

## ch2

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

1. Planning, implementation, and control are basic jobs of all managers.  
True False
2. The three basic jobs in the marketing management process are planning, implementation, and control.  
True False
3. Strategic planning is a top management job that includes planning only for marketing areas.  
True False
4. Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.  
True False
5. Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.  
True False
6. A marketing strategy is composed of two interrelated parts--a target market and a marketing mix.  
True False
7. A marketing strategy is composed of two interrelated parts--planning and implementation.  
True False
8. The two parts of a marketing strategy are an attractive opportunity and a target market.  
True False
9. Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.  
True False
10. The terms mass marketing and mass marketers mean the same thing.  
True False
11. Potential customers are all alike.  
True False

12. "Mass marketers" like Target usually try to aim at clearly defined target markets.

True False

13. The "four Ps" of the marketing mix are Product, Position, Promotion, and Price.

True False

14. The "four Ps" of the marketing mix are People, Products, Price, and Promotion.

True False

15. Product, Place, Promotion and Price are the four major variables (decision areas) in a firm's marketing mix.

True False

16. The customer is a part of the marketing mix and should be the target of all marketing efforts.

True False

17. Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.

True False

18. According to the text, a firm that sells a service rather than a physical good does not have a product.

True False

19. The Product area of the marketing mix may involve a service and/or a physical good which satisfies some customers' needs.

True False

20. The Place decisions are concerned with getting the right product to the target market at the right time.

True False

21. Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.

True False

22. A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.

True False

23. A channel of distribution must include an intermediary.

True False

24. Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.

True False

25. Promotion is composed of personal selling, advertising, sales promotion, and publicity.

True False

26. Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.

True False

27. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.

True False

28. Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.

True False

29. Sales promotion refers to those promotion activities—other than advertising, publicity, and personal selling—that stimulate interest, trial, or purchase by final customers or others in the channel.

True False

30. According to the text, Promotion is the most important of the "four Ps."

True False

31. In general, no single element of the "four Ps" is more important than the others.

True False

32. As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.

True False

33. A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."

True False

34. A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.

True False

35. Marketing strategy planning should specify all of the operational decisions to implement the plan.

True False

36. Companies such as Campbell's can only implement one marketing strategy at a time.

True False

37. Most companies implement only one marketing strategy at a time.

True False

38. A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.
- True False
39. A "marketing program" blends all of a firm's marketing plans into one "big" plan.
- True False
40. A successful marketing program benefits the firm by increasing customer equity.
- True False
41. One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.
- True False
42. One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.
- True False
43. The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.
- True False
44. An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.
- True False
45. Many of the conventional watchmakers failed because they were not marketing oriented.
- True False
46. Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.
- True False
47. Attractive opportunities for a particular firm are those that the firm has some chance of doing something about--given its resources and objectives.
- True False
48. A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.
- True False

49. Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.

True False

50. It is useful to think of the marketing strategy planning process as a narrowing-down process.

True False

51. The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.

True False

52. The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.

True False

53. Developing a set of specific qualitative and quantitative screening criteria can help a manager define what business and markets the firm wants to compete in.

True False

54. Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.

True False

55. Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).

True False

56. Differentiation emphasizes uniqueness rather than similarity.

True False

57. Differentiation emphasizes similarity rather than uniqueness.

True False

58. A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.

True False

59. S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.

True False

60. A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

True False

61. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities and threats".

True False

62. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."

True False

63. Marketing opportunities involving present products and present markets are called "market penetration" opportunities.

True False

64. Market penetration means trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.

True False

65. A firm which tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.

True False

66. When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."

True False

67. Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.

True False

68. The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."

True False

69. When Cadillac added a new sport utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.

True False

70. If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.

True False

71. Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.
- True False
72. The least risky--but most challenging--marketing opportunities are diversification opportunities.
- True False
73. If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.
- True False
74. Unfavorable trends in the domestic marketing environment may make the international marketing environment very attractive.
- True False
75. International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.
- True False
76. Marketing managers almost always find that opportunities in international markets are less profitable than in domestic markets.
- True False
77. The three basic tasks of ALL managers, according to the text, are:
- A. planning, staffing, and evaluating.
  - B. marketing, production, and finance.
  - C. execution, feedback, and control.
  - D. hiring, training, and compensating.
  - E. planning, implementation, and control.
78. The marketing management process is the process of:
- A. Planning marketing activities.
  - B. Implementing marketing plans.
  - C. Controlling marketing plans.
  - D. All of the above.
  - E. None of the above.
79. The marketing management process:
- A. includes the on-going job of planning marketing activities.
  - B. is mainly concerned with obtaining continuous customer feedback.
  - C involves finding opportunities and planning marketing strategies, but does not include the management . tasks of implementing and control.
  - D. is called "strategic planning."
  - E. Both A and D are true statements.

80. Why can't marketing managers be satisfied just planning present activities?
- A. Markets are dynamic.
  - B. Consumers' needs keep changing.
  - C. The environment keeps changing.
  - D. Competitors often change.
  - E. All of the above are reasons.
81. The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called:
- A. management by objective.
  - B. marketing programming.
  - C. marketing strategy planning.
  - D. strategic (management) planning.
  - E. market planning.
82. \_\_\_\_\_ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.
- A. Strategic (management) planning
  - B. Target marketing
  - C. Mass marketing
  - D. Resource allocation
  - E. Marketing control
83. Marketing strategies
- A. enable marketing managers to be satisfied just planning present activities.
  - B. ensure that every opportunity is good for every company.
  - C. do not specify target markets and related marketing mixes.
  - D. provide a limited picture of what a firm will do in some market.
  - E. are not whole-company plans.
84. "Marketing strategy planning" means:
- A. finding attractive opportunities and developing profitable marketing strategies.
  - B. finding attractive opportunities and selecting a target market.
  - C. selecting an attractive target market.
  - D. selecting an attractive marketing mix.
  - E. selecting a target market and developing a marketing strategy.
85. A marketing strategy
- A. specifies a target market and a related marketing mix.
  - B. provides a focused but narrow picture of what a firm will do in some market.
  - C. is a market-oriented, whole-company plan.
  - D. includes two interrelated parts—product mix and product development.
  - E. includes the marketing mix, but does not specify customers.



86. A marketing strategy specifies:

- A. a target market and a related marketing mix.
- B. all the company's resources.
- C. a target market.
- D. a target market and the company's objectives.
- E. a marketing mix.

87. A marketing strategy specifies:

- A. a marketing mix.
- B. a target market and a related marketing mix.
- C. a target market.
- D. the resources needed to implement a marketing mix.
- E. both A and D.

88. A marketing strategy consists of two interrelated parts. These are:

- A. selection of a target market and implementing the plan.
- B. selection of a target market and development of a marketing mix.
- C. selection and development of a marketing mix.
- D. finding attractive opportunities and developing a marketing mix.
- E. finding attractive opportunities and selecting a target market.

89. A target market and a related marketing mix make up a:

- A. Marketing plan.
- B. Marketing strategy.
- C. Marketing program.
- D. Marketing analysis.
- E. Marketing proposal.

90. Target marketing, in contrast to mass marketing:

- A. Assumes all customers have the same needs.
- B. Assumes everyone is a potential customer.
- C. Focuses only on small market segments.
- D. Tailors a marketing mix to fit some specific group of customers.
- E. Makes it more likely that a firm will face direct competition.

91. The difference between target marketing and mass marketing is that target marketing

- A. means focusing on a small market.
- B. focuses on short-run objectives, while mass marketing focuses on long-run objectives.
- C. focuses on specific customers, while mass marketing aims at an entire market.
- D. does not rely on e-commerce but mass marketing does.
- E. aims at increased sales, while mass marketing focuses on increased profits.

92. "Target marketing," in contrast to "mass marketing,"

- A. ignores the need for the firm to obtain a competitive advantage.
- B. ignores markets that are large and spread out.
- C. is limited to small market segments.
- D. assumes that all customers are basically the same.
- E. None of the above is correct.

93. Target marketing

- A. is a production-oriented approach to marketing.
- B. is essentially the same as mass marketing.
- C. considers everyone to be a potential customer.
- D. assumes that everyone is the same.
- E. specifies some particular group of customers.

94. \_\_\_\_\_ assume(s) that everyone is the same—and consider(s) everyone to be a potential customer.

- A. Mass marketers
- B. Target marketing
- C. Mass marketing
- D. Target marketers
- E. Objective marketing

95. Marketing managers should view potential customers as

- A. all alike.
- B. all having the same needs.
- C. always wanting to meet needs in the same way.
- D. grouped into segments of similar consumers.
- E. different types, but all having the same characteristics.

96. Good marketing strategy planners know that:

- A. firms like Nabisco and Wal-Mart are too large to aim at clearly defined target markets.
- B. target marketing does not limit one to small market segments.
- C. mass marketing is often very desirable and effective.
- D. the terms "mass marketing" and "mass marketer" mean basically the same thing.
- E. target markets cannot be large and spread out.

97. Marketing strategy planners should recognize that:

- A. target markets should not be large and spread out.
- B. mass marketing is often very effective and desirable.
- C. large firms like General Electric, Target, and Procter & Gamble are too large to aim at clearly defined markets.
- D. target marketing is not limited to small market segments.
- E. the terms "mass marketing" and "mass marketers" mean essentially the same thing.

98. "Target marketing," in contrast to "mass marketing,"

- A. is limited to small market segments.
- B. assumes that all customers are basically the same.
- C. ignores markets that are large and spread out.
- D. focuses on fairly homogeneous market segments.
- E. All of the above.

99. Identify the incorrect statement regarding target marketing.

- A. Target marketing is not mass marketing.
- B. Mass marketers cannot do target marketing.
- C. Target marketing can mean big markets and profits.
- D. Marketing-oriented managers practice "target marketing."
- E. It aims at a marketing mix that is tailored to fit specific target customers.

100. The marketing mix

- A. includes four variables -- People, Place, Promotion, and Price.
- B. includes the target market.
- C. helps to organize the marketing strategy decision areas.
- D. includes four variables -- advertising, personal selling, customer service, and sales promotion.
- E. does not focus on target customers.

101. The "four Ps" of a marketing mix are:

- A. Production, Personnel, Price, and Physical Distribution
- B. Promotion, Production, Price, and People
- C. Potential customers, Product, Price, and Personal Selling
- D. Product, Price, Promotion, and Profit
- E. Product, Place, Promotion, and Price

102. A firm's "marketing mix" decision areas would NOT include:

- A. Promotion.
- B. People.
- C. Price.
- D. Product.
- E. Place.

103. A firm's "marketing mix" decision areas would NOT include:

- A. Price.
- B. Promotion.
- C. Product.
- D. Place.
- E. Profit.

104. Which of the following is NOT one of the four variables in a marketing mix?

- A. Price
- B. Product
- C. Promotion
- D. Payment
- E. Place

105. Which of the following is true?

- A. The product "P" in the marketing mix stands for only physical goods.
- B. The product "P" in the marketing mix stands for both physical goods and services.
- C. The product "P" in the marketing mix stands for only tangible merchandise.
- D. The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

106. "Product" is concerned with:

- A. branding.
- B. packaging and warranty.
- C. physical goods.
- D. services.
- E. all of the above might be involved.

107. "Product" is concerned with:

- A. branding and warranties.
- B. physical goods and/or services.
- C. packaging.
- D. developing the right new product for a market.
- E. all of the above might be involved.

108. "Product" is concerned with:

- A. services.
- B. developing products which will satisfy some customers' needs.
- C. designing, packaging, and branding new products.
- D. physical goods.
- E. All of the above might be involved.

109. "Product" is NOT concerned with:

- A. quality level.
- B. branding.
- C. wholesale price.
- D. packaging.
- E. warranty.

110. Which of the following is NOT a Product-area decision?

- A. Quality level.
- B. Market exposure.
- C. Instructions.
- D. Packaging.
- E. Branding.

111. Which of the following is NOT considered a product?

- A. tax advice from a financial consultant.
- B. a computer.
- C. a haircut.
- D. a chair.
- E. All of the above are considered products.

112. Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

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

113. Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in their \_\_\_\_\_ strategy.

- A. Pricing.
- B. Promotional.
- C. Personnel.
- D. Product.
- E. Placement.

114. Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

- A. Product.
- B. Place.
- C. Promotion.
- D. Price.
- E. Personal selling.

115. When one considers the strategy decisions organized by the four Ps, branding is related to packaging as:

- A. branding is to pricing.
- B. production is to marketing.
- C. store location is to sales force selection.
- D. personal selling is to mass selling.
- E. pricing is to promotion.

116. A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of

- A. Product.
- B. Place.
- C. Promotion.
- D. Price.
- E. People.

117. The \_\_\_\_\_ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.
- A. Product
  - B. People
  - C. Promotion
  - D. Price
  - E. Place
118. "Place" is concerned with:
- A. intermediaries.
  - B. transporting.
  - C. channel members.
  - D. storing.
  - E. all of the above might be involved.
119. "Place" is concerned with:
- A. getting the product to its intended market.
  - B. intermediaries located between producers and consumers.
  - C. where, when, and by whom goods are offered for sale.
  - D. when and where products are wanted.
  - E. all of the above might be involved.
120. "Place" is NOT concerned with:
- A. storing.
  - B. intermediaries.
  - C. transporting.
  - D. channels of distribution.
  - E. sales reps.
121. "Place" is NOT concerned with:
- A. who handles storing and transporting.
  - B. when and where products are wanted.
  - C. kinds of intermediaries needed to reach customers.
  - D. telling the target market what products are available--and where.
  - E. channels of distribution.
122. Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:
- A. Price.
  - B. Promotion.
  - C. Personnel.
  - D. Product.
  - E. Place.

- 123.Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?
- A. penetration
  - B. product
  - C. promotion
  - D. place
  - E. price
- 124.Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as:
- A. customer service.
  - B. a packaging line.
  - C. a production line.
  - D. a channel of distribution.
  - E. mass marketing.
- 125.A "channel of distribution":
- A. usually has three members--a manufacturer, a distributor, and a retailer.
  - B. is any series of firms (or individuals) from producer to final user or consumer.
  - C. should be as short as possible.
  - D. is not involved if a firm sells directly from its own website to final customers.
  - E. All of the above are true.
- 126.An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,
- A. there is no channel of distribution.
  - B. there is no opportunity to apply target marketing.
  - C. no promotion is involved.
  - D. a production orientation is just as effective as a marketing orientation.
  - E. None of the above is true.
- 127.The \_\_\_\_\_ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.
- A. Product
  - B. Place
  - C. Promotion
  - D. Price
  - E. Communication
- 128."Promotion" may include:
- A. personal selling to channel members.
  - B. point-of-purchase materials.
  - C. mail-order selling.
  - D. advertising on the Internet.
  - E. all of the above.

129. "Promotion" includes:

- A. advertising.
- B. personal selling.
- C. sales promotion.
- D. publicity.
- E. All of the above.

