Test Bank for Marketing 2016 18th Pride

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1. Describe the process of strategic planning. How does this process help marketing managers?

ANSWER: Through the process of strategic planning, a company establishes an organizational mission and formulates goals, a corporate strategy, marketing objectives, and a marketing strategy. A market orientation should guide the process of strategic planning to ensure that a concern for customer satisfaction is an integral part of the entire company, leading to the development of successful marketing strategies and planning processes. The strategic planning process begins with the establishment or revision of an organization's mission and goals. The corporation and individual business units then develop strategies to achieve these goals. The company performs a detailed analysis of its strengths and weaknesses and identifies opportunities and threats within the external marketing environment. Next, each functional area of the organization (marketing, production, finance, human resources, etc.) establishes its own objectives and develops strategies to achieve them, which must support the organization's overall goals and mission and should be focused on market orientation.

POINTS: 1

DIFFICULTY: Easy

LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - DISC: Strategy

TOPICS: A-Head: The Strategic Planning Process

KEYWORDS: Bloom's: Knowledge

2. How does a firm use a market opportunity to reach a particular target market?

ANSWER: Analysis of the marketing environment also includes identifying opportunities in the marketplace, which requires a solid understanding of the company's industry. When the right combination of circumstances and timing permits an organization to take action to reach a particular target market, a market opportunity exists. The SWOT analysis is used to assess an organization's strengths, weaknesses, opportunities, and threats. It is depicted as a four-cell matrix, and shows how marketers must seek to convert weaknesses into strengths, threats into opportunities, and match internal strengths with external opportunities to develop competitive advantages. Strengths and weaknesses are internal factors that can influence an organization's ability to satisfy target markets. Strengths refer to competitive advantages, or core competencies, that give the company an advantage over other firms in meeting the needs of its target markets. Weaknesses are limitations a company faces in developing or implementing a marketing strategy.

POINTS: 1

DIFFICULTY: Easy

LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - DISC: Marketing Plan

TOPICS: A-Head: The Strategic Planning Process

KEYWORDS: Bloom's: Knowledge

3. In what ways does having a mission statement help an organization achieve its goals?

ANSWER: Once an organization has assessed its resources and opportunities, it can begin to establish goals and strategies to leverage them. The goals of any organization should derive from its mission statement, a long-term view, or vision, of what the organization wants to become. A well-formulated mission statement gives an organization a clear purpose and direction, distinguishes it from competitors, provides direction for strategic planning, and fosters a focus on customers. An organization's goals, which focus on desired results, guide the remainder of its planning efforts.

POINTS: 1

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DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Communication
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

4. Compare and contrast corporate strategy and marketing strategy.
ANSWER: Corporate strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organization's goals. A corporate strategy outlines the scope of the business and such considerations as resource deployment, competitive advantages, and overall coordination of functional areas. On the other hand, a marketing strategy involves the selection of a target market and the creation of a marketing mix that will satisfy the needs of target market members. A marketing strategy articulates the best use of the company's resources to accomplish its marketing objectives. Selecting an appropriate target market may be the most important decision a company makes in the strategic planning process and is a key to strategic success. The target market must be chosen before the organization can adapt its marketing mix to meet the customers' needs and preferences.
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Comprehension

5. Define the four product categories used in the Boston Consulting Group (BCG) product-portfolio analysis.
ANSWER: One of the most helpful tools for a marketer is the market growth/market share matrix, developed by the Boston Consulting Group (BCG). This approach is based on the philosophy that a product's market growth rate and its market share are important considerations in determining marketing strategy. The BCG matrix enables a strategic planner to classify a company's products into four basic types: stars, cash cows, dogs, and question marks. *Stars* are products with a dominant share of the market and good prospects for growth. However, they use more cash than they generate in order to finance growth, add capacity, and increase market share. Cash *cows* have a dominant share of the market, but low prospects for growth. They typically generate more cash than is required to maintain market share.
Dogs have a subordinate share of the market and low prospects for growth. Dogs are often found in established markets. *Question marks*, sometimes called "problem children," have a small share of a growing market and require a large amount of cash to build market share.
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Communication
STATE STANDARDS: United States - AK - DISC: Product
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

6. Describe the two major methods for evaluating the actual performance of marketing strategies.
ANSWER: The principle means by which a marketer can gauge whether a marketing strategy has been

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effective in achieving objectives is by analyzing the actual performance of the marketing strategy. Sales analysis uses sales figures to evaluate a firm's current performance. It is a common method of evaluation because sales data are readily available, at least in aggregate form, and can reflect the target market's reactions to a marketing mix. If sales spike after a particular marketing mix is implemented, marketers can be reasonably certain that the marketing mix was effective at reaching the target audience. Information gleaned from sales data alone is not sufficient, however. To be useful, marketers must compare current sales data with forecasted sales, industry sales, specific competitors' sales, and the costs incurred from marketing efforts to achieve the sales volume. Although sales analysis is critical for evaluating the performance of a marketing strategy, it provides only a partial picture. A marketing strategy that successfully generates sales may nevertheless be deemed ineffective if it is extremely costly. A firm must take into account the marketing costs associated with a strategy to gain a complete understanding of its effectiveness at achieving a desired sales level. Marketing cost analysis breaks down and classifies costs to determine which are associated with specific marketing efforts. Comparing costs of previous marketing activities with results allows a marketer to allocate the firm's marketing resources better in the future. A company that understands and manages its costs appropriately has a competitive advantage.

POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

7. Describe the two major components of marketing strategy. What should marketing managers consider when developing marketing strategy?

