Test Bank for Marketing Management 2025 Release 1st Marshall

Correct answers located at the end of the chapter.

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) A commonly held misconception about marketing is that it is all about advertising and selling.
   - ⦾ true
   - ⦾ false

2) Marketing is relevant only to people in the organization who work directly in the marketing department.
   - ⦾ true
   - ⦾ false

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

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

5) Sustainability refers to business practices that reduce the overall cost of a product.
   - ⦾ true
   - ⦾ false

6) Firms focused on a production orientation mentality likely will have great difficulty competing successfully for customers.
   - ⦾ true
   - ⦾ false

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

- ⊙ true
- ⊙ false

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

- ⊙ true
- ⊙ false

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

- ⊙ true
- ⊙ false

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

- ⊙ true
- ⊙ false

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

- ⊙ true
- ⊙ false

12) Marketing approaches should seek ways to decrease or discredit the vast amount of information accessible to consumers.

- ⊙ true
- ⊙ false

13) Millennial consumers, while much more receptive to digital marketing and e-commerce, tend to highly value in-person relationships with marketers like State Farm Insurance in much the same way as prior generations.

- ⊚ true
- ⊚ false

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

- ⊚ true
- ⊚ false

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

- ⊚ true
- ⊚ false

16) A customer orientation means ensuring the customer is the central core of all aspects of the business.

- ⊚ true
- ⊚ false

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

- ⊚ true
- ⊚ false

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

- ⊚ true
- ⊚ false

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

- ⦾ true
- ⦾ false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

20) Of all the business fields,_________ is generally the most visible to people outside the organization.

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

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

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

22) Ethically speaking, marketing is considered to be

A) harmful to society.
B) of little practical value to the consumer.
C) filled with untrue advertising claims and unethical sales tactics.
D) all fluff and no substance.
E) no more inherently unethical than other business areas.

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

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

24) A misconception about marketing is that it is

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

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

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

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

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

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

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

28) Socially aware companies such as Bombas, which donates clothing to homeless shelters with every item purchased, use such marketing efforts to focus on

A) reducing their marketing costs.
B) applying personal selling techniques.
C) increasing productivity.
D) engaging consumers in a meaningful way.
E) improving the bottom line.

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

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

30) ________is a central tenet of marketing in which a person gives up something of value to them for something else they desire to have.

A) Power
B) Sustainability
C) Innovation
D) Customization
E) Exchange

31) Emmie notices her cellphone dies at least once a day, resulting in many missed messages and calls. After researching various options to resolve this problem, she spends $1,000 to purchase the latest model smartphone with a long-life battery. This is an example of

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

32) A person living in the Middle Ages could not go to the cobbler and get a pair of shoes in a few minutes, or quickly purchase a standard-sized cloak from the local tailor. This period before the advent of marketing is known as the

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

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

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

34) After a lengthy strike, the union drivers went back to work, allowing deliveries of perishable dairy products to begin flowing from dairy processors to consumers once again. The union negotiated raises, a shorter workday, and a one-tier pay scale. The union may best be described as a(n)

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

35) Companies that promote sustainability practices like Patagonia, which pledges a percentage of sales to environmental restoration, are practicing________ marketing.

A) green
B) relationship
C) affiliate
D) viral
E) one-to-one

36) Max does the taxes for his friend’s auto shop and accepts car maintenance and repairs in payment. Max is practicing the central tenet of marketing called

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

37) Which of these are core marketing concepts?

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

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

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

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

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

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

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

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

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

42) When was the marketing concept introduced?

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

43) The marketing concept was first articulated in the *Annual Report* of
- A) Ford Motor Company.
- B) AT&T.
- C) RCA.
- D) General Motors.
- E) General Electric.

44) Making a change in any one of the marketing mix elements will
- A) leave the other elements unchanged.
- B) have a negative effect on a similar element.
- C) also change the other elements.
- D) require the firm to introduce new products.
- E) require an increase in promotion.

