

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

1. Marketing activities and jobs have not changed much over the past 100 years.
 - a. True
 - b. False

ANSWER: False

2. When you buy an ice cream cone or a digital camera, you are involved in marketing.
 - a. True
 - b. False

ANSWER: True

3. Each of the nine marketing functions occurs every time a product or service is developed and sold.
 - a. True
 - b. False

ANSWER: True

4. Marketing jobs are found at the lowest and highest levels of a company and are available for people with varied amounts of education and experience.
 - a. True
 - b. False

ANSWER: True

5. The approach to managing marketing activities changes as organizations understand what makes marketing effective.
 - a. True
 - b. False

ANSWER: True

6. Specialization of labor resulted in less of a given product being produced to exchange with other people.
 - a. True
 - b. False

ANSWER: False

7. The primary reason for a business to exist is to provide employment for people.
 - a. True
 - b. False

ANSWER: False

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

8. Merchandising businesses take raw materials and change their form so that they can be used in the production of other products or in the operation of businesses or equipment.
- a. True
 - b. False

ANSWER: False

9. In the early 1900s, businesses were mostly concerned about producing products that the business believed customers could afford and would purchase.
- a. True
 - b. False

ANSWER: True

10. Businesses that do not use the marketing concept are more concerned about producing products than understanding customer needs.
- a. True
 - b. False

ANSWER: True

11. The “4 Ps of Marketing” are product, price, promotion, and planning.
- a. True
 - b. False

ANSWER: False

12. In the past, businesses expected customers to take most of the responsibility for completing marketing activities.
- a. True
 - b. False

ANSWER: True

13. One of the first efforts of the new marketing departments of the 1950s and 1960s was to reduce the use of advertising.
- a. True
 - b. False

ANSWER: False

14. When the marketing concept was adopted, marketing became the work of one department—the marketing department.
- a. True
 - b. False

ANSWER: False

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

15. A company that relies on promotion with brochures, advertisements, and public service announcements probably has *not* adopted the marketing concept.
- a. True
 - b. False

ANSWER: True

16. How many companies in the United States use marketing as their primary business activity?
- a. more than 10 million
 - b. more than 4 million
 - c. about 1 million
 - d. less than 500,000

ANSWER: b

17. Which of the following businesses has marketing as its primary activity?
- a. a freight company
 - b. a law office
 - c. a bank
 - d. All of the above businesses are directly involved in marketing.

ANSWER: a

18. This marketing function provides security for products, personnel, and customers.
- a. selling
 - b. pricing
 - c. risk management
 - d. promotion

ANSWER: c

19. Exchanging products or services with others by agreeing on their values is known as
- a. marketing.
 - b. selling.
 - c. promoting.
 - d. bartering.

ANSWER: d

20. A location where people bring products to be conveniently exchanged is a
- a. central market.
 - b. crossroads.
 - c. stock exchange.
 - d. money system.

ANSWER: a

21. Which business function involves developing, implementing, and evaluating the plans and activities of a business?
- a. production
 - b. management
 - c. operations
 - d. merchandising

ANSWER: b

Name: _____ Class: _____ Date: _____

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

22. The first step of the marketing concept is to
- a. hire a team of talented marketing professionals.
 - b. develop top-quality products or services.
 - c. operate at a profit.
 - d. identify customers' needs.

ANSWER: d

23. When a company decides which delivery service to use to get its products to customers, which component of the marketing mix is being considered?
- a. profit
 - b. product
 - c. distribution
 - d. promotion

ANSWER: c

24. An emphasis on producing and distributing new products was characteristic of the
- a. Sales Era.
 - b. Production Era.
 - c. Marketing Concept Era.
 - d. Marketing Department Era.

ANSWER: b

25. An approach to customer service that gives employees the authority to solve many customer problems is called
- a. relationship marketing.
 - b. social responsibility.
 - c. hard selling.
 - d. employee empowerment.

ANSWER: d

26. Frosty Whip Inc. budgets 65 percent of its total expenses for marketing. Total expenses for the company this year are \$500,000. What is the dollar amount Frosty Whip has budgeted for marketing?

ANSWER: \$325,000

27. Last year, Barton Manufacturing Company introduced 150 new products onto the market. Only 6 percent were successful. What was the number of failed products introduced by Barton last year?

ANSWER: 141

28. In Erewhon's money system, 12 mites equals 1 bit, and 20 bits equals 1 samolian. Johann has 3 samolians and 5 bits. How many mites is that?

