

Name _____

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

- 1) All of the following statements are accurate descriptions of modern marketing, EXCEPT which one? 1) _____
- A) Marketing is used by for-profit and not-for-profit organizations.
 - B) Selling and advertising are synonymous with marketing.
 - C) Marketing involves satisfying customers' needs.
 - D) Marketing is managing profitable customer relationships.
 - E) Marketing is the creation of value for customers.
- 2) According to management guru Peter Drucker, "The aim of marketing is to _____." 2) _____
- A) create customer value
 - B) set realistic customer expectations
 - C) make selling unnecessary
 - D) identify customer demands
 - E) sell products
- 3) _____ is defined as a social and managerial process by which individuals and organizations obtain what they need and want, through value creation and exchange. 3) _____
- A) Advertising
 - B) Negotiating
 - C) Marketing
 - D) Bartering
 - E) Selling
- 4) Which steps of the five-step marketing process are about understanding customers, creating customer value, and building strong customer relationships? 4) _____
- A) the first two only
 - B) the first four only
 - C) the last four only
 - D) the first three only
 - E) the last three only
- 5) According to the simple five-step model of the marketing process, a company needs to _____ before designing a customer-driven marketing strategy. 5) _____
- A) understand both the marketplace and the needs and wants of customers
 - B) determine how to deliver superior value
 - C) construct key components of a marketing program
 - D) build profitable relationships with customers
 - E) use customer relationship management to create full partnerships with key customers
- 6) _____ are human needs as shaped by individual personality and culture. 6) _____
- A) Values B) Exchanges C) Wants D) Needs E) Demands

- 7) When backed by buying power, wants become _____. 7) _____
- A) social needs
 - B) exchanges
 - C) self-esteem needs
 - D) demands
 - E) physical needs
- 8) What do companies call a combination of products, services, information, or experiences which are presented to consumers to satisfy their needs? 8) _____
- A) value proposition
 - B) evoked set
 - C) need proposition
 - D) market satisfaction
 - E) market offerings
- 9) _____ refers to sellers being preoccupied with their own products and losing sight of underlying consumer needs. 9) _____
- A) Marketing myopia
 - B) Selling myopia
 - C) The product concept
 - D) Marketing management
 - E) Value proposition
- 10) When marketers set low expectations for a market offering, the biggest risk they run is _____. 10) _____
- A) decreasing customer satisfaction
 - B) failing to understand their customers' needs
 - C) disappointing loyal customers
 - D) incorrectly identifying a target market
 - E) failing to attract enough customers
- 11) _____ is the act of obtaining a desired object from someone by offering something in return. 11) _____
- A) A value proposition
 - B) Donation
 - C) Bribery
 - D) Value creation
 - E) Exchange
- 12) A(n) _____ is the set of actual and potential buyers of a product. 12) _____
- A) audience B) group C) segment D) market E) exchange
- 13) Consumer research, product development, communication, distribution, pricing, and service are all core _____ activities. 13) _____
- A) customer relationship management
 - B) management
 - C) marketing
 - D) production
 - E) exchange

- 14) Which statement gives the most likely result of a marketing strategy that attempts to serve all potential customers? 14) _____
- A) Customer-perceived value will increase.
 - B) All customers will be delighted.
 - C) Customer evangelists will become unpaid salespersons for the service or product.
 - D) The company will need to follow up with a demarketing campaign.
 - E) Not all customers will be satisfied.
- 15) In the case of excess demand, _____ may be required to reduce the number of customers or to shift demand temporarily or permanently. 15) _____
- A) value marketing
 - B) negotiating
 - C) demarketing
 - D) marketing
 - E) surplusing
- 16) The art and science of choosing target markets and building profitable relationships with them is called _____. 16) _____
- A) selling
 - B) differentiation
 - C) marketing management
 - D) segmentation
 - E) positioning
- 17) Selecting which segments of a population of customers to serve is called _____. 17) _____
- A) customization
 - B) target marketing
 - C) managing the marketing effort
 - D) positioning
 - E) market segmentation
- 18) _____ is the set of benefits a company promises to deliver the customer to satisfy their needs. 18) _____
- A) A money-back guarantee
 - B) An attribute
 - C) A value proposition
 - D) Low pricing
 - E) Good customer service
- 19) Which customer question is answered by a company's value proposition? 19) _____
- A) "Why should I buy your brand rather than a competitor's?"
 - B) "How does your brand benefit me and society?"
 - C) "What kind of experience will I have with products and services associated with this brand?"
 - D) "What are the benefits of being a loyal consumer of your brand?"
 - E) "What are the costs and benefits of your brand?"
- 20) The _____ concept focuses primarily on improving efficiencies along the supply chain. 20) _____
- A) product
 - B) selling
 - C) marketing
 - D) social marketing
 - E) production

- 21) The _____ concept is most likely to lead to marketing myopia. 21) _____
A) customer-driven marketing
B) production
C) selling
D) customer-driving marketing
E) social marketing
- 22) The _____ concept is aligned with the philosophy of continuous product improvement and the belief that customers will choose products that offer the most in quality, performance, and innovative features. 22) _____
A) promotion
B) production
C) marketing
D) product
E) customer
- 23) The product concept says that a company should _____. 23) _____
A) focus on making continuous product improvements
B) improve the marketing of its best products
C) make promoting products the top priority
D) market only those products with high customer appeal
E) focus on the target market and make products that meet those customers' demands
- 24) "Build a better mousetrap and the world will beat a path to your door" reflects the _____ concept. 24) _____
A) selling
B) production
C) target marketing
D) marketing
E) product
- 25) Which concept calls for aggressive selling and focuses on generating transactions to obtain profitable sales? 25) _____
A) selling
B) marketing
C) societal marketing
D) production
E) product
- 26) Which concept holds that achieving organizational goals depends on knowing the needs and wants of target markets, and delivering the desired satisfactions better than competitors do? 26) _____
A) marketing
B) production
C) equity
D) product
E) selling