ANSWER: A marketing strategy is the selection of a target market and the creation of a marketing mix that will satisfy the needs of target market members. A marketing strategy articulates the best use of the company's resources to achieve its marketing objectives. A target market is a specific group of customers on whom an organization focuses its marketing efforts. When exploring possible target markets, marketing managers try to evaluate how entering them would affect the firm's sales, costs, and profits. In addition, they should determine if satisfying those needs is consistent with the firm's overall mission and objectives. Once a target market is selected, it is used as the basis for creating a marketing mix to satisfy the needs of that market. The marketing mix is composed of four marketing activities—product, pricing, distribution, and promotion—that a firm can control to meet the needs of customers within its target market. All marketing mix decisions should be consistent with the business-unit and corporate strategies. Also, marketing mix decisions should be flexible and permit the firm to alter the marketing mix in response to changes in market conditions, competition, and customer needs. At the marketing mix level, a firm can detail how it will achieve a competitive advantage. To gain an advantage a firm must do something better than its competitors. Ultimately, it is important for the firm to achieve a sustainable competitive advantage, one that the competition cannot copy in the foreseeable future.

POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

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8. Discuss the creation of a marketing plan. What are the major components of a marketing plan?

ANSWER: A marketing plan is a written document that specifies the marketing activities to be performed to implement and evaluate the organization's marketing strategies. The first component of the marketing plan is the executive summary, which provides an overview of the entire plan so that readers can quickly identify the key issues and their roles in the planning and implementation processes. The executive summary includes an introduction, an explanation of the major aspects of the plan, and a statement about costs.

The next component of the marketing plan is the environmental analysis, which supplies information about the company's current situation with respect to the marketing environment, the target market, and the firm's current objectives and performance. The environmental analysis includes an assessment of all the environmental factors—competitive, economic, political, legal, regulatory, technological, and sociocultural—that can affect marketing activities. The analysis then examines the current needs of the organization's target markets. In the final section of the environmental analysis, the company evaluates its marketing objectives and performance to ensure that objectives are consistent with the changing marketing environment.

The next component of the marketing plan is the SWOT analysis (strengths, weaknesses, opportunities, and threats), which utilizes the information gathered in the environmental analysis. The marketing objectives section of the marketing plan states what the company wants to accomplish through marketing activities, using the SWOT analysis as a guide of where the firm stands in the market. The marketing strategies component outlines how the firm plans to achieve its marketing objectives and discusses the company's target market selection(s) and marketing mix.

The marketing implementation component of the plan outlines how marketing strategies will be executed.

Finally, the performance evaluation establishes the standards for how results will be measured and evaluated, and what actions the company should take to reduce the differences between planned and actual performance.

POINTS: 1

DIFFICULTY: Moderate

LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - AK - DISC: Marketing Plan

TOPICS: A-Head: Creating The Marketing Plan

KEYWORDS: Bloom's: Knowledge

9. Discuss the different ways of organizing the marketing unit.

ANSWER: The structure and relationships of a marketing unit, including establishing lines of authority and communication that connect and coordinate individuals, strongly affect marketing activities. To organize a marketing unit, firms must first decide whether operations should be centralized or decentralized, a choice that directly affects marketing decision making and strategy.

In a centralized organization, top-level managers delegate little authority to lower levels. In centralized organizations, marketing decisions are made at the top levels. However, centralized decision making may prove ineffective in firms that must respond quickly to fluctuations in customer demand. In these organizations, decentralized authority allows the company to adapt more rapidly to customer needs.

In a decentralized organization, decision making authority is delegated as far down the chain of command as possible.

How effectively a company's marketing management can implement marketing strategies also depends on how the marketing unit is organized. Organizing marketing activities to align with the overall strategic marketing approach enhances organizational efficiency and performance. A marketing department should clearly outline the hierarchical relationships

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between personnel and who is responsible for performing certain activities and making decisions.

POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Communication
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

10. Discuss how a firm's orientation is related to the development of its strategic plan.

ANSWER: Through the process of strategic planning, a company establishes an organizational mission and formulates goals, a corporate strategy, marketing objectives, and a marketing strategy. A market orientation should guide the process of strategic planning to ensure that a concern for customer satisfaction is an integral part of the entire company, leading to the development of successful marketing strategies and planning processes. Market orientation is linked to new product innovation by developing a strategic focus to explore and develop new products to serve target markets. Trust, openness, honoring promises, respect, collaboration, and recognizing the market as the *raison d'etre* are six values required by organizations striving to become more market oriented. Unless marketing managers provide continuous customer-focused leadership with minimal interdepartmental conflict, achieving a market orientation will be difficult. Finally, a market orientation involves being responsive to ever-changing customer needs and wants.

POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

11. When managers at Logistics Pro are developing their strategic plan, they use a market orientation as a guide to ensure that ____ is an integral part of the process.

a. customer satisfaction
b. employee satisfaction
c. the best use of their marketing resources
d. the marketing mix
e. the marketing function

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Customer
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

12. Managers at the Longshore Corporation are engaged in a complex process of revising their organization's mission and

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goals and developing corporate strategy, marketing objectives, marketing strategy, and, eventually, a marketing plan. This process is called

a. marketing planning.
b. strategic planning.
c. marketing strategy.
d. corporate strategy.
e. strategic business planning.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

13. Identifying and analyzing a target market and developing a marketing mix to satisfy individuals in that market are essential elements of which of the following parts of strategic planning?

a. Establishing marketing objectives
b. Coordinating marketing activities
c. Organizing marketing functions
d. Developing a marketing strategy
e. Planning marketing activities

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

14. Safeway Foods Corporation is involved in identifying and analyzing a target market. The firm then develops a marketing mix to satisfy individuals in that market to gain long-term competitive advantages. Based on this example, Safeway is creating a

a. corporate strategy.
b. target design.
c. mix strategy.
d. marketing strategy.
e. marketing tactic.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process

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KEYWORDS: Bloom's: Application

15. To formulate a marketing strategy, one must
    a. identify and analyze a target market and develop a marketing mix to satisfy individuals in that market.
    b. develop a statement of what is to be accomplished through marketing activities.
    c. develop plans for implementation and control.
    d. develop an adequate marketing control process.
    e. determine marketing objectives.

ANSWER: a
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Comprehension

16. The marketing plan is
    a. a plan of all aspects of an organization's business strategy.
    b. written differently for each SBU.
    c. a written document detailing activities to be performed to implement and control marketing actions.
    d. designed to specify not only marketing, but all other functional areas of business activities as well.
    e. updated only periodically.

