

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

- 1) You are directed to study the actors close to the company who affect its ability to serve its customers: departments within the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. What are you studying? 1) _____
 - A) the microenvironment
 - B) the marketing environment
 - C) the demographic environment
 - D) the global environment
 - E) the macroenvironment

- 2) Which of the following terms is used to describe the factors and forces outside marketing, which affect marketing management's ability to build and maintain successful relationships with target customers? 2) _____
 - A) the marketing environment
 - B) the marketing mix
 - C) target markets
 - D) the cultural environment
 - E) strategic planning

- 3) You are directed to study the demographic, economic, natural, technological, political, and cultural factors which are the larger societal forces affecting your company. What are you studying? 3) _____
 - A) the macroenvironment
 - B) the microenvironment
 - C) the marketing mix
 - D) the global environment
 - E) the external environment

- 4) Which of the following is NOT a type of factor in a company's macroenvironment? 4) _____
 - A) economic
 - B) technological
 - C) competitive
 - D) political
 - E) demographic

- 5) All of the groups within a company are called the _____. 5) _____
 - A) culture
 - B) range
 - C) climate
 - D) diversity
 - E) internal environment

- 6) Which type of organization helps companies to stock and move goods from their points of origin to their destination? 6) _____
- A) suppliers
 - B) physical distribution firms
 - C) resellers
 - D) financial intermediaries
 - E) marketing services agencies
- 7) Banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods and services are referred to as _____. 7) _____
- A) resellers
 - B) financial intermediaries
 - C) wholesalers
 - D) physical distribution firms
 - E) marketing services agencies
- 8) Currently, Chafic Hammoud is employed by a firm that conducts marketing research and creates ads for other companies that help them target and promote their products to the right markets. Who is Chafic's employer? 8) _____
- A) a marketing service agency
 - B) a financial intermediary
 - C) a green marketer
 - D) a physical distribution firm
 - E) a reseller
- 9) A _____ is defined as any group that has an actual or potential interest in, or impact on, an organization's ability to achieve its objectives. 9) _____
- A) public
 - B) team
 - C) intermediary
 - D) competitor
 - E) market
- 10) Which of the following is NOT an example of the type of public that is part of a company's marketing environment? 10) _____
- A) citizen-action
 - B) media
 - C) marketing department
 - D) financial
 - E) government
- 11) A radio station that carries news, features, and editorial opinions about your area is which type of public? 11) _____
- A) citizen-action
 - B) government
 - C) media
 - D) financial
 - E) local

- 12) An environmental group has challenged your firm's stand on a local issue. Your firm is being challenged by a _____ public. 12) _____
- A) general
 - B) citizen-action
 - C) media
 - D) local
 - E) government
- 13) Workers, managers, and members of the board are all part of a company's _____ public. 13) _____
- A) general
 - B) internal
 - C) intermediary
 - D) market
 - E) local
- 14) Live'ly, a UAE institution that specializes in Health and Nutrition clinical and catering services, caters to a market of individuals and households that buys goods and services for personal consumption. Live'ly caters to a _____ market. 14) _____
- A) government
 - B) marketing intermediary
 - C) reseller
 - D) consumer
 - E) business
- 15) Which type of market buys goods and services for further processing or for use in the production process? 15) _____
- A) reseller B) business C) wholesale D) consumer E) retail
- 16) Which type of market buys goods and services to produce public services or to transfer them to others who need them? 16) _____
- A) reseller
 - B) government
 - C) retail
 - D) consumer
 - E) wholesale
- 17) Mariam works for a company called The KF Distributors. She deals with small retailers like Le Marché. Le Marché buys goods from Mariam and sells them at a profit. What is Mariam's market? 17) _____
- A) business B) wholesale C) reseller D) retail E) consumer
- 18) Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched? 18) _____
- A) demographic
 - B) geographic
 - C) psychographic
 - D) cultural
 - E) economic

- 19) Overall, the Arab world's population contains several generational groups. The three largest groups are the baby boomers, Generation Xers, and _____. 19) _____
- A) teens
 - B) tweens
 - C) toddlers
 - D) seniors
 - E) Millennials
- 20) One group of people tend to "think young " no matter how old they are. They belong to the _____ generation. 20) _____
- A) seniors
 - B) baby boomers
 - C) the Millennials
 - D) echo boomers
 - E) Generation Xers
- 21) The Emirates NBD bank targets the _____ with its "Income Builder Plan - Retirement" products, while Dubai Islamic Bank targets the _____ with its sharia-compliant Takaful product. 21) _____
- A) baby boomers, Millennials
 - B) baby boomers, Gen Xers
 - C) mid-life, echo boomers
 - D) Gen Xers, Millennials
 - E) Generation X, Generation Y
- 22) The youngest of the baby boomers are now in their _____. 22) _____
- A) early 60s
 - B) mid-20s
 - C) mid-40s
 - D) early 50s
 - E) late 20s
- 23) The maturing boomers are _____. 23) _____
- A) consumers of every imaginable means of communication
 - B) rethinking the purpose and value of their work
 - C) just beginning to show off their buying power
 - D) less receptive to explicit marketing efforts
 - E) less materialistic
- 24) Which of the following descriptions most accurately characterizes the baby boomers? 24) _____
- A) They are past their peak earning and spending years.
 - B) They are a shrinking market for new housing and home remodeling.
 - C) They are increasingly likely to retire early.
 - D) They see themselves as phasing out.
 - E) They form about 30% of the population in the Arab world.
- 25) Which of the following descriptions most accurately characterizes Gen Xers? 25) _____
- A) They are more interested in acquiring goods than having experiences.
 - B) They are very reckless in their investments.
 - C) They value family bonds more than career advancement.
 - D) They grew up during times of great economic growth.
 - E) They rarely research a product before purchasing it.

