

Chapter 11 Customer-Driven Marketing

True/False Questions

1) Creating an innovative product that meets many users' needs is sufficient in today's volatile global marketplace.

True False

2) At the heart of all business is the product.

True False

3) The customer value of a product refers to anything a buyer must give up to obtain the benefits the product provides.

True False

4) Customers derive benefits from their experiences, as well as the act of shopping and selecting products.

True False

5) Trying to determine customers' true needs is difficult because no one fully understands what motivates people to buy things.

True False

6) In the production orientation of the 19th century, new technology played a key role.

True False

7) One of the ways companies segment markets is on the basis of behavioristic variables.

True False

8) Everett has a clothing store in Aspen, Colorado, and he knows that his customers tend to be high earners with upscale tastes. This is a description of Everett's target market.

True False

9) In the dual market strategy, the marketer aims its marketing efforts at two or more segments, developing a marketing strategy for each.

True False

10) Tasty Beverages promoted its new soft drink to people who were very active and tended to

be risk takers. In this case, Tasty Beverages was segmenting its market based on demographic variables.

True False

11) Lawonda participated in a focus group for a new product. This type of research is secondary data since it came through Lawonda.

True False

12) About half of households have a cell phone but no landline telephones.

True False

13) Ben had an iPhone for years, but he had a lot of problems with it. When his contract ended, he bought a Galaxy phone. Ben's buying behavior was influenced a psychological factor.

True False

14) One external force that influences the development of marketing strategies is the training and development of human resources.

True False

15) It is necessary for nonprofits, government institutions, and even people to market themselves to spread awareness and achieve desired outcomes.

True False

Multiple Choice Questions

16) _____ is best described as a group of activities designed to expedite transactions by creating, distributing, pricing, and promoting goods, services, and ideas.

- A) Auditing
- B) Marketing
- C) Recruiting
- D) Bootstrapping
- E) Brainstorming

17) Marketing activities best create value by

- A) focusing exclusively on selling and advertising.
- B) using unsystematic approaches to satisfying consumers.
- C) manipulating consumers to get them to buy products they do not want.
- D) allowing individuals and organizations to obtain what they need and want.
- E) working independently of other functional areas of business—such as operations.

- 18) For the products launched by companies to succeed, it is important that
- A) marketing is aggressive and alienated from other functional areas.
 - B) marketing endeavors are directed solely at manipulating consumers.
 - C) all the functional areas of the business are coordinated with marketing decisions.
 - D) the marketing environment changes constantly.
 - E) one environmental force is not interconnected with another environmental force.

19) Nadine is the marketing manager for a company that produces innovative educational technology products. Her colleagues have created a new set of simulations that allow philosophy students to respond to ethical dilemmas. All of the following are things Nadine and her colleagues must do to ensure that this new product succeeds in the market EXCEPT

- A) simply selling and advertising the product.
- B) making sure the product is conveniently available.
- C) competitively pricing the product.
- D) uniquely promoting the product.
- E) creating trust and effective relationships with customers.

20) _____ has the important function of providing revenue to sustain a firm.

- A) Accounting
- B) Recruitment
- C) Operations
- D) Marketing
- E) Finance

21) Dennis goes to his favorite local bakery and hands the cashier \$5 for a loaf of bread. Which of the following has just taken place?

- A) collusion
- B) monopoly
- C) donation
- D) exchange
- E) coercion

22) Claudia and Jason are celebrating their 1-year wedding anniversary, and they are having a couples' massage at a spa. Jason hands his credit card to the cashier at the spa to pay for their massages. This is an example of

- A) barter.
- B) a monopoly.
- C) a donation.
- D) a service agreement.
- E) an exchange.

23) At the heart of all business is the _____, the act of giving up one thing in return for something else.

- A) collusion
- B) marketing strategy
- C) manipulation
- D) exchange

E) risk management

24) Which of the following is a condition required for an exchange to take place?

- A) Each participant must hold on to his or her respective "something of value."
- B) Buyers and sellers must be able to communicate about the "something of value" available to each.
- C) The items of value offered by the buyers and sellers must be tangible in nature, such as money and cars.
- D) Products offered should be standardized by sellers.
- E) Marketers should conduct research to ascertain the need for new goods and services.