130. Marketing strategy decisions concerning Promotion include decisions about

- A. packaging and branding.
- B. the kinds of intermediaries to use.
- C. training for salespeople.
- D. transporting and storing.
- E. discounts and allowances.

131. "Promotion" is NOT concerned with:

- A. creating billboard ads.
- B. designing new products.
- C. publicity.
- D. television commercials.
- E. personal selling.

132. Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

- A. price
- B. place
- C. promotion
- D. product
- E. all of the above

133. \_\_\_\_\_ is direct spoken communication between sellers and potential customers.

- A. Personal selling
- B. Sales promotion
- C. Advertising
- D. Publicity
- E. Mass selling

134. From the perspective of the four Ps, personal selling is to advertising as

- A. mass selling is to branding.
- B. place is to product.
- C. sales promotion is to pricing.
- D. warranties are to channel type.
- E. geographic terms are to price allowances.



135. \_\_\_\_\_ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.
- A. Advertising
  - B. Sales promotion
  - C. Publicity
  - D. Personal selling
  - E. Customer service
136. Advertising is:
- A. the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
  - B. direct communication between sellers and potential customers.
  - C. any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.
  - D. the main form of publicity.
  - E. All of the above.
137. A popular television show, The Unexpected, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through
- A. advertising.
  - B. publicity.
  - C. unethical means.
  - D. personal selling.
  - E. media hype.
138. Sales promotion:
- A. lets the salesperson adapt the firm's marketing mix to each potential customer.
  - B. is the main form of advertising.
  - C. tries to help the personal selling and mass selling people.
  - D. is free.
  - E. consists of both advertising and personal selling.
139. Catalogs, point-of-purchase materials, and free samples are all examples of:
- A. publicity.
  - B. personal selling.
  - C. sales promotion.
  - D. advertising.
  - E. none of the above.
140. Coupons, samples, and point-of-purchase materials are examples of
- A. advertising.
  - B. publicity.
  - C. specialty service.
  - D. personal selling.
  - E. sales promotion.

141. The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of
- A. advertising.
  - B. publicity.
  - C. sales promotion.
  - D. a channel of distribution.
  - E. media.
142. To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as
- A. advertising.
  - B. publicity.
  - C. sales promotion.
  - D. personal selling.
  - E. mass marketing.
143. When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a \_\_\_\_\_ strategy.
- A. Price.
  - B. Promotion.
  - C. Personnel.
  - D. Product.
  - E. Place.
144. "Price":
- A. is affected by the kind of competition in the target market.
  - B. includes markups and discounts, but not allowances and freight charges.
  - C. is not affected by customer reactions.
  - D. is the most important part of a marketing mix.
  - E. None of the above is true.
145. The Price area of the marketing mix:
- A. Requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
  - B. Does not involve estimating consumer reaction to possible prices.
  - C. Requires an understanding of discounts and allowances.
  - D. Does not include the consideration of geographic terms in price setting.
  - E. Both A and C.
146. When developing a marketing mix, a marketing manager should remember that:
- A. "Promotion" includes only personal selling and publicity.
  - B. A channel of distribution includes at least one intermediary.
  - C. "Price" includes markups, discounts, allowances, and geographic terms.
  - D. "Product" includes physical goods but not services.
  - E. All of the above are true.

147. The most important variable in a firm's marketing mix is:

- A. Product.
- B. Price.
- C. Promotion.
- D. Place.
- E. None of the above--all contribute to one whole.

148. Which of the following statements about marketing mix variables is false?

- A. "Promotion" includes personal selling, mass selling, and sales promotion.
- B. The term "Product" refers to services as well as physical goods.
- C. A channel of distribution does not have to include any intermediaries.
- D. Generally speaking, "Price" is more important than "Place."
- E. The needs of a target market virtually determine the nature of an appropriate marketing mix.

149. An appropriate marketing mix should be determined PRIMARILY by

- A. what has worked for the company in the past.
- B. the needs of a target market.
- C. the budget available to spend.
- D. the past experiences of the marketing manager.
- E. what product the firm can produce with economies of scale.

150. Ideally, a good marketing mix should:

- A. be very similar to the marketing mix typically used by key competitors.
- B. be determined by which marketing mix costs the least.
- C. not include much advertising because it's expensive and usually isn't very effective.
- D. flow logically from all the relevant dimensions of a target market.
- E. All of the above are true.

151. The text's "Toddler University" example shows that:

- A. parents are not price sensitive when it comes to assuring that their kids will get a good college education.
- B. the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. in the long run, a firm cannot make a profit without its own production facilities.
- E. All of the above are true.

152. The text's "Toddler University" example shows that:

- A. no mass market exists for general-purpose baby shoes.
- B. the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. no target market exists for high-quality baby shoes.
- E. All of the above are true.

153.The text's Toddler University example shows that TU's marketing plan included:

- A. A detailed description of the marketing mix to be offered.
- B. A description of the resources required to carry out the plan.
- C. Expected results of the plan.
- D. Control procedures.
- E. All of the above.

154.The main difference between a "marketing strategy" and a "marketing plan" is that:

- A. time-related details are included in a marketing plan.
- B. a marketing plan includes several marketing strategies.
- C. a marketing strategy provides more detail.
- D. a marketing strategy omits pricing plans.
- E. a marketing plan does not include a target market.

155.A "marketing plan" is:

- A. a marketing program.
- B. a marketing strategy.
- C. a marketing strategy--plus the time-related details for carrying it out.
- D. a target market and a related marketing mix.
- E. a plan that contains the necessary operational decisions.

156.A "marketing plan" should include:

- A. some control procedures.
- B. what company resources will be needed--at what rate.
- C. what marketing mix is to be offered to whom--and for how long.
- D. what sales and profit results are expected.
- E. all of the above.

157.Which of the following is part of a complete marketing plan?

- A. Competitors' marketing strategies.
- B. What company resources (costs) are required and at what rate.
- C. How different marketing mixes (for different target markets) relate to each other.
- D. All of the above.
- E. None of the above.

158.Which of the following would probably NOT be in a proposed marketing plan?

- A. A list of what company resources (costs) would be required.
- B. A statement of how frequently the design of the website will be changed.
- C. Expected sales and profit results.
- D. A description of the target market and marketing mix.
- E. All of the above would normally be part of a marketing plan.

159. Which of the following is NOT included in a marketing plan?

- A. The control procedures to be used
- B. The costs involved
- C. The results expected
- D. What marketing mix is to be offered
- E. All of the above should be included.

160. \_\_\_\_\_ refers to putting marketing plans into operation.

- A. Delivery
- B. Implementation
- C. Operational planning
- D. Strategy planning
- E. Control

161. Short-run decisions to help implement strategies are best known as

- A. actionable items.
- B. strategic decisions.
- C. marketing plans.
- D. operational decisions.
- E. dependencies.

162. Managers should make operational decisions

- A. within the guidelines set down during strategy planning.
- B. with great care as these decisions are the same as strategic decisions.
- C. for the long-run to help formulate strategic plans.
- D. keeping in mind that these decisions should always lead to changes in the basic strategy.
- E. on a month-to-month basis and never daily or weekly.

163. Which of the following statements about operational decisions is FALSE?

- A. They help to carry out a marketing strategy.
- B. They are short-run decisions.
- C. They are part of the implementation process.
- D. They usually require ongoing changes in the basic strategy to be effective.
- E. None of the above is FALSE.

164. Which of the following statements is a strategy decision, rather than an operational decision?

- A. "We will change the colors of our selection of shirts at the end of the season."
- B. "We will cut prices as needed in order to protect our market share."
- C. "We will increase the number of training sessions for new sales associates from two to three."
- D. "We will hire a merchandising specialist this month to help remodel our older stores."
- E. "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

165. Which of the following statements by a marketing manager refer to operational decisions, rather than strategy decisions?
- A. "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
  - B. "Newspaper ads will be more cost effective than 30 second radio ads--given the price increase for radio this month."
  - C. "We hope to earn a 15 percent return on investment with our plan."
  - D. All of the above.
  - E. None of the above.
166. Which of the following is an operational decision--rather than a strategy decision?
- A. A decision to seek distribution only through the best retailers.
  - B. Selection of a specific target market.
  - C. A decision to maintain a "one price" policy.
  - D. Selection of a specific cable TV channel on which to advertise.
  - E. All of the above are good examples of operational decisions.
167. Which of the following is an example of an operational decision?
- A. Focus promotion on the economy of the product.
  - B. Make the product available in every possible retail outlet.
  - C. Have a salesperson visit the manager of a new hardware store that will open next week.
  - D. Set a price that is no higher than competitors' prices.
  - E. None of the above is an operational decision.
168. Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?
- A. People
  - B. Place
  - C. Promotion
  - D. Price
  - E. Product
169. One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?
- A. Product
  - B. Place
  - C. Promotion
  - D. Price
  - E. People

170. When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent
- A. operational decisions in the product decision area.
  - B. strategy policies in the place area.
  - C. strategy policies in the product area.
  - D. operational decisions in the place area.
  - E. strategy policies in the promotion area.
171. A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of
- A. product.
  - B. place.
  - C. promotion.
  - D. price.
  - E. people.
172. A "marketing program":
- A. blends all of a firm's marketing plans into one big plan.
  - B. is a description of a firm's marketing mix.
  - C. is a detailed plan of how to implement a strategy.
  - D. is a marketing strategy plus the time-related details.
  - E. None of the above.
173. A "marketing program":
- A. is another name for a particular marketing mix.
  - B. blends several different marketing plans.
  - C. consists of a target market and the marketing mix.
  - D. is primarily concerned with all of the details of implementing a marketing plan.
  - E. must be set before a target market can be selected.
174. Which of the following blends all of the firm's marketing plans into one big plan?
- A. Marketing program.
  - B. Marketing mix.
  - C. Marketing statement.
  - D. Marketing overview.
  - E. None of the above.
175. \_\_\_\_\_ is the expected earnings stream of a firm's current and prospective customers over some period of time.
- A. Profit
  - B. Earnings
  - C. Operating profit
  - D. Customer equity
  - E. Net value

176. Customer equity

- A. focuses on the costs of acquiring new customers rather than on increasing revenues from current customers.
- B. is basically a historical measure of how profitable a firm has been in the past.
- C. is a concept that applies to firms that target final consumers but not to firms that target business customers.
- D. will increase if a firm increases its market share with a particular strategy.
- E. is the expected earnings stream of a firm's current and prospective customers over some time period.

177. Customer equity is

- A. simply the financial result achieved by a single marketing strategy.
- B. the total difference between the benefits of a firm's whole marketing program and total costs of obtaining those benefits, as the group of target customers sees it.
- C. increased when a firm is able to increase the earnings stream expected from current or prospective customers.
- D. decreased whenever the firm's costs of offering a marketing mix increase.
- E. the difference between the benefits of a firm's marketing mix and the cost of obtaining those benefits--as a particular customer sees it.

178. Customer equity

- A. is of concern to top management, but not very relevant in planning a particular marketing strategy.
- B. takes the perspective of the owners of (investors in) a firm.
- C. always increases over time, at least as long as a firm can stay in business.
- D. is important to marketing managers but of little interest to investors.
- E. increases as long as the number of customers that a firm serves increases over time.

179. Which of the following is NOT a reason the marketing program should build customer equity?

- A. Marketing strategies do not contribute to customer equity.
- B. Expected profits depend on customer equity.
- C. Owners expect financial returns.
- D. Profit growth comes from customers.
- E. Customers are the source of revenue.

180. Which of the following is *most* likely to increase a firm's customer equity?

- A. the firm offers a more costly marketing mix that attracts more customers.
- B. the firm offers customer value that is at least as good as what is offered by competitors.
- C. the lifetime value of the firm's individual customers increases.
- D. the competition in the firm's market increases.
- E. the firm cuts costs by reducing promotion efforts.

181. \_\_\_\_ is the difference between the firm's revenues (total dollar sales) and the total costs it runs up to make those sales.

- A. Customer equity
- B. Profit
- C. Net worth
- D. Lifetime customer value
- E. A premium price



182.The customer equity concept

- A. encourages a manager to consider both the costs and the revenue from a marketing strategy.
- B. recognizes that customers are satisfied at a cost--and it is basically an estimate of a firm's future earnings.
- C. applies even to firms that pursue several different strategies.
- D. focuses on earnings as well as sales.
- E. all of the above.

183.The text's discussion of Timex's marketing strategy highlights the fact that:

- A. it's not wise for managers to just define a business in terms of the products they currently produce or sell.
- B. there is little alternative but to stick with the traditional distribution channels for a product.
- C. most consumers see basic products--like watches--as close substitutes for each other.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

184.The text's discussion of Timex's marketing strategy highlights the fact that:

- A. creative strategy planning is needed for survival.
- B. there is little alternative but to stick with the traditional distribution channels for a product.
- C. most consumers want only high-quality products.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

185.The watch industry example in the text serves to illustrate that:

- A. good implementation and control is usually more important than good planning.
- B. there are a limited number of potential target markets.
- C. an effective marketing strategy guarantees future success.
- D. consumers want only high-quality products.
- E. a successful strategy often involves a marketing mix that is very different from what competitors have offered.

186."Breakthrough opportunities" are opportunities that:

- A. help innovators develop hard-to-copy marketing strategies.
- B. may be turned into marketing strategies that will be profitable for a long time.
- C. help the firm develop a "competitive advantage."
- D. help a firm satisfy customers better than some competitor.
- E. All of the above.

187.It's best to think of "breakthrough opportunities" as opportunities which:

- A. appeal to the mass market.
- B. will quickly create a whole new industry of firms competing with similar marketing mixes.
- C. help innovators develop hard-to-copy marketing mixes.
- D. increase sales.
- E. All of the above.

188. A breakthrough opportunity

- A. is an opportunity that gives a firm some sort of competitive advantage.
- B. can usually be achieved by copying the "best practices" of other firms that sell similar products.
- C. is one that helps an innovator develop a hard-to-copy marketing strategy that will be very profitable for a long time.
- D. is one that requires the firm to "breakthrough" its current resource limitations to obtain a new type of competitive advantage.
- E. is usually achieved by making better operational decisions.

189. \_\_\_\_\_ help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

- A. Opportunity segments
- B. Competitive decisions
- C. Breakthrough opportunities
- D. Competitive marketing
- E. Operational decisions

190. Which of the following best illustrates a "breakthrough opportunity?"

- A. A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.
- B. A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
- C. A bank puts its credit card machines in convenient drive-up locations--so they will be more convenient for customers.
- D. A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.
- E. A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

191. Which of the following would be likely to help you develop a "breakthrough opportunity"?

- A. A two-month advantage over competitors in introducing a new product.
- B. An idea for a new website animation that will attract consumer attention.
- C. Accurate marketing research information about how much of a planned product the target market is likely to buy.
- D. All of the above.
- E. None of the above.