- 27) A firm that uses the selling concept takes a(n) _____ approach. 27) _____
 A) inside-out
 B) customer service
 C) myopic
 D) outside-in
 E) societal
- 28) According to the production concept, consumers will favor products that are _____ and _____ 28) _____
 A) advertised; affordable
 B) segmented; convenient
 C) available; affordable
 D) satisfying; quality focused
 E) in high demand; hard to find
- 29) Sam Barnett of MBC used the marketing concept in his successful organization. Barnett's statement that "We will invest in content that people want to watch" is an example of a(n) _____ perspective. 29) _____
 A) outside-in B) external C) modern D) traditional E) inside-out
- 30) Though often criticized, the selling concept is particularly appropriate and effective with which of the following types of products? 30) _____
 A) specialty
 B) demarketed
 C) shopping
 D) unsought
 E) convenience
- 31) Which of the following statements reflects the marketing concept philosophy? 31) _____
 A) "We're in the business of making and selling superior products."
 B) "We will invest in content that people want to watch."
 C) "We build them so you can buy them."
 D) "When it's profits versus customers' needs, profits will always win out."
 E) "You won't find a better deal anywhere."
- 32) Customer-driven marketing usually works well when _____ and when customers _____. 32) _____
 A) customers know what they want; are loyal to the brand
 B) a clear need exists; are difficult to identify
 C) a need exists; don't know what they want
 D) a clear need exists; know what they want
 E) a firm can deliver the goods desired; are thoroughly researched
- 33) Samar enjoys her work at Mustakbaliyah Designs, Inc. Her organization understands and anticipates customer needs even better than customers themselves do, and creates products and services to meet current and future wants and demands. Samar's firm practices _____ marketing. 33) _____
 A) customer-driven
 B) relationship
 C) customer-driving
 D) social
 E) donor

- 34) When customers don't know what they want or don't even know what's possible, the most effective strategy is _____ marketing. 34) _____
- A) customer-driven
 - B) production
 - C) customer-driving
 - D) product
 - E) societal
- 35) The societal marketing concept seeks to establish a balance between consumer short-run wants and consumer _____. 35) _____
- A) long-run welfare
 - B) immediate health
 - C) value propositions
 - D) short-run costs and profits
 - E) short-run ethics
- 36) Which concept holds that firms must strive to deliver value to customers in a way that maintains or improves the consumer's and society's well-being? 36) _____
- A) equity
 - B) marketing
 - C) product
 - D) societal marketing
 - E) selling
- 37) The three areas of consideration that should be balanced in the societal marketing concept are consumer wants, society's interests, and _____. 37) _____
- A) want satisfaction
 - B) human welfare
 - C) company profits
 - D) short-run wants
 - E) long-term needs
- 38) The set of marketing tools a firm uses to implement its marketing strategy is called the _____. 38) _____
- A) marketing effort
 - B) product mix
 - C) marketing mix
 - D) TQM
 - E) promotion mix
- 39) _____ is/are the most important concept of modern marketing. 39) _____
- A) Low prices
 - B) Customer relationship management
 - C) Properly trained salespeople
 - D) Consumer-generated marketing
 - E) Societal marketing

- 40) Building, keeping, and growing profitable relationships by delivering customer value and satisfaction is called _____. 40) _____
- A) customer relationship management
 - B) customer perceived value
 - C) customer lifetime value
 - D) societal marketing
 - E) database marketing
- 41) Customer-perceived value is determined by a customer's _____ of the benefits and costs of a market offering, relative to those of competing offers. 41) _____
- A) objective evaluation
 - B) personal assessment
 - C) rational expectations
 - D) accurate assessment
 - E) emotional understanding
- 42) It is most accurate to say that customers buy from stores and firms that offer _____. 42) _____
- A) the most attractive company image
 - B) the highest customer-perceived value
 - C) the highest value for the dollar
 - D) the highest level of customer satisfaction
 - E) the most concern for society's interests
- 43) _____ is defined as the customer's evaluation of the differences between all the benefits and all the costs of a marketing offer relative to those of competing offers. 43) _____
- A) Marketing myopia
 - B) Customer equity
 - C) Customer-perceived value
 - D) Customer satisfaction
 - E) Customer evangelism
- 44) _____ are customers who make repeat purchases and tell others about their positive experiences with a product or service. 44) _____
- A) Social customers
 - B) Satisfied customers
 - C) Butterflies
 - D) Customer spokespersons
 - E) Full partners
- 45) Which of the following strategies would a company most likely use to increase customer satisfaction? 45) _____
- A) lowering prices
 - B) decreasing the variety of services offered
 - C) "firing" unprofitable customers
 - D) limiting customer experiences with a brand
 - E) demarketing