ANSWER: c
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

17. CyberCycle Inc., is preparing a written document specifying the activities to be performed to implement and control its marketing activities. This document is called the
    a. profit plan.
    b. marketing program.
    c. strategic market program.
    d. strategic business plan.
    e. marketing plan.

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan

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KEYWORDS: Bloom's: Application

18. The strategic planning process begins with
    a. development of an organizational mission statement.
    b. development of marketing strategy.
    c. analysis of the marketing environment.
    d. analysis of target markets.
    e. development of a marketing plan.

ANSWER: c
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

19. Apple has made a success from anticipating what consumers would want in new technological advances, convenience, and ease of use. The introduction of the iPad was an example of a _____ for Apple, something that an organization does extremely well and may give a company an advantage over its competition.
    a. benchmark
    b. sustainable competitive advantage
    c. core competency
    d. strategic vision
    e. marketing opportunity

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

20. A market opportunity results from
    a. the right combination of circumstances and timing that permits an organization to take action to reach a particular target market.
    b. monitoring the firm's capabilities.
    c. an increase in market share and profits.
    d. an assessment of environmental forces.
    e. technological determinism.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

21. When the right combination of circumstances occurs at the right time to allow an organization to take action toward a target market, the firm is faced with a

a. market objective.
b. market requirement.
c. strategic market plan.
d. market opportunity.
e. corporate objective.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

22. In response to the increase in demand for organic foods, Wegmans, Inc., a regional supermarket, recently created organic food departments within their large stores. The creation of these departments was a result of

a. a core competency
b. a market opportunity
c. its sales orientation
d. its distribution plan
e. a competitive advantage

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

23. Realizing an increase in both the number of consumers who are environmentally-conscious and the number of consumers who are seeking vehicles that use less gasoline, several car manufacturers have developed hybrid automobiles. This is an example of identifying and capitalizing on a ____ while the strategic window is open.

a. marketing mix
b. market opportunity
c. objective
d. requirement
e. goal

ANSWER: b
POINTS: 1

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DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

24. After determining that consumers had concerns about fat and carbohydrates, Sardino's Pizza began offering a low-fat, low-carb pizza product. The creation of this new product was the result of

a. a competitive advantage.
b. a well-defined mission statement.
c. good strategic planning.
d. a market opportunity.
e. opportunistic behavior.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

25. A strategic window is

a. the right combination of circumstances and timing that permit an organization to take action to reach a particular target market.
b. what determines the factors that are most important in making a market attractive or strong.
c. customers' requirements or desired benefits.
d. a temporary period of optimum fit between the key requirements of a market and the particular capabilities of a firm competing in that market.
e. the process that seeks information about events and relationships in a company's outside environment.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

26. A competitive advantage exists when a

a. firm matches a core competency to opportunities it has discovered in the marketplace.
b. firm does marketing better than its competitors.
c. combination of circumstances and timing allow a firm to reach an attractive target market.
d. firm observes a fit between the key requirements of a market and its own capabilities.
e. firm has a strong marketing plan.

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ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Communication
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

27. A ____ is created when a company matches its core competency to opportunities it has discovered in the marketplace.
a. market opportunity
b. market requirement
c. competitive advantage
d. strategic window
e. competitive opportunity

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

28. Amazon's pricing, service, and continuing investment in improving its website with additional product offerings give it a(n) ____ over many other retailers.
a. organizational opportunity advantage
b. strategic window
c. market requirement
d. market opportunity
e. competitive advantage

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

29. An analysis of ____ examines internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.
a. opportunities and threats
b. market opportunities
c. strengths and weaknesses
d. activities and responsibilities

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e. organizational resources

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

30. John Deere's strong name recognition and solid customer demand for its farm and garden equipment are two elements of the firm's

a. strengths.
b. opportunities.
c. weaknesses.
d. threats.
e. strategies.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

31. Favorable conditions in the marketplace environment that could produce business rewards for the organization if acted upon properly are called

a. strengths.
b. market strategies.
c. market niches.
d. threats.
e. opportunities.

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

32. Successful business organizations should take actions to convert internal weaknesses into ____ and external threats into ____.

a. opportunities; core competencies
b. core competencies; strengths

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c. opportunities; strengths
d. strengths; core competencies
e. strengths; opportunities

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Comprehension

33. When Disney World wants to have at least 90 percent of its customers indicating they had a memorable and satisfying experience at the park hotels, this is an example of
a. implementing the marketing mix
b. maintaining their corporate identity
c. a marketing objective
d. a strategic plan
e. a mission statement

ANSWER: c
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

34. An organization's business goals should be derived from its
a. mission statement.
b. strategic plan.
c. strategic business plan.
d. marketing plan.
e. marketing strategy.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

35. The reputation and well-known brand name of Rolex watches represents a ____ for Rolex.
a. competitive advantage
b. core competency

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c. market opportunity
d. strategic window
e. pricing strategy

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Product
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

36. A firm's unique symbols, personalities, and philosophies comprise its
a. corporate persona.
b. corporate identity.
c. corporate character.
d. CEO's identity.
e. ethics.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

37. Which of the following is a characteristic of a marketing objective?
a. It is consistent with both business-unit and corporate strategy.
b. It is a verbal agreement, not in writing.
c. It is not written in measurable terms.
d. It does not specify a time frame for its accomplishment.
e. It clearly identifies how marketing strategy will be implemented.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

38. Which of the following statements is *incorrect*?
a. Of the three levels of planning, corporate strategy is the broadest.
b. Business-unit strategy should be consistent with the corporate strategy.
c. Marketing strategy should be consistent with both the business-unit and corporate strategies.

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d. Strategic planning begins at the marketing level and proceeds through business-unit and corporate levels.
e. Strategic planning begins at the corporate level and proceeds through business-unit and marketing levels.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

39. Resource deployment and coordination of functional areas of business are determined by
a. the mission statement.
b. corporate strategy.
c. business-unit strategy.
d. marketing strategy.
e. the marketing mix.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

40. ____ strategy determines the means for utilizing resources in the functional areas of marketing, production, finance, research and development, and human resources to achieve the organization's goals.
a. Corporate
b. Business-unit
c. Marketing
d. Mission statement
e. Marketing mix

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

41. Within a business organization, a profit center that is self-supporting in terms of sales, markets, production, and other resources is known as a
a. profit entity.
b. strategic business unit.