- 26) Which demographic group is also referred to as the echo boomers? 26) _____
- A) baby boomers
 - B) Millennials
 - C) Generation X
 - D) Generation Z
 - E) baby busters
- 27) Large tween and teen markets belong to which demographic group? 27) _____
- A) Generation Z
 - B) Generation X
 - C) baby boomers
 - D) Millennials
 - E) baby busters
- 28) Which of the following descriptions most accurately characterizes Millennials? 28) _____
- A) They have graduated from college and are taking over positions of power in the business world.
 - B) They are children of baby boomers.
 - C) They have reached their peak earning and spending years.
 - D) They are less ethnically diverse than Gen Xers.
 - E) They are not at ease with technology.
- 29) Which demographic group is characterized by a total fluency and comfort with computer, digital, and Internet technology? 29) _____
- A) the elderly
 - B) Generation X
 - C) Generation Z
 - D) baby boomers
 - E) Millennials
- 30) Which of the following companies do you think will benefit most from the changing Arab family? 30) _____
- A) Al-Hawa for Electronics shop
 - B) Auto Bassem Moving Company
 - C) Sleiman Maid Services
 - D) Khaled Travel Agency
 - E) Al- Oud perfume shop
- 31) Emirates NBD bank designed the "Income Builder Plan" to provide their clients with the means to enjoy the same quality of life in retirement that they enjoy currently. The "Income Builder Plan" is part of the bank's strategy to attract _____ as customers. 31) _____
- A) Millennials
 - B) baby boomers
 - C) Gen Xers
 - D) echo boomers
 - E) professionals

- 32) It is believed that _____ are most eagerly being targeted at the baby boomers. 32) _____
- A) technological products
 - B) anti-aging products
 - C) financial services
 - D) fitness products
 - E) travel and entertainment
- 33) One of the best ways marketers can communicate with a Millennial is to _____. 33) _____
- A) place an ad in the newspaper
 - B) design a website for a retirement plan
 - C) offer a 10% discount on their product
 - D) offer a coupon for anti-aging products
 - E) place an ad on Facebook
- 34) Which of the following is a characteristic of the traditional Arab family? 34) _____
- A) The father usually takes the responsibility for running the house.
 - B) Gender and age are often the basis for defining roles and responsibilities.
 - C) Daughters leave the family house when they turn 18.
 - D) Arab women are the sole decision maker in the household.
 - E) Stay-at-home dads are typical in the Arab family.
- 35) UAE nationals represent no more than _____ percent of the total UAE population. 35) _____
- A) 10
 - B) 6
 - C) 60
 - D) 20
 - E) 8
- 36) Western Union noticed that diversity affects its marketing offerings. Which of the following is an example of this effect? 36) _____
- A) Providing discounts for expatriates from the Arab world
 - B) Providing speed and security for Europeans
 - C) Working in a wide range of languages
 - D) All of the above
 - E) A and B
- 37) A market study conducted by Mr. Maher Mezher showed that 18.7% of Lebanese couples could not have babies without medical assistance. Which demographic factor affected these couples the most? 37) _____
- A) Geographic shift of the Lebanese from Beirut to more rural areas
 - B) the change in the spending pattern of the Lebanese
 - C) Most of the Lebanese are baby boomers.
 - D) Lebanese couples are marrying later in age.
 - E) Lebanese people's views of others
- 38) As more and more residents of the UAE live in Sharjah and work in Dubai, which of the following is the most reasonable assumption to make? 38) _____
- A) Geographic segmentation may be less critical to marketers.
 - B) Crime rates in Dubai will increase.
 - C) Rural populations will offer an expanding market.
 - D) Sharjah is likely to offer the same advantages as Dubai.
 - E) Congested areas in Dubai are likely to become more crowded.

- 39) "Kathurat al-makawi fa-intahar el-makwaji" (i.e. the increase in the number of irons led to the suicide of the ironing man) was a title that appeared in a newspaper few years back. This 'makwaji' was *mostly* affected by which environmental factor? 39) _____
- A) Political
 - B) Economic
 - C) Cultural
 - D) Technological
 - E) Demographic
- 40) In 2008, the First National Bank of Lebanon launched the Fertility Loan. This loan was a response to which macroenvironmental factor? 40) _____
- A) The advancement in technology
 - B) The average couple in Lebanon marrying between the ages of 30 and 32
 - C) The increase in the number of adventurers
 - D) The success of the plastic surgery loan
 - E) The people's view of organizations
- 41) Because of increasing _____, Arabs will demand higher quality products, books, magazines, travel, personal computers, and Internet services. 41) _____
- A) family size
 - B) social class awareness
 - C) levels of education
 - D) numbers of nontraditional families
 - E) ethnic diversity
- 42) With an expected increase in ethnic populations, marketers are likely to place a greater emphasis on _____. 42) _____
- A) mass marketing
 - B) mainstream advertising
 - C) targeted advertising messages
 - D) cause-related marketing
 - E) geographic segmentation
- 43) The _____ environment consists of factors that affect consumer purchasing power and spending patterns. 43) _____
- A) economic
 - B) cultural
 - C) technological
 - D) natural
 - E) political
- 44) A country with a(n) _____ economy consumes most of its own agricultural and industrial outputs and offers few market opportunities. 44) _____
- A) subsistence
 - B) technological
 - C) service
 - D) industrial
 - E) rural