- 46) A room upgrade offered by a hotel to a guest who often stays there is an example of a _____. 46) _____
- A) structural benefit
 - B) partner relationship management technique
 - C) basic customer relationship
 - D) club marketing program
 - E) frequency marketing program
- 47) Etisalat, the UAE based operator, was named by its customers "best in Dubai." Etisalat has a 24-hour customer contact center and provides its customers with a choice of 11 different payment methods. Etisalat is interested in _____. 47) _____
- A) customer-perceived value
 - B) basic relationships
 - C) customer delight
 - D) selective relationship management
 - E) frequency marketing programs
- 48) Which of the following equations refers to a delighted customer? 48) _____
- A) Product performance < customer's expectations
 - B) Product performance = customer's expectations
 - C) Delighted customer < satisfied customer
 - D) Product performance > customer's expectations
 - E) None of the above refer to customer delight
- 49) Using customer profitability analysis to weed out unprofitable customers and to target winning ones for pampering is referred to as _____. 49) _____
- A) positioning
 - B) marketing myopia
 - C) database marketing
 - D) selective relationship management
 - E) customer relationship management
- 50) Ahmad Jaber, a recent graduate of business school, has a different approach than his marketing manager, who believes in keeping customers at arm's length and using mass media advertising. Ahmad knows that few successful firms still practice true _____ today and are instead turning to selective relationship management. 50) _____
- A) club marketing
 - B) frequency marketing
 - C) market segmentation
 - D) mass marketing
 - E) customer satisfaction
- 51) The toyota.com/hybrids website creates a community in which Prius, Camry, and Highlander hybrid 'believers' meet to share their reasons for buying hybrid vehicles, along with videos and messages on their experiences, both good and bad. This is an example of _____. 51) _____
- A) an online social network
 - B) a frequency marketing program
 - C) a structural benefit provided for top customers
 - D) a partner relationship
 - E) a basic customer relationship

- 52) Which of the following has NOT contributed to the deeper, more interactive nature of today's customer relationships? 52) _____
- A) e-mail
 - B) video sharing
 - C) online social networks
 - D) traditional advertising
 - E) websites
- 53) Which of the following statements best explains why consumers have greater power and control in today's marketplace? 53) _____
- A) The production concept and competition have lowered prices.
 - B) Through new communication technologies, customers have more access to information and more methods of sharing their opinions with other customers.
 - C) Implementation of the product concept has resulted in continually improving products.
 - D) Customer-driven marketing creates products and services that meet customers' future needs.
 - E) More companies are implementing social marketing, and weighing long-term costs and benefits.
- 54) Greater consumer control means that companies must rely more on marketing by _____ than by _____. 54) _____
- A) socialization; information
 - B) inspiration; competition
 - C) producing; selling
 - D) interaction; intrusion
 - E) interruption; involvement
- 55) To create customer value and build strong customer relationships, marketers know they cannot go it alone; therefore, they practice _____. 55) _____
- A) customer equity
 - B) database marketing
 - C) partner relationship management
 - D) consumer-generated marketing
 - E) attractive website design
- 56) In today's world, marketing should be done _____ employees in an organization. 56) _____
- A) only by marketing, sales, and customer-support
 - B) only by management and marketing
 - C) only by sales and technology
 - D) only by marketing
 - E) all
- 57) Through _____, many companies today are strengthening their connections to all partners, from providers of raw materials to components to final products that are delivered to final buyers. 57) _____
- A) supply chain management
 - B) partnership relationship marketing
 - C) direct marketing
 - D) equity marketing
 - E) customized marketing

- 58) Saloma Chahine strengthens her company's connections by treating suppliers of raw materials, vendors, and distributors as partners in delivering customer value. What type of management is she practicing? 58) _____
- A) marketing
 - B) inside partnering
 - C) customer development
 - D) supply chain
 - E) outside partnering
- 59) The final step in the marketing process is _____. 59) _____
- A) understanding the marketplace
 - B) capturing value from customers
 - C) creating customer lifetime value
 - D) designing a customer-driven marketing strategy
 - E) creating customer loyalty
- 60) Stew Leonard, the owner of a highly successful regional supermarket chain, reacts adversely to losing a single customer sale. He feels that this amounts to losing the entire stream of future purchases that a customer is likely to make if he or she remains in the area. Stew Leonard's concern is an illustration of which of the following? 60) _____
- A) customer lifetime value
 - B) profitability
 - C) market share
 - D) share of customer
 - E) market share maintenance
- 61) *Advertising Age*, a magazine for advertising professionals, recently gave its *Ad Agency of the Year* award to _____. 61) _____
- A) on-line marketers
 - B) YouTube
 - C) Coca-Cola
 - D) the consumer
 - E) Frito-Lay
- 62) Which of the following is an example of consumer-generated marketing? 62) _____
- A) Vodafone providing its "Give Me a Loan Please" service, which offers a limited credit to its prepaid customers.
 - B) Toyota's presence in online communities
 - C) Nike Middle East running a region-wide football initiative designed to give young players the chance to train like their favorite stars
 - D) Procter & Gamble assigning customer development teams to each of its major retailer accounts.
 - E) Heinz's contest for commercials shot by customers
- 63) When an airline goes after a "share of travel" from its customers, it is attempting to increase _____. 63) _____
- A) customer satisfaction
 - B) share of customer
 - C) customer ownership
 - D) customer lifetime value
 - E) total customer spending

- 64) Beyond simply retaining good customers, marketers want to constantly increase their "share of customer." What does this mean in marketing terms? 64) _____
- A) Marketers want to increase the share they get of the customer's purchasing in their product categories.
 - B) Marketers want to turn satisfied customers into delighted customers.
 - C) Marketers want to increase the profit margin with this target market.
 - D) Marketers want to continuously increase their customers' levels of satisfaction.
 - E) Marketers want to increase their market share.
- 65) _____ is one of the best ways to increase share of customer. 65) _____
- A) Using bait and switch
 - B) Cross-selling
 - C) Targeting new customers
 - D) Partnership marketing
 - E) Relationship selling
- 66) Amazon.com leverages relationships with its customers by offering them music, videos, gifts, toys, consumer electronics, and office products, among other items. Based on previous purchase history, the company recommends related CDs, books, videos, or other products that might interest a customer. This most directly helps Amazon.com capture a greater _____. 66) _____
- A) share of customer
 - B) customer equity
 - C) profit margin
 - D) customer lifetime value
 - E) share of market
- 67) Which of the following is the total combined customer lifetime values of all of a company's current and potential customers? 67) _____
- A) share of customer
 - B) customer lifetime value
 - C) share of market
 - D) profitability
 - E) customer equity
- 68) The ultimate aim of customer relationship management is to produce _____. 68) _____
- A) sales volume
 - B) a reliable database
 - C) market share
 - D) higher profit margins
 - E) customer equity
- 69) A potentially highly profitable, short-term customer is a _____. 69) _____
- A) true believer
 - B) butterfly
 - C) true friend
 - D) stranger
 - E) barnacle