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c. marketing program.
d. small business.
e. diversified corporation.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

42. Kraft purchased the Duracell Battery Company and now operates this division as a separate profit center within the firm. In this example, Duracell is a(n) ____ unit of Kraft.
a. strategic business
b. marketing
c. dependent
d. independent
e. corporate

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

43. A group that has the willingness, ability, and authority to buy a product is a
a. market.
b. consumer.
c. strategic business unit.
d. business customer.
e. strategic window.

ANSWER: a
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

44. According to the text, a market is defined as
a. a place to buy products.
b. the buyers of the products that a company develops, promotes, prices, and distributes.

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c. the specific group of customers on whom an organization focuses its marketing efforts.
d. a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase those products.
e. the percentage of a group of customers that actually buys a specific product from a specific company.

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

45. Jason, a 17-year old high school student, wants to buy a pack of Marlboro Lights. He has the money to purchase them, but he is still not considered to be a market for the product due to his lack of ____ to buy.
a. ability
b. willingness
c. authority
d. need
e. location

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

46. The Boston Consulting Group's matrix is based on the
a. idea that a firm's market share and market attractiveness are the important factors for a marketing strategy.
b. assumption that a firm's actions have a profitable impact on marketing strategy.
c. business position and market attractiveness of the firm.
d. philosophy that a product's market growth rate and its market share are important determinants of its marketing strategy.
e. idea that a product's market growth rate and market attractiveness determine the marketing strategy.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

47. According to the Boston Consulting Group, marketers may classify their products as all of the following *except*

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a. dogs.
b. cash contributors.
c. question marks.
d. stars.
e. cash cows.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Product
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

48. Based on the work by the Boston Consulting Group, products with a dominant share of the market and good prospects for growth are
a. dogs.
b. cash cows.
c. stars.
d. question marks.
e. pigs.

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

49. Rollins Steel Corporation, a leader in industrial supplies, has identified its auto battery unit as having a dominant market share; however, it has low prospects for growth. The unit currently generates more cash for Rollins Steel than is required to maintain its market share. According to the Boston Consulting Group, the auto battery unit would be classified as a _____
a. dog.
b. cash cow.
c. star.
d. cash contributor.
e. question mark.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process

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KEYWORDS: Bloom's: Application

50. The director of marketing for 3M tapes tells the rest of the management team, "When it comes to our transparent packaging tape unit, our strategy will be to use funds generated here to support our venture in the industrial bonding market." This strategy indicates that the packaging tape unit falls into which one of the following classifications?

a. Problem child
b. Star
c. Cash cow
d. Dog
e. Question mark

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

51. The percentage of a market which actually buys a specific product from a specific company is referred to as that product's

a. strategic segment
b. target market
c. market share
d. market cut
e. market position

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

52. According to the Boston Consulting Group, question marks are characterized as products

a. having a small share of a growing market and requiring large amounts of cash to build market share.
b. generating more cash than is required to maintain share.
c. encompassing the greatest number of products.
d. existing at a cost disadvantage and revealing few opportunities for growth at a reasonable cost.
e. having substantial reported profits but needing a lot of cash to finance the rate of growth.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

53. Which of the following is the *most* specific and detailed type of business strategy?
    a. business-unit
    b. marketing
    c. corporate
    d. customer service
    e. tactical

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

54. High Gliding Air Academy is developing its marketing mix for the coming year. Its managers know that they must first select ____ which may be the most important decision they make in the planning process.
    a. the promotional strategy
    b. a distribution method
    c. the pricing strategy
    d. a target market
    e. the desired profit margin

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

55. Which of the following statements about the marketing mix is *incorrect*?
    a. The selection of the target market serves as the basis for the creation of the marketing mix.
    b. Marketing strategy utilizes the marketing mix to develop a message that is consistent with the business-unit and corporate strategies.
    c. Each element of the marketing mix must be precisely matched with the needs of the target market.
    d. Once a marketing mix has been created for a particular target market, it cannot be changed until a new strategic window opens.
    e. Each element of the marketing mix must be precisely matched with the other elements of the marketing mix.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate

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LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Comprehension

56. Business decisions made in creating a marketing mix
    a. are made before a target market is identified.
    b. are unchangeable once they are agreed upon by management.
    c. are only as good as the organization's understanding of the needs of the target market.
    d. usually take place when a strategic window is open.
    e. must always be consistent with the firm's opportunities.
ANSWER: c
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Comprehension

57. All marketing mix decisions must have two characteristics: ____ and ____.
    a. consistency; flexibility
    b. consistency; rigidity
    c. formality; flexibility
    d. variability; flexibility
    e. formality; rigidity
ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Communication
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

58. Gucci Group, a marketer of high-fashion products, achieved a company turnaround by ensuring that its brand had the same image and proper display around the world. It also lowered prices on some items, like handbags, to be more competitive. This illustrates a company working to develop a marketing mix that is both ____ and ____.
    a. consistent; flexible
    b. formal; flexible
    c. variable; flexible
    d. consistent; rigid
    e. consistent; formal
ANSWER: a
POINTS: 1

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DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

59. Harley-Davidson's Harley Owner's Group (HOG) helps to foster strong relationships between riders and their motorcycles, giving it a(n) ____ over other motorcycle manufacturers.

a. controllable advantage
b. uncontrollable competitive advantage
c. sustainable marketing advantage
d. effective competitive advantage
e. sustainable competitive advantage

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

60. Because of its highly efficient and low-cost distribution system, Walmart has a ____ advantage over Kmart.

a. nonsustainable competitive
b. sustainable marketing
c. sustainable control
d. sustainable implementation
e. sustainable competitive

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

61. A marketing plan

a. is characteristic of production-oriented firms and other mass producers.
b. provides a framework for implementing and controlling marketing activities.
c. always increases the marketing manager's operating costs.
d. produces plans that are short term in orientation.
e. restricts the marketing manager's future options.