- 45) A country with a(n) _____ economy has rich markets for many different kinds of goods. 45) _____
A) service
B) multicultural
C) subsistence
D) industrial
E) developing
- 46) Which of the following factors has NOT contributed to today's age of the "tapped-out consumer"? 46) _____
A) savings for retirement
B) rising incomes in the upper class
C) debt repayment
D) savings for college tuition
E) increasing household expenses
- 47) Value marketing is the strategy of offering consumers _____. 47) _____
A) reasonable quality at a fair price
B) luxury quality at a high price
C) little quality at a low price
D) high quality at a high price
E) lesser quality at a low price
- 48) Which of the following statements about income distribution is NOT true? 48) _____
A) In recent decades, the middle class has grown.
B) The top one percent of a nation's earners receive a higher percentage of the nation's total income than the bottom 50 percent of the nation's earners do.
C) In recent decades, the poor have remained poor.
D) The top 10 percent of a nation's earners account for almost half of that nation's gross income.
E) In recent decades, the rich have got richer.
- 49) In a tiered market, companies target which of the following? 49) _____
A) consumers of modest means only
B) the middle class only
C) affluent consumers only
D) professionals only
E) consumers at all levels of income distribution
- 50) When Debenhams and Nieman-Jashanmal department stores target the affluent while Dirham stores target those with more modest means, these are examples of _____. 50) _____
A) a tiered market
B) an increase in the cost of living
C) an increase in savings
D) an increase in diversity
E) B and C
- 51) Which of the following groups of expenses uses up the most household income? 51) _____
A) housing, insurance, taxes
B) food, travel, savings
C) food, housing, transportation
D) food, housing, retirement planning
E) housing, taxes, transportation

- 52) Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant. 52) _____
- A) food; clothing
 - B) clothing; recreation/entertainment
 - C) recreation/entertainment; savings
 - D) food; housing
 - E) food; transportation
- 53) The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____. 53) _____
- A) endangered environment
 - B) green movement
 - C) natural environment
 - D) factors of production
 - E) raw material market
- 54) Which of the following government agencies is committed to protecting and managing biodiversity in the UAE? 54) _____
- A) the Dubai Chamber of Commerce and Industry
 - B) the Meteorological and Environmental Protection Administration (MEPA)
 - C) the Environmental Agency - Abu Dhabi (EAD)
 - D) the Supreme Council for the Environment and Natural Reserves (SCENR)
 - E) the Consumer Protection Department (CPD)
- 55) Which of the following has encouraged marketers to pursue environmentally sustainable strategies? 55) _____
- A) the black market
 - B) the CPD
 - C) the green movement
 - D) green intervention
 - E) deregulation
- 56) Which of the following is a result of regulations set up by the Saudi Arabian Standards Organization (SASO)? 56) _____
- A) Spending on research and development has decreased.
 - B) The time between new product ideas and their introduction to the market has decreased.
 - C) Research costs for companies have grown.
 - D) Companies are more focused on making practical, affordable versions of products.
 - E) More companies have failed to meet safety standards.
- 57) Marketers should be aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. This is most accurately described as the _____ environment. 57) _____
- A) political
 - B) socio-legal
 - C) economic
 - D) cultural
 - E) legal-technological

- 58) Even the most liberal advocates of free-market economies agree that the system works best with _____ regulation. 58) _____
- A) maximum
 - B) intermittent
 - C) no
 - D) private
 - E) at least some
- 59) Legislation affecting business around the world will continue to _____. 59) _____
- A) increase
 - B) remain steady
 - C) decrease
 - D) become standardized
 - E) threaten the American domestic economy
- 60) In the UAE, the CPD has a number of responsibilities. Which of the following does this include? 60) _____
- A) controlling child labor
 - B) negotiating employees salaries with other government agencies
 - C) responding to consumers' complaints
 - D) enhancing monopolies
 - E) protecting business activities
- 61) Business legislation has been created for three basic reasons: to protect companies from each other, to protect consumers, and to _____. 61) _____
- A) regulate prices
 - B) increase world trade
 - C) promote social responsibility
 - D) regulate monopolies
 - E) protect the interests of society
- 62) The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of _____ and _____. 62) _____
- A) promotion; pricing
 - B) ethics; promotion responsibility
 - C) finances; employee discrimination
 - D) management ethics; insider trading
 - E) ethics; social responsibility
- 63) Cause-related marketing is a(n) _____. 63) _____
- A) attempt to influence consumers' core beliefs
 - B) primary form of corporate giving
 - C) response to corporate legislative problems
 - D) primary form of environmental awareness
 - E) response to customer needs