- 70) Customers can be classified into four relationship groups, according to their profitability and projected loyalty. Which type of customers have the highest profit potential and strong loyalty? 70) _____
- A) strangers
 - B) barnacles
 - C) butterflies
 - D) big fish
 - E) true friends
- 71) Which of the following statements about the Internet is most accurate? 71) _____
- A) After the dot-com meltdown of 2000, fewer consumers are buying products and/or services online.
 - B) Companies are cautiously using the Internet to build closer relationships with customers and marketing partners alike.
 - C) The Internet makes it easy for consumers to view, interact with, and create marketing content.
 - D) Web 2.0 involves a less balanced approach to online marketing than the original dot-com boom did.
 - E) Consumer e-commerce looks promising, but business-to-business e-commerce is declining.
- 72) _____ is currently the fastest-growing form of marketing. 72) _____
- A) Mass media marketing
 - B) Consumer-generated marketing
 - C) Word-of-mouth marketing
 - D) Online marketing
 - E) Social marketing
- 73) Today almost every company, small and large, is affected in some way by _____. 73) _____
- A) not-for-profit marketing
 - B) global competition
 - C) caring capitalism
 - D) the societal marketing concept
 - E) customer-generated marketing
- 74) Governmental agencies are becoming more involved in marketing as the years pass. When a local government advertises to discourage smoking, encourage birth control, and advise wise spending of money on important items, it is involved in _____. 74) _____
- A) social marketing campaigns
 - B) demarketing
 - C) environmental marketing
 - D) green marketing
 - E) partnership marketing
- 75) Sami Khoury now has the buying power to purchase the computer system he has wanted for the last six months. Sami's want now has become a(n) _____. 75) _____
- A) demand
 - B) transaction
 - C) exchange
 - D) necessity
 - E) need

- 76) To reduce power usage, many power companies use _____ to encourage customers to have better energy use monitoring. 76) _____
- A) market segmentation
 - B) demarketing
 - C) the production concept
 - D) marketing
 - E) target marketing
- 77) Sara's Clothes is a small retail chain successfully selling women's clothing and accessories, which has a profitable focus on buyers who have relatively modest means. This is an example of _____. 77) _____
- A) value packing
 - B) convenience
 - C) market segmentation
 - D) target marketing
 - E) social marketing
- 78) Maya's firm markets preplanning services for a life insurance company. She finds that most of her target market wants to avoid discussing issues revolving around death, and she must somehow first get their attention. Maya's firm is most likely practicing the _____ concept. 78) _____
- A) societal marketing
 - B) selling
 - C) relationship
 - D) marketing
 - E) production
- 79) The computer maker Lenovo dominates the highly competitive, price-sensitive Chinese PC market "through low labor costs, high production efficiency, and mass distribution". This reflects the _____ concept. 79) _____
- A) product
 - B) marketing
 - C) production
 - D) societal marketing
 - E) selling
- 80) Railroads were once operated on the basis that users wanted trains rather than transportation, overlooking the challenge of other modes of transportation. This reflects the _____ concept. 80) _____
- A) societal marketing
 - B) product
 - C) production
 - D) selling
 - E) marketing
- 81) Which of the following statements reflects the marketing concept? 81) _____
- A) "This is what I want; won't you please make it?"
 - B) "This is what I make; won't you please buy it?"
 - C) "Marketing should be viewed as hunting and not gardening."
 - D) "Customers need to be told where they want to go."
 - E) "The supplier is king."

- 82) Some fast-food restaurants offer tasty and convenient food at affordable prices, but in doing so they contribute to a national obesity epidemic and environmental problems. These fast-food restaurants overlook the _____ concept. 82) _____
- A) production
 - B) product
 - C) selling
 - D) societal marketing
 - E) marketing
- 83) Members of the sales team at Company XYZ only visit prospective customers who purchase a minimum of \$50,000 of Product M per year. XYZ is using _____. 83) _____
- A) a value proposition
 - B) a frequency marketing program
 - C) demarketing
 - D) selective relationship management
 - E) a club marketing program
- 84) You have just taken a new position in an organization and you're learning about the job functions of your new colleagues. You observe that your marketing manager is heavily involved in the process of building and maintaining profitable customer relationships, and frequently speaks about the need to deliver superior customer value and satisfaction. Your manager is concerned with which one of the following? 84) _____
- A) website hits
 - B) the societal marketing concept
 - C) partner relationship management
 - D) database management
 - E) customer relationship management
- 85) Samira purchased Brand X lotion. In comparing her perception of how the lotion made her skin feel and look to her expectations for Brand X lotion, Samira was measuring her level of _____. 85) _____
- A) customer-perceived value
 - B) customer equity
 - C) customer satisfaction
 - D) customer lifetime value
 - E) demand
- 86) Aramex offers its customers fast and reliable package delivery. When Aramex customers compare these benefits against the monetary cost of using Aramex along with any other costs of using the service, they are acting upon _____. 86) _____
- A) a societal marketing campaign
 - B) loyalty
 - C) customer-perceived value
 - D) social relationships
 - E) relationship marketing