192. Which of the following could be a "breakthrough opportunity?"

- A. A unique technical invention that competitors could not legally copy.
- B. A contract with the best intermediaries to reach your market--ensuring that they will handle your product and no competitors' offerings.
- C. A head start in a market so you can win target customers who will be really loyal to your firm and its offering.
- D. All of the above.
- E. None of the above.

193. A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as:
- A. Diversification.
  - B. Market development.
  - C. A breakthrough opportunity.
  - D. "Hit-or-miss" marketing.
  - E. Market penetration.
194. \_\_\_\_\_ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.
- A. Competitive advantage
  - B. Strategic policy
  - C. Customer equity
  - D. Comparative opportunity
  - E. Market development
195. Which of the following statements regarding marketing strategies is FALSE?
- A. It is useful to think of the marketing strategy planning process as a narrowing-down process.
  - B. These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
  - C. Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
  - D. These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
  - E. Most companies implement more than one marketing strategy and related marketing plan at the same time.
196. The text's discussion of "hit-or-miss marketing" suggests that
- A. firms that don't spend more on marketing than their competitors are likely to fail.
  - B. managers who seek big breakthroughs, rather than going after easier to achieve marketing opportunities, face big risks and are likely to fail.
  - C. it is fairly common for marketing efforts to turn out poorly, so to avoid that fate and get better than average results, a good manager needs to use a logical process for marketing strategy planning.
  - D. getting good marketing results is really quite easy as long as the marketing manager focuses on the 4Ps.
  - E. all of the above are good answers.
197. Developing a set of specific qualitative and quantitative screening criteria
- A. increases the different opportunities—and strategy possibilities—in the market.
  - B. can make it difficult to zero in on the best target market and marketing mix.
  - C. cannot help eliminate potential strategies that are not well suited for the firm.
  - D. can help a manager define what business and markets the firm wants to compete in.
  - E. highlights advantages of a strategy but does not make it clear why you should select that strategy.

198. \_\_\_\_\_ means that the marketing mix is distinct from and better than what is available from a competitor.

- A. Operational
- B. Visible
- C. Differentiation
- D. Competitive
- E. None of the above is correct

199. Differentiation of a firm's marketing mix:

- A. Means the firm's marketing mix is hard to distinguish from a competitor.
- B. May provide the firm with a competitive advantage in the marketplace.
- C. Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
- D. Is usually not necessary in order for the firm to succeed.
- E. None of the above.

200. Differentiation refers to the \_\_\_\_\_ of the firm's marketing mix to meet the needs of the target market.

- A. similarity
- B. uniqueness
- C. unsuitability
- D. willingness
- E. none of the above

201. Differentiation means that

- A. the firm should aim its efforts at a target market that is different from a target market that a competitor would find attractive.
- B. a firm's marketing mix is distinct from and better than what is available from a competitor.
- C. a firm uses its resources in a different way than competitors use their resources.
- D. a firm should screen out opportunities using different criteria than those used by other firms.
- E. when a firm's marketing strategy is not going well it should change to a different set of operational decisions.

202. Differentiation

- A. helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
- B. means that the marketing mix is similar to what is available from a competitor.
- C. often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.
- D. is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.
- E. can only be based on one important element of the marketing mix.

203. Which of the following statements about S.W.O.T. analysis are true:

- A. It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
- B. S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
- C. It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
- D. It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
- E. All of the above are true statements.

204. A S.W.O.T. analysis

- A. seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
- B. is not necessary if competitors have already entered the market.
- C. defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
- D. should help a manager develop a strategy that leads to a competitive advantage.
- E. None of the above is a good answer.

205. A S.W.O.T. analysis can help a marketing manager:

- A. define what business and markets the firm wants to compete in.
- B. narrow down to a specific target market and marketing mix from the many alternatives available.
- C. see the pros and cons of different possible strategies.
- D. develop a competitive advantage.
- E. all of the above.

206. A S.W.O.T. analysis

- A. focuses on what a firm plans to do to "Satisfy Wishes Of a Target" customer.
- B. summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
- C. helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
- D. identifies a firm's "strengths, weaknesses, opportunities, and threats."
- E. seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

207. In which quadrant of the SWOT analysis tool does the following fit? A firm has adequate resources.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

208. In which quadrant of the SWOT analysis tool does the following fit? A firm is in a fast-growing industry.

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

209. In which quadrant of the SWOT analysis tool does the following fit? A firm is vulnerable to recession.
- A. Strengths.
  - B. Weaknesses.
  - C. Opportunities.
  - D. Threats.
210. In which quadrant of the SWOT analysis tool does the following fit? A firm is falling behind in research and development.
- A. Strengths.
  - B. Weaknesses.
  - C. Opportunities.
  - D. Threats.
211. \_\_\_\_\_ means trying to increase sales of a firm's present products in its present markets.
- A. Product development
  - B. Market penetration
  - C. Market development
  - D. Mass marketing
  - E. Diversification
212. \_\_\_\_\_ means trying to increase sales of a firm's present products in its present markets.
- A. Differentiation
  - B. Product development
  - C. Market development
  - D. Diversification
  - E. Market penetration
213. Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on
- A. diversification.
  - B. market penetration.
  - C. product development.
  - D. mass marketing.
  - E. market development.
214. Tropicana is trying to get its customers to drink orange juice more often with ads that say "It's not just for breakfast anymore." What type of opportunity is the company pursuing?
- A. market penetration
  - B. diversification
  - C. market development
  - D. product development
  - E. mass marketing

215. Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?
- A. Market penetration
  - B. Product development
  - C. Market development
  - D. Mass marketing
  - E. Diversification
216. If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a \_\_\_\_\_ opportunity.
- A. diversification
  - B. market penetration
  - C. product development
  - D. mass marketing
  - E. market development
217. Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:
- A. Market development.
  - B. Product development.
  - C. Diversification.
  - D. Market penetration.
  - E. Mass marketing.
218. Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:
- A. Market penetration.
  - B. Differentiation.
  - C. Product development.
  - D. Diversification.
  - E. Market development.
219. When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:
- A. Product development.
  - B. Screening opportunities.
  - C. Mass marketing.
  - D. Differentiation.
  - E. Market penetration.
220. When a company grows globally, this is an example of:
- A. Market development.
  - B. Product development.
  - C. Diversification.
  - D. Market penetration.
  - E. Mass marketing.

221. \_\_\_\_\_ means trying to increase sales by selling present products in new markets.

- A. Differentiation.
- B. Market development.
- C. Product development.
- D. Diversification.
- E. Market penetration.

222. When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. product development.
- B. diversification.
- C. market penetration.
- D. mass marketing.
- E. market development.

223. When a firm tries to increase sales by selling its present products in new markets, this is called:

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. market integration.

224. The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

- A. target marketing.
- B. product development.
- C. diversification.
- D. market penetration.
- E. market development.

225. An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during week days. This effort to get new customers for the available facility is an example of

- A. a production orientation.
- B. product development.
- C. market development.
- D. diversification.
- E. market penetration.

226. Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

- A. market development
- B. diversification
- C. product development
- D. market penetration
- E. none of the above



227. Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a \_\_\_\_\_ opportunity.
- A. market development
  - B. market penetration
  - C. target marketing
  - D. product development
  - E. mass marketing
228. A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores--to reach nonhobbyists who might be interested in pretty flowers. This is an example of:
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.
229. GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores--to reach consumers who don't like to buy without first seeing the item in person. This is an example of:
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.
230. An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.
231. E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through
- A. market penetration.
  - B. differentiation.
  - C. product development.
  - D. market development.
  - E. diversification.

232. BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?
- A. Product development.
  - B. Market development.
  - C. Differentiation.
  - D. Market penetration.
  - E. Diversification.
233. In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a \_\_\_\_\_ opportunity.
- A. diversification
  - B. market penetration
  - C. product development
  - D. mass marketing
  - E. market development
234. \_\_\_\_\_ refers to offering new or improved products for present markets.
- A. Diversification
  - B. Market development
  - C. Differentiation
  - D. Market penetration
  - E. Product development
235. When a firm tries to increase sales by offering new or improved products to its present markets, this is called:
- A. mass marketing.
  - B. product development.
  - C. market penetration.
  - D. diversification.
  - E. market development.
236. To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at:
- A. combination.
  - B. market penetration.
  - C. market development.
  - D. product development.
  - E. diversification.
237. A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.

238. Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing \_\_\_\_\_.
- A. marketing myopia.
  - B. mass marketing.
  - C. product development.
  - D. market development.
  - E. diversification.
239. Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing \_\_\_\_\_.
- A. marketing myopia.
  - B. mass marketing.
  - C. product development.
  - D. market development.
  - E. diversification.
240. Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a \_\_\_\_\_ opportunity.
- A. Market penetration.
  - B. Market development.
  - C. Product development.
  - D. Diversification.
  - E. Breakthrough.
241. Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example is:
- A. Product development
  - B. Market development
  - C. Diversification
  - D. Market penetration
  - E. None of the above are correct.
242. In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?
- A. Channel penetration.
  - B. Diversification.
  - C. Product development.
  - D. Market development.
  - E. Market penetration.
243. Zippo is pursuing \_\_\_\_\_ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.
- A. market penetration
  - B. market development
  - C. product development
  - D. diversification
  - E. channeling

244. Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features which no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.
245. To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills--adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a \_\_\_\_\_ opportunity.
- A. combiner
  - B. market development
  - C. product development
  - D. diversification
  - E. market penetration
246. Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at
- A. market penetration.
  - B. diversification.
  - C. market development.
  - D. product development.
  - E. They will look at all opportunities equally.
247. \_\_\_\_\_ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.
- A. Diversification
  - B. Market development
  - C. Product development
  - D. Differentiation
  - E. Market penetration
248. When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:
- A. diversification.
  - B. product development.
  - C. market development.
  - D. market penetration.
  - E. All of the above.

249. Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of:
- A. Diversification
  - B. Market development
  - C. Product penetration
  - D. Differentiation
  - E. Market penetration
250. A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing
- A. market development.
  - B. diversification.
  - C. product development.
  - D. market penetration.
  - E. None of the above.
251. Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats. The firm appears to be pursuing a \_\_\_\_\_ opportunity.
- A. combiner
  - B. product development
  - C. market development
  - D. market penetration
  - E. diversification
252. A producer of home burglar alarm devices decides to start manufacturing portable video cameras for use in industrial security situations. This is an example of
- A. market development.
  - B. diversification.
  - C. product development.
  - D. market penetration.
  - E. None of the above.
253. If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious consumers who do not drink soft drinks, it would be pursuing a \_\_\_\_\_ opportunity.
- A. market development.
  - B. diversification.
  - C. market penetration.
  - D. product development.
  - E. None of the above.
254. The most risky and challenging opportunities usually involve:
- A. market development.
  - B. product development.
  - C. diversification.
  - D. market penetration.
  - E. all of the above are similar in terms of risk.

255. The most risky types of marketing opportunity to pursue usually involve

- A. market development.
- B. market penetration.
- C. diversification.
- D. product development.
- E. All of the above are equally risky.

256. Because companies are likely to be most familiar with their own operations, \_\_\_\_\_ opportunities are usually the easiest to pursue.

- A. market penetration
- B. product development
- C. market development
- D. diversification
- E. All of the above are equally easy.

257. Which of the following statements is True regarding international opportunities in marketing?

- A. There is no need to consider international opportunities when the domestic market is prosperous.
- B. International trade is decreasing worldwide.
- C. A product with slow sales growth in a domestic market may experience faster growth in another country.
- D. Only large firms can engage in international marketing.
- E. All of the above.

258. All of the following are reasons why international opportunities should be considered by managers, EXCEPT

- A. the world is getting smaller.
- B. serving international markets may improve economies of scale.
- C. favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
- D. around the world, potential customers have needs and money to spend.
- E. it helps to develop a competitive advantage at home and abroad.

## ch2 Key

1. Planning, implementation, and control are basic jobs of all managers.  
(p. 32)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #1  
Question Type: Definition  
Self-Test: No

2. The three basic jobs in the marketing management process are planning, implementation, and control.  
(p. 32)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #2  
Question Type: Definition  
Self-Test: No

3. Strategic planning is a top management job that includes planning only for marketing areas.  
(p. 33)

**FALSE**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #3  
Question Type: Definition  
Self-Test: No

4. Strategic planning is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.  
(p. 33)

**TRUE**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #4  
Question Type: Definition  
Self-Test: No

5. Finding attractive opportunities and developing profitable marketing strategies are the tasks included in the marketing manager's marketing strategy planning job.  
(p. 33)

**TRUE**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #5  
Question Type: Definition  
Self-Test: No

6. A marketing strategy is composed of two interrelated parts--a target market and a marketing mix.  
(p. 33)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #6  
Question Type: Definition  
Self-Test: No

7. A marketing strategy is composed of two interrelated parts--planning and implementation.  
(p. 33)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #7  
Question Type: Definition  
Self-Test: No

8. The two parts of a marketing strategy are an attractive opportunity and a target market.  
(p. 33)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #8  
Question Type: Definition  
Self-Test: No

9. Mass marketing means focusing on some specific customers, as opposed to assuming that everyone is the same and will want whatever the firm offers.  
(p. 33)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #9  
Question Type: Definition  
Self-Test: No

10. The terms mass marketing and mass marketers mean the same thing.  
(p. 34)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #10  
Question Type: Definition  
Self-Test: No



11. Potential customers are all alike.  
(p. 34,47)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3,7  
Perreault - Chapter 02 #11  
Question Type: Definition  
Self-Test: No

12. "Mass marketers" like Target usually try to aim at clearly defined target markets.  
(p. 35)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #12  
Question Type: Definition  
Self-Test: No

13. The "four Ps" of the marketing mix are Product, Position, Promotion, and Price.  
(p. 35-36)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #13  
Question Type: Definition  
Self-Test: No

14. The "four Ps" of the marketing mix are People, Products, Price, and Promotion.  
(p. 35-36)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #14  
Question Type: Definition  
Self-Test: No

15. Product, Place, Promotion and Price are the four major variables (decision areas) in a firm's marketing mix.  
(p. 35-36)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #15  
Question Type: Definition  
Self-Test: No

16. The customer is a part of the marketing mix and should be the target of all marketing efforts.  
(p. 36)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #16  
Question Type: Definition  
Self-Test: No

17. Although the customer should be the target of all marketing efforts, customers are not part of a marketing mix.  
(p. 36)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #17  
Question Type: Definition  
Self-Test: No

18. According to the text, a firm that sells a service rather than a physical good does not have a product.  
(p. 36)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #18  
Question Type: Definition  
Self-Test: No

19. The Product area of the marketing mix may involve a service and/or a physical good which satisfies some customers' needs.  
(p. 36)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #19  
Question Type: Definition  
Self-Test: No