ANSWER: b
POINTS: 1

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DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

62. J.C. Penney is presently involved in a process of assessing marketing opportunities and resources, determining marketing objectives, re-defining marketing strategies, and developing guidelines for implementation and control. Thus, J.C. Penney is involved in

a. strategic analysis.
b. marketing planning.
c. marketing management.
d. marketing.
e. market organization.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Application

63. Which of the following is *not* a purpose of the marketing plan?

a. Communicate internally with employees
b. Assign tasks and responsibilities for implementation
c. Specify the allocation of resources
d. Monitor the performance of a marketing strategy
e. Serve as a contract with the customer

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Comprehension

64. Hallaway's Corp.'s new shampoo, VS2, is faltering badly in the market. Hallaway's marketing personnel are unsure who is responsible for various marketing tasks, when these tasks are to be completed, or what resources have been allocated. Hallaway Marketing Director Carolyn Willis said that the problem is that VS2 has the most poorly written ____ she has ever seen.

a. marketing plan
b. competitive plan
c. implementation plan
d. media schedule

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e. product specification sheet

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Application

65. The Texas Pitt Barbecue Corporation has conducted a SWOT analysis of its competition, and sees a marketing opportunity for its new Texas Pit Barbecue restaurant. It has developed its marketing plan to include the type of products it will sell, the location for the restaurant, and the pricing it will use. Their plan includes a marketing objective to make a profit of 5% the first year of operation. So far, the owners of the restaurant have eliminated a key piece of the marketing plan, which is ____.

a. specifying how they will achieve their marketing objective
b. how they will address the competition's prices
c. coming up with a quantitative measure for their objective
d. developing a qualitative measure for their objective
e. assessing their weaknesses

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Application

66. Which of the following is *not* a component of a marketing plan?

a. Environmental analysis
b. Marketing strategies
c. Product
d. Executive summary
e. Marketing implementation

ANSWER: c
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

67. A marketing plan document usually begins with a(n)

a. executive summary.

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b. introduction to the company's marketing objectives.
c. summary of current performance as compared with past performance.
d. situation analysis.
e. opportunity and threat analysis.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

68. The process of putting marketing strategies into action is called
a. marketing implementation.
b. marketing control.
c. marketing action.
d. marketing auditing.
e. the marketing action plan.

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

69. Sayed's employer is currently developing a new marketing strategy. The top managers have developed the marketing strategy and have given it to Sayed so that he can now develop an implementation plan. Sayed's company will *most likely* end up with which type of strategy?
a. Decentralized
b. Centralized
c. Rigid
d. Intended
e. Realized

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Application

70. Emma is responsible for developing and implementing the marketing plan for a new type of walking shoe targeted

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toward older women. Her responsibility includes making sure that the production and deliveries to the retail stores are coordinated for this new product. In order for the marketing implementation to be successful, Emma should be sure the needs of ____ customers are met.

a. the external
b. the internal
c. both the internal and external
d. the planned
e. both the planned and realized

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Application

71. Starbucks provides training and support to its employees, including health care benefits. Through these ____ efforts Starbucks is better able to deliver quality products and service to its customers.

a. internal management
b. extended marketing
c. intended marketing
d. external marketing
e. internal marketing

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

72. Megan knows that whether she decides to interact with her customers in person, by phone, online, Facebook, Twitter, or by fax, that ____ should ultimately drive the marketing strategy.

a. marketing research
b. polite responsiveness
c. her customers
d. product availability
e. company goals

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Customer
TOPICS: A-Head: The Strategic Planning Process

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KEYWORDS: Bloom's: Application

73. Zingerman's Deli operates seven retail stores throughout the city. It plans to develop a new marketing plan to extend its number of stores and operating hours. In developing this marketing plan, it has asked its employees for feedback on the changes it plans to makes. In this case, the employees are Zingerman's ____ customers.

a. external
b. extended
c. intended
d. internal
e. domestic

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Application

74. In a traditional organization, marketing decisions are likely to be

a. very decentralized.
b. centralized at the top levels of the organization.
c. made by frontline employees.
d. made by frontline managers.
e. made only by the CEO.

ANSWER: b
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Comprehension

75. Mama Vertalli's Bakery is a family-owned business with over $1 million in annual revenues and six locations. At Mama Vertalli's, decisions are sometimes slow in coming and top-level managers delegate very little authority to lower-level employees. Mama Vertalli's is a(n) ____ organization.

a. centralized
b. decentralized
c. empowered
d. marketing-oriented
e. total quality management

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02

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NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Application

76. The Kingtel Corporation is expanding operations into countries outside the United States. To improve local managers' responsiveness to local conditions, Kingel's senior management has decided to delegate decision-making authority further down the chain of command. Acme is

a. building a marketing-oriented organization.
b. empowering employees.
c. centralizing.
d. decentralizing.
e. making a serious error.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Application

77. Marketing managers at Consolidated Equipment Corporation are involved in establishing marketing performance standards, evaluating performance, and reducing the differences between actual and desired performance. These marketing managers are engaged in

a. the systems design process.
b. strategic performance evaluation.
c. marketing systems design.
d. the marketing audit.
e. marketing evaluation.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Application

78. The first step in the strategic performance evaluation is to

a. take corrective action.
b. reduce the difference between actual and desired standards.
c. evaluate actual performance.
d. compare actual performance and standards.
e. establish performance standards.

ANSWER: e

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POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

79. An expected level of performance against which actual performance can be compared is a
a. standard performance.
b. standard of excellence.
c. step in sales analysis.
d. performance standard.
e. corrective standard.
ANSWER: d
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

80. Morris Business Products Co. distributes its business supply products through direct sales personnel. Recently, the company has established a monthly sales quota of $150,000 for each sales representative. This is a(n)
a. marketing control process.
b. evaluation of actual performance.
c. evaluation standard.
d. sales analysis.
e. performance standard.
ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Application

81. One way that Honda evaluates its product and service level is by how well it ranks on the J. D. Power & Associates Sales Satisfaction Survey. In doing so, Honda is
a. controlling marketing activities.
b. taking corrective action.
c. empowering its employees.
d. evaluating actual performance.
e. setting performance standards.