- 87) Mounir attempts to deliver customer satisfaction every day in his Lebanese restaurant. He is a smart manager who knows that the key to this goal is to match _____ with _____. 87) _____
- A) company performance; competition
 - B) company performance; competitive prices
 - C) relationship building; performance tools
 - D) customer expectations; company performance
 - E) company performance; unique products
- 88) Sonia works hard to create an emotional relationship between her Internet customers and the beauty products and services that she and her staff sell. By promoting a company culture that values exceptional value and service, Sonia aims to create customer _____ by going beyond the expected. 88) _____
- A) satisfaction
 - B) value
 - C) equity
 - D) involvement
 - E) delight
- 89) You are an assistant marketing director for a firm in a market with many low-margin customers. What type of relationship would it be most profitable for you to develop with these customers? 89) _____
- A) club programs
 - B) selective relationships
 - C) basic relationships
 - D) basic partnerships
 - E) full partnerships
- 90) Malak, a marketing manager at a regional chain restaurant, has decided to sponsor a contest calling for customers to create commercials for the restaurant. Winning entries will be posted on the organization's home page. Malak's plan is an example of _____. 90) _____
- A) selective relationship management
 - B) partner relationship management
 - C) community development around a brand
 - D) customer lifetime value
 - E) consumer-generated marketing
- 91) At Gina's Nails, the posted policy is "Without our customers, we don't exist." Gina and her staff aim to delight each customer, and they are quick to offer discounts or extra services whenever a customer is anything less than satisfied. Gina and her staff strive to make every customer a repeat customer. It is most accurate to say that instead of focusing on each individual transaction, Gina and her staff put a priority on _____. 91) _____
- A) enlisting customer evangelists
 - B) capturing customer lifetime value
 - C) maintaining customer-perceived value
 - D) converting "strangers"
 - E) attracting "butterflies"

- 92) Afia, a team leader in charge of customer relationship management, is planning strategies for improving the profitability of her firm's least profitable but loyal customers. She is also examining methods for "firing" customers in this group who cannot be made profitable. To which customer relationship group do these customers belong? 92) _____
- A) short-term customers
 - B) butterflies
 - C) true friends
 - D) strangers
 - E) barnacles
- 93) The Egyptian government designed a massive campaign aiming to gain people's trust of the tax-collection process. This is an example of _____. 93) _____
- A) not-for-profit marketing
 - B) societal marketing
 - C) for-profit marketing
 - D) caring capitalism
 - E) customer spokesperson
- 94) SEKEM's work relates to the production and marketing of a range of organic products. A number of specialized companies are involved, each working for sustainable development in relation to different fields such as economics, education, and health care. Actions such as this by companies seizing the opportunity to do well by doing good reflects _____. 94) _____
- A) partnership management
 - B) environmentalism
 - C) myopia
 - D) social responsibility
 - E) profit marketing
- 95) The IQRA' Association developed a program called "Alkabir Yaqra' Li-saghir" ("the older reads for the younger") which encouraged Lebanese youth, especially school students, to develop reading as a lifelong habit. The coverage of this program was in print media, radio, television as well as online. This is an example of a(n) _____ campaign. 95) _____
- A) social marketing
 - B) for-profit
 - C) ethical
 - D) consumer-generated
 - E) differentiated

Refer to the scenario below to answer the following questions.

Riham Wafaie, owner of Seagull Terrace, watched her investment grow from a small, seaside motel to a booming year-round resort in just a few years. In a prime location, overlooking the sea, Seagull Terrace had attracted thousands of visits during the summer months, but then faced a tremendous downturn in business during the winter months. "But, given the industry in the nearby towns, very little year-round competition, and our close proximity to a major business city," Riham added, "I couldn't understand why seasonality had to hit Seagull Terrace so hard!"

So Riham spent her first winter devising a new marketing plan. She put together a promotional package designed to attract business travellers year-round. Riham's plan, then, involved a seasonal promotional gimmick (an attention-grabber) to be implemented from early winter to late spring — that would attract the same numbers as the large summer crowd. Her idea worked! During her second winter, Riham greeted numerous business travellers — both satisfied repeat guests as well as new ones who had been attracted by her promotional appeals.

"We still have a long way to go," Riham admitted. "Our food store offers delicious entrees, but we'd like to expand that. We provide health club privileges off-site, but we'd like to eventually provide our own. These are goals I hope to achieve in a few years. Our first project, however, included a renovation of our guest rooms and I'm quite proud of the results." Riham then added, "Actually there are so many possibilities! With an indoor pool area, I will eventually offer weekend getaways throughout winter."

- 96) Which groups are specifically part of Seagull Terrace's target market? 96) _____
- A) athletes
 - B) young families
 - C) seasonal business travelers
 - D) summer campers
 - E) retirees
- 97) Riham Wafaie's use of "promotional gimmicks (attention-grabbers)" is an example of the _____ concept. 97) _____
- A) societal marketing
 - B) marketing
 - C) selling
 - D) product
 - E) production
- 98) Renovations of the guest rooms at the Seagull Terrace and plans to add an indoor pool area are examples of the _____ concept. 98) _____
- A) production
 - B) marketing
 - C) selling
 - D) product
 - E) societal marketing

- 99) Riham Wafaie has decided to ask selected guests to participate in an extensive survey about their experience at Seagull Terrace and about their most desired services and vacation experiences. By implementing the suggestions she receives from guests, Riham would be following the _____ concept. 99) _____
- A) marketing
 - B) product
 - C) production
 - D) societal
 - E) selling