- 64) A society's basic values, perceptions, preferences, and behaviors are all part of its _____ environment. 64) _____
A) social
B) cultural-economic
C) cultural
D) natural
E) political
- 65) Marketers should understand that a society's core beliefs and values have a high degree of _____ . 65) _____
A) conformity
B) persistence
C) flexibility
D) similarity
E) ethnocentrism
- 66) Your company is making negotiations to enter a market in Egypt. You would most likely discover that _____ beliefs and values are open to change in this country. 66) _____
A) core B) primary C) secondary D) traditional E) inherited
- 67) A society's _____ are expressed in how people view themselves, organizations, society, nature, and the universe. 67) _____
A) demographics
B) cultural values
C) economies
D) public policies
E) social codes
- 68) Trends in people's views of organizations indicate that _____ has increased in the past twenty years. 68) _____
A) employees' view of work as a source of satisfaction
B) confidence in political organizations
C) distrust in small, local businesses
D) employees' loyalty to their employers
E) distrust in big businesses
- 69) Company X is an organization that offers consulting services for young Arabs planning to emigrate to Canada. Company X is advising the _____. 69) _____
A) malcontents
B) reformers
C) youth with foreign intolerance
D) patriots
E) angry youth
- 70) Which of the following is a potential downside to using patriotic themes in marketing programs? 70) _____
A) Patriotism has been on the decline in the past decade.
B) Such promotions can be viewed as attempts to gain from others' triumph or tragedy.
C) Levels of patriotism fluctuate rapidly.
D) Few marketers currently use this technique.
E) Arabs are less confident in political organizations.

- 71) The 9/11 terrorism affected the way people in the Arab world view religion and Islam in particular. This resulted in _____. 71) _____
- A) an increase in reform of social classes
 - B) a decrease in the growth of Islamic products
 - C) Muslims not fasting during Ramadan
 - D) an increase in the growth of Islamic banking
 - E) a shift towards Christianity
- 72) Marketers can take a(n) _____ by taking aggressive action to affect the publics and forces in their marketing environments. 72) _____
- A) environmental stance
 - B) proactive stance
 - C) natural perspective
 - D) relationship-building perspective
 - E) natural-management perspective
- 73) Innovations is a producer of electronic circuits that power a variety of technological devices produced by other companies. Innovations sells its products to _____ markets. 73) _____
- A) government
 - B) consumer
 - C) internal
 - D) financial
 - E) business
- 74) BLOM Bank is the primary sponsor of the annual BLOM Beirut International Marathon, which is attended by over 32,000 runners and watched by tens of thousands of viewers in Lebanon and around the world. The BLOM Bank logo and name appear throughout the race course. BLOM most likely sponsors the event in order to appeal to which type of public? 74) _____
- A) general
 - B) internal
 - C) local
 - D) government
 - E) financial
- 75) If baby boomers are predictors of where product and service demand will be, increased demands will most likely be evident in _____ in the upcoming years. 75) _____
- A) the automobile industry
 - B) soft drinks
 - C) the apparel industry
 - D) financial services
 - E) university enrollment
- 76) Noora Sleiman is helping her company develop a marketing program for a new product line. The program involves emphasizing experience over acquisition and uses a marketing pitch that is less overt than the company's previous programs. The marketing program is most likely designed to appeal to which of the following demographic groups? 76) _____
- A) nontraditional households
 - B) manufacturing workers
 - C) Gen Xers
 - D) Millennials
 - E) Adventurers

- 77) Which of the following best explains why Gen Xers as a group may be more economically cautious than baby boomers? 77) _____
- A) Gen Xers are more focused on saving for retirement than baby boomers are.
 - B) Gen Xers grew up during times of corporate downsizing and recession.
 - C) Gen Xers have now graduated from their universities and are moving up their careers.
 - D) Gen Xers are not as materialistic as members of other generations.
 - E) Gen Xers tend to seek more guidance from the financial services industry.
- 78) Tabi'i Snacks, a maker of organic snacks, is starting a new marketing campaign emphasizing the advantage of eating Tabi'i Snacks on the go. Print, television, and Internet ads feature college-aged students enjoying Tabi'i Snacks in between classes and during study breaks. Tabi'i Snacks' new marketing campaign is most likely aimed at which of the following? 78) _____
- A) seniors
 - B) Gen Xers
 - C) baby boomers
 - D) the mid-life generation
 - E) Millennials
- 79) In considering the changing Arab family, which of the following are marketers likely to consider the LEAST important? 79) _____
- A) The increase in the number of households requesting maids and servants
 - B) The number of traditional households has increased.
 - C) The increase in the involvement of the mother in family related decision making
 - D) Arab baby boomers are hitting retirement age.
 - E) The number of married couples with both partners working outside of the home has increased.
- 80) The demographic trend in Dubai and Qatar marked by _____ is likely the most responsible for the growth of the construction sector. 80) _____
- A) the move from rural to metropolitan areas
 - B) the increasing number of traditional Arab households
 - C) the migration of foreign labor in these countries
 - D) the growing percentage of married couples who do not have children
 - E) the declining number of Millennials
- 81) With an expected increase in ethnic diversity within the GCC population, marketers are most likely to place a greater emphasis on _____. 81) _____
- A) tiered markets
 - B) differing advertising messages
 - C) geographic segmentation
 - D) "us and them" paradigms
 - E) mass marketing
- 82) Samih Shouman recently won a \$10 million lottery. Samih's life will change a great deal, particularly how he spends his money. According to Engel's laws, Samih is LEAST likely to change the percentage of his income that he spends on _____. 82) _____
- A) savings
 - B) entertainment
 - C) food
 - D) housing
 - E) utilities