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ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Application

82. Marketing managers can take each of the following corrective actions for reducing a discrepancy between established performance standards and actual performance *except*

a. improving actual performance.
b. reducing the performance standard.
c. totally changing the performance standard.
d. changing the marketing strategy.
e. coordinating a new step in performance analysis.

ANSWER: e
POINTS: 1
DIFFICULTY: Challenging
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

83. **Scenario 2.1**
Use the following to answer the questions.

Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.

Refer to Scenario 2.1. Maintaining the current culture of "fun" for Southwest Airlines' employees is most likely a(n)

a. marketing strategy.
b. marketing objective.
c. organization resource.
d. environmental force.
e. overall organizational objective.

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

84. **Scenario 2.1**
Use the following to answer the questions.

Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.

Refer to Scenario 2.1. The fact that Southwest Airlines has a history of being able to retain its employees is a(n) ____ in its SWOT analysis. This low turnover creates more knowledgeable and satisfied employees, a potential _____.

a. weakness; opportunity
b. strength; competitive advantage
c. threat; market opportunity
d. opportunity; competitive advantage
e. strength; market opportunity

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

85. **Scenario 2.1**
Use the following to answer the questions.

Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.

Refer to Scenario 2.1. In Southwest Airlines' SWOT analysis, the rising gas prices are a(n) ____, while the fact that other airlines are charging for all checked baggage may create a(n) ____.

a. threat; strength
b. weakness; strength
c. threat; opportunity
d. weakness; opportunity

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e. opportunity; strength

ANSWER: c
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

86. **Scenario 2.1**
Use the following to answer the questions.

Southwest Airlines has a history of being able to retain its employees due to the atmosphere and culture of the company. Employees have been known to dress up in costume on an airplane, engage in "games" with the passengers, and generally provide a fun atmosphere for traveling. While other airlines have low rates of customer satisfaction, Southwest tends to maintain a high rating with its customers. Recent gas price hikes have caused most airlines to charge for checked luggage and to fill every flight to its maximum, adding to the negative experience of airline travel. Southwest keeps its costs low through several methods, one being that they do not serve meals on flights, or provide pre-boarding passes. The typical flight is two hours or less and occurs between several selected cities rather than flying to practically anywhere in the country. Southwest is known for its low fares, its dependability, and its on-time flights.

Refer to Scenario 2.1. Southwest's low fares, dependability, and its on-time flights represent its

a. competitive advantage
b. marketing opportunity
c. marketing plan
d. marketing objectives
e. total quality management

ANSWER: a
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

87. **Scenario 2.2**
Use the following to answer the questions.

EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited's owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn't sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.

Refer to Scenario 2.2. According to the BCG matrix, the hang-gliding and bungee jumping tours have been a ____ for

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EXperience Limited, while the skydiving and motorcross tours represent a ____.

a. star; dog
b. cash cow; question mark
c. cash cow; star
d. star; cash cow
e. star; question mark

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

88. **Scenario 2.2**
Use the following to answer the questions.

EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited's owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn't sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.

Refer to Scenario 2.2. The fact that college enrollments have been increasing at a fast rate the past few years is an example of ____ and creates a ____ for EXperience Limited.

a. an environmental factor; marketing opportunity
b. an environmental factor; strategic door
c. a company strength; marketing opportunity
d. a company strength; competitive advantage
e. a marketing opportunity; competitive advantage

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: International Perspectives
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Application

89. **Scenario 2.2**
Use the following to answer the questions.

EXperience Limited is a company which offers tours and vacations that include participation in an extreme sport, such as hang-gliding, bungee jumping, skydiving, and motocross. Adrian Moss, EXperience Limited's owner, has just finished developing the strategic plan, including marketing objective of growing his customer base by 15% during the coming

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year. He believes that the best way of reaching that objective is to promote to the college-aged student. In the past, the majority of his sales have been to males under the age of 29, participating in hang-gliding and bungee jumping at various tourist locations. He wants to expand his skydiving and motocross tours, but isn't sure whether or not the expansion will be profitable. He currently has a database containing all the customers who have gone on a hang-gliding or bungee jumping vacation with his company.

Refer to Scenario 2.2. The college-aged student represents EXperience Limited's ____, and the tours its operates represent the ____ element of the marketing mix.

a. target market; distribution
b. customer relationships; distribution
c. cash cow; product
d. cash cow; distribution
e. target market; product

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Application

90. Through the process of strategic planning, a firm establishes an organizational mission and goals, corporate strategy, marketing objectives, and a marketing strategy.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

91. It begins with the establishment of revision of an organization’s mission and goals. The strategic planning process begins with a detailed analysis of the organization's strengths and weaknesses and the identification of opportunities and threats within the marketing environment.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

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92. A marketing strategy is a written document that specifies the activities to be performed to implement and control a firm's marketing activities.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Analysis

93. Marketing strategies should be established before marketing objectives are decided.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

94. A strategic window results from the right combination of circumstances and timing, allowing a firm to take action to reach a particular target market.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

95. A core competency is something a firm does extremely well-sometimes so well that it gives the company an advantage over its competition.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy

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LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

96. A competitive advantage is created when a company matches its core competency to the opportunities it has discovered in the market.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

97. The analysis of strengths and weaknesses focuses on internal factors that give the organization certain advantages and disadvantages in meeting the needs of its target markets.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

98. A long-term view, or vision, of what the organization wants to become is called a mission proclamation.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

99. A firm's organizational goals should be derived from its opportunities.

a. True

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b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

100. A firm's organizational mission should be derived from its goals.
a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

101. An organization's goals focus on the ends or results that the firm seeks.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

102. Marketing objectives should be stated in such a way that the degree of accomplishment can be measured accurately.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

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103. Marketing objectives state what is to be accomplished through marketing activities.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