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

- 100) Selling is managing profitable customer relationships. 100) _____
- 101) Human needs are shaped by culture and individual personality. 101) _____
- 102) The difference between human needs and wants is that needs are not influenced by marketers. 102) _____
- 103) When backed by buying power, needs become demands. 103) _____
- 104) Market offerings are limited to physical products. 104) _____
- 105) An experience such as a vacation can be defined as a market offering. 105) _____
- 106) When sellers focus on existing needs and lose sight of underlying customer wants, they suffer from marketing myopia. 106) _____
- 107) Only sellers of products, services, and ideas practice marketing; buyers do not. 107) _____
- 108) Market segmentation is the process of seeking fewer customers and reduced demand for profit maximization only. 108) _____
- 109) Demarketing is a marketing philosophy focused upon product differentiation and positioning. 109) _____
- 110) When it becomes necessary to reduce demand for a product or service, an organization may use demarketing to reduce or shift the number of customers. 110) _____
- 111) The production concept and product concept are orientations that can lead to marketing myopia. 111) _____
- 112) The selling concept holds that consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. 112) _____
- 113) Amal's law office has developed a new format and wording for business contracts. The staff believes they offer the most in quality, performance, and innovative features. Her law office is practicing the production concept. 113) _____
- 114) Your department believes that achieving organizational goals depends on knowing the needs and wants of target markets, and delivering the desired satisfaction better than competitors do. Your department is practicing the selling concept. 114) _____

- 115) Fast Food, Inc. views marketing as the science and art of finding, retaining, and growing profitable customers by providing them with the food they want. Fast Food, Inc. practices societal marketing. 115) _____
- 116) The societal marketing concept calls on marketers to balance consumer wants and desires, company profits, and society's interests. 116) _____
- 117) For most marketers, customer relationship management (CRM) is exclusively a matter of customer data management. 117) _____
- 118) The marketing mix includes production, price, promotion, and packaging; this is known as the four Ps of marketing. 118) _____
- 119) Customer-perceived value is defined as the customer's evaluation of the perceived difference between all the benefits and all the costs of a marketing offer relative to those of competing offers. 119) _____
- 120) With selective relationship management, companies use customer profitability analysis to eliminate losing customers and target winning ones. 120) _____
- 121) Large-scale marketing approaches that foster two-way customer relationships are made possible by new communication technologies. 121) _____
- 122) Consumer-generated marketing, a relatively new phenomenon, has so far had little impact as a marketing force. 122) _____
- 123) To increase their "share of customer," a firm concentrates on retaining as many customers as possible over their lifetimes. 123) _____
- 124) Web 2.0 is distinguished by its poorly conceived e-tailers and Web start-ups. 124) _____

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

- 125) What should sellers consider if they wish to avoid marketing myopia? 125) _____
- 126) You are a manufacturer of tents, sleeping bags, and outdoor cooking equipment. How might you go about creating brand experiences for your customers? 126) _____
- 127) A modern marketing system relies on profitable relationships all along the way. How might Géant rely on suppliers and other marketing partners in order to offer high quality goods at attractive prices? 127) _____
- 128) Imagine that when demand for a product is at its highest, a manufacturer decides to purposefully maintain strong demand by limiting supply, therefore driving prices up. If this were the case, explain how such manufacturers would NOT be carrying out the production concept. 128) _____
- 129) The marketing team at Bead Beautiful, a line of jewelry targeted at pre-teenage girls, is meeting to formulate the products' value proposition. What should team members consider as they define a value proposition for Bead Beautiful? 129) _____

- 130) Company X carries organizational and office supplies and follows the selling concept. Explain how Company X may lose sight of customer relationships with their marketing orientation. 130) _____
- 131) In Lebanon, street hawkers like Abou Hassan sell watermelons while shouting to passers by, "3al-sikin ya batikh." to attract their attention and entice the purchaser to check how good and fresh the watermelon is. Is Abou Hassan taking an outside-in or inside-out perspective? Explain. 131) _____
- 132) Explain why electronics and pharmaceuticals manufacturers may use customer-driving marketing. 132) _____
- 133) Explain how storing customer information in a database might better prepare car-maker Nissan in customer relationship management (CRM). 133) _____
- 134) What determines whether sellers create basic relationships or full partnerships with customers? 134) _____
- 135) How can a marketer increase "share of customer"? 135) _____
- 136) Explain what marketers can expect from individuals in the customer relationship group classified as "butterflies." 136) _____
- 137) Abba works in the marketing department of an international company. In what ways might Abba use modern technologies to conduct market research in order to learn more about and better serve her company's customers? 137) _____
- 138) In what ways might even a local retailer find itself touched by global competition? 138) _____
- 139) How is marketing being applied in the not-for-profit sector? 139) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 140) Briefly compare and contrast the concepts of needs, wants, and demands, giving an example of each. Discuss how these concepts relate to marketing practices.
- 141) Explain how and why marketers go beyond selling a product or service to create brand experiences.
- 142) Compare the selling and marketing concepts, listing the key components of each philosophy.
- 143) Briefly explain the societal marketing concept. Give an example of an organization that has effectively used the societal marketing concept.
- 144) Define customer relationship management and explain its associated tools and levels of relationships.
- 145) Explain why the aim of customer relationship management is to create not just customer satisfaction, but also customer delight.

- 146) In a short essay, discuss the challenges and advantages that new communication technologies have created for marketers.
- 147) Define customer equity and explain how a company can increase it.
- 148) In a short essay, describe and compare the four types of customers classified by their potential profitability to an organization. Explain how an organization should manage each type of customer.
- 149) Explain how the Internet has transformed the way in which we do business today.