45) After World War II, business began to change in many long-lasting ways. What is least likely to have caused this shift?
- A) advent of readily available mainframe computing capability
- B) opening up of production capacity dominated for years by war production
- C) pent-up demand for consumer goods and services after the war
- D) desperate need to regain a normalcy of day-to-day life after years of war
- E) focus on sales orientation with the objective of achieving short-term profits

46) A cosmetics company develops an all-vegan skin care line which is organically sourced and has not been tested on animals. These products cost more, but appeal specifically to a socially conscious consumer. In this case, the company has adopted a________ orientation.
- A) market
- B) mass customization
- C) differentiation
- D) relationship
- E) product

47) Diamond Property Management provides services to multiple condominium associations around town. Twice annually, the owners meet with each client company to discuss any issues and ways to improve their services. They send weekly emails with money-saving ideas and suggested maintenance schedules. The firm's business practices mainly focus on keeping profitable current customers rather than gaining new clients. Diamond Property Management has adopted a________ orientation approach.

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

48) To significantly enhance customer choices, Nike combines flexible manufacturing with flexible marketing. Customers may visit the Nike website and order athletic shoes created especially for them. Nike has adopted a_______ orientation approach.

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

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

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

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

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

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

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

52) A small financial planning firm works hard to keep and cultivate profitable current customers instead of constantly investing in gaining new customers that come with unknown return on investment. This company has a________ orientation.

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

53) Relationship-oriented firms tend to

A) be driven by meeting a quarter’s financial projections.
B) keep and cultivate their profitable current customers who are highly satisfied with the firm’s offering.
C) constantly invest in new customers that come with unknown return on investment.
D) pour significant resources into innovative product development.
E) focus primarily on increasing sales through catchy and entertaining advertisements.

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

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

55) A major hotel chain keeps an in-house database of its customers, their travel history, and their preferences so it can better meet customers' needs and gain their loyalty. This demonstrates the use of

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

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

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

57) Online car retailer Carvana lets consumers shop for a car online, and arrange for financing without meeting directly with a salesperson. In the context of change drivers impacting the future of marketing, this reflects the shift

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

58) McDonald’s now offers a selection of interactive games and augmented reality in its Happy Meal App for kids, and has forsaken hard plastic toys in Happy Meals for sustainable paper-based ones. In the context of change drivers impacting the future of marketing, this reflects the

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

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

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

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

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

61) The 4Ps of marketing refer to

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

62) An offering today is considered to be the________ in the marketing mix.

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

63) Supply chain management is considered to be part of the________ of the marketing mix.

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

64) In the context of the marketing mix,________ today is largely regarded in relationship to the concept of value.

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

65) Austin's mobile dog grooming business works around the needs of the customer by providing hours of operation that vary throughout the week, including some evening and weekend hours. It could be said that Austin's business is

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

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

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

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

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

68) Which characteristic about millennials is the least accurate?

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

69) As of 2024, which generational segment is the largest in the United States?

A) Baby Boomers
B) Gen Alpha
C) Gen X
D) millennials
E) Gen Z

70) Lisette just took a new position in marketing. She chose this job because it gives her a varied and flexible schedule with little overtime, and the company is well-known for being socially responsible. Her parents, in contrast, have always worked for companies that paid generously, but required long regular hours and a structured work schedule. This demonstrates how shifts in ________ can influence work life versus family life.

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

71) Marketing (Big M) is also known as________ marketing.

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

72) In the context of marketing change drivers, marketing (little m) is also known as________ marketing.

A) pro-social
B) tactical
C) strategic
D) viral
E) sustainable

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

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

74) Strategic marketing refers, in part, to

A) a firm's internal focus on production and customer satisfaction.
B) working to improve the operational level of a firm.
C) a long-term, firm-level commitment to investing in marketing.
D) making an unwavering commitment to maintaining the existing target market.
E) studying promotion, distribution, delivery, and production.

75) The core marketing concept characteristics of an organization-wide customer orientation and long-run profits are_________ in nature.

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

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

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

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

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

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

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

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

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

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

A) the sales force.
B) top management.
C) middle management.
D) frontline personnel.
E) the marketing team.

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

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

82) In order for Marketing (Big M) to succeed, firms should create________ strategies.

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

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

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

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

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

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

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

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

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

87) Management asked Fumiko to identify, track, evaluate, and provide key benchmarks for improvement in her marketing department. To do this, Fumiko used

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

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

A) accountability.
B) innovation.
C) diversification.
D) visibility.
E) identification.

