**How can the process of repeatedly getting, serving, and keeping customers at a profit be best termed?**

**D.** Marketing

Question 2

**In marketing, which of the following involves collaboration with suppliers and customers in order to generate offerings of value to customers?**

**A.** Creating

EXPLANATION

In marketing, the term "creating" involves collaboration with suppliers and customers in order to generate offerings of value to customers.

Question 3

**Which is the true statement about promotion as a component of the marketing mix?**

**A.** It produces customer awareness and purchases.

Question 4

**What is an important feature of demographic segmentation?**

**D.** It divides a market into groups based on variables such as age, marital status, gender, ethnic background, income, occupation, and education.

Question 1

**What is the focus of most companies' mission statements?**

**A.** Customers

Question 2

**The board of directors of a company wants to create a mission statement for its organization. Which factor is most often considered while doing so?**

**B.** Potential markets

Question 3

**Select the statement that best describes the role of marketing in an organization.**

**C.** A marketing strategy is not created solely by a firm's marketing personnel.

Question 4

**Identify the correct statement about the role of marketing in a company.**

**C.** Like operations and accounting, marketing is a functional area in a company.

Question 1

**What do you call a company that sells products to government agencies and to be used within another company's operations?**

**C.** A business-to-business company

Question 2

**Which type of marketing is conducted by government agencies, nonprofit institutions, religious organizations, and others to achieve societal objectives?**

**C.** Social marketing

Question 3

**Which statement is correct about nonprofit organizations?**

**C.** Nonprofit organizations, like for-profit organizations, sell to other companies.

Question 4

**Identify the true statement about for-profit companies.**

**A.** For-profit companies can be defined by the nature of their customers.

Question 5

**Which marketing profession meets with customers, determines their needs, proposes offerings, and ensures that the customer is satisfied?**

**D.** Sales

Question 6

**Choose the marketing profession that typically has small budgets and try to change behaviors without having a product to sell.**

**D.** Nonprofit marketing

Question 7

**Pick the way in which marketing is beneficial to society.**

**B.** Marketing facilitates a higher quality of life.

Question 8

**How does digital media differ from direct marketing?**

1. It involves the contribution of statisticians and IT professionals.

Question 1

**What can be best described as the temporary conditions that affect purchasing decisions?**

**C.** Situational factors

Question 2

**What human characteristic is defined by how others view them, and has a strong influence on buying decisions?**

**D.** Perception

CORRECT ANSWER

**B.** Personality

EXPLANATION

Personality refers to an individual's disposition as others see it. The personality of customers affects their purchasing decisions.

Question 3

**Of the Big Five personality traits, what does agreeableness mean?**

**C.** How easy a person is to get along with

Question 4

**What is a defining characteristic of consumer purchasing behavior?**

**B.** Societal factors play a significant role in consumers' purchasing behaviors.

Question 5

**Sarah, an investment banker, was told that she has to attend a corporate meeting the next morning. Due to limited time availability, she bought a business suit in a shop nearby which was much more expensive than the ones sold online or in the shops in her neighborhood. What factor describes the purchasing decision made by Sarah?**

**C.** Situational factors

Question 1

**What best describes decisions made when purchasing expensive items that have some level of risk?**

**C.** High-involvement decisions

Question 2

**What kind of involvement is typically required for routine purchases of inexpensive products?**

**D.** Low involvement

Question 3

**Select the product that would most likely be purchased using low-involvement decision making.**

**C.** A soft drink

Question 4

**Which is the statement that best describes the level of involvement in consumer purchasing decisions?**

**B.** The comfort level of a buyer is not an important factor in determining the level of involvement.

CORRECT ANSWER

**A.** In most cases, the product does not dictate the involvement level.

EXPLANATION

In most cases, the product does not dictate the involvement level. Rather, the comfort level of the buyer makes this determination.

Question 5

**After several months of internet research and suggestions from friends, Mark decides to purchase a high-end smart phone. What kind of involvement decision does this scenario exemplify?**

**C.** High-involvement decision

Question 6

**Select the human characteristic that can be defined by how others view them, and has a strong influence on buying decisions.**

**C.** Personality

**What constitutes the last phase of the decision-making process?**

**B.** Disposal of the product

Question 2

**Which phase of the decision-making process constitutes the evaluation of a product?**

**D.** Fourth phase

CORRECT ANSWER

**C.** Third phase

EXPLANATION

The third phase of the decision-making process is product evaluation. Once consumers finish searching for information, they have many facts about product features and costs. Consumers, however, have to determine individually the weight they give to each of these items. These depend on the consumer's preferences. Factors like these play into how consumers evaluate products when making purchase decisions.

