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Marketing Management chapter 1 practice test

1. Which of the following statements about marketing is true?
 - A) It is of little importance when products are standardized.
 - B) It can help create jobs in the economy by increasing demand for goods and services.
 - C) It helps to build a loyal customer base but has no impact on a firm's intangible assets.
 - D) It is more important for bigger organizations than smaller ones.
 - E) It is seldom used by nonprofit organizations.

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B

2. _____ is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.
 - A) Marketing management
 - B) Knowledge management
 - C) Operations management
 - D) Strategic management
 - E) Distribution management

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A

3. Identify the correct statement about marketing management.
 - A) It is primarily concerned with the systematic gathering, recording, and analysis of data about issues related to marketing products and services.
 - B) It focuses mostly on monitoring the profitability of a company's products and services.
 - C) It focuses solely on attaining an organization's sales goals in an efficient manner.
 - D) It is defined as the field that deals with planning and managing a business at the highest level of corporate hierarchy.
 - E) It occurs when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties.

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E

4. A social definition of marketing says _____.
 - A) effective marketing requires companies to remove intermediaries to achieve a closer connection with direct consumers
 - B) a company should focus exclusively on achieving high production efficiency, low costs, and mass distribution to facilitate the broadest possible access to the company's products
 - C) marketing is the process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others
 - D) marketing is the process of extracting the maximum value from consumers to facilitate corporate growth
 - E) marketing is the process of aggressive selling and promotion to encourage the purchase of products that might otherwise be unsought by the consumer

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C

5. _____ goods constitute the bulk of most countries' production and marketing efforts.
 - A) Durable
 - B) Impulse

- C) Physical
- D) Luxury
- E) Intangible

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C

6. As economies advance, a growing proportion of their activities focuses on the production of _____.
- A) products
 - B) events
 - C) experiences
 - D) luxury goods
 - E) services

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E

7. Car rental firms, hair dressers, and management consultants provide _____.
- A) goods
 - B) experiences
 - C) events
 - D) services
 - E) information

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D

8. The Soccer World Cup is promoted aggressively to both companies and fans. This is an example of marketing a(n) _____.
- A) idea
 - B) place
 - C) luxury item
 - D) event
 - E) service

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D

9. The "Malaysia, Truly Asia" ad campaign that showcased Malaysia's beautiful landscape and its multicultural society in order to attract tourists is an example of _____ marketing.
- A) event
 - B) property
 - C) service
 - D) place
 - E) idea

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D

10. In Walt Disney's Magic Kingdom, customers can visit a fairy kingdom, a pirate ship, or even a haunted house. Disney is marketing a(n) _____.
- A) experience
 - B) service

- C) event
- D) organization
- E) good

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A

11. Janet is very upset that she can't get tickets to the Rolling Stones concert because they are sold out. Which of the following demand states applies to Janet's situation?
- A) nonexistent demand
 - B) latent demand
 - C) full demand
 - D) unwholesome demand
 - E) overfull demand

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E

12. Sales of woollen clothing usually increase during the winter season and decline thereafter. This is an example of _____ demand.
- A) irregular
 - B) declining
 - C) impulse
 - D) latent
 - E) negative

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A

13. Julia is worried about the rising pollution levels in her city. She doesn't mind paying extra for goods and services that use sustainable processes to help control pollution. This is an example of _____ for pollution.
- A) declining demand
 - B) nonexistent demand
 - C) latent demand
 - D) negative demand
 - E) unwholesome demand

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D

14. People in emerging countries today are becoming increasingly health conscious and are seeking healthy food choices. As a result, demand for health foods is rising steadily, creating an opportunity for marketers to exploit this _____ market.
- A) demographic
 - B) business
 - C) need
 - D) geographic
 - E) service

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C

15. When consumers share a strong need that cannot be satisfied by an existing product, it is called _____.
- A) negative demand
 - B) latent demand
 - C) declining demand
 - D) irregular demand
 - E) nonexistent demand

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B

16. When demand is _____, it implies that more customers would like to buy the product than can be satisfied.
- A) latent
 - B) irregular
 - C) overfull
 - D) full
 - E) negative