25) Jasmine went to a new salon in the area to get her hair cut and colored. However, the stylist cut her hair shorter than she wanted and wouldn't use the bold red color Jasmine wanted. As a result, Jasmine did not feel good about her purchase. What does this most likely mean for the future of this exchange relationship?

- A) Jasmine will go to a different stylist at the same salon for her next cut and color.
- B) Jasmine will return to the same stylist for her next cut and color.
- C) Jasmine is not likely to get her hair cut and colored again anytime soon.
- D) Jasmine will go to a different salon and stylist for her next cut and color.
- E) Jasmine will refuse to pay for the cut and color she just received.

26) Daniel and Mark both collect baseball cards. Daniel has a valuable and rare card that Mark has been wanting for a long time. What must Mark do to convince Daniel to part with this card?

- A) Mark must find a clever way to steal Daniel's valuable and rare card.
- B) Mark must trick Daniel into giving up his valuable and rare card.
- C) Mark must offer Daniel something he values enough to give up his valuable and rare card.
- D) Mark must simply have something valuable to exchange for Daniel's valuable and rare card.
- E) Mark must hide the fact that he wants Daniel's valuable and rare card.

27) Social Smoothies is a small, local company that, in addition to making delicious smoothies, offers its customers live music, open microphone nights, free Internet access, and comfortable seating, so they can enjoy their smoothies with friends or while working. In the case of this company, which of the following statements is most likely true?

- A) The tangible product itself is the most important thing this company offers its customers.
- B) All of the items this company offers its customers are tangible products.
- C) All of the items this company offers its customers are intangible things of value.
- D) Most of this company's income comes from selling intangible items.
- E) The tangible product itself may not be as important as the benefits associated with the product.

28) Ryan has produced 1,000 jars of pickled oranges using the oranges in his orchard. By concentrating his efforts on advertising and publicity, he is trying to encourage people to notice and buy his product. Through his promotional activities, Ryan is primarily engaging in the marketing function of

- A) financing.
- B) grading.

- C) warehousing.
- D) buying.
- E) selling.

29) Burgerama Inc., a popular fast-food chain, is famous for its fries and hash browns. It is one of the few fast-food chains to exclusively use the potatoes from its own farms. However, its potatoes can be harvested for only three months of the year. Which of the following marketing functions can Burgerama employ to achieve time utility and satisfy year-round demand for its exclusive fries and hash browns?

- A) grading
- B) selling
- C) storing
- D) buying
- E) financing

30) Randall is a packer in the frozen-foods section of a grocery store. He labels meat steaks with little or no fat as "AA" and meat steaks with more fat as "AB." When he does this, he is primarily engaging in the marketing function of

- A) buying.
- B) grading.
- C) scoring.
- D) storing.
- E) financing.

31) All of the following are activities marketing performs to accomplish objectives and generate exchanges EXCEPT

- A) trading.
- B) risk taking.
- C) financing.
- D) marketing research.
- E) transporting.

32) All of the following are examples of the activities marketing performs to accomplish objectives and generate exchanges EXCEPT

- A) Gwen uses FedEx to ship her handmade jewelry to her customers.
- B) Jim doesn't want his car anymore, so he leaves it on the side of the road with a "free" sign on it.
- C) Mattress Liquidators offers customers a deal; if they can take the mattress themselves, they can pay for it in four monthly installments.
- D) Julie conducts a student focus group to see what students think of her company's new textbook.
- E) Matt packages fruit for the grocery store, labeling organic fruits to distinguish them from non-organic fruits.

33) _____ is the chance of loss associated with marketing decisions.

- A) Value
- B) Utility

- C) Liability
- D) Risk
- E) Cost

34) The exchange process is expedited through

- A) branding.
- B) storing.
- C) grading.
- D) buying.
- E) selling.

35) Amanda owns a custom furniture store in New Hampshire. When customers buy her unique furniture pieces, she arranges a time for her employees to deliver the furniture to their homes using her delivery truck. This is an example of

- A) selling.
- B) transporting.
- C) grading.
- D) storing.
- E) buying.