- 83) As a marketer of pesticides, which of the following should give you the LEAST amount of concern? 83) _____
- A) persistence of cultural values
 - B) increased pollution
 - C) shortages of raw materials
 - D) increased government intervention
 - E) chemical pollutants in the food supply
- 84) Al-Sharif's chain of supermarkets has identified that more than half of the expatriate population in the UAE come from the Indian subcontinent. Which of the following would be the LEAST effective component of a marketing plan for Al-Sharif to take advantage of this opportunity? 84) _____
- A) Place specially-targeted ads in Indian-themed publications.
 - B) Position his supermarket as serving individualized tastes.
 - C) Have outdoor advertising in Hindi.
 - D) Have a section of Indian condiments and food.
 - E) Implement a mass marketing campaign.
- 85) The green movement is likely to spark the LEAST interest in _____. 85) _____
- A) recycling programs
 - B) environmentally sustainable strategies
 - C) Internet usage
 - D) biodegradability
 - E) social responsibility
- 86) As indicated in the chapter opener, change in the _____ environment has had the most impact on the marketing strategy at Emaar. 86) _____
- A) economic
 - B) demographic
 - C) technological
 - D) natural
 - E) cultural
- 87) Al-Jazirah evaporative coolers are number one in the world. These evaporative coolers save energy and purify the air from dust and other particles. Which of the following trends in the KSA market will BEST match the attributes of Al-Jazirah coolers? 87) _____
- A) Consumers are eager to acquire new technologies
 - B) Consumers have a large purchasing power and tend to buy expensive things
 - C) Consumers are being made aware of the impact of high energy consumption on the environment.
 - D) Consumers tend to use energy at high levels
 - E) All of the above
- 88) Norma Hilmi is a marketer at a pharmaceutical company that has just developed a new medication to treat asthma. Which of the following components of the political environment should Norma be MOST concerned with as her company begins to develop a marketing plan for the new product? 88) _____
- A) Laws regulating advertising of pharmaceuticals.
 - B) UAE residents becoming more health conscious.
 - C) Increased government intervention in natural resources.
 - D) Concentrators that produce drinkable water from the air.
 - E) People's distrust in big pharmaceutical companies.

- 89) A supermarket chain runs print, radio, and television advertisements announcing that 1% of each of its sales is donated to a center that cares for children with cancer. This is an example of _____ marketing. 89) _____
- A) sustainable
 - B) generational
 - C) cultural
 - D) cause-related
 - E) tiered
- 90) Which of the following is an example of a core belief? 90) _____
- A) Extended warranties are never worth the money consumers pay for them.
 - B) Marriage is important.
 - C) The comforts of home are more important than entertainment outside of the home.
 - D) Professionals should wear business clothes to work.
 - E) Arabs should display their patriotism.
- 91) Consumers undertaking which of the following would be LEAST likely to be identified as "Adventurers" by the Yankelovich *Monitor*? 91) _____
- A) taking a cruise
 - B) having an LCD TV installed
 - C) traveling to the Far East
 - D) going on a safari trip
 - E) taking up a new sport
- 92) Which of the following is NOT true about "cocooning"? 92) _____
- A) People choose to stay home and entertain more often.
 - B) People are going out less with others.
 - C) People like to listen quietly to their iPods.
 - D) There is less demand for outdoor living spaces.
 - E) Greater demand for home entertainment products.
- 93) Assume that you are a manager at a firm that has taken action and has hired lobbyists to influence legislation affecting your firm's industry to its advantage. Your firm takes a(n) _____ approach to the marketing environment. 93) _____
- A) reactive
 - B) passive
 - C) team work
 - D) proactive
 - E) adversarial
- 94) Which of the following forces would marketers be MOST likely be able to influence? 94) _____
- A) geographic population shifts
 - B) core cultural values
 - C) income distribution
 - D) media publics
 - E) increasing ethnic diversity

Refer to the scenario below to answer the following questions.

Up in the Northern mountains of Lebanon, Saba Antoun opened The Green Cedars store in Bsharreh in 1962. With a sandwich counter on one side and a hunting equipment shop and grocery on the other, The Green Cedars was an immediate hit with weekend mountain visitors and local residents alike. In the summer, hunters bought all their hunting needs — special recorders and tapes, caps, ammunition, snacks, soft drinks — at The Green Cedars. During the winter months, snowmobilers and skiers were attracted to The Green Cedars for a snack and hot coffee or hot chocolate.

As time passed, the business changed and grew tremendously. What was formerly a weekend tourist area gradually became a year-round residential area. Many of the houses, which were built as cottages in the 1950s and 1960s, were being remodelled into year-round homes. By the end of the 1970s, hunters were coming from all the Levant countries to enjoy the fresh air of the Lebanese mountains; skiing was no longer a “luxury” sport and became very popular. And The Green Cedars continued to attract thousands of patrons.

In the 1980s, however, Saba started to realize that the grocery area in The Green Cedars could not compete with larger local retailers. He eventually enlarged the sandwich counter, transforming the hunting shop and grocery into a restaurant with a full menu typical of any diner.