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C

17. In the case of _____, consumers dislike the product and may even pay a price to avoid it.
- A) nonexistent demand
 - B) overfull demand
 - C) irregular demand
 - D) negative demand
 - E) declining demand

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D

18. Organizations catering to the _____ need to price their offerings carefully because these markets usually have limited purchasing power.
- A) business market
 - B) global market
 - C) nonprofit market
 - D) consumer market
 - E) exclusive market

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C

19. Which of the following is true of business markets?
- A) Buyers are usually not skilled at comparing competitive product offerings.
 - B) Buyers have limited purchasing power.
 - C) Property rights, language, culture, and local laws are the most important concerns.
 - D) Products sold in such markets are usually highly standardized.
 - E) Business buyers buy goods to make or resell a product to others at a profit.

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E

20. A _____ is a cluster of complementary products and services that are closely related in the minds of consumers but are spread across a diverse set of industries.
- A) metamarket
 - B) vertically integrated market
 - C) horizontally integrated market
 - D) marketpace
 - E) synchronized market

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A

21. Consider the real estate industry. The _____ for this industry includes construction companies, financing institutions, paint manufacturers, interior decorators, furniture manufacturers, and plumbing industries.
- A) marketpace
 - B) latent market
 - C) need market
 - D) metamarket
 - E) geographic market

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D

22. Automobile manufacturers, new car and used car dealers, financing companies, and insurance companies are all part of the automobile _____.
- A) marketplace
 - B) marketpace
 - C) metamediary
 - D) marketportal
 - E) metamarket

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E

23. _____ are basic human requirements, while _____ are the ways in which those requirements are satisfied.
- A) Wants; needs
 - B) Demands; wants
 - C) Needs; wants
 - D) Needs; demands
 - E) Demands; needs

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C

24. When Frank buys his own house, he would like to have a home theater system and a jacuzzi. He plans to save enough money in the next three years so that he can fulfill his wish. Frank's desire for the home theater and the jacuzzi is an example of a(n) _____.
- A) need
 - B) want
 - C) demand
 - D) unstated need
 - E) latent demand

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B

25. When companies measure the number of people who are willing and able to buy their products, they are measuring _____.
- A) demand
 - B) price elasticity
 - C) real needs
 - D) standard of living
 - E) disposable income

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A

26. A(n) _____ need is one that the consumer is reluctant or unwilling to explicitly verbalize.
- A) secondary
 - B) unstated
 - C) delight
 - D) secret
 - E) stated

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D

27. A(n) _____ need is a need that the consumer explicitly verbalizes.
- A) stated
 - B) affirmative
 - C) unsought
 - D) delight
 - E) secret

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A

28. The identification and profiling of distinct groups of buyers who might prefer or require varying product and service mixes is known as _____.
- A) segmentation
 - B) integration
 - C) disintermediation
 - D) cross-selling
 - E) customization

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A

29. Companies address needs by putting forth a _____, a set of benefits that they offer to customers to satisfy their needs.
- A) brand
 - B) value proposition
 - C) deal
 - D) marketing plan
 - E) demand

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B

30. During market segmentation analysis, the marketer identifies which segments present the greatest opportunity. These segments are called _____.
- A) target markets
 - B) capital markets
 - C) tertiary markets
 - D) demographic markets
 - E) developing markets

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A

31. _____ reflects a customer's judgment of a product's performance in relation to his or her expectations.
- A) Brand equity
 - B) Satisfaction
 - C) Value
 - D) Perception
 - E) Brand image

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B

32. The value of an offering is described as _____.
- A) the price consumers are charged for a product
 - B) the cost of manufacturing a product
 - C) the degree to which consumer demand for a product is positive
 - D) the sum of the tangible and intangible benefits and costs to customers
 - E) the intangible benefits gained from a product

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D

33. When Volvo runs ads suggesting that its cars are the safest that money can buy, it is trying to _____.
- A) segment the market
 - B) provide a service
 - C) enter new a new market
 - D) develop brand loyalty
 - E) position its product