89) Joaquin’s job is to measure, manage, and analyze marketing performance to optimize the firm’s return on marketing investment. Joaquin is practicing

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

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

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

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

91) Name three of the marketing misconceptions discussed in the text, and explain why these do not accurately describe the field of marketing.

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

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

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

Answer Key

Test name: Chapter 01

1) TRUE
2) FALSE
3) TRUE
4) TRUE
5) FALSE
6) TRUE
7) FALSE
8) TRUE
9) FALSE
10) TRUE
11) TRUE
12) FALSE
13) FALSE
14) TRUE
15) TRUE
16) TRUE
17) FALSE
18) FALSE
19) FALSE
20) C
21) A
22) E
23) A
24) C
25) D
26) C
27) B
28) D
29) D
30) E
31) B
32) D
33) D
34) B
35) A
36) B
37) E

38) A
39) B
40) C
41) C
42) E
43) E
44) C
45) E
46) C
47) D
48) B
49) C
50) D
51) B
52) E
53) B
54) E
55) B
56) A
57) C
58) C
59) D
60) D
61) A
62) A
63) D
64) B
65) B
66) B
67) C
68) A
69) D
70) A
71) C
72) B
73) B
74) C
75) B
76) C
77) C

78) E
79) D
80) B
81) B
82) B
83) E
84) E
85) E
86) A
87) A
88) A
89) B
90) A
91) Short Answer
92) Short Answer
93) Short Answer
94) Short Answer

Chapter 01
Marketing in Today's Business Milieu

LEARNING OBJECTIVES

LO 1-1 Identify typical misconceptions about marketing, why they persist, and the resulting challenges for marketing management.

LO 1-2 Define what marketing and marketing management really are and how they contribute to a firm's success.

LO 1-3 Appreciate how marketing has evolved from its early roots to be practiced as it is today.

LO 1-4 Recognize the impact of key change drivers on the future of marketing.

CHAPTER OUTLINE

I. WELCOME TO MARKETING MANAGEMENT

II. MARKETING MISCONCEPTIONS

A. Behind the Misconceptions

1. Marketing Is Highly Visible by Nature

2. Marketing Is More Than Buzzwords

B. Beyond the Misconceptions and Toward the *Reality* of Modern Marketing

III. DEFINING MARKETING

A. Value and Exchange Are Core Marketing Concepts

B. A New Agenda for Marketing

IV. MARKETING'S ROOTS AND EVOLUTION

A. Pre-Industrial Revolution

B. Focus on Production and Products

C. Focus on Selling

D. Advent of the Marketing Concept

1. The Marketing Mix

E. Post-Marketing Concept Approaches

1. Differentiation Orientation
2. Market Orientation
3. Relationship Orientation
4. One-to-One Marketing

V. CHANGE DRIVERS IMPACTING THE FUTURE OF MARKETING

A. Shift to Product Glut and Customer Shortage

B. Shift in Information Power from Marketer to Customer

C. Shift in Generational Values and Preferences

D. Shift to Distinguishing Marketing (Big M) from marketing (little m)

1. Marketing (Big M)
2. marketing (little m)

E. Shift to Justifying the Relevance and Payback of the Marketing Investment

VI. YOUR MARKETING MANAGEMENT JOURNEY BEGINS

VII. SUMMARY

KEY TERMS

marketing management The leading and managing of the facets of marketing to improve individual, unit, and organizational performance.

marketing's stakeholders Any person or entity inside or outside a firm with whom marketing interacts, impacts, and is impacted by.

societal marketing The concept that, at the broadest level, members of society at large can be viewed as a stakeholder for marketing.

sustainability The practicing of business that meet humanity's needs without harming future generations.

value A ratio of the bundle of benefits a customer receives from an offering compared to the costs incurred by the customer in acquiring that bundle of benefits.

exchange The giving up of something of value for something desired.

production orientation The maximization of production capacity through improvements in products and production activities without much regard for what is going on in the marketplace.

sales orientation The increase of sales and consequently production capacity utilization by having salespeople "push" product into the hands of customers.