Answer Key

Testname: UNTITLED1

- 1) B
- 2) C
- 3) C
- 4) B
- 5) A
- 6) C
- 7) D
- 8) E
- 9) A
- 10) E
- 11) E
- 12) D
- 13) C
- 14) E
- 15) C
- 16) C
- 17) B
- 18) C
- 19) A
- 20) E
- 21) B
- 22) D
- 23) A
- 24) E
- 25) A
- 26) A
- 27) A
- 28) C
- 29) A
- 30) D
- 31) B
- 32) D
- 33) C
- 34) C
- 35) A
- 36) D
- 37) C
- 38) C
- 39) B
- 40) A
- 41) B
- 42) B
- 43) C
- 44) D
- 45) A
- 46) E
- 47) C
- 48) D
- 49) D
- 50) D

Answer Key

Testname: UNTITLED1

- 51) A
- 52) D
- 53) B
- 54) D
- 55) C
- 56) E
- 57) A
- 58) D
- 59) B
- 60) A
- 61) D
- 62) E
- 63) B
- 64) A
- 65) B
- 66) A
- 67) E
- 68) E
- 69) B
- 70) E
- 71) C
- 72) D
- 73) B
- 74) A
- 75) A
- 76) B
- 77) D
- 78) B
- 79) C
- 80) B
- 81) A
- 82) D
- 83) D
- 84) E
- 85) C
- 86) C
- 87) D
- 88) E
- 89) C
- 90) E
- 91) B
- 92) E
- 93) A
- 94) D
- 95) A
- 96) C
- 97) C
- 98) D
- 99) A
- 100) FALSE

Answer Key

Testname: UNTITLED1

- 101) FALSE
- 102) TRUE
- 103) FALSE
- 104) FALSE
- 105) TRUE
- 106) FALSE
- 107) FALSE
- 108) FALSE
- 109) FALSE
- 110) TRUE
- 111) TRUE
- 112) TRUE
- 113) FALSE
- 114) FALSE
- 115) FALSE
- 116) TRUE
- 117) FALSE
- 118) FALSE
- 119) TRUE
- 120) TRUE
- 121) TRUE
- 122) FALSE
- 123) FALSE
- 124) FALSE
- 125) Sellers should consider the particular benefits and experiences desired by their customers, and not just pay attention to the specific products they offer.
- 126) Such manufacturers should focus on the benefits enjoyed through the use of their products: access to the great outdoors, shared family experiences, and relived memories of the consumer's youth.
- 127) Géant must rely on suppliers that will provide good quality merchandise at low cost, a low-cost and efficient distribution system, an accurate and efficient customer relationship database system, and a strong partnership with each of the members of its supply chain.
- 128) The production concept holds that consumers favor products that are available and affordable. With this concept, manufacturers work to increase production and improve manufacturing efficiency, and thus eventually lower the price paid by the consumer.
- 129) In considering Bead Beautiful's value proposition, the marketing team should identify the benefits and values the company promises to deliver to customers to satisfy their needs. The value proposition should differentiate Bead Beautiful from other similar products, answering the customer's question "Why should I buy this brand rather than a competitor's?"
- 130) The company's aim is to sell its supplies rather than make what the market wants; such a strategy creates sales transactions but not long-term relationships. The company's likely faulty assumption is that customers who are persuaded to buy the product will like it or that they will buy the product again even if they weren't really initially satisfied. Company X will not foster customer loyalty with this approach.
- 131) The vendor's approach was inside-out. The watermelon is available. The vendor's job was then to attract willing buyers.
- 132) In such industries, consumers do not know exactly what new products are available; therefore, consumers rely on such firms to tell them what they need.
- 133) Managing detailed information about customers may allow Nissan to design new models around customer demographics and desires for specific features. These "touchpoints" can be the key to long-term customer loyalty.

Answer Key

Testname: UNTITLED1

- 134) The type of relationship a seller seeks to create with its customers is dependent on the number of customers and their profitability. A company with many low-margin customers develops basic relationships; a company with just a few high-margin customers invests resources to create full partnerships.
- 135) The marketer can offer greater variety to customers; in addition, the marketer can train employees to cross-sell and up-sell in order to market more products and services to existing customers.
- 136) "Butterflies" are profitable but not loyal. Marketers should enjoy this type of customer "for the moment" because they soon flutter off. They should create profitable and satisfying transactions with "butterflies," then cease investing in them until the next time around. Marketers can expect transactions with butterflies when conditions are optimal for the customer, but they should not expect butterflies to become loyal customers.
- 137) Abba could use videoconferencing to monitor customer focus groups discussing the company's products and services in various locations. Abba could use online data services to learn more about the needs and wants of her customers, or she could create a customer database for the company to target individual customers with tailored offers.
- 138) A local retailer might have global suppliers and customers. The retailer's goods may come from abroad, or components of those goods may be produced or assembled abroad. In addition, a local retailer may also sell goods over the Internet to international customers.
- 139) Firms in the not-for-profit sector use marketing to enhance their image, to encourage donor marketing to attract memberships and donors, and to design social marketing campaigns to encourage specific causes.
- 140) Human needs are states of felt deprivation. Needs are part of the human make-up; they are not created by external forces. Humans have a basic physical need for food, clothing, warmth, and safety; a basic social need for belonging and affection; and a basic individual need for knowledge and self-expression. Unlike needs, wants are not innate; instead, wants are needs shaped by culture, society, and individual personality. For example, a Muslim *needs* food to break the fast during Ramadan but *wants* dates, harees, and laban drink. A child *needs* food but *wants* a Big Mac, French fries, and a soft drink. When backed by buying power, wants become **demands**. The child with ten dollars *needs* food, *wants* a Big Mac and soft drink, and *demands* lunch at mcdonald's. Marketers conduct extensive research to understand customers' wants and demands. They then attempt to fulfill customers' wants and demands through their market offerings.
- 141) Sellers are most effective when they focus more on the benefits and experiences produced by their products and services than on the specific products and services themselves. Smart marketers focus on creating a brand experience, incorporating several products and services for their customers. By doing so, marketers hope to increase customer satisfaction, creating a body of customers who will repeatedly purchase their market offerings and recommend those offerings to friends.
- 142) The selling concept reflects an inside-out philosophy, while the marketing concept takes an outside-in perspective. The selling concept is typically practiced when an organization is marketing products or services that buyers do not normally think of purchasing, such as insurance or blood donation. Aggressive selling focuses on creating sales transactions rather than on building long-term relationships with customers, with the aim of selling what the company makes rather than making what the customer wants. The marketing concept, on the other hand, is based upon identifying the needs and wants of target markets and then satisfying those needs and wants better than competitors do. In contrast to the selling concept, marketing focuses on the customer, not the product, as the path to profits.
- 143) According to this concept, firms will succeed if they take underlying consumer needs and society's well-being into account over the long term. A pure marketing concept can damage consumers' long-run welfare by focusing exclusively on satisfying consumers' short-run wants. Over a long period of time, this too-narrow focus can be damaging to the company. In setting their marketing strategies, marketers today need to balance company profits, consumer wants, and society's interests. Johnson & Johnson is an example of a company that has successfully implemented the societal marketing concept. The organization stresses honesty, integrity, and putting people before profits, an ethic that helped Johnson & Johnson quickly address and recover from the poisonous tampering of Tylenol capsules in 1982.