"Getting rid of the hunting shop was hard to do," Saba admitted. "I still had a summer crowd that relied on us for their hunting needs, but we couldn't survive a whole year on four months of profit."

As the 1990s approached, the atmosphere of Bsharreh and the neighboring mountains became upscale. "I could see that people were spending more on their hunting jeeps than what they had originally paid for their cottages!" Saba exclaimed. Many of the cottages were being inherited by children and grandchildren of the original owners. Once again, the scene started to change as many of the mountain houses were used only as weekend mountain homes. Unlike the previous generation, a vast number of the current owners could afford to live closer to their jobs in Beirut and Tripoli while maintaining mountain homes. "At this point, business wasn't growing," Saba said.

As local competition continued to increase, Saba converted the diner atmosphere of The Green Cedars into a modern internet-café. "The change might have been too drastic," Saba said, "but it was the only way we could maintain a strong, year-round business in spite of the population shifts and competitive forces."

- 95) Which microenvironment actors have affected The Green Cedars the most? 95) _____
- A) intermediaries
 - B) economic environment
 - C) suppliers
 - D) competitors
 - E) natural environment
- 96) Which of the following macroenvironmental forces has had the greatest effect on The Green Cedars? 96) _____
- A) the technological environment
 - B) the political environment
 - C) the social responsibility environment
 - D) the sustainable environment
 - E) the demographic environment

97) Which macroenvironmental force is most responsible for the survival of The Green Cedars over the years? 97) _____
A) the demographic environment
B) the natural environment
C) the legal environment
D) the economic environment
E) the political environment

98) Which of the following demographic forces has most likely influenced the recent upscale atmosphere of the area surrounding Bsharreh? 98) _____
A) baby boomers reaching their peak earning and spending years
B) Millennials beginning to assert their buying power
C) the changing structure of the Arab family
D) Gen Xers displacing the lifestyles of baby boomers
E) the growing ethnic diversity of the country

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

99) Today's marketers must successfully build relationships to connect effectively with customers, others in the company, and external partners. 99) _____

100) When the marketing manager Sami Kiwan discusses factors and forces outside marketing, such as political forces that affect marketing management's ability to build and maintain successful relationships with target customers, he is talking about the external marketing concept. 100) _____

101) The microenvironment consists of larger societal forces that affect a company, such as demographic, economic, political, and cultural forces. 101) _____

102) The macroenvironment consists of the factors close to the company that affect its ability to serve its customers, such as suppliers, customer markets, competitors, and publics. 102) _____

103) Tamima Kamel works for a distribution channel firm that helps several electronics companies find customers or make sales to them. Tamima works for a reseller. 103) _____

104) Marketing research firms, advertising agencies, media firms, and marketing consulting firms are all referred to as marketing services agencies. 104) _____

105) Today's successful marketers recognize the importance of working with their intermediaries as channels through which they sell their products rather than as full-fledged partners. 105) _____

106) Consumer organizations such as environmental and minority groups that may question a company's marketing decisions are referred to as local publics. 106) _____

107) A company markets wild and crazy games for teens to play at parties. This company's customer market is a business market. 107) _____

108) The demographic environment is of major interest to marketers because it involves people, and people make up markets. 108) _____

109) Companies in the Arab world are targeting ethnic groups with specific promotions. 109) _____

- 110) A significant demographic trend in the Arab world that marketers should understand is the changing family structure. 110) _____
- 111) From a marketer's perspective, the Arab region is a strong potential market for baby, child, and teen products and brands. 111) _____
- 112) As baby boomers reach their peak earning and spending years, they become lucrative markets for financial services, travel, and entertainment. 112) _____
- 113) Plain marketing attempts tend to be very effective in attracting Gen Xers. 113) _____
- 114) Millennials comprise the most commercially influential group today. 114) _____
- 115) Marketers are exploiting the opportunities offered by Facebook, Twitter, and mobile phone marketing to reach the Millennials. 115) _____
- 116) Gen Xers are more computer literate than Millennials. 116) _____
- 117) In the Arab world, daughters are taught to assist their fathers with responsibilities both at home and outside the household. 117) _____
- 118) For the Chairman of the Young Arab Leaders UAE Chapter, it is positive news that 61% of the young Emiratis would prefer jobs in the government sector. 118) _____
- 119) Government reassessment of education policies and training schemes in some Arab countries was prompted by the significant increase in unemployment rates. 119) _____
- 120) According to Engel's laws, consumers tend to save a larger percentage of income as income rises. 120) _____
- 121) Significant trends in the natural environment include shortages of raw materials, increased pollution, and decreased government intervention. 121) _____
- 122) More government legislation and the green movement are the likeliest causes of a general decline in environmental concerns in the past decade. 122) _____
- 123) The introduction of new technologies is beneficial to all industries, as new markets and opportunities are created. 123) _____
- 124) Cause-related marketing is a slowing trend as companies have abused the practice, using it more to increase sales than to support worthwhile causes. 124) _____
- 125) In the cultural environment, core values and beliefs and secondary values and beliefs differ in that the former are more open to change. 125) _____
- 126) When a company analyzes the geographic population shifts of the GCC countries and adapts to it, it is taking a proactive approach to the marketing environment. 126) _____

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

127) If there is one overall lesson to be learned from the opening Emaar scenario, what would it be? 127) _____

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

128) How have large retailers such as Carrefour changed the dynamics behind partnering with resellers?