36) Warehouses hold some products for lengthy periods in order to

- A) standardize products.
- B) facilitate smooth transportation.
- C) create time utility.
- D) lower fixed costs.
- E) expedite a purchase.

37) _____ refers to standardizing products by dividing them into subgroups and displaying and labeling them, so consumers clearly understand their nature and quality.

- A) Transporting
- B) Grading
- C) Selling
- D) Storing
- E) Financing

38) Through _____, marketers ascertain the need for new goods and services.

- A) selling activities
- B) grading activities
- C) research programs
- D) promotions
- E) campaigns

39) A customer's subjective assessment of benefits relative to costs in determining the worth of a product is known as

- A) risk.
- B) value.

- C) cost.
- D) price.
- E) profit.

40) Jeremy has decided to buy a new car. He has done a lot of research online and gone to several car dealerships to test drive cars. However, in order to buy the car, Jeremy must take a car loan. He also must get the car inspected and registered before he can start driving it. In this scenario, which of the following is a nonmonetary cost associated with Jeremy's car purchase?

- A) the interest rates on the car loan
- B) the registration fees paid on the car
- C) the inspection fees paid on the car
- D) the monthly installments of the car loan
- E) the time taken to test drive various car models

41) For greater accessibility, Hakin Inc. has placed its products at every popular superstore. The convenience provided by the company is an example of reducing _____ costs.

- A) nonmonetary
- B) tangible
- C) variable
- D) fixed
- E) overhead

42) _____ costs include anything a buyer must give up to obtain the benefits the product provides.

- A) Overhead
- B) Customer
- C) Manufacturing
- D) Variable
- E) Promotional

43) In the context of the marketing concept, which is the first step that a business must take?

- A) develop durable goods
- B) find out what consumers desire
- C) produce innovative products
- D) promote new products
- E) build a brand name

44) To gain an edge, businesses must

- A) refrain from making changes to their existing range of products.
- B) launch products into the market directly instead of wasting time on determining what the customers desire.
- C) continually alter, adapt, and develop products to keep pace with changing consumer needs.
- D) engage in activities of price fixing with competitors.
- E) view the customer's perception of value as the sole measure of work performance.

45) In which of the following scenarios is a business least likely to survive?

- A) when a business continually alters, adapts, and develops products to keep pace with changing

customer needs and wants

B) when a business finds out what consumers desire and then develops goods, services, or ideas accordingly

C) when a business views the customer's perception of value as the ultimate measure of work performance and improving value

D) when a business focuses only on customer satisfaction and not on its own objectives, such as boosting productivity

E) when a business sells ideas, benefits, philosophies, and experiences—not just goods and services

46) _____ is the goal of the marketing concept.

A) Product orientation

B) Productivity boosting

C) Customer satisfaction

D) Asset turnover

E) Sales orientation

47) Madden owns an equestrian clothing store. After many customers complained that her clothing only fit petite riders, she decided to add a new brand of riding clothes that includes clothing for all body shapes and sizes. In regards to the marketing concept, which of the following statements describes Madden's decision?

A) Since customers' needs change so continuously, companies should not make drastic changes to their product lines to satisfy momentary customer desires.

B) Before altering, adapting, or developing products to keep pace with changing consumer needs and wants, companies should wait to make sure these needs and wants will be long lasting.

C) Companies must adapt their product lines to fulfill customers' needs and wants, even if doing so prevents them from achieving their own objectives.

D) To remain competitive, companies must be prepared to add to or adapt their product lines to satisfy customers' desires.

E) Adding to or adapting product lines is expensive, so companies must carefully weigh their options before choosing to make such drastic changes.

48) Which of the following is an ineffective practice to follow while implementing the marketing concept?

A) using the customer's perception of value as the ultimate measure of work performance

B) striking a balance between achieving organizational objectives and satisfying customers

C) adopting a product orientation instead of a consumer orientation to deliver the right good or service

D) involving the entire organization instead of only the marketing department in achieving customer satisfaction

E) adapting products and services according to the changing consumer needs and wants

49) The era of the production orientation was characterized by

A) the development of new technologies that made it possible to manufacture goods with ever increasing efficiency.

B) a belief that sales were the primary means of increasing profits.

C) the view adopted by businesspeople that advertising and personal selling were the primary means of increasing profits.