20. The Place decisions are concerned with getting the right product to the target market at the right time.  
(p. 36)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #20  
Question Type: Definition  
Self-Test: No

21. Any series of firms (or individuals) from producer to final user or consumer is a channel of distribution.  
(p. 36)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #21  
Question Type: Definition  
Self-Test: No

22. A channel of distribution is any series of firms or individuals that participate in the flow of products from producer to final user or consumer.  
(p. 36)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #22  
Question Type: Definition  
Self-Test: No

23. A channel of distribution must include an intermediary.  
(p. 36-37)

**FALSE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #23  
Question Type: Definition  
Self-Test: No

24. Personal selling, mass selling, and sales promotion are all included in the Promotion area of the marketing mix.  
(p. 38)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #24  
Question Type: Definition  
Self-Test: No

25. Promotion is composed of personal selling, advertising, sales promotion, and publicity.  
(p. 38)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #25  
Question Type: Definition  
Self-Test: No

26. Personal selling involves direct personal communication to get the sale, but personal attention is seldom required after the sale.  
(p. 38)

**FALSE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #26  
Question Type: Definition  
Self-Test: No

27. Advertising is any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.  
(p. 38)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #27  
Question Type: Definition  
Self-Test: No

28. Sales promotion can involve point-of-purchase materials, store signs, contests, catalogs, and circulars.  
(p. 38)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #28  
Question Type: Definition  
Self-Test: No

29. Sales promotion refers to those promotion activities—other than advertising, publicity, and personal selling—that stimulate interest, trial, or purchase by final customers or others in the channel.  
(p. 38)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #29  
Question Type: Definition  
Self-Test: No

30. According to the text, Promotion is the most important of the "four Ps."  
(p. 38)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #30  
Question Type: Definition  
Self-Test: No

31. In general, no single element of the "four Ps" is more important than the others.  
(p. 38)

**TRUE**

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #31  
Question Type: Integrating  
Self-Test: No

32. As in the Toddler University case, the needs of a target market virtually determine the nature of an appropriate marketing mix.  
(p. 39)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #32  
Question Type: Definition  
Self-Test: No

33. A marketing strategy and all the time-related details for carrying out the strategy is a "marketing plan."  
(p. 41)

**TRUE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #33  
Question Type: Definition  
Self-Test: No

34. A marketing plan is a written statement of a marketing strategy and the time-related details for carrying out the strategy.  
(p. 41)

**TRUE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #34  
Question Type: Definition  
Self-Test: No

35. Marketing strategy planning should specify all of the operational decisions to implement the plan.  
(p. 41)

**FALSE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #35  
Question Type: Definition  
Self-Test: No

36. Companies such as Campbell's can only implement one marketing strategy at a time.  
(p. 41)

**FALSE**

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #36  
Question Type: Comprehension  
Self-Test: No

37. Most companies implement only one marketing strategy at a time.  
(p. 42)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #37  
Question Type: Definition  
Self-Test: No

38. A marketing program blends all of the firm's marketing plans into one "big" plan and is the responsibility of the whole company.  
(p. 42)

**TRUE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #38  
Question Type: Definition  
Self-Test: No

39. A "marketing program" blends all of a firm's marketing plans into one "big" plan.  
(p. 42)

**TRUE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #39  
Question Type: Definition  
Self-Test: No

40. A successful marketing program benefits the firm by increasing customer equity.  
(p. 43)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #40  
Question Type: Definition  
Self-Test: No

41. One way to increase customer equity is to find cost-effective ways to serve current customers so they buy more.  
(p. 43)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #41  
Question Type: Definition  
Self-Test: No

42. One way to increase customer equity is to find cost-effective ways to add new customers for the firm's products.  
(p. 43)

**TRUE**

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #42  
Question Type: Definition  
Self-Test: No

43. The best way to increase customer equity is to find cost-effective ways to increase earnings from current customers while bringing profitable new customers into the fold.  
(p. 43)

**TRUE**

AACSB: 3 Analytical skills; 8 Financial  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #43  
Question Type: Definition  
Self-Test: No

44. An extremely good plan might be carried out badly and still be profitable, while a poor but well implemented plan can lose money.  
(p. 44)

**TRUE**

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #44  
Question Type: Comprehension  
Self-Test: No

45. Many of the conventional watchmakers failed because they were not marketing oriented.  
(p. 44-45)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #45  
Question Type: Definition  
Self-Test: No

46. Managers who embrace the marketing concept realize that they cannot just define their line of business in terms of the products they currently produce or sell.  
(p. 46)

**TRUE**

AACSB: 10 Org Dynamics; 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #46  
Question Type: Comprehension  
Self-Test: No

47. Attractive opportunities for a particular firm are those that the firm has some chance of doing something about--given its resources and objectives.  
(p. 46)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #47  
Question Type: Definition  
Self-Test: No

48. A "breakthrough opportunity" is an opportunity that helps innovators develop long-term, hard-to-copy marketing strategies that will be very profitable.  
(p. 46)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #48  
Question Type: Definition  
Self-Test: No

49. Finding "competitive advantages" is important because they are needed for survival in increasingly competitive markets.  
(p. 46)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #49  
Question Type: Definition  
Self-Test: No

50. It is useful to think of the marketing strategy planning process as a narrowing-down process.  
(p. 47)

**TRUE**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #50  
Question Type: Definition  
Self-Test: No



51. The marketing strategy planning process starts with a narrow look at a market, and becomes broader the closer the firm comes to developing a marketing mix.  
(p. 47)

**FALSE**

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #51  
Question Type: Definition  
Self-Test: No

52. The single most important factor in screening possible marketing opportunities is the long-run trends facing the company.  
(p. 47)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #52  
Question Type: Definition  
Self-Test: No

53. Developing a set of specific qualitative and quantitative screening criteria can help a manager define what business and markets the firm wants to compete in.  
(p. 47)

**TRUE**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #53  
Question Type: Comprehension  
Self-Test: No

54. Differentiation means that the marketing mix is distinct from and better than what is available from a competitor.  
(p. 48)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #54  
Question Type: Definition  
Self-Test: No

55. Differentiation often requires a firm to fine-tune its marketing mix to meet the specific needs of its target market(s).  
(p. 48)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #55  
Question Type: Definition  
Self-Test: No

56. Differentiation emphasizes uniqueness rather than similarity.  
(p. 48)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #56  
Question Type: Definition  
Self-Test: No

57. Differentiation emphasizes similarity rather than uniqueness.  
(p. 48)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #57  
Question Type: Definition  
Self-Test: No

58. A S.W.O.T. analysis identifies the "special weapons or tactics" used by the competitor in a product-market that has the most profitable marketing mix.  
(p. 49)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #58  
Question Type: Definition  
Self-Test: No

59. S.W.O.T. analysis is based on the idea that one of the best ways to develop a strategy is to identify and copy the marketing "strategies, weapons, outlook, and tactics" of the firm's most effective competitor.  
(p. 49)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #59  
Question Type: Definition  
Self-Test: No

60. A good S.W.O.T. analysis helps a manager focus on a strategy that takes advantages of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.  
(p. 49)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #60  
Question Type: Definition  
Self-Test: No

61. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "strengths, weaknesses, opportunities and threats".  
(p. 49)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #61  
Question Type: Definition  
Self-Test: No

62. The letters in "S.W.O.T. analysis" are an abbreviation for the first letters of the words "special weapons or tactics."  
(p. 49)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #62  
Question Type: Definition  
Self-Test: No

63. Marketing opportunities involving present products and present markets are called "market penetration" opportunities.  
(p. 49)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #63  
Question Type: Definition  
Self-Test: No

64. Market penetration means trying to increase sales of a firm's present products in its present markets—probably through a more aggressive marketing mix.  
(p. 49)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #64  
Question Type: Definition  
Self-Test: No

65. A firm which tries to increase sales by selling new products in new markets is pursuing "market development" opportunities.  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #65  
Question Type: Definition  
Self-Test: No

66. When a firm tries to increase sales by offering new or improved products to its present markets, this is called "product development."  
(p. 50)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #66  
Question Type: Definition  
Self-Test: No

67. Nike moved beyond shoes and sportswear to offer its athletic target market a running watch, digital audio player, and even a portable heart-rate monitor. This is an example of a market development strategy.  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #67  
Question Type: Comprehension  
Self-Test: No

68. The ArrowPoint Company has just modified and enlarged its product line to meet the changing needs of its current customers. This is an example of "market development."  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #68  
Question Type: Definition  
Self-Test: No

69. When Cadillac added a new sport utility vehicle called Escalade to the "luxury-oriented" selection at its existing dealers, it was seeking "market development" opportunities.  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #69  
Question Type: Definition  
Self-Test: No

70. If Burger King added tacos to the "burger-oriented" menu in its existing restaurants, it would be seeking "market development" opportunities.  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #70  
Question Type: Definition  
Self-Test: No

71. Marketing opportunities that involve moving into totally different lines of business are "diversification" opportunities.  
(p. 50)

**TRUE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #71  
Question Type: Definition  
Self-Test: No

72. The least risky--but most challenging--marketing opportunities are diversification opportunities.  
(p. 50)

**FALSE**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #72  
Question Type: Definition  
Self-Test: No

73. If customers in other countries are interested in the products a firm offers, or could offer, serving them may improve economies of scale.  
(p. 51)

**TRUE**

AACSB: 13 Economic environments; 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 9  
Perreault - Chapter 02 #73  
Question Type: Comprehension  
Self-Test: No

74. Unfavorable trends in the domestic marketing environment may make the international marketing environment very attractive.  
(p. 52)

**TRUE**

AACSB: 13 Economic environments; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 9  
Perreault - Chapter 02 #74  
Question Type: Definition  
Self-Test: No

75. International opportunities should be considered in the strategy planning process, but they don't always survive as the most attractive ones that are turned into strategies.  
(p. 52)

**TRUE**

AACSB: 13 Economic environments; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 9  
Perreault - Chapter 02 #75  
Question Type: Definition  
Self-Test: No

76. Marketing managers almost always find that opportunities in international markets are less profitable than in domestic markets.

(p. 52)

**FALSE**

AACSB: 13 Economic environments; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 9  
Perreault - Chapter 02 #76  
Question Type: Definition  
Self-Test: No

77. The three basic tasks of ALL managers, according to the text, are:

(p. 32)

- A. planning, staffing, and evaluating.
- B. marketing, production, and finance.
- C. execution, feedback, and control.
- D. hiring, training, and compensating.
- E.** planning, implementation, and control.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #77  
Question Type: Definition  
Self-Test: No

78. The marketing management process is the process of:

(p. 32)

- A. Planning marketing activities.
- B. Implementing marketing plans.
- C. Controlling marketing plans.
- D.** All of the above.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #78  
Question Type: Definition  
Self-Test: No

79. The marketing management process:

(p. 32)

- A.** includes the on-going job of planning marketing activities.
- B. is mainly concerned with obtaining continuous customer feedback.
- C. involves finding opportunities and planning marketing strategies, but does not include the management tasks of implementing and control.
- D. is called "strategic planning."
- E. Both A and D are true statements.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #79  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

80. Why can't marketing managers be satisfied just planning present activities?

(p. 33)

- A. Markets are dynamic.
- B. Consumers' needs keep changing.
- C. The environment keeps changing.
- D. Competitors often change.
- E.** All of the above are reasons.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 02 #80  
Question Type: Comprehension  
Self-Test: No

81. The managerial process of developing and maintaining a match between the resources of an organization and its market opportunities is called:

(p. 33)

- A. management by objective.
- B. marketing programming.
- C. marketing strategy planning.
- D.** strategic (management) planning.
- E. market planning.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #81  
Question Type: Definition  
Self-Test: No

82. \_\_\_\_\_ is the managerial process of developing and maintaining a match between an organization's resources and its market opportunities.

(p. 33)

- A.** Strategic (management) planning
- B. Target marketing
- C. Mass marketing
- D. Resource allocation
- E. Marketing control

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #82  
Question Type: Definition  
Self-Test: No

83. Marketing strategies

(p. 33)

- A. enable marketing managers to be satisfied just planning present activities.
- B. ensure that every opportunity is good for every company.
- C. do not specify target markets and related marketing mixes.
- D. provide a limited picture of what a firm will do in some market.
- E. are not whole-company plans.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 2  
Perreault - Chapter 02 #83  
Question Type: Definition  
Self-Test: No

84. "Marketing strategy planning" means:

(p. 33)

- A. finding attractive opportunities and developing profitable marketing strategies.
- B. finding attractive opportunities and selecting a target market.
- C. selecting an attractive target market.
- D. selecting an attractive marketing mix.
- E. selecting a target market and developing a marketing strategy.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #84  
Question Type: Self-Test  
Self-Test: Self-Test

85. A marketing strategy

(p. 33)

- A. specifies a target market and a related marketing mix.
- B. provides a focused but narrow picture of what a firm will do in some market.
- C. is a market-oriented, whole-company plan.
- D. includes two interrelated parts—product mix and product development.
- E. includes the marketing mix, but does not specify customers.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 2  
Perreault - Chapter 02 #85  
Question Type: Definition  
Self-Test: No

86. A marketing strategy specifies:

(p. 33)

- A. a target market and a related marketing mix.
- B. all the company's resources.
- C. a target market.
- D. a target market and the company's objectives.
- E. a marketing mix.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #86  
Question Type: Definition  
Self-Test: No



87. A marketing strategy specifies:

(p. 33)

- A. a marketing mix.
- B. a target market and a related marketing mix.**
- C. a target market.
- D. the resources needed to implement a marketing mix.
- E. both A and D.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #87  
Question Type: Definition  
Self-Test: No

88. A marketing strategy consists of two interrelated parts. These are:

(p. 33)

- A. selection of a target market and implementing the plan.
- B. selection of a target market and development of a marketing mix.**
- C. selection and development of a marketing mix.
- D. finding attractive opportunities and developing a marketing mix.
- E. finding attractive opportunities and selecting a target market.

