product messages to different groups also has been greatly enhanced by the proliferation of multiple types of media that can be used with great precision to communicate to very specifically defined customer groups.
● A great deal of research has been devoted to learning how a firm can successfully put the marketing concept into practice. Think of **market orientation** as the implementation of the marketing concept. The notion of market orientation, one component of which is customer orientation—placing the customer at the core of all aspects of the enterprise—takes the guiding business philosophy of the marketing concept and works to more usefully define just how to implement it within a firm.
The move toward a **relationship orientation** by firms has been driven by the realization that it is far more efficient and effective to invest in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new customers that come with unknown return on investment. Most firms simultaneously focus on both current and new customers, but no company wants to be in a position of losing great customers and having to scramble to replace the associated lost revenue. A relationship orientation draws its power from the firm’s capability to effectively collect and use ongoing, real-time information on customers in marketing management decision making.

94)For decades, marketers held a degree of information power over their customers because firms had access to detailed and sophisticated information about their products and services that customers couldn’t get without the help of someone in the firm (usually a salesperson). Now, customers are empowered to access boundless information about all kinds of products and services on the Internet. For competitive reasons, firms have no choice but to be more open about their businesses and products. Even if they wanted to, firms can’t stop chat rooms, independent websites, web logs or blogs, and other customer-generated modes of communication from filling web page after web page with information, disinformation, and opinions about a company’s products, services.