D) the realization of entrepreneurs that they must first determine what customers want and then produce it.

E) a belief that it was more effective to retain existing customers than it was to find new ones.

50) During the period of the _____ orientation, the supply of manufactured goods caught up with and then exceeded demand, which made businesspeople realize they would have to promote their products to get buyers to desire them.

A) production

B) trade

C) sales

D) market

E) demand

51) During the first half of the 20th century, businesspeople viewed _____ as the primary means of increasing profits.

A) production

B) promotion

C) sales

D) marketing

E) value creation

52) Gary worked for a textile manufacturer during the first half of the 20th century. When the supply of his company's textiles exceeded customer demand, he realized that he would have to invest more money in advertising his products and go directly to his customers to convince them to purchase his products. Based on this scenario, Gary has most likely adopted the _____ orientation.

A) sales

B) market

C) production

D) product

E) pricing

53) The market orientation approach emphasizes

A) extensive promotional activities.

B) determining what customers want first and then producing it.

C) efficient production of goods.

D) making the products first and then trying to persuade customers that they need them.

E) profits at the expense of customer satisfaction.

54) A market orientation requires organizations to

A) make the products first and then try to persuade customers that they need them.

B) focus exclusively on sales to increase profits.

C) engage in price fixing activities with competitors.

D) gather and use customer information to help build long-term relationships with customers.

E) employ the product cannibalization strategy.

55) Why is customer relationship management important in a market orientation?

- A) It can result in loyal and profitable customers.
- B) It tracks the rate at which trends, fashions, and tastes change.
- C) It reduces fixed costs for businesses.
- D) It overlooks efficient production.
- E) It shifts the focus from existing to new customer bases.

56) According to the market orientation, profits can be obtained through

- A) personal selling and advertising.
- B) dismissing customer relationship management.
- C) mass producing goods for customers.
- D) acquiring new customers.
- E) persuading customers that they need certain goods.

57) When customers buy computers at Maalik's store, he offers a service package at a discounted rate. Additionally, he has an ongoing promotion that allows customers to trade in their old computers for new ones at much lower prices than his competitors can offer. He is able to do this because his service department can fix customers' old computers and resell them to other customers. Based on this scenario, Maalik is focused on

- A) using new technologies to manufacture goods with ever increasing efficiency.
- B) using new management ideas and ways of using labor to pour products into the marketplace.
- C) increasing profits through personal selling and advertising.
- D) enhancing the profitability of existing customers and extending the duration of customer relationships.
- E) finding new customers to buy his products.

58) _____ remains a major element of any strategy to develop and manage long-term customer relationships by providing multiple points of interaction.

- A) Advertising
- B) Personal selling
- C) Negotiation
- D) Mass production
- E) Communication

59) Tory is a marketing manager for a large chain of sporting-goods stores. A significant part of her job is analyzing the purchase data of the company's customers. All of the following are likely benefits of doing this EXCEPT it

- A) improves the company's ability to satisfy individual customers.
- B) allows the company to focus on targeting groups of similar customers.
- C) increases the company's sale of sporting goods products to each customer.
- D) increases the company's share of an individual customer's purchases.
- E) allows the company to understand each customer's interests.

60) A _____ is a plan of action for developing, pricing, distributing, and promoting products that meet the needs of specific customers.

- A) marketing strategy
- B) contingency plan
- C) market evaluation
- D) mission statement
- E) SWOT analysis

61) The first step in developing a marketing strategy is

- A) cultivating effective customer relationships.
- B) attracting new customers.
- C) selecting a target market.
- D) developing an appropriate marketing mix.
- E) conducting a SWOT analysis.

62) Kristoff wants to start a new copyediting business. He identifies that his target market is publishing companies that outsource their copyediting projects. Now that he has identified his target market, what must he do next?

- A) hire talented copyeditors
- B) pursue contracts with publishing companies
- C) implement the marketing concept
- D) rent an office to house his business
- E) develop an appropriate marketing mix

63) A _____ is best described as a group of people who have a need, purchasing power, and the desire and authority to spend money on goods, services, and ideas.

- A) market
- B) focus group
- C) command group
- D) target market
- E) market segment

64) A _____ refers to a specific group of consumers on whose needs and wants a company focuses its marketing efforts.