104. A marketing objective need not be consistent with the firm's overall objectives.

a. True

b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

105. Corporate strategy determines the means for utilizing resources in the functional areas of business to reach the organization's goals.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

106. Corporate strategic planners focus on dimensions such as competition, diversification, differentiation, environmental focus, and interrelationships among SBUs.

a. True

b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

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STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

107. A strategic business unit is not self-supporting in terms of sales, markets, production, and other resources.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

108. A market is a group of individuals and/or organizations that have needs for products in a product class and have the ability, willingness, and authority to purchase these products.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

109. The Boston Consulting Group approach is based on a philosophy that a product's market growth rate and its market share relative to competition should be helpful in determining its marketing strategy.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

110. The Boston Consulting Group's model serves as a diagnostic tool to spotlight strategic business units that have an opportunity to grow rather than as a guide for making strategy prescriptions.
a. True
b. False

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ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

111. Marketing managers can classify a firm's products into four basic types: stars, cash cows, dogs, and question marks.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

112. Stars are profitable products that usually generate more cash than is required to maintain share.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Product
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

113. Cash cows are market leaders that are growing fast, with substantial reported profits.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Distribution
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

114. Question marks exist at a cost disadvantage and exhibit few opportunities for growth at a reasonable cost.

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a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

115. The long-term health of the firm depends solely on having products that generate cash and provide acceptable reported profits.
a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

116. When properly implemented, a good marketing strategy enables a company to achieve its business-unit and corporate objectives.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

117. The decisions made in creating a marketing mix are only as good as the organization's understanding of the target market.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic

Access Complete Test Bank for Marketing 2016 18th Pride

STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

118. Marketing mix decisions must have two characteristics: consistency and timeliness.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

119. Each of the marketing mix elements must work together with the others.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

120. A sustainable competitive advantage is one that cannot be copied by a firm's competitors.
a. True
b. False
ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Knowledge

121. Marketing planning consists of two major components: marketing objectives and a control process.
a. True
b. False
ANSWER: False
POINTS: 1
DIFFICULTY: Moderate

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LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

122. Marketing planning establishes an organizational mission and goals, corporate strategy, marketing objectives, and a marketing strategy.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

123. Marketing planning and implementation are inextricably linked in successful businesses.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

124. Marketing plans may be developed for strategic business units, product lines, individual products or brands, or specific markets.

a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating The Marketing Plan
KEYWORDS: Bloom's: Knowledge

125. Firms that truly adopt the marketing concept develop a distinct organizational culture based on a shared set of beliefs that makes customers' needs the pivotal point of the firm's decisions about strategy and operations.

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a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

126. In a traditional organization, marketing decisions are generally centralized at the top levels of the organization.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

127. Performance standards are derived from marketing objectives that are set while developing the marketing strategy.
a. True
b. False

ANSWER: True
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

128. The strategic performance evaluation does not monitor the activities of external sources of marketing assistance.
a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

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129. The primary way to reduce the discrepancy between planned and actual performance is to rewrite the performance standard.

a. True
b. False

ANSWER: False
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - AK - DISC: Strategy
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Knowledge

130. Your company is holding its annual five-year strategic planning conference. The purpose of the conference is to solidify the go-forward tactics and strategies to enable the company to compete effectively in its industry. You are managing this conference and the various breakout sessions that will take place.

Consistent with the sequence of the traditional strategic planning process, the first breakout session should be

a. a session where the overall corporate strategy is developed.
b. a session where the marketing environment is analyzed.
c. a session where individual business-unit strategies are developed.
d. a brainstorming session to create SWOT analysis.
e. a session where the firm's mission and goals are established or revised.

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Evaluation

131. You asked your stockbroker to consider buying some shares of Facebook, Inc. for your investment account. But, first you want to review the summary points in the SWOT analysis the stockbroker's firm did on the company. The following summary points were listed in the SWOT analysis:

1. Facebook has a reputation as a market leader and it is quickly establishing a formidable brand loyalty amongst its users.
2. Because of its position in the industry, it risks incurring high costs associated with creating and marketing new products that are designed to perpetuate its industry leadership.

These summary points suggest

a. that Facebook's products are Cash Cows.
b. that Facebook has a first-mover advantage.
c. that Facebook's products are Question Marks.
d. that Facebook has a superior marketing strategy versus its peers.
e. that Facebook has a late-mover advantage.

ANSWER: b

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POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Evaluation

132. Your quarterly strategic planning meeting will be held next month. You will schedule all the brainstorming and discussion activities for the meeting in a sequence and structure consistent with the hierarchy of the traditional strategic planning process.

Which of the following sequence of activities should you schedule in order to be most consistent with the hierarchy of the traditional strategic planning process?

a. 1: Develop functional area goals and objectives; 2: Complete a SWOT analysis for the company; 3: Develop business unit strategies; 4: Develop the company's mission and goals.
b. 1: Develop the company's mission and goals; 2: Develop business unit strategies; 3: Complete a SWOT analysis for the company; 4: Develop functional area goals and objectives.
c. 1: Complete an economic environment analysis; 2: Develop the company's mission and goals; 3: Develop business unit strategies; 4: Complete a SWOT analysis for each business unit; 5: Develop functional area goals and objectives.
d. 1: Complete a SWOT analysis for the company; 2: develop the company's mission and goals; 3: Develop business unit strategies; 4: Develop functional area goals and objectives.
e. 1: Develop the company's mission and goals; 2: Develop business unit strategies; 3: Complete an economic environment analysis; 4: Develop functional area goals and objectives.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.01 - LO: 02-01
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: The Strategic Planning Process
KEYWORDS: Bloom's: Evaluation

133. You are leading the breakout session on developing the marketing strategy at your company's strategic planning conference. You have prepared discussion guidelines and rules of engagement to keep all attendees in the session focused on the task at hand.