AACSB: 11 Analysis for decisions; 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #88  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

89. A target market and a related marketing mix make up a:

(p. 33)

- A. Marketing plan.
- B. Marketing strategy.**
- C. Marketing program.
- D. Marketing analysis.
- E. Marketing proposal.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 02 #89  
Question Type: Definition  
Self-Test: No

90. Target marketing, in contrast to mass marketing:

(p. 34)

- A. Assumes all customers have the same needs.
- B. Assumes everyone is a potential customer.
- C. Focuses only on small market segments.
- D. Tailors a marketing mix to fit some specific group of customers.**
- E. Makes it more likely that a firm will face direct competition.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #90  
Question Type: Integrating  
Self-Test: No

91. The difference between target marketing and mass marketing is that target marketing
- (p. 34)
- A. means focusing on a small market.
  - B. focuses on short-run objectives, while mass marketing focuses on long-run objectives.
  - C.** focuses on specific customers, while mass marketing aims at an entire market.
  - D. does not rely on e-commerce but mass marketing does.
  - E. aims at increased sales, while mass marketing focuses on increased profits.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #91  
Question Type: Self-Test  
Self-Test: Self-Test

92. "Target marketing," in contrast to "mass marketing,"
- (p. 34)
- A. ignores the need for the firm to obtain a competitive advantage.
  - B. ignores markets that are large and spread out.
  - C. is limited to small market segments.
  - D. assumes that all customers are basically the same.
  - E.** None of the above is correct.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #92  
Question Type: Definition  
Self-Test: No

93. Target marketing
- (p. 34)
- A. is a production-oriented approach to marketing.
  - B. is essentially the same as mass marketing.
  - C. considers everyone to be a potential customer.
  - D. assumes that everyone is the same.
  - E.** specifies some particular group of customers.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #93  
Question Type: Definition  
Self-Test: No

94. \_\_\_\_\_ assume(s) that everyone is the same—and consider(s) everyone to be a potential customer.
- (p. 34)
- A. Mass marketers
  - B. Target marketing
  - C.** Mass marketing
  - D. Target marketers
  - E. Objective marketing

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #94  
Question Type: Definition  
Self-Test: No

95. Marketing managers should view potential customers as  
(p. 34,47)

- A. all alike.
- B. all having the same needs.
- C. always wanting to meet needs in the same way.
- D.** grouped into segments of similar consumers.
- E. different types, but all having the same characteristics.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3,7  
Perreault - Chapter 02 #95  
Question Type: Comprehension  
Self-Test: No

96. Good marketing strategy planners know that:  
(p. 35)

- A. firms like Nabisco and Wal-Mart are too large to aim at clearly defined target markets.
- B.** target marketing does not limit one to small market segments.
- C. mass marketing is often very desirable and effective.
- D. the terms "mass marketing" and "mass marketer" mean basically the same thing.
- E. target markets cannot be large and spread out.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #96  
Question Type: Comprehension  
Self-Test: No

97. Marketing strategy planners should recognize that:  
(p. 35)

- A. target markets should not be large and spread out.
- B. mass marketing is often very effective and desirable.
- C. large firms like General Electric, Target, and Procter & Gamble are too large to aim at clearly defined markets.
- D.** target marketing is not limited to small market segments.
- E. the terms "mass marketing" and "mass marketers" mean essentially the same thing.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 02 #97  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

98. "Target marketing," in contrast to "mass marketing,"  
(p. 35)

- A. is limited to small market segments.
- B. assumes that all customers are basically the same.
- C. ignores markets that are large and spread out.
- D.** focuses on fairly homogeneous market segments.
- E. All of the above.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #98  
Question Type: Definition  
Self-Test: No

99. Identify the incorrect statement regarding target marketing.

(p. 35)

- A. Target marketing is not mass marketing.
- B.** Mass marketers cannot do target marketing.
- C. Target marketing can mean big markets and profits.
- D. Marketing-oriented managers practice "target marketing."
- E. It aims at a marketing mix that is tailored to fit specific target customers.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 02 #99  
Question Type: Comprehension  
Self-Test: No

100. The marketing mix

(p. 35-36)

- A. includes four variables -- People, Place, Promotion, and Price.
- B. includes the target market.
- C.** helps to organize the marketing strategy decision areas.
- D. includes four variables -- advertising, personal selling, customer service, and sales promotion.
- E. does not focus on target customers.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #100  
Question Type: Definition  
Self-Test: No

101. The "four Ps" of a marketing mix are:

(p. 35-36)

- A. Production, Personnel, Price, and Physical Distribution
- B. Promotion, Production, Price, and People
- C. Potential customers, Product, Price, and Personal Selling
- D. Product, Price, Promotion, and Profit
- E.** Product, Place, Promotion, and Price

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #101  
Question Type: Definition  
Self-Test: No

102. A firm's "marketing mix" decision areas would NOT include:

(p. 35-36)

- A. Promotion.
- B.** People.
- C. Price.
- D. Product.
- E. Place.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #102  
Question Type: Definition  
Self-Test: No

103. A firm's "marketing mix" decision areas would NOT include:

(p. 35-36)

- A. Price.
- B. Promotion.
- C. Product.
- D. Place.
- E.** Profit.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #103  
Question Type: Definition  
Self-Test: No

104. Which of the following is NOT one of the four variables in a marketing mix?

(p. 35-36)

- A. Price
- B. Product
- C. Promotion
- D.** Payment
- E. Place

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #104  
Question Type: Definition  
Self-Test: No

105. Which of the following is true?

(p. 36)

- A. The product "P" in the marketing mix stands for only physical goods.
- B.** The product "P" in the marketing mix stands for both physical goods and services.
- C. The product "P" in the marketing mix stands for only tangible merchandise.
- D. The product "P" in the marketing mix stands for both physical goods and tangible merchandise.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #105  
Question Type: Comprehension  
Self-Test: No

106. "Product" is concerned with:

(p. 36)

- A. branding.
- B. packaging and warranty.
- C. physical goods.
- D. services.
- E.** all of the above might be involved.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #106  
Question Type: Definition  
Self-Test: No

107. "Product" is concerned with:  
(p. 36)
- A. branding and warranties.
  - B. physical goods and/or services.
  - C. packaging.
  - D. developing the right new product for a market.
  - E.** all of the above might be involved.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #107  
Question Type: Definition  
Self-Test: No

108. "Product" is concerned with:  
(p. 36)
- A. services.
  - B. developing products which will satisfy some customers' needs.
  - C. designing, packaging, and branding new products.
  - D. physical goods.
  - E.** All of the above might be involved.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #108  
Question Type: Definition  
Self-Test: No

109. "Product" is NOT concerned with:  
(p. 36)
- A. quality level.
  - B. branding.
  - C.** wholesale price.
  - D. packaging.
  - E. warranty.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #109  
Question Type: Definition  
Self-Test: No

110. Which of the following is NOT a Product-area decision?  
(p. 36)
- A. Quality level.
  - B.** Market exposure.
  - C. Instructions.
  - D. Packaging.
  - E. Branding.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #110  
Question Type: Comprehension  
Self-Test: No

111. Which of the following is NOT considered a product?

(p. 36)

- A. tax advice from a financial consultant.
- B. a computer.
- C. a haircut.
- D. a chair.
- E.** All of the above are considered products.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #111  
Question Type: Application  
Self-Test: No

112. Suzuki's 3 year/36,000 mile new car warranty is part of which marketing mix decision area?

(p. 36)

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

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #112  
Question Type: Application  
Self-Test: No

113. Dell, Inc. wants to offer customers televisions in addition to computers. This is a change in their \_\_\_\_\_ strategy.

(p. 36)

- A. Pricing.
- B. Promotional.
- C. Personnel.
- D.** Product.
- E. Placement.

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #113  
Question Type: Application  
Self-Test: No

114. Big Fizz Co., a manufacturer of cola-flavored drinks, wants to add packaged fruit juices to its existing product line. Big Fizz needs to make some decisions regarding packaging and branding of the fruit juices. These decisions would fall under which variable of the marketing mix?

(p. 36)

- A. Product.
- B. Place.
- C. Promotion.
- D. Price.
- E. Personal selling.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #114  
Question Type: Application  
Self-Test: No

115. When one considers the strategy decisions organized by the four Ps, branding is related to packaging as:

(p. 36)

- A. branding is to pricing.
- B. production is to marketing.
- C. store location is to sales force selection.
- D. personal selling is to mass selling.
- E. pricing is to promotion.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #115  
Question Type: Comprehension  
Self-Test: No

116. A firm's decisions regarding channel type, market exposure and kinds of intermediaries would fall under the marketing mix variable of

(p. 36)

- A. Product.
- B. Place.
- C. Promotion.
- D. Price.
- E. People.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #116  
Question Type: Definition  
Self-Test: No



117. The \_\_\_\_\_ area of the marketing mix is concerned with decisions about getting the "right" product to the target market when and where it's wanted.

(p. 36)

- A. Product
- B. People
- C. Promotion
- D. Price
- E.** Place

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #117  
Question Type: Definition  
Self-Test: No

118. "Place" is concerned with:

(p. 36)

- A. intermediaries.
- B. transporting.
- C. channel members.
- D. storing.
- E.** all of the above might be involved.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #118  
Question Type: Definition  
Self-Test: No

119. "Place" is concerned with:

(p. 36)

- A. getting the product to its intended market.
- B. intermediaries located between producers and consumers.
- C. where, when, and by whom goods are offered for sale.
- D. when and where products are wanted.
- E.** all of the above might be involved.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #119  
Question Type: Self-Test  
Self-Test: Self-Test

120. "Place" is NOT concerned with:

(p. 36)

- A. storing.
- B. intermediaries.
- C. transporting.
- D. channels of distribution.
- E.** sales reps.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #120  
Question Type: Definition  
Self-Test: No

121. "Place" is NOT concerned with:

(p. 36)

- A. who handles storing and transporting.
- B. when and where products are wanted.
- C. kinds of intermediaries needed to reach customers.
- D.** telling the target market what products are available--and where.
- E. channels of distribution.

AACSB: 3 Analytical skills

Chapter: 2

Difficulty: Easy

LearnObj: 4

Perreault - Chapter 02 #121

Question Type: Definition

Self-Test: No

122. Hewlett-Packard sells personal computers through specialty computer stores, electronics superstores, and its own Internet site. The marketing mix variable that is being considered here is:

(p. 36)

- A. Price.
- B. Promotion.
- C. Personnel.
- D. Product.
- E.** Place.

AACSB: 6. Reflective thinking; 9 Value creation

Chapter: 2

Difficulty: Easy

LearnObj: 4

Perreault - Chapter 02 #122

Question Type: Application

Self-Test: No

123. Scott Paper uses many intermediaries to reach its target markets; Citibank uses none. Which of the marketing mix variables is being considered here?

(p. 36-37)

- A. penetration
- B. product
- C. promotion
- D.** place
- E. price

AACSB: 9 Value creation

Chapter: 2

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 02 #123

Question Type: Application

Self-Test: No

124. Any series of firms or individuals that participate in the flow of products from producer to final user or consumer is known as:

(p. 36-37)

- A. customer service.
- B. a packaging line.
- C. a production line.
- D.** a channel of distribution.
- E. mass marketing.

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #124  
Question Type: Definition  
Self-Test: No

125. A "channel of distribution":

(p. 36-37)

- A. usually has three members--a manufacturer, a distributor, and a retailer.
- B.** is any series of firms (or individuals) from producer to final user or consumer.
- C. should be as short as possible.
- D. is not involved if a firm sells directly from its own website to final customers.
- E. All of the above are true.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #125  
Question Type: Definition  
Self-Test: No

126. An office supplies producer sells a variety of office supplies to final consumers and businesses using its own mail order catalog. Here,

(p. 36-37)

- A. there is no channel of distribution.
- B. there is no opportunity to apply target marketing.
- C. no promotion is involved.
- D. a production orientation is just as effective as a marketing orientation.
- E.** None of the above is true.

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #126  
Question Type: Application  
Self-Test: No

127. The \_\_\_\_\_ area of the marketing mix includes decisions related to telling the target market or others in the channel of distribution about the "right" product.

(p. 37)

- A. Product
- B. Place
- C. Promotion**
- D. Price
- E. Communication

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #127  
Question Type: Definition  
Self-Test: No

128. "Promotion" may include:

(p. 38)

- A. personal selling to channel members.
- B. point-of-purchase materials.
- C. mail-order selling.
- D. advertising on the Internet.
- E. all of the above.**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #128  
Question Type: Definition  
Self-Test: No

129. "Promotion" includes:

(p. 38)

- A. advertising.
- B. personal selling.
- C. sales promotion.
- D. publicity.
- E. All of the above.**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #129  
Question Type: Definition  
Self-Test: No

130. Marketing strategy decisions concerning Promotion include decisions about

(p. 38)

- A. packaging and branding.
- B. the kinds of intermediaries to use.
- C. training for salespeople.**
- D. transporting and storing.
- E. discounts and allowances.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #130  
Question Type: Comprehension  
Self-Test: No

131. "Promotion" is NOT concerned with:  
(p. 38)

- A. creating billboard ads.
- B.** designing new products.
- C. publicity.
- D. television commercials.
- E. personal selling.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #131  
Question Type: Definition  
Self-Test: No

132. Personal selling lets the salesperson adapt the firm's marketing mix to a specific customer. This is an aspect of which marketing mix variable?

- A. price
- B. place
- C.** promotion
- D. product
- E. all of the above

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #132  
Question Type: Definition  
Self-Test: No

133. \_\_\_\_\_ is direct spoken communication between sellers and potential customers.  
(p. 38)

- A.** Personal selling
- B. Sales promotion
- C. Advertising
- D. Publicity
- E. Mass selling

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #133  
Question Type: Definition  
Self-Test: No

134. From the perspective of the four Ps, personal selling is to advertising as  
(p. 38)

- A. mass selling is to branding.
- B. place is to product.
- C. sales promotion is to pricing.
- D. warranties are to channel type.
- E.** geographic terms are to price allowances.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #134  
Question Type: Comprehension  
Self-Test: No

135. \_\_\_\_\_ refers to personal communication between a seller and a customer who wants the seller to resolve a problem with a purchase.  
(p. 38)

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Personal selling
- E. Customer service**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #135  
Question Type: Definition  
Self-Test: No

136. Advertising is:  
(p. 38)

- A. the designing and distribution of novelties, point-of-purchase materials, store signs, contests, catalogs, and circulars.
- B. direct communication between sellers and potential customers.
- C. any paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor.**
- D. the main form of publicity.
- E. All of the above.

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #136  
Question Type: Definition  
Self-Test: No

137. A popular television show, The Unexpected, achieved skyrocketing ratings after moralist Tom Bowman attempted to have it removed from the air. This is an example of mass selling through  
(p. 38)

- A. advertising.
- B. publicity.**
- C. unethical means.
- D. personal selling.
- E. media hype.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #137  
Question Type: Application  
Self-Test: No

138. Sales promotion:

(p. 38)

- A. lets the salesperson adapt the firm's marketing mix to each potential customer.
- B. is the main form of advertising.
- C. tries to help the personal selling and mass selling people.
- D. is free.
- E. consists of both advertising and personal selling.

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #138  
Question Type: Comprehension  
Self-Test: No

139. Catalogs, point-of-purchase materials, and free samples are all examples of:

(p. 38)

- A. publicity.
- B. personal selling.
- C. sales promotion.
- D. advertising.
- E. none of the above.