- A) market
- B) focus group
- C) target market
- D) mass market
- E) stable market

65) Ferava Inc. is a company that markets its products—luxury wristwatches—exclusively to high-income individuals and celebrities. Thus, high-income individuals and celebrities are most likely Ferava Inc.'s

- A) total market.
- B) control group.
- C) reference group.
- D) target market.
- E) secondary market.

66) Red Unicorn Inc. is a company that manufactures wooden planks for construction. It has categorized its customers on the basis of their product requirements into construction companies, wholesalers, and government institutions. Which of the following marketing strategies is best illustrated in this scenario?

- A) mass production
- B) market segmentation
- C) market positioning
- D) product differentiation
- E) product diversification

67) True Pharmaceuticals manufactures and sells a variety of drugs for a market consisting of people of different genders, ages, educational backgrounds, lifestyles, geographic locations, and income levels. It assumes that all buyers have similar medical needs and wants. In this scenario, True Pharmaceuticals is most likely demonstrating a _____ approach to marketing.

- A) niche-market
- B) total-market
- C) concentration
- D) differentiated-market
- E) multisegment

68) Which of the following products is most suitable for selling through a total-market approach?

- A) luxury cars
- B) anti-aging creams
- C) salt and sugar
- D) jewelry items
- E) consumer electronics

69) Why does the total-market approach work best for sellers of salt, sugar, and many agricultural products?

- A) Prices of these products keep fluctuating.
- B) These products are catered mostly to women.
- C) Customer bases for these products are concentrated around specific areas.
- D) These items offer more value.
- E) Everyone is a potential consumer of these products.

70) Plentiful Auto Parts manufactures engines, brakes, mufflers, and batteries and sells them to car manufacturers. This is an example of

- A) total marketing.
- B) market segmentation.
- C) business-to-business marketing.
- D) business-to-consumer marketing.
- E) target marketing.

71) Home Decor Emporium sells rugs, art, lamps, and other decorative pieces to homeowners, so they can express their personal styles in their homes. This is an example of

- A) total marketing.
- B) market segmentation.
- C) business-to-business marketing.
- D) business-to-consumer marketing.
- E) target marketing.

72) Beautiful Rooms produces and sells unique furniture pieces to both individual homeowners and hotels. As a result, this company's products can be considered

- A) total-market products.
- B) segmented products.
- C) consumer products.
- D) business products.
- E) both consumer and business products.

73) Mitch's Sporting Goods Store decides to focus its new marketing campaigns on its yoga, softball, and tennis equipment in an attempt to attract more female customers. Which of the following is most likely the reason this store might want to focus on this market segment?

- A) The company doesn't want to be perceived as sexist.
- B) Women are the largest market segment.
- C) Women are more avid shoppers than men.
- D) Men often shop with their significant others, so focusing on women will double their sales.
- E) Women are more concerned about personal fitness than men.

74) Which of the following is a challenge marketers in the United States will face in the future?

- A) effectively addressing an increasingly racially diverse population
- B) effectively addressing the ongoing sexual revolution
- C) developing products to reach the growing white-male population
- D) focusing their efforts on the total market rather than specific target markets
- E) effectively dealing with the decline of minority groups' buying power

75) In the _____ approach to market segmentation, a company develops one marketing strategy for a single market segment.

- A) mass-market
- B) total-market
- C) differentiated
- D) multisegment
- E) concentration

76) Electronica Inc. is a mobile-phone retailer that sells smartphones to high school students at easily affordable prices. The company has one marketing strategy for the entire market of high school students and focuses all its efforts on this one segment. In this scenario, Electronica Inc. is most likely using the _____ approach for marketing its smartphones.

- A) total-market
- B) differentiated
- C) multisegment
- D) concentration

E) mass-market

77) In the _____ approach, the marketer aims its marketing efforts at two or more segments, developing a marketing strategy for each.

- A) niche
- B) concentration
- C) total-market
- D) multisegment
- E) mass-marketing

78) Kemmen Foods, a company that manufactures and sells breakfast cereals, has customized its cereal flavors to suit different lifestyles, personal tastes, and age groups. For example, it makes organic cereals for its health-conscious customers and colorful cereals with cartoon characters for children. Which of the following market segment approaches is Kemmen Foods using in this scenario?