Your guidelines for developing the company's marketing strategy

a. suggest that the marketing objectives be written in general terms so that the strategy and be change along the way if necessary.
b. suggest that the target market should be identified before the marketing objectives are established.
c. suggest that the target market should be selected to fit the marketing mix.
d. suggest that the marketing objectives should be consistent with both the business-unit and the corporate strategies.
e. suggest that marketing should not worry about the strategy's impact on company profits because the finance department will handle that aspect.

ANSWER: d
POINTS: 1

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DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Developing Marketing Objectives and Marketing Strategies
KEYWORDS: Bloom's: Evaluation

134. Marketers understand that the best marketing strategy in the world is doomed to fail if it is not properly implemented. With that in mind, an effective implementation strategy

a. begins with identifying the activities to be performed, and ends with assigning responsibility for each activity to one or more team members.
b. begins with identifying team members, and ends with assigning activities to each team member.
c. has an open-ended timetable to allow for unexpected delays.
d. organizes all activities in sequential order even if they can be performed simultaneously.
e. organizes tasks in order according to their level of complexity.

ANSWER: a
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Developing Marketing Objectives and Marketing Strategies
KEYWORDS: Bloom's: Knowledge

135. The following passage is an often-expressed critique of one of the two types of decision-making structures:

Another disadvantage of this structure is that the organization may become fragmented. Business units may lose their sense of team spirit and cooperation. Some business units may put their own interests ahead of those of the company as a whole. Innovative ideas that once spread through the company quickly may now remain within individual business units.

Which one of the following decision-making structures is this critique referring to?

a. Centralized organizational structure
b. Remote organizational structure
c. Functional organizational structure
d. Process organizational structure
e. Decentralized organizational structure

ANSWER: e
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.02 - LO: 02-02
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Managing Marketing Implementation
KEYWORDS: Bloom's: Knowledge

136. You are preparing the marketing budget for the next fiscal year and the finance department staff has given you the following guidelines to follow when estimating certain aspects of the budget:

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1. You should allocate $250,000 for the total annual office expense for the marketing department.
2. For each marketing campaign that you plan to run, you should allocate $10,000 for supplies expense.
3. For each new product introduction that you plan to execute, you should allocate $5,000 for travel expenses.
4. You should allocate $25,000 for storage expenses for the entire year.

With respect to the costs included in the guidelines communicated from finance you can conclude that

a. office expense and travel expenses are both fixed costs.
b. office expense and storage expenses are both variable costs.
c. storage expenses and travel expenses are both variable costs.
d. travel expenses and supplies expenses are variable costs.
e. office expense and supplies expenses are fixed costs.

ANSWER: d
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Evaluation

137. You are the senior financial analyst supporting the marketing department in your company, and head of marketing has asked you to come up with one performance metric that can be used to evaluate how effective each marketing campaign is in terms of contribution to the firm's profits. It should be a metric that can be easily used to compare different marketing campaign against each other.

In response, you propose using:

a. A metric that takes the total new sales dollars generated by a campaign and divides it by the total office expense of the campaign.
b. A metric that takes the total new sales dollars generated by a campaign and divides it by the total fixed cost of the campaign.
c. A metric that takes the total new sales dollars generated by a campaign and divides it by the total variable cost of the campaign.
d. A metric that takes the total new sales dollars generated by a campaign and divides it by the total supplies expense for the campaign.
e. A metric that takes the total new sales dollars generated by a campaign and divides it by the total cost of the campaign.

ANSWER: e
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Evaluation

138. You are meeting to discuss the proper categorization of marketing strategy costs in the monthly department budget performance report. You are especially interested in making sure the fixed and variable costs are properly categorized.

The major costs associated with the marketing strategy are as follows:

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A. Salesperson commissions
B. Office space rent
C. Office equipment rental
D. Product raw materials
E. Product manufacturing labor

With respect to the variable or fixed nature of these costs,

a. we know that product raw materials and office space rent are both fixed costs.
b. we know that salesperson commissions, product raw materials, and product manufacturing labor costs are all variable costs.
c. we know that office equipment rental, office space rent and sales commissions are all fixed costs.
d. we know that office space rent is a variable cost.
e. we know that product manufacturing labor is a fixed cost.

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.03 - LO: 02-03
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Evaluating Marketing Strategies
KEYWORDS: Bloom's: Evaluation

139. The _____ section of the marketing plan supplies information about the company's current situation with respect to the _____, the target market, and the firm's current objectives and performance.

a. executive summary; marketing concept
b. marketing implementation; marketing environment
c. SWOT analysis; marketing concept
d. environmental analysis; marketing environment
e. marketing objectives; marketing concept

ANSWER: d
POINTS: 1
DIFFICULTY: Easy
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating the Marketing Plan
KEYWORDS: Bloom's: Knowledge

140. You want to include a detailed marketing organizational chart in the company marketing plan.

Which of the following sections of the marketing plan will you include this chart in?

a. SWOT Analysis
b. Performance Evaluation
c. Marketing Implementation
d. Marketing Objectives
e. Environmental Analysis

ANSWER: c

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POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating the Marketing Plan
KEYWORDS: Bloom's: Knowledge

141. You are writing an Environmental Analysis for the marketing plan for your company. You were given the following master list of environmental factors that should be addressed in the plan:

1. Foreign exchange rates
2. Trade policy
3. Population growth rates
4. Tax policy
5. Environmental regulations
6. Production automation trends
7. Health and medical trends

You are responsible for the subsection dealing with political and regulatory factors that will impact your company's marketing strategies.

Which of the factors from the master list of environmental factors will you include in your subsection?

a. Foreign exchange rates; Trade policy; Population growth rates
b. Trade policy; Tax policy; Environmental regulations
c. Tax policy; Environmental regulations; Health and medical trends
d. Trade policy; Health and medical trends; Tax policy
e. Environmental regulations; Foreign exchange rates; Tax policy

ANSWER: b
POINTS: 1
DIFFICULTY: Moderate
LEARNING OBJECTIVES: MARK.PRID.16.02.04 - LO: 02-04
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking: Re - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - AK - DISC: Marketing Plan
TOPICS: A-Head: Creating the Marketing Plan
KEYWORDS: Bloom's: Evaluation

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