marketing concept Business philosophy that emphasizes an organization-wide customer orientation with the objective of achieving long-run profits.

marketing mix (4Ps of marketing) Product, price, place, and promotion—the fundamental elements that comprise the marketer's tool kit that can be developed in unique combinations to set the product or brand apart from the competition.

offering A product or service that delivers value to satisfy a need or want.

solution A bundle of benefits from an offering that solves a problem or fills a need of a customer.

differentiation Communicating and delivering value in different ways to different customer groups.

customer orientation Placing the customer at the core of all aspects of the enterprise.

market orientation The implementation of the marketing concept, based on the understanding of customers and competitors.

relationship orientation Investing in keeping and cultivating profitable current customers instead of constantly having to invest in gaining new ones.

one-to-one marketing Directing energy and resources into establishing a learning relationship with each customer and connecting that knowledge with the firm's production and service capabilities to fulfill that customer's needs in as custom a manner as possible.

mass customization Combining flexible manufacturing with flexible marketing to greatly enhance customer choice.

Marketing (Big M) The dimension of marketing that focuses on external forces that affect the organization and serves as the driver of business strategy.

strategic marketing The long-term, firm-level commitment to investing in marketing—supported at the highest organization level—for the purpose of enhancing organizational performance.

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

Chapter 01
Marketing in Today's Business Milieu

marketing (little m) The dimension of marketing that focuses on the functional or operational level of the organization.

tactical marketing Marketing activities that take place at the functional or operational level of a firm.

marketing metrics Tools and processes designed to identify, track, evaluate, and provide key benchmarks for improvement of marketing activities.

marketing analytics The practice of measuring, managing, and analyzing marketing performance to maximize marketing effectiveness and optimize return on marketing investment (ROMI).

return on marketing investment (ROMI) What impact an investment in marketing has on a firm's success, especially financially.

APPLICATION QUESTIONS

1. Consider the various marketing misconceptions introduced in this chapter.

   a. Pick any two of the misconceptions and develop a specific example of each from your own experience with firms and brands.

      - *Catchy and entertaining advertisements — or perhaps the opposite, incessant and boring advertisements.*
      - *Pushy salespeople trying to persuade someone to buy it right now.*
      - *Famous brands and their celebrity spokespeople, such as Nike's athlete endorsers.*
      - *Product claims that turn out to be overstated or just plain false, causing doubt about the trustworthiness of a company.*
      - *Marketing departments "own" an organization's marketing initiative.*
      - *Marketing is all about advertising.*
      - *Marketing is all about selling.*
      - *Marketing is all fluff and no substance.*
      - *Marketing is inherently unethical and harmful to society.*

   b. How will it be beneficial for a new marketing manager to understand the misconceptions that exist about marketing?

      Effective marketing management isn't about buzzwords or quick fixes. In today's business milieu, marketing is a central function and set of processes essential to any enterprise. Moreover, leading and managing the facets of marketing in order to improve individual, *unit, and organizational performance – marketing management – is a core business activity, worthy of any student's study and mastery.*

c. Can you come up with some other marketing misconceptions of your own – ones that are not addressed in the chapter?

Student answers to this question will vary.

2. In this chapter we make a strong case for the relevance of Peter Drucker's key themes today, even though much of his writing was done decades ago. Do you agree that his message was ahead of its time and is still relevant? Why or why not? Assume you are the CEO of a firm that wants to practice a market orientation. How will Drucker's advice help you to accomplish this goal?

Peter Drucker's key themes included a business built around the customer with resources and processes aligned to maximize customer value. He also believed that marketing is the central core of the firm, and it should therefore be the concern and responsibility of the entire organization. This business philosophy was well ahead of its time.

Excerpts from Drucker's advice that would impact an executives' effort to enact a market orientation:

What the customer thinks he is buying, what he considers "value" is decisive—Because it is the [purpose of a business] to create a customer, [the] business enterprise has two – and only two – business functions: marketing and innovation.[1]

3. Put yourself in the role of a marketing manager – from this perspective, do you agree with the concepts of societal marketing and sustainability? Why or why not? How does a focus on sustainability affect the marketing manager's role and activities? Identify two organizations that you believe do a great job of paying attention to sustainability and present the evidence that leads you to this conclusion.