- A) niche-market approach
- B) mass-market approach
- C) total-market approach
- D) concentration approach
- E) multisegment approach

79) In _____ marketing, all marketing efforts focus on one small, well-defined market segment that has a unique, specific set of needs.

- A) niche
- B) mass
- C) differentiated
- D) total
- E) multisegment

80) Highland Green is a group of luxury hotels that caters exclusively to high-end customers, who form a small part of the total hotel market. The hotel has incorporated all possible luxuries to satisfy these customers. The marketing approach employed by Highland Green best exemplifies

- A) niche marketing.
- B) multisegment marketing.
- C) mass marketing.
- D) the total-marketing approach.
- E) the contingency approach.

81) For a firm to successfully use a concentration or multisegment approach to market segmentation, all of the following requirements must be met EXCEPT

- A) the segments must be identifiable and divisible.
- B) consumers' needs for the product must be homogeneous.
- C) the total market must be divided in a way that allows estimated sales potential, cost, and profits of the segments to be compared.
- D) the firm must be able to reach the chosen market segment with a particular market strategy.

E) at least one segment must have enough profit potential to justify developing and maintaining a special marketing strategy.

82) If a company develops an advertising campaign exclusively for a segment of consumers with a certain income and education, which segmentation variable is the company using?

- A) behavioristic
- B) demographic
- C) psychographic
- D) geographic
- E) ethnographic

83) The Better Skin Company develops several different face creams, including an acne treatment cream for adolescents and a wrinkle-reducing cream for older people. These face creams have been developed on the basis of _____ segmentation.

- A) psychographic
- B) demographic
- C) behavioristic
- D) geographic
- E) class

84) Which of the following is a basis for the psychographic segmentation of markets?

- A) religion
- B) income
- C) education
- D) lifestyle
- E) gender

85) Gear Power Inc. manufactures different cars for different market segments. It markets its SUVs to customers who live in the mountains, sedans to customers in the coastal plains, and smaller hatchback cars for those in big cities. In this scenario, Gear Power Inc. is primarily using _____ variables of market segmentation.

- A) demographic
- B) psychographic
- C) geographic
- D) behavioristic
- E) ethnographic

86) Coral Inc. manufactures a range of body-care products. It has separate product lines dedicated to men and women, and each product line has its own range of shower gels, shampoos, and cosmetics. Which of the following bases of market segmentation has Coral Inc. adopted?

- A) demographic
- B) ethnographic
- C) geographic
- D) behavioristic
- E) psychographic

87) Which of the following bases for market segmentation pertains to some characteristic of the consumer's actions toward the product—a characteristic that commonly involves some aspect of product use?

- A) demographic
- B) psychographic
- C) geographic
- D) behavioristic
- E) ethnographic

88) TriTops has placed its products strategically in areas where the population density is high. The segmentation done by TriTops is an example of _____ segmentation.

- A) demographic
- B) psychographic
- C) geographic
- D) behavioristic
- E) ethnographic

89) Uncommon Confections is a bakery that produces all gluten-free baked goods to target customers who have trouble digesting gluten but still want to be able to enjoy tasty treats. What type of segmentation is this company using?

- A) demographic segmentation
- B) geographic segmentation
- C) psychographic segmentation
- D) benefit segmentation
- E) lifestyle segmentation

90) Gifts Galore is deciding whether to sell its products through vending machines outside subway stations or in stores at popular malls. To which of the following elements in the marketing mix does this decision most closely relate?

- A) price
- B) distribution
- C) promotion
- D) product
- E) process

91) Daring is a clothing store that is contemplating whether to sell its products in brick-and-mortar stores or to sell them at its online store. To which of the following elements in the marketing mix does this decision most closely relate?

- A) price
- B) process
- C) promotion
- D) product
- E) distribution

92) Prism Phones is targeting college students and young professionals. The company, therefore, has decided to advertise its cell phones over social networking and other popular websites instead of print ads and television. Prism Phones' decision to advertise through different media than the ones adopted by other firms illustrates the _____ activity of the marketing mix.