As another example, The National Bank of Kuwait (NBK) focuses both on making profit and helping society by engaging in activities such as feeding the poor in the month of Ramadan and arranging a walkathon every year to increase health awareness.

Answer Key

Testname: UNTITLED1

- 144) Customer relationship management (CRM) is the process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. A company with mostly low-margin customers is likely to seek basic relationships, using brand-building advertising and sales promotion. An organization with few customers and high margins, on the other hand, will work to create key partnerships with select customers. To create stronger bonds with customers, some marketers use tools such as financial benefits or rewards based on frequency of purchase. Other tools include social benefits, like offering key customers the opportunity to network and create communities through club marketing programs. Another approach adds structural ties to the aforementioned financial and social benefits. Hence, to retain current customers and remain profitable, companies today are going beyond transactional marketing to customer relationship management. The key is to create and sustain relationships for the long term.
- 145) Customer satisfaction cannot be taken for granted. Because brand loyalty is dependent upon strong customer satisfaction, companies strive to retain, satisfy, and even delight current customers. Firms create customer delight by promising only what they can deliver and then delivering more than what they promised. They also create emotional relationships with key customers. Delighted customers make repeated purchases and become customers for life. More importantly, they also essentially become an unpaid sales force for the firm as "customer evangelists" or "customer spokespersons" who tell other potential customers about their positive experiences with the product.
- 146) Through the Internet and related technologies, people can now interact in direct and surprisingly personal ways with large groups of others, from neighbors within a local community to people across the world. With communication technologies such as e-mail, blogs, websites, online communities, and online social networks, today's marketers incorporate interactive approaches that help build targeted, two-way customer relationships. Marketers can create deeper consumer involvement and a sense of community surrounding a brand, making a brand a meaningful part of consumers' conversations and lives. However, while new communication tools create relationship-building opportunities for marketers, they also create challenges. They give consumers a greater voice, and therefore greater power and control in the marketplace. Today's consumers have more information about brands than ever before, and they have a wealth of platforms for airing and sharing their brand views with other consumers. This benefits companies when views of its products are positive, but can be damaging when customers share stories of negative experiences with a company's products.
- 147) Customer equity is the sum of the lifetime values of all a company's current and potential customers. Customer equity is dependent upon customer loyalty from a firm's profitable customers. Because customer equity is a reflection of a company's future, companies must manage it carefully, viewing customers as assets that need to be maximized. To increase customer equity, companies should work to delight their customers and establish full relationships with their most profitable customers.
- 148) The four types of customers are strangers, butterflies, true friends, and barnacles. "Strangers" have low potential profitability and loyalty. A company's offerings do not fit well with a stranger's wants and demands. Companies should not invest in building a relationship with this type of customer. Another type of customer in which a company should not invest is the "barnacle." Barnacles are highly loyal but not very profitable because there is a limited fit between their needs and the company's offerings. The company might be able to improve barnacles' profitability by selling them more, raising their fees, or reducing service to them. However, if they cannot be made profitable, they should be "fired." Like strangers, "butterflies" are not loyal. However, they are potentially profitable because there is a good fit between the company's offerings and their needs. Like real butterflies, this type of customer will come and go without becoming a permanent, loyal consumer of a company's products. Companies should use promotional blitzes to attract these customers, create satisfying and profitable transactions with them, and then cease investing in them until the next time around. The final type of customers is "true friends"; they are both profitable and loyal. There is a strong fit between their needs and the company's offerings, so the company should make continuous relationship investments in an effort to go beyond satisfying and to delight these customers. A company should try to convert true friends into customer evangelists who tell others about their good experiences with the company.

Answer Key

Testname: UNTITLED1

- 149) The Internet links individuals and businesses of all types to each other. The Internet allows firms access to exciting new marketspaces. The Internet has spawned an entirely new breed of "click only" companies: the "dot-coms." The post-Internet frenzy of the late 1990s has introduced companies that are both savvy and face promising futures. These companies use a set of new Web technologies to reach customers, including blogs (web logs), vlogs (video-based logs), and social networking sites. "Brick-and-mortar" companies of the past are now "click-and-mortar" companies, with online presences aimed at attracting new customers and strengthening bonds with current customers. Approximately 65% of American Internet users now shop online, making a web presence a necessity for any organization. Although e-commerce penetration in the Arab world has not grown at the same pace, it has certainly become more familiar in some specific industries such as airlines, hotels, and jewelry.