ANSWER: 780

29. Thanks to specialization of labor, Mathilda can weave 150 percent more sweaters annually than her mother did. Mathilda's mother could weave 20 sweaters per year. How many does Mathilda weave per year?

ANSWER: 50

30. A company is considering a marketing mix. It projects it can sell 5,000 units at a price of \$25.00 per unit with total costs of \$98,000. What is the projected profit?

ANSWER: \$27,000

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

31. The _____ function determines the best way to help customers locate, obtain, and use an organization's products and services.

ANSWER: distribution

32. The _____ function establishes and communicates the value of products and services to prospective customers.

ANSWER: pricing

33. _____ is the creation and maintenance of satisfying exchange relationships.

ANSWER: Marketing

34. Being self-_____ means you do not rely on others for the things you need to survive.

ANSWER: sufficient

35. A(n) _____ system established the use of currency as a recognized medium of exchange.

ANSWER: money

36. Offering products produced or manufactured by others for sale to customers is known as _____.

ANSWER: merchandising

37. _____ is anything offered to a market by the business to satisfy needs, including physical products, services, and ideas.

ANSWER: Product

38. A(n) _____ is a description of a unique group of prospective customers a business wants to serve and their location.

ANSWER: market

39. In the Production Era, business's only marketing effort was devoted to _____.

ANSWER: distribution

40. _____ marketing focuses on developing loyal customers who continue to purchase from the business for a long period of time.

ANSWER: Relationship

41. What are the nine major marketing functions?

ANSWER: The nine major marketing functions are market planning, product and service management, distribution, pricing, promotion, selling, marketing-information management, financing, and risk management.

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

42. What is an exchange relationship?

ANSWER: An exchange relationship occurs in any exchange that involves people giving and receiving something of value.

43. What is specialization of labor?

ANSWER: Concentrating on one thing or a few related activities so that they can be done well is known as specialization of labor.

44. What is meant by the term *marketing concept*?

ANSWER: The marketing concept is using the needs of customers as the primary focus during the planning, production, pricing, distribution, and promotion of a product or service.

45. Which element of the marketing mix would advertising on social media represent?

ANSWER: An advertisement would be part of the promotion element of the marketing mix.

46. During which years did businesses emphasize the marketing department? What was one of the first efforts of the marketing department during this era?

ANSWER: Businesses emphasized the marketing Department in the 1950s and 1960s. One of the first efforts of the new marketing department was to expand the use of advertising.

47. Explain what is involved with market planning. What kinds of concepts and strategies must marketers understand to successfully engage in market planning?

ANSWER: Market planning involves identifying and understanding the markets a company wants to serve and developing marketing strategies that will be effective in each market. To engage in market planning successfully, marketers must understand the concepts and strategies utilized to determine and target marketing strategies to a select audience.

48. Briefly describe how the definition of marketing has changed since 1960.

ANSWER: A simple definition was presented in 1960 by the American Marketing Association (AMA). Marketing was described as “the performance of business activities that direct the flow of goods and services from producer to consumer or user.” As marketing developed and was applied in a broad set of organizations, definitions became more complex. Marketing now includes customer research and product development activities. It applies to nonprofit businesses and to organizations not considered businesses. Not only is marketing used for products and services, it is also used for individuals and even to promote ideas (e.g., stop smoking, recycle, stay in school).

The most recent definition of marketing, accepted by the AMA in 2008, communicates how marketing has changed over the years. It defines marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

Chapter 01 - Marketing Today and Tomorrow
Marketing Today and Tomorrow

49. Can marketing be successful if the product is not what the customer wants or if the quality is low? Explain why or why not.

ANSWER: Marketing cannot be successful if a product is not what the customer wants or if the quality is low. While a customer may be encouraged to buy a product through advertising, selling, or low pricing, the product must be viewed as satisfying a need. If the customer decides to buy the product but it is defective or does not work the way the customer was led to believe, the customer will likely return it for a refund. Even if the product is not returned, it is unlikely the customer will buy the same product again, and he or she may have a negative attitude about the business where the purchase was made.

50. Identify and define each element of the marketing mix.

ANSWER: *Product* is anything offered to a market by the business to satisfy needs, including physical products, services, and ideas. *Distribution or place* includes the locations and methods used to make the product available to customers. *Price* is the amount that customers pay and the methods of increasing the value of the product to the customers. *Promotion* includes the methods used and information communicated to encourage customers to purchase and to increase their satisfaction.