- A) price
- B) distribution
- C) promotion
- D) product
- E) profit

93) Fitness Gym provides its clients with personal training sessions, small group exercise classes, fitness machines and weights to use, and a separate kids' gym with day care specialists, so members can bring their children to the gym with them. These items are most closely associated with the _____ aspect of the marketing mix.

- A) process
- B) distribution
- C) price
- D) promotion
- E) product

94) _____ is a key element of the marketing mix because it relates directly to the generation of revenue and profits.

- A) Product
- B) Price
- C) Process
- D) Distribution
- E) Policy

95) Which of the following statements is true regarding the distribution aspect of the marketing mix?

- A) Intermediaries perform many activities required to move products efficiently from producers to consumers or industrial buyers.
- B) Eliminating wholesalers and other middlemen results in lower prices for consumers.
- C) Even without wholesalers, producers do not have to deal directly with retailers or customers.
- D) Intermediaries do not provide packaging and communication services.
- E) Intermediaries cannot be eliminated because no other institutions can perform their services.

96) Global Mart Inc., a multinational chain of supermarkets, wants to open a new store in a country called Alheroni. Before launching itself in the new market, the management of Global Mart Inc. wants to collect primary data about Alheroni's market. Which of the following sources of information will it most likely use?

- A) the information collected by the census bureau of Alheroni
- B) the data collected by government agencies in Alheroni
- C) the data collected from anonymous surveys conducted in malls in Alheroni
- D) external records and reports on operations in Alheroni
- E) information about Alheroni from the databases of marketing research firms

97) Mark runs a home-improvement business. He is happy with the level of business he receives but wants to learn more about his customers, so he studies information compiled by the U.S. census bureau and other government agencies, databases created by marketing-research firms, and sales and other internal reports. What kind of data is Mark using in this scenario?

- A) ethnographic data
- B) complex data
- C) simple data
- D) primary data
- E) secondary data

98) All of the following are examples of companies using online marketing research EXCEPT

- A) EduPub combines sight, sound, and animation to facilitate the testing of the packaging and design features of its course-management products.
- B) Electronics Emporium uses Facebook to gather useful customer information for marketing decisions regarding its stereos, computers, and home-theater products.
- C) Quality Cars uses mystery shoppers to visit its car dealerships and report on whether the dealerships are adhering to the company's standards of service.
- D) Fitness Factory e-mails surveys to its clients every few months to get their feedback on their experiences at the gym.
- E) Rustic Rooms Furniture has a section on its website where customers can submit their ideas for unique furniture pieces.

99) Gabrielle is a marketer for an online shoe store. An important task she performs regularly is measuring the website's traffic and performance. This task is known as

- A) primary research.
- B) secondary research.
- C) virtual testing.
- D) marketing analytics.
- E) social networking.

100) _____ refers to the decision processes and actions of people who purchase and use products.

- A) Buying behavior
- B) Distributing
- C) Franchising
- D) Entrepreneurship
- E) Market orientation

101) _____ is the process by which a person selects, organizes, and interprets information received from his or her senses.

- A) Conditioning
- B) Perception
- C) Self-actualization
- D) Motivation
- E) Mediation

102) Which of the following is a psychological variable of buying behavior?

- A) social roles
- B) attitude
- C) reference groups
- D) social classes
- E) culture

103) Anna is an environmental activist who avoids buying paper-based products unless they are made from recycled paper. Which psychological factor is primarily responsible for Anna's buying behavior in this scenario?

- A) attitude
- B) social role
- C) social class
- D) culture
- E) self-efficacy

104) Hagar dislikes buying branded clothes because he claims that they are a waste of money. In this scenario, Hagar's buying behavior is most likely related to his

- A) attitude.
- B) social role.
- C) social class.
- D) political orientation.
- E) ethical dissonance.

105) Every year, Jordan buys a calendar to keep track of his appointments and events. However, this year, he bought a smartphone that has a built in calendar, so he did not buy a new paper calendar. Which psychological variable does this scenario most closely describe?

- A) perception
- B) motivation
- C) attitude
- D) personality
- E) learning

106) _____ are a set of expectations for individuals based on some position they occupy.