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

129) What are two potential drawbacks of creating separate products and marketing programs for each generation? 129) _____

130) How do baby boomers today (a generation that accounts for about 30% of the Arab world) differ from previous generations as they neared and reached their sixties? 130) _____

131) Why might marketers want to target segments of the population based on lifestyles rather than age groups? 131) _____

132) How might geographic shifts in population impact marketers? 132) _____

133) Briefly explain why Arab consumers from mostly oil and gas producing countries amassed record amounts of debt in the recent years and why the free-spending trend has ended. 133) _____

134) Why might it be beneficial for marketers to help develop solutions to problems facing the natural environment, such as increased pollution and shortages of raw material? 134) _____

135) One purpose of government regulation is to protect consumers from unfair business practices. List two areas in which this may occur. 135) _____

136) How might a marketer act in a socially responsible way toward the general public? 136) _____

137) Explain the controversy surrounding cause-related marketing. 137) _____

138) What is the difference between a core belief and a secondary belief? Give an example of each. 138) _____

139) Why is it important for marketers to understand people's views of themselves? 139) _____

140) What steps might a marketer take to shift from a reactive stance to the marketing environment to a more proactive stance? 140) _____

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

141) Who are the major players in a company's microenvironment? Explain the role each major actor plays.

142) Describe the differences between the basic marketing intermediaries.

- 143) In marketing, what is a public? Briefly describe the seven main types of public faced by marketers and explain how marketing might communicate with these publics.
- 144) How can marketers use information about the demographic environment?
- 145) Explain the impact of the baby boomers, Generation Xers, and Millennials on today's marketing strategies.
- 146) What are the major trends in today's natural environment? How do these trends affect companies?
- 147) Why is the technological environment such a dramatic force in today's market?
- 148) Describe the three main reasons that business legislation is enacted.
- 149) What is cause-related marketing? Give two examples of the practice and explain why companies participate in cause-related marketing.
- 150) What is the cultural trend in how people view nature? How does this affect marketers?

Answer Key

Testname: UNTITLED3

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

Answer Key

Testname: UNTITLED3

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

Answer Key

Testname: UNTITLED3

- 101) FALSE
- 102) FALSE
- 103) TRUE
- 104) TRUE
- 105) FALSE
- 106) FALSE
- 107) FALSE
- 108) TRUE
- 109) TRUE
- 110) FALSE
- 111) TRUE
- 112) TRUE
- 113) FALSE
- 114) FALSE
- 115) TRUE
- 116) FALSE
- 117) FALSE
- 118) FALSE
- 119) TRUE
- 120) TRUE
- 121) FALSE
- 122) FALSE
- 123) FALSE
- 124) FALSE
- 125) FALSE
- 126) FALSE
- 127) As the marketing environment and consumers' needs change, marketers must change with them. Having an awareness of the marketing environment can help a company navigate both the good times and the hard times.
- 128) More and more large retailers have tremendous bargaining power with suppliers; the "giants" often set their own terms and can shut the manufacturer out of large markets.
- 129) A brand's image could be damaged if members of one generation respond negatively to a marketing campaign designed to appeal to members of another generation. Each generation spans decades of time, so members of one generation are actually at diverse life stages.
- 130) Baby boomers are more likely to retire later and to work more after retiring; instead of seeing themselves as getting older, the baby boomers see this as another new phase of life with opportunities for reinvention.
- 131) Too much might be assumed about people in the same age group, and grouping people by lifestyle may eliminate some of the inaccurate assumptions made regarding age.
- 132) People in different regions buy differently. If tastes and preferences are taken with consumers as they disperse geographically at increasing rates, predicting specific consumption patterns in certain geographic areas may become difficult over time.
- 133) Arab consumers from mostly oil and gas producing countries purchased beyond their means because of high expectations for future economic growth based on a boom in the stock market and rapid increases in home values; those expectations were dashed by the recent economic downturn.
- 134) Marketers who help to develop solutions to these problems can gain the advantage of becoming market leaders, as increasingly strict environmental regulations can be expected in the Arab world and elsewhere. Environmentally responsible actions will help a company's public image; they will also help to create a more sustainable market.
- 135) Some firms, if left to their own devices, may produce shoddy (low quality) products, mislead consumers in their advertising, or deceive consumers through packaging and pricing in order to increase profits.