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #139  
Question Type: Self-Test  
Self-Test: Self-Test

140. Coupons, samples, and point-of-purchase materials are examples of

(p. 38)

- A. advertising.
- B. publicity.
- C. specialty service.
- D. personal selling.
- E. sales promotion.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #140  
Question Type: Comprehension  
Self-Test: No

141. The owner of the new Sharp Scissors hair salon gave coupons to potential customers walking by her store to stimulate interest and trial of her new hair salon. The coupons are an example of

(p. 38)

- A. advertising.
- B. publicity.
- C. sales promotion.
- D. a channel of distribution.
- E. media.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #141  
Question Type: Application  
Self-Test: No

142. To help cosmetic company, RedRain Inc., launch a new line of lipstick, tickets that can be redeemed for prizes are enclosed in some of the lipstick packages. This activity can be best classified as

(p. 38)

- A. advertising.
- B. publicity.
- C. sales promotion.**
- D. personal selling.
- E. mass marketing.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #142  
Question Type: Application  
Self-Test: No

143. When 3M sent samples of Breathe Right Nasal Strips to the NFL trainers, this was an example of a \_\_\_\_\_ strategy.

(p. 38)

- A. Price.
- B. Promotion.**
- C. Personnel.
- D. Product.
- E. Place.

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #143  
Question Type: Application  
Self-Test: No

144. "Price":

(p. 38)

- A. is affected by the kind of competition in the target market.**
- B. includes markups and discounts, but not allowances and freight charges.
- C. is not affected by customer reactions.
- D. is the most important part of a marketing mix.
- E. None of the above is true.

AACSB: 3 Analytical skills; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #144  
Question Type: Definition  
Self-Test: No



145. The Price area of the marketing mix:

(p. 38)

- A. Requires consideration of the cost of the marketing mix and the competition facing the firm when setting prices.
- B. Does not involve estimating consumer reaction to possible prices.
- C. Requires an understanding of discounts and allowances.
- D. Does not include the consideration of geographic terms in price setting.
- E. Both A and C.**

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #145  
Question Type: Comprehension  
Self-Test: No

146. When developing a marketing mix, a marketing manager should remember that:

(p. 38)

- A. "Promotion" includes only personal selling and publicity.
- B. A channel of distribution includes at least one intermediary.
- C. "Price" includes markups, discounts, allowances, and geographic terms.**
- D. "Product" includes physical goods but not services.
- E. All of the above are true.

AACSB: 6. Reflective thinking; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #146  
Question Type: Integrating  
Self-Test: No

147. The most important variable in a firm's marketing mix is:

(p. 38)

- A. Product.
- B. Price.
- C. Promotion.
- D. Place.
- E. None of the above--all contribute to one whole.**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #147  
Question Type: Definition  
Self-Test: No

148. Which of the following statements about marketing mix variables is false?

(p. 38)

- A. "Promotion" includes personal selling, mass selling, and sales promotion.
- B. The term "Product" refers to services as well as physical goods.
- C. A channel of distribution does not have to include any intermediaries.
- D. Generally speaking, "Price" is more important than "Place."**
- E. The needs of a target market virtually determine the nature of an appropriate marketing mix.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #148  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

149. An appropriate marketing mix should be determined PRIMARILY by  
(p. 39)

- A. what has worked for the company in the past.
- B.** the needs of a target market.
- C. the budget available to spend.
- D. the past experiences of the marketing manager.
- E. what product the firm can produce with economies of scale.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 02 #149  
Question Type: Comprehension  
Self-Test: No

150. Ideally, a good marketing mix should:  
(p. 39)

- A. be very similar to the marketing mix typically used by key competitors.
- B. be determined by which marketing mix costs the least.
- C. not include much advertising because it's expensive and usually isn't very effective.
- D.** flow logically from all the relevant dimensions of a target market.
- E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #150  
Question Type: Self-Test  
Self-Test: Self-Test

151. The text's "Toddler University" example shows that:  
(p. 39)

- A. parents are not price sensitive when it comes to assuring that their kids will get a good college education.
- B.** the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. in the long run, a firm cannot make a profit without its own production facilities.
- E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #151  
Question Type: Comprehension  
Self-Test: No

152. The text's "Toddler University" example shows that:  
(p. 39)

- A. no mass market exists for general-purpose baby shoes.
- B.** the needs of a target market determine the nature of the appropriate marketing mix.
- C. a small producer can't compete effectively against large competitors.
- D. no target market exists for high-quality baby shoes.
- E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 02 #152  
Question Type: Comprehension  
Self-Test: No

153. The text's Toddler University example shows that TU's marketing plan included:

(p. 39-40)

- A. A detailed description of the marketing mix to be offered.
- B. A description of the resources required to carry out the plan.
- C. Expected results of the plan.
- D. Control procedures.
- E. All of the above.**

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 02 #153  
Question Type: Comprehension  
Self-Test: No

154. The main difference between a "marketing strategy" and a "marketing plan" is that:

(p. 41)

- A. time-related details are included in a marketing plan.**
- B. a marketing plan includes several marketing strategies.
- C. a marketing strategy provides more detail.
- D. a marketing strategy omits pricing plans.
- E. a marketing plan does not include a target market.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #154  
Question Type: Comprehension  
Self-Test: No

155. A "marketing plan" is:

(p. 41)

- A. a marketing program.
- B. a marketing strategy.
- C. a marketing strategy--plus the time-related details for carrying it out.**
- D. a target market and a related marketing mix.
- E. a plan that contains the necessary operational decisions.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #155  
Question Type: Definition  
Self-Test: No

156. A "marketing plan" should include:

(p. 41)

- A. some control procedures.
- B. what company resources will be needed--at what rate.
- C. what marketing mix is to be offered to whom--and for how long.
- D. what sales and profit results are expected.
- E. all of the above.**

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #156  
Question Type: Comprehension  
Self-Test: No

157. Which of the following is part of a complete marketing plan?

(p. 41)

- A. Competitors' marketing strategies.
- B.** What company resources (costs) are required and at what rate.
- C. How different marketing mixes (for different target markets) relate to each other.
- D. All of the above.
- E. None of the above.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #157  
Question Type: Comprehension  
Self-Test: No

158. Which of the following would probably NOT be in a proposed marketing plan?

(p. 41)

- A. A list of what company resources (costs) would be required.
- B.** A statement of how frequently the design of the website will be changed.
- C. Expected sales and profit results.
- D. A description of the target market and marketing mix.
- E. All of the above would normally be part of a marketing plan.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #158  
Question Type: Comprehension  
Self-Test: No

159. Which of the following is NOT included in a marketing plan?

(p. 41)

- A. The control procedures to be used
- B. The costs involved
- C. The results expected
- D. What marketing mix is to be offered
- E.** All of the above should be included.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #159  
Question Type: Definition  
Self-Test: No

160. \_\_\_\_\_ refers to putting marketing plans into operation.

(p. 41)

- A. Delivery
- B.** Implementation
- C. Operational planning
- D. Strategy planning
- E. Control

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #160  
Question Type: Definition  
Self-Test: No

161. Short-run decisions to help implement strategies are best known as  
(p. 41)

- A. actionable items.
- B. strategic decisions.
- C. marketing plans.
- D.** operational decisions.
- E. dependencies.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #161  
Question Type: Definition  
Self-Test: No

162. Managers should make operational decisions  
(p. 41)

- A.** within the guidelines set down during strategy planning.
- B. with great care as these decisions are the same as strategic decisions.
- C. for the long-run to help formulate strategic plans.
- D. keeping in mind that these decisions should always lead to changes in the basic strategy.
- E. on a month-to-month basis and never daily or weekly.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #162  
Question Type: Comprehension  
Self-Test: No

163. Which of the following statements about operational decisions is FALSE?  
(p. 41)

- A. They help to carry out a marketing strategy.
- B. They are short-run decisions.
- C. They are part of the implementation process.
- D.** They usually require ongoing changes in the basic strategy to be effective.
- E. None of the above is FALSE.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #163  
Question Type: Definition  
Self-Test: No

164. Which of the following statements is a strategy decision, rather than an operational decision?  
(p. 41-42)

- A. "We will change the colors of our selection of shirts at the end of the season."
- B.** "We will cut prices as needed to in order to protect our market share."
- C. "We will increase the number of training sessions for new sales associates from two to three."
- D. "We will hire a merchandising specialist this month to help remodel our older stores."
- E. "We will place a special ad in the Sunday newspaper promoting our upcoming sale."

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #164  
Question Type: Integrating  
Self-Test: No

165. Which of the following statements by a marketing manager refer to operational decisions, rather than strategy decisions?  
(p. 41-42)

- A. "Our target customers view most existing luxury sedans as dull, and they want performance as well as luxury."
- B.** "Newspaper ads will be more cost effective than 30 second radio ads--given the price increase for radio this month."
- C. "We hope to earn a 15 percent return on investment with our plan."
- D. All of the above.
- E. None of the above.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #165  
Question Type: Application  
Self-Test: No

166. Which of the following is an operational decision--rather than a strategy decision?  
(p. 41-42)

- A. A decision to seek distribution only through the best retailers.
- B. Selection of a specific target market.
- C. A decision to maintain a "one price" policy.
- D.** Selection of a specific cable TV channel on which to advertise.
- E. All of the above are good examples of operational decisions.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #166  
Question Type: Application  
Self-Test: No

167. Which of the following is an example of an operational decision?  
(p. 41-42)

- A. Focus promotion on the economy of the product.
- B. Make the product available in every possible retail outlet.
- C.** Have a salesperson visit the manager of a new hardware store that will open next week.
- D. Set a price that is no higher than competitors' prices.
- E. None of the above is an operational decision.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #167  
Question Type: Application  
Self-Test: No

168. Happy Feet shoe company's strategic policy states "Carry as limited a line of colors, styles, and sizes as will satisfy the target market." This policy best relates to which decision area of the marketing mix?

(p. 42)

- A. People
- B. Place
- C. Promotion
- D. Price
- E.** Product

AACSB: 9 Value creation

Chapter: 2

Difficulty: Hard

LearnObj: 5

Perreault - Chapter 02 #168

Question Type: Application

Self-Test: No

169. One of the strategic policies of camera maker, Zoom Cameras, states: "We will communicate the key benefits and value of our camera's unique zoom lenses and demonstrate how they meet customer needs." This policy best fits which marketing mix decision area?

(p. 42)

- A. Product
- B. Place
- C.** Promotion
- D. Price
- E. People

AACSB: 9 Value creation

Chapter: 2

Difficulty: Hard

LearnObj: 5

Perreault - Chapter 02 #169

Question Type: Application

Self-Test: No

170. When fast food restaurant, Tommy's Tacos, had poor sales in Central City, marketing managers closed one outlet on the east side of town and opened two new locations on the south side of town. These moves represent

(p. 42)

- A. operational decisions in the product decision area.
- B. strategy policies in the place area.
- C. strategy policies in the product area.
- D.** operational decisions in the place area.
- E. strategy policies in the promotion area.

AACSB: 9 Value creation

Chapter: 2

Difficulty: Hard

LearnObj: 5

Perreault - Chapter 02 #170

Question Type: Application

Self-Test: No

171. A retailer's operational decision to hire new salespeople would best relate to the marketing mix decision area of

(p. 42)

- A. product.
- B. place.
- C. promotion.**
- D. price.
- E. people.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 02 #171  
Question Type: Comprehension  
Self-Test: No

172. A "marketing program":

(p. 42)

- A. blends all of a firm's marketing plans into one big plan.**
- B. is a description of a firm's marketing mix.
- C. is a detailed plan of how to implement a strategy.
- D. is a marketing strategy plus the time-related details.
- E. None of the above.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #172  
Question Type: Definition  
Self-Test: No

173. A "marketing program":

(p. 42)

- A. is another name for a particular marketing mix.
- B. blends several different marketing plans.**
- C. consists of a target market and the marketing mix.
- D. is primarily concerned with all of the details of implementing a marketing plan.
- E. must be set before a target market can be selected.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #173  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

174. Which of the following blends all of the firm's marketing plans into one big plan?

(p. 42)

- A. Marketing program.**
- B. Marketing mix.
- C. Marketing statement.
- D. Marketing overview.
- E. None of the above.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 02 #174  
Question Type: Definition  
Self-Test: No



175. \_\_\_\_\_ is the expected earnings stream of a firm's current and prospective customers over some period of time.  
(p. 43)

- A. Profit
- B. Earnings
- C. Operating profit
- D. Customer equity**
- E. Net value

AACSB: 8 Financial  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #175  
Question Type: Definition  
Self-Test: No

176. Customer equity  
(p. 43)

- A. focuses on the costs of acquiring new customers rather than on increasing revenues from current customers.
- B. is basically a historical measure of how profitable a firm has been in the past.
- C. is a concept that applies to firms that target final consumers but not to firms that target business customers.
- D. will increase if a firm increases its market share with a particular strategy.
- E. is the expected earnings stream of a firm's current and prospective customers over some time period.**

AACSB: 8 Financial  
Chapter: 2  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 02 #176  
Question Type: Comprehension; Definition  
Self-Test: No

177. Customer equity is  
(p. 43)

- A. simply the financial result achieved by a single marketing strategy.
- B. the total difference between the benefits of a firm's whole marketing program and total costs of obtaining those benefits, as the group of target customers sees it.
- C. increased when a firm is able to increase the earnings stream expected from current or prospective customers.**
- D. decreased whenever the firm's costs of offering a marketing mix increase.
- E. the difference between the benefits of a firm's marketing mix and the cost of obtaining those benefits-as a particular customer sees it.

AACSB: 8 Financial  
Chapter: 2  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 02 #177  
Question Type: Comprehension  
Self-Test: No

178. Customer equity

(p. 43)

- A. is of concern to top management, but not very relevant in planning a particular marketing strategy.
- B.** takes the perspective of the owners of (investors in) a firm.
- C. always increases over time, at least as long as a firm can stay in business.
- D. is important to marketing managers but of little interest to investors.
- E. increases as long as the number of customers that a firm serves increases over time.

AACSB: 8 Financial  
Chapter: 2

Difficulty: Medium  
LearnObj: 6

Perreault - Chapter 02 #178  
Question Type: Comprehension  
Self-Test: No

179. Which of the following is NOT a reason the marketing program should build customer equity?

(p. 43)

- A.** Marketing strategies do not contribute to customer equity.
- B. Expected profits depend on customer equity.
- C. Owners expect financial returns.
- D. Profit growth comes from customers.
- E. Customers are the source of revenue.

AACSB: 6. Reflective thinking  
Chapter: 2

Difficulty: Medium  
LearnObj: 6

Perreault - Chapter 02 #179  
Question Type: Comprehension  
Self-Test: No

180. Which of the following is *most* likely to increase a firm's customer equity?

(p. 43)

- A. the firm offers a more costly marketing mix that attracts more customers.
- B. the firm offers customer value that is at least as good as what is offered by competitors.
- C.** the lifetime value of the firm's individual customers increases.
- D. the competition in the firm's market increases.
- E. the firm cuts costs by reducing promotion efforts.