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E

34. If a marketer uses warehouses, transportation companies, banks, and insurance companies to facilitate transactions with potential buyers, the marketer is using a _____.
- A) service channel
 - B) distribution channel
 - C) communication channel
 - D) relationship channel
 - E) standardized channel

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A

35. The _____ is the channel stretching from raw materials to components to final products that are carried to final buyers.
- A) communication channel
 - B) distribution channel
 - C) supply chain
 - D) service chain
 - E) marketing chain

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C

36. The actual and potential rival offerings and substitutes that a buyer might consider are referred to as the _____.
- A) supply chain
 - B) global market
 - C) value proposition
 - D) competition
 - E) marketing environment

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D

37. The _____ includes the actors involved in producing, distributing, and promoting an offering. The main actors are the company, suppliers, distributors, dealers, and the target customers.
- A) economic environment
 - B) management environment
 - C) strategic environment
 - D) task environment
 - E) tactical environment

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D

38. In an attempt to create greater competition and growth opportunities, countries often _____.
- A) increase trade barriers
 - B) protect industries
 - C) deregulate industries
 - D) encourage intermediation
 - E) reduce privatization

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C

39. Rising promotion costs and shrinking profit margins are the result of _____.
- A) new and improved technology
 - B) disintermediation
 - C) industry convergence
 - D) privatization
 - E) heightened competition

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E

40. Industry boundaries are blurring rapidly as companies identify new opportunities at the intersection of two or more industries. This is called _____.
- A) globalization
 - B) customization
 - C) industry convergence
 - D) disintermediation
 - E) privatization

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C

41. The success of online purchasing resulted in _____ in the delivery of products and services by intervening in the traditional flow of goods through distribution channels.
- A) disintermediation
 - B) diversification
 - C) reduced competition
 - D) deregulation
 - E) privatization

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A

42. In response to threats from such companies as AOL, Amazon.com, Yahoo!, eBay, E*TRADE, and dozens of others, established manufacturers and retailers became "brick-and-click" oriented by adding online services to their existing offerings. This process is known as _____.
- A) reintermediation
 - B) disintermediation
 - C) retail transformation
 - D) e-collaboration
 - E) new-market synchronization

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A

43. When eBay and Amazon.com cut out the majority of middlemen that normally would participate in the exchange process, it is an example of _____.
- A) deregulation
 - B) reverse auctioning
 - C) reintermediation
 - D) disintermediation
 - E) diversification

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D

44. Disintermediation via the Internet has resulted in _____.
- A) higher prices
 - B) stronger brand loyalty
 - C) greater emphasis on personal selling
 - D) well-established brand names

E) greater consumer buying power

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E

45. Each of the following is true about the Internet's impact on the way business is conducted today, EXCEPT one. Identify the exception.
- A) It has facilitated high-speed communication among employees.
 - B) It has empowered consumers with easy access to information.
 - C) It can be used as a powerful sales channel.
 - D) It has facilitated mass marketing but not the sale of customized products.
 - E) It enables marketers to use social media to advertise their products.

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D

46. The _____ process consists of analyzing marketing opportunities, selecting target markets, designing marketing strategies, developing marketing programs, and managing the marketing effort.
- A) marketing planning
 - B) strategic planning
 - C) market research
 - D) opportunity analysis
 - E) operational management

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A

47. Kotler and Casoline suggested eight factors that marketers must keep in mind in order to deal with risk and uncertainty. Which of the following statements are they most likely to agree with when the environment is uncertain?
- A) Companies should be prepared to implement ad hoc strategies whenever required.
 - B) Companies should push aggressively for the market share of their competitors.
 - C) Companies should focus less on their core segments, and more on new target markets.
 - D) Companies should not increase marketing budgets in times of uncertainty.
 - E) Companies should focus and improve their marginal brands.

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B

48. What are customer touch points?
- A) all aspects of the offering that directly affect consumer preferences
 - B) all needs and wants of customers
 - C) all direct or indirect interactions between the customer and the company
 - D) all interactions between customers and competitors
 - E) all factors that affect buying behavior

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C

49. Which of the following holds that consumers prefer products that are widely available and inexpensive?
- A) the product concept
 - B) the production concept