Marketing's stakeholders include any person or entity inside or outside a firm with whom marketing interacts, impacts, and is impacted by. At the broadest conceptual level, members of society at large can be viewed as a stakeholder for marketing – a concept called societal marketing.

Sustainability refers to business practices that meet humanity's needs without harming future generations.[2]

Sustainability practices have helped socially responsible organizations incorporate doing well by doing good into their overarching business models so that both the success of the firm and the success of society at large are sustained over the long term.

Example of an organization that is doing a great job of paying attention to sustainability:

Unilever:

- *In Brazil, the company developed a partnership to create a green refinery, generating a supply chain of over 1 million tons of deforestation-free soybean oil, which is a key ingredient in many of its products.*
- *Unilever funds a floating hospital that offers free medical care in Bangladesh, a nation with just 20 doctors for every 10,000 people.*
- *In Ghana, it uses innovative technology to help maintain a deforestation-free supply of palm oil.*
- *In India, Unilever employees help thousands of women in remote villages start micro-enterprises.*
- *Responding to green activists, the company discloses how much carbon dioxide and hazardous waste its factories discharge around the world.*
- *In Germany, it launched the first laundry liquid in which the key cleaning ingredient is made with recycled carbon and packaged it in recyclable bottles made using 70% recycled plastic. Confirmed that by 2025, it will help collect and process more plastic packaging than it sells; and reduce by half its use of virgin plastic.*

4. Review the section on change drivers and select any two within the set that you want to focus on. Pick an organization of your choice and answer the following questions:

   a. In what ways do each of the change drivers impact the firm's ability to successfully do marketing?

   b. How is the firm responding to the change drivers in the way it approaches its business? What should it be doing that it is not doing at present?

   c. What role do you believe the marketing manager has in proactively preparing for these and future change drivers?

   Students will provide various answers. Here is information that should be used to inform their responses:

   Five key areas of shift, or change drivers, are:

   - *Shift to product glut and customer shortage.*
   - *Shift in information power from marketer to customer.*
   - *Shift in generational values and preferences.*
   - *Shift to distinguishing Marketing ("Big M") from marketing ("little m").*
   - *Shift to demanding return on marketing investment.*

5. In this chapter, you learned that harmonious performance of Marketing (big M) and marketing (little m) within a firm can lead to greater levels of success. Why is this true?

What does it mean that these two need to be "harmonious?" What would be some likely negative consequences if they were out of sync?

Specific programs and tactics aimed at customers and other stakeholder groups tend to emanate from marketing (little m).[3] However, marketing (little m) always needs to be couched within the philosophy, culture, and strategies of the firm's Marketing (Big M). Based on these statements, those firms that are successful at accomplishing "little m" goals and objectives will inherently be well on their way to doing the same with "Big M" goals and objectives.

Marketing (Big M) and marketing (little m) should be quite naturally connected within a firm, as the latter tends to represent the day-to-day operationalization and implementation of the former. If they were to become out of sync, the consequences could lead to confusion within the firm (internal), confusion in the marketplace with customers (external), and possible underachievement in terms of overall strategy goals.

MANAGEMENT DECISION CASE

NFL Marketing Expands Its Reach

The National Football League (NFL) is one of the most recognized sports organizations in the world and continues to refine its marketing approach both on a strategic and functional level as a shift in generational values and preferences poses a challenge, as younger generations seem less interested in the NFL's product.

The case provides an opportunity to discuss characteristics of various generations and how the NFL and other organizations need to keep these traits in mind as they broaden their marketing strategies. In addition, the NFL is working to attract women, the Latino community, and younger fans with targeted programs, including strategies to meet younger fans "where they are"—on gaming platforms and social media.

Questions for Consideration

1. Based on the details presented in this case, is the NFL's "Big M" or "little m" more critical to its ongoing success? Support your answer with examples of each.

   The NFL is working to improve its marketing reach at both the strategic (Big M) and functional (little m) levels in a variety of ways. At the strategic level, the organization acknowledges it still has work to do to attract younger fans, Latino community members, and women. At the functional level (little m), the NFL needs to work on fine tuning its marketing mix to address how it will attract different constituencies not necessarily interested in football.