AACSB: 6. Reflective thinking  
Chapter: 2

Difficulty: Hard  
LearnObj: 6

Perreault - Chapter 02 #180  
Question Type: Comprehension  
Self-Test: No

181. \_\_\_\_\_ is the difference between the firm's revenues (total dollar sales) and the total costs it runs up to make those sales.

(p. 43)

- A. Customer equity
- B.** Profit
- C. Net worth
- D. Lifetime customer value
- E. A premium price

AACSB: 8 Financial  
Chapter: 2

Difficulty: Easy  
LearnObj: 6

Perreault - Chapter 02 #181  
Question Type: Definition  
Self-Test: No

182. The customer equity concept

(p. 43)

- A. encourages a manager to consider both the costs and the revenue from a marketing strategy.
- B. recognizes that customers are satisfied at a cost--and it is basically an estimate of a firm's future earnings.
- C. applies even to firms that pursue several different strategies.
- D. focuses on earnings as well as sales.
- E. all of the above.**

AACSB: 8 Financial

Chapter: 2

Difficulty: Easy

LearnObj: 6

Perreault - Chapter 02 #182

Question Type: Comprehension

Self-Test: No

183. The text's discussion of Timex's marketing strategy highlights the fact that:

(p. 44-46)

- A. it's not wise for managers to just define a business in terms of the products they currently produce or sell.**
- B. there is little alternative but to stick with the traditional distribution channels for a product.
- C. most consumers see basic products--like watches--as close substitutes for each other.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

AACSB: 6. Reflective thinking

Chapter: 2

Difficulty: Hard

LearnObj: 7

Perreault - Chapter 02 #183

Question Type: Comprehension

Self-Test: No

184. The text's discussion of Timex's marketing strategy highlights the fact that:

(p. 44-46)

- A. creative strategy planning is needed for survival.**
- B. there is little alternative but to stick with the traditional distribution channels for a product.
- C. most consumers want only high-quality products.
- D. once a firm establishes a position as the market leader, competitors are not likely to be a big problem.
- E. all of the above.

AACSB: 6. Reflective thinking

Chapter: 2

Difficulty: Easy

LearnObj: 7

Perreault - Chapter 02 #184

Question Type: Self-Test

Self-Test: Self-Test

185. The watch industry example in the text serves to illustrate that:

(p. 44-46)

- A. good implementation and control is usually more important than good planning.
- B. there are a limited number of potential target markets.
- C. an effective marketing strategy guarantees future success.
- D. consumers want only high-quality products.
- E.** a successful strategy often involves a marketing mix that is very different from what competitors have offered.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #185  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

186. "Breakthrough opportunities" are opportunities that:

(p. 46)

- A. help innovators develop hard-to-copy marketing strategies.
- B. may be turned into marketing strategies that will be profitable for a long time.
- C. help the firm develop a "competitive advantage."
- D. help a firm satisfy customers better than some competitor.
- E.** All of the above.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #186  
Question Type: Definition  
Self-Test: No

187. It's best to think of "breakthrough opportunities" as opportunities which:

(p. 46)

- A. appeal to the mass market.
- B. will quickly create a whole new industry of firms competing with similar marketing mixes.
- C.** help innovators develop hard-to-copy marketing mixes.
- D. increase sales.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #187  
Question Type: Definition  
Self-Test: No

188. A breakthrough opportunity

(p. 46)

- A. is an opportunity that gives a firm some sort of competitive advantage.
- B. can usually be achieved by copying the "best practices" of other firms that sell similar products.
- C.** is one that helps an innovator develop a hard-to-copy marketing strategy that will be very profitable for a long time.
- D. is one that requires the firm to "breakthrough" its current resource limitations to obtain a new type of competitive advantage.
- E. is usually achieved by making better operational decisions.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #188  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

189. \_\_\_\_\_ help innovators develop hard-to-copy marketing strategies that will be very profitable for a long time.

(p. 46)

- A. Opportunity segments
- B. Competitive decisions
- C.** Breakthrough opportunities
- D. Competitive marketing
- E. Operational decisions

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #189  
Question Type: Definition  
Self-Test: No

190. Which of the following best illustrates a "breakthrough opportunity?"

(p. 46)

- A. A recording company's new CD gets unexpected national publicity on MTV and almost every teenager wants a copy for Christmas.
- B.** A drug company develops a patented pill that people can take once a year and safely avoid catching a cold.
- C. A bank puts its credit card machines in convenient drive-up locations--so they will be more convenient for customers.
- D. A nurse realizes that the growing number of older people will increase the demand for nursing home services, so she quits her job and opens a quality nursing center for the elderly.
- E. A wireless phone company introduces a new service that offers more free weekend minutes than any other service in its market area.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #190  
Question Type: Application  
Self-Test: No

191. Which of the following would be likely to help you develop a "breakthrough opportunity"?
- (p. 46)
- A. A two-month advantage over competitors in introducing a new product.
  - B. An idea for a new website animation that will attract consumer attention.
  - C. Accurate marketing research information about how much of a planned product the target market is likely to buy.
  - D. All of the above.
  - E.** None of the above.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #191  
Question Type: Application  
Self-Test: No

192. Which of the following could be a "breakthrough opportunity?"
- (p. 46)
- A. A unique technical invention that competitors could not legally copy.
  - B. A contract with the best intermediaries to reach your market--ensuring that they will handle your product and no competitors' offerings.
  - C. A head start in a market so you can win target customers who will be really loyal to your firm and its offering.
  - D.** All of the above.
  - E. None of the above.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #192  
Question Type: Application  
Self-Test: No

193. A pharmaceutical company spent a significant amount of money developing a new drug to combat high blood pressure. The drug did not cause any of the typical side effects usually associated with blood pressure medications. It was forecasted to be a "blockbuster" medication that would achieve over \$1 billion in sales. It would also be difficult for other firms to duplicate, at least in the short-run, because of patent protection and the substantial research and development costs required. The introduction of this new drug would best be described as:
- (p. 46)
- A. Diversification.
  - B. Market development.
  - C.** A breakthrough opportunity.
  - D. "Hit-or-miss" marketing.
  - E. Market penetration.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #193  
Question Type: Application  
Self-Test: No

194. \_\_\_\_\_ means that a firm has a marketing mix that the target market sees as better than a competitor's mix.  
(p. 46)

- A. Competitive advantage
- B. Strategic policy
- C. Customer equity
- D. Comparative opportunity
- E. Market development

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #194  
Question Type: Definition  
Self-Test: No

195. Which of the following statements regarding marketing strategies is FALSE?  
(p. 46)

- A. It is useful to think of the marketing strategy planning process as a narrowing-down process.
- B. These strategies must meet the needs of target customers, and a firm is likely to get a competitive advantage if it just meets needs in the same way as some other firm.
- C. Developing successful marketing strategies doesn't need to be a hit-or-miss proposition.
- D. These strategies require decisions about the specific customers the firm will target and the marketing mix the firm will develop to appeal to that target market.
- E. Most companies implement more than one marketing strategy and related marketing plan at the same time.

AACSB: 11 Analysis for decisions; 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #195  
Question Type: Comprehension  
Self-Test: No

196. The text's discussion of "hit-or-miss marketing" suggests that  
(p. 46)

- A. firms that don't spend more on marketing than their competitors are likely to fail.
- B. managers who seek big breakthroughs, rather than going after easier to achieve marketing opportunities, face big risks and are likely to fail.
- C. It is fairly common for marketing efforts to turn out poorly, so to avoid that fate and get better than average results, a good manager needs to use a logical process for marketing strategy planning.
- D. getting good marketing results is really quite easy as long as the marketing manager focuses on the 4Ps.
- E. all of the above are good answers.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #196  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

197. Developing a set of specific qualitative and quantitative screening criteria

(p. 47)

- A. increases the different opportunities—and strategy possibilities—in the market.
- B. can make it difficult to zero in on the best target market and marketing mix.
- C. cannot help eliminate potential strategies that are not well suited for the firm.
- D.** can help a manager define what business and markets the firm wants to compete in.
- E. highlights advantages of a strategy but does not make it clear why you should select that strategy.

AACSB: 11 Analysis for decisions  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #197  
Question Type: Comprehension  
Self-Test: No

198. \_\_\_\_\_ means that the marketing mix is distinct from and better than what is available from a competitor.

(p. 48)

- A. Operational
- B. Visible
- C.** Differentiation
- D. Competitive
- E. None of the above is correct

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #198  
Question Type: Definition  
Self-Test: No

199. Differentiation of a firm's marketing mix:

(p. 48)

- A. Means the firm's marketing mix is hard to distinguish from a competitor.
- B.** May provide the firm with a competitive advantage in the marketplace.
- C. Makes it harder for consumers to notice if there is a consistent theme across all elements of the marketing mix.
- D. Is usually not necessary in order for the firm to succeed.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #199  
Question Type: Comprehension  
Self-Test: No



200. Differentiation refers to the \_\_\_\_\_ of the firm's marketing mix to meet the needs of the target market.  
(p. 48)

- A. similarity
- B. uniqueness**
- C. unsuitability
- D. willingness
- E. none of the above

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #200  
Question Type: Definition  
Self-Test: No

201. Differentiation means that  
(p. 48)

- A. the firm should aim its efforts at a target market that is different from a target market that a competitor would find attractive.
- B. a firm's marketing mix is distinct from and better than what is available from a competitor.**
- C. a firm uses its resources in a different way than competitors use their resources.
- D. a firm should screen out opportunities using different criteria than those used by other firms.
- E. when a firm's marketing strategy is not going well it should change to a different set of operational decisions.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #201  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

202. Differentiation  
(p. 48)

- A. helps a firm get a competitive advantage if it just meets needs in the same way as other firms.
- B. means that the marketing mix is similar to what is available from a competitor.
- C. often requires that the firm fine-tune all of the elements of its marketing mix to the specific needs of a distinctive target market.**
- D. is less obvious to target customers when there is a consistent theme integrated across the four Ps decision areas.
- E. can only be based on one important element of the marketing mix.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #202  
Question Type: Comprehension  
Self-Test: No

203. Which of the following statements about S.W.O.T. analysis are true:  
(p. 49)

- A. It is a useful aid for identifying relevant screening criteria and for zeroing in on a feasible strategy.
- B. S.W.O.T. is simply an abbreviation for the first letters of the words: strengths, weaknesses, opportunities, and threats.
- C. It identifies and lists the firm's strengths and weaknesses and its opportunities and threats.
- D. It helps managers focus on a strategy that takes advantage of the firm's strengths and opportunities while avoiding its weaknesses and threats to its success.
- E.** All of the above are true statements.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #203  
Question Type: Comprehension  
Self-Test: No

204. A S.W.O.T. analysis  
(p. 49)

- A. seeks to improve strategy planning by "Scanning for Warnings, Omens, and Tips" about competitors' plans.
- B. is not necessary if competitors have already entered the market.
- C. defends against potential competitive threats by planning specific "safeguards, weapons, or tactics."
- D.** should help a manager develop a strategy that leads to a competitive advantage.
- E. None of the above is a good answer.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #204  
Question Type: Comprehension  
Self-Test: No

205. A S.W.O.T. analysis can help a marketing manager:  
(p. 49)

- A. define what business and markets the firm wants to compete in.
- B. narrow down to a specific target market and marketing mix from the many alternatives available.
- C. see the pros and cons of different possible strategies.
- D. develop a competitive advantage.
- E.** all of the above.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 02 #205  
Question Type: Comprehension  
Self-Test: No

206. A S.W.O.T. analysis  
(p. 49)

- A. focuses on what a firm plans to do to "Satisfy Wishes Of a Target" customer.
- B. summarizes a firm's "strategy, wishes (of its customers), outlook, and tactics."
- C. helps defend against potential competitors by developing a set of competitive "safeguards, weapons, offensives, and tactics."
- D.** identifies a firm's "strengths, weaknesses, opportunities, and threats."
- E. seeks to reduce the risk of competitive surprises by scanning the market for "signals, warnings, omens, and tips."

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #206  
Question Type: Self-Test  
Self-Test: Self-Test

207. In which quadrant of the SWOT analysis tool does the following fit? A firm has adequate resources.  
(p. 49)

- A.** Strengths.
- B. Weaknesses.
- C. Opportunities.
- D. Threats.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #207  
Question Type: Comprehension  
Self-Test: No

208. In which quadrant of the SWOT analysis tool does the following fit? A firm is in a fast-growing industry.  
(p. 49)

- A. Strengths.
- B. Weaknesses.
- C.** Opportunities.
- D. Threats.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #208  
Question Type: Comprehension  
Self-Test: No

209. In which quadrant of the SWOT analysis tool does the following fit? A firm is vulnerable to recession.  
(p. 49)

- A. Strengths.
- B. Weaknesses.
- C. Opportunities.
- D.** Threats.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #209  
Question Type: Comprehension  
Self-Test: No

210. In which quadrant of the SWOT analysis tool does the following fit? A firm is falling behind in research and development.  
(p. 49)

- A. Strengths.
- B. Weaknesses.**
- C. Opportunities.
- D. Threats.

AACSB: 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 02 #210  
Question Type: Comprehension  
Self-Test: No

211. \_\_\_\_\_ means trying to increase sales of a firm's present products in its present markets.  
(p. 49)

- A. Product development
- B. Market penetration**
- C. Market development
- D. Mass marketing
- E. Diversification

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #211  
Question Type: Definition  
Self-Test: No

212. \_\_\_\_\_ means trying to increase sales of a firm's present products in its present markets.  
(p. 49)

- A. Differentiation
- B. Product development
- C. Market development
- D. Diversification
- E. Market penetration**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #212  
Question Type: Definition  
Self-Test: No

213. Lipton has increased sales by developing ads that encourage its current customers to drink Lipton tea instead of coffee at morning "coffee breaks." This effort focuses on  
(p. 49)

- A. diversification.
- B. market penetration.**
- C. product development.
- D. mass marketing.
- E. market development.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #213  
Question Type: Application  
Self-Test: No

214. Tropicana is trying to get its customers to drink orange juice more often with ads that say "It's not just for breakfast anymore." What type of opportunity is the company pursuing?  
(p. 49)

- A. market penetration
- B. diversification
- C. market development
- D. product development
- E. mass marketing

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #214  
Question Type: Application  
Self-Test: No

215. Kraft Foods recently increased its advertising and couponing to its present cheese customers. It appears that Kraft is pursuing what kind of opportunity?