Question 3

**What consumer behavior occurs during the product evaluation phase of the decision-making process?**

**C.** Consumers become aware of the consequences of a product's use and disposal.

CORRECT ANSWER

**B.** Consumers determine the weight they give to each product.

EXPLANATION

The third phase of the decision-making process is product evaluation. Consumers have to determine individually the weight they give to each of the products.

Question 4

**Choose the type of products that typically go through a decision-making process before they are purchased.**

**D.** Products that cost more

Question 5

**Maria recently purchased a new diamond necklace. After wearing it for few days, she felt dissatisfied, having spent such a large amount of money. In this case, which of the following best describes Maria's situation?**

**D.** Maria is in the fifth phase of the decision-making process, experiencing dissonance.

Question 6

**Select the statement that best describes the level of involvement in consumer purchasing decisions.**

**C.** In most cases, the product does not dictate the involvement level.

Question 1

**Which phase of the decision-making process constitutes the actual product choice and purchase?**

**C.** Third phase

CORRECT ANSWER

**D.** Fourth phase

EXPLANATION

The fourth phase is the actual product choice and purchase. For low-involvement decisions, consumers generally go from the recognition of the need (the first phase) to this phase (purchasing the product). Making this jump usually pertains to less expensive and replacement items with few risks or where consumers have already made the decision, such as picking up a gallon of milk because they have run out. For higher-level involvement decisions pertaining to products of greater cost and greater risk, consumers will go through each of the previous phases and may take a considerable amount of time before making the actual purchase.

Question 2

**Consumers generally go from the recognition of a need to purchasing a product for which kind of involvement decisions?**

**A.** Low-involvement decisions

**Which phase of the decision-making process concerns how consumers evaluate their purchase after the fact?**

**B.** Fourth phase

CORRECT ANSWER

**C.** Fifth phase

EXPLANATION

The fifth phase of the decision-making process concerns how consumers evaluate their purchase after the fact. Is the product what they expected? Or does the consumer feel post-purchase dissonance (sometimes referred to as buyer's remorse)? Companies do many things to try to ensure customers are happy with their product purchase. Some offer warranties, money-back guarantees, or toll-free hotlines for service. Others may try to adjust customer expectations in a way that to the company knows it can meet or beat.

Question 1

**Which type of analysis compares a company's strengths and weaknesses with its competitors?**

**B.** Customer value analysis

Question 2

**Which term can be best defined as the dollar value of sales and profit that a consumer brings to a company over time?**

**A.** Customer value

Question 3

**What is the best term to describe the value a customer will receive for either products or services?**

**A.** A value proposition

Question 4

**Identify the last step in a customer value analysis.**

**B.** Noting how customers sense value over time

Question 5

**Choose the first step in a customer value analysis.**

**C.** Identify qualities and benefits that the customer looks for in a product.

Question 6

**Pick the reason why companies use value propositions.**

**D.** To explain why a customer should buy from a supplier

Question 7

**How can customer value analysis be best defined?**

**B.** It is the process and research technique that assesses how an organization is viewed relative to others in the marketplace.

Question 8

**How does the preparation of a productive customer value analysis help a company?**

**D.** It helps to create a clear value proposition.

Question 1

**Pick the way in which a value proposition can be used.**

**D.** It can be used for products and services, customer accounts, or even a company itself.

Question 2

**A consumer electronics company named Magneta Corp. has recently become involved in advertising its products on a large scale showcasing the advantages of its fixtures. The company has also entered into talks with its partners to build joint ventures and strategic alliances. What has Magneta Corp. used in this scenario?**

**D.** A value proposition

Question 1

**Pick the term that can be best described as the process of product creation from the raw materials to the finished good, and, finally, to the customer.**

**A.** A value delivery network

CORRECT ANSWER

**D.** A marketing channel

EXPLANATION

A marketing channel is the way in which a product moves from the raw materials, to the finished good, and, finally, to the customer. As consumers have become more demanding, marketing channels have become more critical.

Question 2

**Which of the following perform services such as stocking inventory, operating warehouses, supplying credit, employing salespeople, and delivering goods?**

**D.** Full-service wholesalers

Question 3

**Which statement best describes intermediaries?**

**A.** They are organizations through which products pass on their way from producer to consumer.

Question 4

**Which category of intermediaries purchase products from the wholesalers and then sells them to customers?**

**B.** Retailers

Question 5

**Choose the reason why marketing channels are becoming more critical.**

**B.** Because consumers have become more demanding

Question 6

**What is most important for companies selecting channel partners to help them sell products?**

**A.** Companies select partners who they believe will be able to put their product when, where, and how consumers want it.