2. Do you think the NFL's partnership with Roblox and other gaming platforms will be sufficient to entice younger generations to become NFL fans? Explain your reasoning.

   Student answers will vary. The NFL acknowledges it has work to do to "meet young fans where they are"—a strategy that should include sharing content on various social media platforms such as YouTube, Instagram, and TikTok and highlighting NFL players as individuals with different personalities.

3. Working with Amazon Web Services, the NFL is collecting a "goldmine of data" about its viewership. How can these data be used to expand the NFL's marketing reach? Provide several examples.

   Effective marketing metrics are tools and processes designed to identify, track, evaluate, and provide key benchmarks for improving marketing activities. Using the data collected by AWS allows the NFL to target specific groups and focus on messages that will attract these potentially new fans to the game of football.

4. In what ways can the NFL continue to leverage the ratings bump brought about by Taylor Swift and her loyal fan base?

   Student answers will vary, especially if the Taylor Swift/Travis Kelce relationship does not continue going forward. The NFL would be wise to "lean in" to the publicity and notoriety brought about by Taylor Swift and her interest in the game. With almost half of the NFL fan base made up by women, the marketing strategy should continue to reach out to females of all age groups.

SUGGESTED VIDEO

Making a Market: Vosges Haut-Chocolat (5:25 minutes)

Description: Vosges Haut-Chocolat is a chocolate brand seeking to make consumption of their chocolate a luxury experience which has grown along with the market for high-end chocolate. The video discusses how Vosges has created a cohesive marketing strategy focused on luxury and innovation.

1. Vosge has chosen a premium/luxury positioning strategy. What are the pros and cons of this marketing approach for Vosge?

   Through pricing, packaging, and store layout, Vosge signals that their product is something special. This approach can attract a class of customer who cares about status and peer acceptance and can afford to pay Vosge's premium prices, providing the company with higher per unit profits. It also has the benefit of creating differentiation for a product that has a short list of features that consumers may use to compare alternatives.

A premium approach does, however, limit the number of prospective customers. The strategy also has additional costs (such as the lavishly appointed stores) that eat into the premium profits. A premium brand is also vulnerable to competition that can approach the market with a similar message, but a slightly lower price. Vosge may be aware of this as the video notes that they are pursuing a "downward stretch" of their brand through offering products at a lower price.

2. What aspects of Vosge's marketing strategy supports their experience/storytelling approach? What are the risks to this strategy as they expand their distribution network to non-company-owned stores?

   It appears that the company supports storytelling/experience building through their website, other forms of advertising, through very specific décor in their company-owned stores, through sampling, and through selection/training of personnel to be good storytellers. With the move to third-party distribution, a major part of this formula goes away or is at least eroded. Students should note here the loss of control that comes with the positive aspects of expanding the distribution approach. To maintain the premium image and the attachment of the experience idea to their product, Vosge will likely need to focus on (and invest more heavily in) the component of the marketing mix over which they have the greatest control: advertising.

3. Review the 4-step creative process that the CEO uses to develop a new product and the messaging to support it. How could this process be applied to other consumer products? Choose a product in a completely different industry and apply the process to develop a basic creative strategy.

   4 step creative process:

   1) *fall in love with beauty, curiosity, or a cause*

   2) *connect it to chocolate*

   3) *take action (most important)*

   4) *create the experience*

   While storytelling will not be appropriate for every product, there are simple stories that can be told about many products. Step 1 could be focused on a benefit of interest to the target market. In step 2, the fulfillment of that benefit is connected logically (or emotionally) to the product. Step 3 would involve many tactical marketing actions such as creating advertising copy or designing a store or store display. Step 4 would at least be a set of messaging used with various promotional tools and could also involve hiring and training specialized sales personnel.

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[1] Peter F. Drucker, *The Practice of Management*. New York: Harper and Row, 1954 pp. 37-38.
[2] John Grant, "Green Marketing," *Strategic Direction,* Vol. 24, Iss. 6, 2008 pp. 25-27.
[3] Marco Vriens, "Strategic Research Design," *Marketing Research,* Vol. 15, Iss. 4, 2003, p. 20.