Answer Key

Testname: UNTITLED3

- 136) Marketers may work to protect the long-run interests of their consumers and the environment by making products safer, interacting responsibly with the natural environment, and supporting social organizations through cause-related marketing.
- 137) Companies using cause-related marketing may be perceived as trying to merely increase sales or improve their images if their connection to the cause is not accurately explained or understood or if they appear to be exploiting a cause in order to increase sales.
- 138) A core belief is stronger, with a high degree of persistence of overall belief; an example might be a strong work ethic. A secondary belief is more open to change; an example might be one's idea that a strong work ethic can be maintained even while working only part-time.
- 139) People select and use products and services as a means of self-expression; knowledge of these self-views will help marketers position their products to be most attractive to target markets.
- 140) To take a proactive stance, marketers need to take action to affect the different actors and forces in their marketing environment. For example, whereas some companies view the seemingly ceaseless online rumor mill as something over which they have no control, others work proactively to prevent or counter negative word of mouth. *(Other steps might include running advertorials or other campaigns to influence public opinion and hiring lobbyists to influence legislation, but these topics may need to be discussed in class first.)*
- 141) Within the company, marketing management takes other groups into account, such as top management, finance, research and development, purchasing, operations, and accounting. Decisions made and implemented by any of these groups have the power to affect marketing. Suppliers form an important link in the company's overall customer value-delivery system. Problems with supply, such as labor or material shortages, will negatively affect the company. Marketing intermediaries help the firm to promote, sell, and distribute its goods to final buyers. They include resellers, physical distribution firms, marketing services agencies, and financial intermediaries. Competitors are also part of the microenvironment, as they can affect the company's ability to serve its customers. The company's microenvironment is also made of various publics, including financial, media, government, citizen-action, and local groups. One or several of the five types of markets – consumer, business, reseller, government, and international – may be part of the company's microenvironment, depending on the company's products.
- 142) These groups help the company to promote, sell, and distribute its goods and services to final buyers. Resellers are distribution channel firms that help the company find customers or make sales to them. Physical distribution firms help the company to stock and move goods from their points of origin to their destinations. Marketing service agencies are the marketing research firms, advertising agencies, media firms, and marketing consulting firms that help the company target and promote its products to the right markets. Financial intermediaries include banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods.
- 143) A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives. We can identify seven types of public. Financial publics influence the company's ability to obtain funds. Media publics carry news, features, and editorial opinions. Government publics develop public policy to guide commerce with sets of laws and regulations. Citizen-action publics include consumer, minority, and environmental groups. Local publics include neighborhood residents and community organizations. The general public has concerns about the company's products and actions. Internal publics include workers, managers, volunteers, and the board of directors. Marketing can treat these influential publics like consumer markets, creating marketing plans to build relationships and elicit a desired response.
- 144) Marketers can learn much about human populations in terms of changing age and family structures, geographic population shifts, educational characteristics, population diversity, and other statistics. The baby boomer market is one of the most powerful forces shaping the marketing environment. Generation Xers and Millennials have different needs and wants and have money to satisfy those wants. Marketers can learn the differences in the generations and in the changing Arab family. The mobility and geographic shifts open new marketing opportunities for many companies. An increase in the unemployment rate in the Arab world means a shift in emphasis on many goods and services. As diversity increases, marketers can learn about the characteristics of different segments of the population and design products and marketing programs designed for each segment.

Answer Key

Testname: UNTITLED3

- 145) The baby boomers form 30% of the Arab World population. As they reach their peak earning and spending years they become a profitable market for financial services, new housing and home remodeling, travel and entertainment, and health and fitness products. Generation Xers carry a more cautious outlook; they are less materialistic than baby boomers, so marketers must use a different approach to appeal to them. Millennials are children of the baby boomers. The group includes three age cohorts: tweens, teens, and young adults. Millennials are highly computer literate. The demands of these population groups set marketing trends.
- 146) The natural environment shows three major trends: shortages of certain raw materials, higher pollution levels, and more government intervention in natural resource management. Environmental concerns create marketing opportunities for alert companies. As concern about global warming and other environmental issues continues to grow, more and more consumers are demanding environmentally responsible products. Companies who heed these demands will benefit, as environmentally responsible actions are today linked with good business.
- 147) The technological environment changes rapidly, as evidenced by all of the technologies that are widespread today – such as cell phones, laptops, digital cameras – that did not exist thirty years ago. Each new technology creates a new market, and at the same time replaces an older technology. Because of this, marketers must keep a careful watch on the technological environment so that they can adjust to new technologies and take advantage of new opportunities.
- 148) Business legislation is enacted to protect companies from each other, to protect consumers from unfair business practices, and to protect the interests of society against unrestrained business behavior. Several laws are designed to prevent unfair competitive practices between businesses. Laws to protect consumers are designed to prevent deceptive advertising, packaging, and pricing, among other harmful practices. Finally, regulations to protect the interests of society require companies to take responsibility for the social costs of their products and/or production practices.
- 149) Companies link themselves to a worthwhile cause by connecting a purchase of the company's product or service with fund-raising for a cause or charitable organization. This has become a primary form of corporate donations, as the company can gain a more positive public image while exercising its social responsibility. Cause-related marketing benefits the chosen charitable organization or cause and may increase sales for the company, a win-win situation. Examples of cause-related marketing include IKEA UAE donating one euro (approximately AED 5) for every soft toy sold between November 1 and December 31, 2010 in support of UNICEF's education program, an initiative which is one of the world's largest cause-related marketing campaigns. The Dubai Chamber of Commerce and Industry collaborates with Vital Voices Global Partnership and the US Middle East Partnership for Breast Cancer Awareness and Research as part of the DCCI social awareness initiative "Making it Our Business".
- 150) Recently people have moved away from the view of mastering nature through technology and begun to think of nature as finite and susceptible to destruction by human activities. UAE residents are generally becoming more health conscious and opting for a less-processed, more natural diet, which is affecting marketers of organic baby food, fruit, vegetables and breakfast cereal.