- A. Market penetration
- B. Product development
- C. Market development
- D. Mass marketing
- E. Diversification

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #215  
Question Type: Application  
Self-Test: No

216. If Frito-Lay (which has products in almost all the submarkets for snack foods) were to try to increase its share of one of these markets, it would be pursuing a \_\_\_\_\_ opportunity.  
(p. 49)

- A. diversification
- B. market penetration
- C. product development
- D. mass marketing
- E. market development

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #216  
Question Type: Application  
Self-Test: No

217. Coca-Cola runs an advertising campaign on morning radio shows encouraging current customers to "have a Coke in the morning" instead of their morning coffee. This is an example of:

(p. 49)

- A. Market development.
- B. Product development.
- C. Diversification.
- D.** Market penetration.
- E. Mass marketing.

AACSB: 9 Value creation

Chapter: 2

Difficulty: Easy

LearnObj: 8

Perreault - Chapter 02 #217

Question Type: Application

Self-Test: No

218. Pop Soda Co. wants to increase sales of its existing carbonated drinks by making them more convenient, so it's making the drinks available at more stores in its present areas. This is an example of:

(p. 49)

- A.** Market penetration.
- B. Differentiation.
- C. Product development.
- D. Diversification.
- E. Market development.

AACSB: 9 Value creation

Chapter: 2

Difficulty: Hard

LearnObj: 8

Perreault - Chapter 02 #218

Question Type: Application

Self-Test: No

219. When a customer goes online to register Adobe's Acrobat Reader, the Web page promotes other related products, including its popular Photoshop software. This is an example of:

(p. 50)

- A. Product development.
- B. Screening opportunities.
- C. Mass marketing.
- D. Differentiation.
- E.** Market penetration.

AACSB: 9 Value creation

Chapter: 2

Difficulty: Medium

LearnObj: 8

Perreault - Chapter 02 #219

Question Type: Application

Self-Test: No

220. When a company grows globally, this is an example of:  
(p. 50)

- A. Market development.
- B. Product development.
- C. Diversification.
- D. Market penetration.
- E. Mass marketing.

AACSB: 13 Economic environments; 6. Reflective thinking  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #220  
Question Type: Application  
Self-Test: No

221. \_\_\_\_\_ means trying to increase sales by selling present products in new markets.  
(p. 50)

- A. Differentiation.
- B. Market development.
- C. Product development.
- D. Diversification.
- E. Market penetration.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #221  
Question Type: Definition  
Self-Test: No

222. When a firm tries to increase sales by selling its present products in new markets, this is called:  
(p. 50)

- A. product development.
- B. diversification.
- C. market penetration.
- D. mass marketing.
- E. market development.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #222  
Question Type: Definition  
Self-Test: No

223. When a firm tries to increase sales by selling its present products in new markets, this is called:  
(p. 50)

- A. market penetration.
- B. market development.
- C. product development.
- D. diversification.
- E. market integration.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #223  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

224. The Wall Street Journal has been trying to attract new customers by promoting its newspaper for student use in business courses. This is an example of

(p. 50)

- A. target marketing.
- B. product development.
- C. diversification.
- D. market penetration.
- E. market development.**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #224  
Question Type: Application  
Self-Test: No

225. An Embassy Suites hotel offers an inexpensive "Family Luncheon Buffet" on Sundays to get customers for its restaurant that is filled by business travelers during week days. This effort to get new customers for the available facility is an example of

(p. 50)

- A. a production orientation.
- B. product development.
- C. market development.**
- D. diversification.
- E. market penetration.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #225  
Question Type: Application  
Self-Test: No

226. Coca-Cola is taking advantage of the new willingness of Chinese leaders to engage in international trade by marketing its soft drinks in China. What type of opportunity is Coke pursuing?

(p. 50)

- A. market development**
- B. diversification
- C. product development
- D. market penetration
- E. none of the above

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #226  
Question Type: Application  
Self-Test: No



227. (p. 50) Avon, which in the past relied on door-to-door personal selling, is trying to reach new customers by distributing mail-order catalogs, adding toll-free telephone ordering, and opening online retail sites. Avon is pursuing a \_\_\_\_\_ opportunity.

- A. market development
- B. market penetration
- C. target marketing
- D. product development
- E. mass marketing

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #227  
Question Type: Application  
Self-Test: No

228. (p. 50) A mail-order marketer of flower bulbs to gardening hobbyists decides to sell the bulbs in grocery stores--to reach nonhobbyists who might be interested in pretty flowers. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #228  
Question Type: Application  
Self-Test: No

229. (p. 50) GreatGadgets, an Internet-based marketer of innovative gift items, decides to sell products in its own retail stores--to reach consumers who don't like to buy without first seeing the item in person. This is an example of:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #229  
Question Type: Application  
Self-Test: No

230. An Australian wine producer, facing declining sales at home, set up a new channel of distribution to sell wine in the United States. This seems to be an effort at

(p. 50)

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #230  
Question Type: Application  
Self-Test: No

231. E-Z-Go, a producer of golf carts, promotes its carts to other users by advertising them as an easy and quiet way for workers to get around malls, airports, and big factories. E-Z-Go is trying to increase its sales through

(p. 50)

- A. market penetration.
- B. differentiation.
- C. product development.
- D. market development.
- E. diversification.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #231  
Question Type: Application  
Self-Test: No

232. BeQuick, a fast-food restaurant, has always operated outlets in malls. With a new strategy that involves opening new outlets that sell the same menu but operate in airports, zoos, casinos, and military bases, BeQuick is pursuing what type of opportunity?

(p. 50)

- A. Product development.
- B. Market development.
- C. Differentiation.
- D. Market penetration.
- E. Diversification.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #232  
Question Type: Application  
Self-Test: No

233. In an effort to increase its total sales, Champion has started exporting its spark plugs for use by several German auto producers. Champion is pursuing a \_\_\_\_\_ opportunity.

(p. 50)

- A. diversification
- B. market penetration
- C. product development
- D. mass marketing
- E. market development**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #233  
Question Type: Application  
Self-Test: No

234. \_\_\_\_\_ refers to offering new or improved products for present markets.

(p. 50)

- A. Diversification
- B. Market development
- C. Differentiation
- D. Market penetration
- E. Product development**

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #234  
Question Type: Definition  
Self-Test: No

235. When a firm tries to increase sales by offering new or improved products to its present markets, this is called:

(p. 50)

- A. mass marketing.
- B. product development.**
- C. market penetration.
- D. diversification.
- E. market development.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #235  
Question Type: Definition  
Self-Test: No

236. To compete more successfully with its many competitors offering packaged cookies, Famous Amos added its own line of "extra chunky" premium cookies. This seems to be an effort at:

(p. 50)

- A. combination.
- B. market penetration.
- C. market development.
- D.** product development.
- E. diversification.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #236  
Question Type: Application  
Self-Test: No

237. A producer of frozen pasta dinners finds that its current target customers select among its frozen pasta dinners, going to a pizza restaurant, or staying home and eating an Italian sub sandwich. So the company set up a chain of pizza restaurants that also serve Italian sub sandwiches. This seems to be an effort at:

(p. 50)

- A. market development.
- B. diversification.
- C. market penetration.
- D.** product development.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #237  
Question Type: Application  
Self-Test: No

238. Wendy's continues to test possible new toppings for hamburgers, including grilled mushrooms and provolone cheese. This suggests that Wendy's is pursuing \_\_\_\_\_.

(p. 50)

- A. marketing myopia.
- B. mass marketing.
- C.** product development.
- D. market development.
- E. diversification.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #238  
Question Type: Application  
Self-Test: No

239. Wendy's continues to come out with new offerings like stuffed pitas. This suggests that Wendy's is pursuing \_\_\_\_\_.

(p. 50)

- A. marketing myopia.
- B. mass marketing.
- C. product development.**
- D. market development.
- E. diversification.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #239  
Question Type: Application  
Self-Test: No

240. Converse started selling its "high-top" canvas basketball shoes in colors such as hot pink, lime green, and purple, to accompany their traditional colors of black and white. Converse seems to be pursuing a \_\_\_\_\_ opportunity.

(p. 50)

- A. Market penetration.
- B. Market development.
- C. Product development.**
- D. Diversification.
- E. Breakthrough.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #240  
Question Type: Application  
Self-Test: No

241. Heinz, in order to boost its sales, came up with ketchup in gross green and funky purple colors. It packaged the ketchup in EZ Squirt dispensers molded to fit little hands. This is an example is:

(p. 50)

- A. Product development**
- B. Market development
- C. Diversification
- D. Market penetration
- E. None of the above are correct.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #241  
Question Type: Application  
Self-Test: No

242. In developing trails for hiking and biking to bring its winter ski customers back in the summer, Mountain High Ski Resort is pursuing what type of opportunity?  
(p. 50)

- A. Channel penetration.
- B. Diversification.
- C. Product development.**
- D. Market development.
- E. Market penetration.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #242  
Question Type: Application  
Self-Test: No

243. Zippo is pursuing \_\_\_\_\_ opportunities with its Multi-Purpose Lighter that is designed to light candles, fireplaces, grills, and more.  
(p. 50)

- A. market penetration
- B. market development
- C. product development**
- D. diversification
- E. channeling

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #243  
Question Type: Application  
Self-Test: No

244. Hewlett-Packard decided that too many other companies were attracting its customers by advertising their computer printers as "having all of the features of Hewlett-Packard's LaserJet." So Hewlett-Packard designed a new color printer with a completely new set of features which no competitors' equipment offered. Hewlett-Packard then introduced it to the same market with the hope that it could develop a larger and more profitable share. This was an effort at:

- A. market development.
- B. diversification.
- C. market penetration.
- D. product development.**
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #244  
Question Type: Application  
Self-Test: No

245. To improve its profits, Delta Tool Corp. has redesigned its entire line of rechargeable power drills--adding several new or improved features and three new models. Apparently, Delta Tool is pursuing a \_\_\_\_\_ opportunity.

(p. 50)

- A. combiner
- B. market development
- C. product development**
- D. diversification
- E. market penetration

AACSB: 9 Value creation

Chapter: 2

Difficulty: Easy

LearnObj: 8

Perreault - Chapter 02 #245

Question Type: Self-Test

Self-Test: Self-Test

246. Professional Dental Supply has been successfully selling dental instruments to dentists for the past twenty years, and has developed strong customer relations. When looking for new marketing opportunities, Professional Dental Supply will most likely look first at

(p. 50)

- A. market penetration.
- B. diversification.
- C. market development.
- D. product development.**
- E. They will look at all opportunities equally.

AACSB: 9 Value creation

Chapter: 2

Difficulty: Easy

LearnObj: 8

Perreault - Chapter 02 #246

Question Type: Self-Test

Self-Test: Self-Test

247. \_\_\_\_\_ means moving into totally different lines of business, perhaps entirely unfamiliar products, markets, or even levels in the production-marketing system.

(p. 50)

- A. Diversification**
- B. Market development
- C. Product development
- D. Differentiation
- E. Market penetration

AACSB: 9 Value creation  
Chapter: 2

Difficulty: Easy

LearnObj: 8

Perreault - Chapter 02 #247

Question Type: Definition

Self-Test: No

248. When a firm tries to increase its total sales by offering new products to new markets, it's pursuing:  
(p. 50)

- A. diversification.
- B. product development.
- C. market development.
- D. market penetration.
- E. All of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #248  
Question Type: Definition  
Self-Test: No

249. Cheese manufacturer, Ashe Mountain Corp., started a new chain of movie theaters called Ashe Mountain's Movie World. The theaters have been a major success and significantly increased the revenues of Ashe Mountain Corp. This is an example of:

- A. Diversification
- B. Market development
- C. Product penetration
- D. Differentiation
- E. Market penetration

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Hard  
LearnObj: 8  
Perreault - Chapter 02 #249  
Question Type: Application  
Self-Test: No

250. A beer distributor, concerned about increasing regulation of alcoholic beverages, decides to start a new business distributing children's toys. This company seems to be pursuing

- A. market development.
- B. diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #250  
Question Type: Application  
Self-Test: No



251. Industrial Plastics Corporation has decided to manufacture and sell electric motors for fishing boats.  
(p. 50) The firm appears to be pursuing a \_\_\_\_\_ opportunity.

- A. combiner
- B. product development
- C. market development
- D. market penetration
- E.** diversification

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #251  
Question Type: Application  
Self-Test: No

252. A producer of home burglar alarm devices decides to start manufacturing portable video cameras for  
(p. 50) use in industrial security situations. This is an example of

- A. market development.
- B.** diversification.
- C. product development.
- D. market penetration.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #252  
Question Type: Application  
Self-Test: No

253. If a cola producer bought out a Mango juice producer in an attempt to appeal to health-conscious  
(p. 50) consumers who do not drink soft drinks, it would be pursuing a \_\_\_\_\_ opportunity.

- A. market development.
- B.** diversification.
- C. market penetration.
- D. product development.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #253  
Question Type: Application  
Self-Test: No

254. The most risky and challenging opportunities usually involve:  
(p. 50)

- A. market development.
- B. product development.
- C. diversification.
- D. market penetration.
- E. all of the above are similar in terms of risk.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #254  
Question Type: Comprehension  
Self-Test: No

255. The most risky types of marketing opportunity to pursue usually involve  
(p. 50)

- A. market development.
- B. market penetration.
- C. diversification.
- D. product development.
- E. All of the above are equally risky.

AACSB: 9 Value creation  
Chapter: 2  
Difficulty: Easy  
LearnObj: 8  
Perreault - Chapter 02 #255  
Question Type: Comprehension  
Self-Test: No

256. Because companies are likely to be most familiar with their own operations, \_\_\_\_\_ opportunities are usually the easiest to pursue.  
(p. 50)

- A. market penetration
- B. product development
- C. market development
- D. diversification
- E. All of the above are equally easy.

AACSB: 3 Analytical skills  
Chapter: 2  
Difficulty: Medium  
LearnObj: 8  
Perreault - Chapter 02 #256  
Question Type: Comprehension  
Self-Test: No

257. Which of the following statements is True regarding international opportunities in marketing?  
(p. 51-52)

- A. There is no need to consider international opportunities when the domestic market is prosperous.
- B. International trade is decreasing worldwide.
- C.** A product with slow sales growth in a domestic market may experience faster growth in another country.
- D. Only large firms can engage in international marketing.
- E. All of the above.

AACSB: 13 Economic environments; 3 Analytical skills

Chapter: 2

Difficulty: Easy

LearnObj: 9

Perreault - Chapter 02 #257

Question Type: Comprehension

Self-Test: No

258. All of the following are reasons why international opportunities should be considered by managers, EXCEPT

- A. the world is getting smaller.
- B. serving international markets may improve economies of scale.
- C.** favorable trends at home and unfavorable trends in other countries make international marketing particularly attractive.
- D. around the world, potential customers have needs and money to spend.
- E. it helps to develop a competitive advantage at home and abroad.

AACSB: 13 Economic environments; 6. Reflective thinking

Chapter: 2

Difficulty: Medium

LearnObj: 9

Perreault - Chapter 02 #258

Question Type: Self-Test

Self-Test: Self-Test

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