- A) Social classes
- B) Social roles
- C) Reference groups
- D) Market segments
- E) Personal styles

107) _____ are commonly determined by ranking people into higher or lower positions of respect.

- A) Social classes
- B) Social roles
- C) Reference groups
- D) Market segments
- E) Functional teams

108) The groups with whom buyers identify and whose values or attitudes they adopt are referred to as

- A) ethnic groups.
- B) reference groups.
- C) social classes.
- D) secondary groups.
- E) outgroups.

109) Lisa, Saeed, and Kendall all own large houses, drive fancy cars, and belong to an elite country club. Lisa, Saeed, and Kendall most likely belong to the same

- A) reference group.
- B) cultural group.
- C) social role.
- D) social class.
- E) generational class.

110) Jennifer is highly influenced by celebrities in movies and advertisements. She wishes to dress like them and adopt their lifestyle. When she goes shopping, these celebrities are her point of comparison. In this scenario, the celebrities are Jennifer's

- A) social class.
- B) focus group.
- C) reference group.
- D) social model.
- E) market segment.

111) Every time David wants to change his cell phone, he asks his colleagues and friends for help in deciding which phone to buy. Thus, David's colleagues and friends are his

- A) social class.
- B) social role.
- C) target market.
- D) reference group.
- E) resource pool.

112) Mae is a Mexican American who manages a Mexican food restaurant. She often eats the food her restaurant sells, and several times a year, she travels to Mexico to visit her family and eat authentic Mexican cuisine. Which social factor does this scenario most closely describe?

- A) attitude
- B) social role
- C) social class
- D) culture
- E) self-efficacy

113) Which of the following is least likely to be a competitive or economic force in the marketing environment?

- A) the purchasing power of people in a geographic market
- B) the rate of unemployment in a country
- C) the laws related to employment in a country
- D) the level of inflation in a country
- E) the per-capita income in a less developed nation

114) Due to the increasing purchasing power and per-capita income of the population of United Nombavia, a company decided to launch its premium line of clothing and bags in the country. Which of the following environmental forces primarily influenced this company's decision?

- A) technological forces
- B) legal forces
- C) religious forces
- D) political forces
- E) economic forces

115) Which of the following best exemplifies political, legal, and regulatory forces in a marketing environment?

- A) computers and technological advances in a country
- B) opinions and attitudes of the public
- C) economic conditions in a country
- D) purchasing power of the people
- E) political actions of interest groups

116) According to the foreign trade policy of the Republic of Cambria, multinational companies can enter its market only by merging with a local business partner. Which of the following environmental forces does this best reflect?

- A) technological
- B) social
- C) civil
- D) political
- E) ethical

117) Which of the following is a social force that influences the marketing environment?

- A) computers and technological advances
- B) the public's opinions about the environment
- C) purchasing power
- D) unemployment
- E) political actions of interest groups

118) Daily Shop was criticized by the community for its use of plastic bags. In view of the concerns raised by the members of the community, the supermarket's management made the decision to start using biodegradable bags. This decision has been influenced by _____ forces.

- A) political
- B) social
- C) technological
- D) economic
- E) competitive

119) Kalida's music store developed a smartphone application to improve its distribution, promotion, and new-product development. In this scenario, Kalida's store is using _____ forces.

- A) technological
- B) social
- C) economic
- D) competitive
- E) political

120) Specific laws require that advertisements be truthful and that all health claims be documented. This is an example of _____ forces.

- A) legal
- B) social
- C) technological
- D) economic
- E) competitive

121) Which of the following statements is true of the marketing environment?

- A) The forces in the marketing environment cannot be controlled under any circumstance.
- B) Unemployment problems are a part of regulatory forces affecting the marketing environment.
- C) The public's opinions belong to the competitive forces influencing the marketing environment.
- D) A marketing manager can influence some environmental variables.
- E) Environmental forces remain static.

Essay Questions

122) Describe the eight functions of marketing and give an example of each.

123) Compare and contrast the three marketing orientations and discuss how each time period changed the concept of marketing.

124) Electronva Inc., a consumer-electronics company, wants to implement a multisegment approach to market segmentation. What five requirements must be met to ensure that the strategy is successful?

125) Delineate the psychological variables of buying behavior.

126) How do businesses and the society benefit from marketing?