Question 7

**Identify the four forms of utility that marketing channels offer.**

**C.** Time, form, place, and ownership

Question 8

**Choose the stakeholders that constitute the most basic marketing channel.**

**A.** A retailer and a wholesaler

CORRECT ANSWER

**C.** A producer and a consumer

EXPLANATION

The most basic marketing channel is simply a producer and a consumer. In more complex marketing channels there are one or more intermediaries.

Question 1

**Pick the term that can be defined as the entire process of moving from the raw materials to the finished good and, finally, to the customer.**

**D.** Managerial chain

CORRECT ANSWER

**B.** Supply chain

EXPLANATION

The entire process of moving from the raw materials to the finished good and, finally, to the customer is called a product's supply chain. It is also referred to as the value chain.

Question 2

**What term describes using fewer supply chain members and minimizing the services that have to be done throughout the supply chain?**

**B.** Go direct

Question 3

**What process is used by companies to monitor and adjust their value chains to keep them as efficient as possible?**

**D.** Production chain management

CORRECT ANSWER

**C.** Supply chain management

EXPLANATION

Firms that want to provide the most value to their customers and generate the highest profits for their organization actively monitor their supply chains. They continuously make large and minute adjustments to keep their supply chains as efficient as possible. This process is called supply chain management.

Question 4

**Choose the other name for supply chain.**

**C.** Value chain

Question 5

**Select the way in which a well-managed supply chain creates value for consumers.**

**C.** By minimizing costs and time to market

Question 6

**Which is the true statement about supply chain management?**

**B.** Active monitoring of supply chain adds value to a firm's customers.

Question 7

**What is the most likely result of a well-managed supply chain lowering its delivery and supply costs?**

**B.** It could result in a reduction in the cost of the product.

Question 8

**Select the rationale for establishing a well-managed value chain.**

**A.** Each partner in the value chain should help create more value for customers as the product travels along the chain.

Question 1

**Pick the term that can be best described as the process of product creation from the raw materials to the finished good, and, finally, to the customer.**

**A.** A value delivery network

CORRECT ANSWER

**D.** A marketing channel

EXPLANATION

A marketing channel is the way in which a product moves from the raw materials, to the finished good, and, finally, to the customer. As consumers have become more demanding, marketing channels have become more critical.

Question 2

**Which of the following perform services such as stocking inventory, operating warehouses, supplying credit, employing salespeople, and delivering goods?**

**D.** Full-service wholesalers

Question 3

**Which statement best describes intermediaries?**

**A.** They are organizations through which products pass on their way from producer to consumer.

Question 4

**Which category of intermediaries purchase products from the wholesalers and then sells them to customers?**

**B.** Retailers

Question 5

**Choose the reason why marketing channels are becoming more critical.**

**B.** Because consumers have become more demanding

Question 6

**What is most important for companies selecting channel partners to help them sell products?**

**A.** Companies select partners who they believe will be able to put their product when, where, and how consumers want it.

Question 7

**Identify the four forms of utility that marketing channels offer.**

**C.** Time, form, place, and ownership

Question 8

**Choose the stakeholders that constitute the most basic marketing channel.**

**A.** A retailer and a wholesaler

CORRECT ANSWER

**C.** A producer and a consumer

EXPLANATION

The most basic marketing channel is simply a producer and a consumer. In more complex marketing channels there are one or more intermediaries.

Question 1

**Pick the term that can be defined as the entire process of moving from the raw materials to the finished good and, finally, to the customer.**

**D.** Managerial chain

CORRECT ANSWER

**B.** Supply chain

EXPLANATION

The entire process of moving from the raw materials to the finished good and, finally, to the customer is called a product's supply chain. It is also referred to as the value chain.

Question 2

**What term describes using fewer supply chain members and minimizing the services that have to be done throughout the supply chain?**

**B.** Go direct

Question 3

**What process is used by companies to monitor and adjust their value chains to keep them as efficient as possible?**

**D.** Production chain management

CORRECT ANSWER

**C.** Supply chain management

EXPLANATION

Firms that want to provide the most value to their customers and generate the highest profits for their organization actively monitor their supply chains. They continuously make large and minute adjustments to keep their supply chains as efficient as possible. This process is called supply chain management.

Question 4

**Choose the other name for supply chain.**

**C.** Value chain

Question 5

**Select the way in which a well-managed supply chain creates value for consumers.**

**C.** By minimizing costs and time to market

Question 6

**Which is the true statement about supply chain management?**

**B.** Active monitoring of supply chain adds value to a firm's customers.

Question 7

**What is the most likely result of a well-managed supply chain lowering its delivery and supply costs?**

**B.** It could result in a reduction in the cost of the product.

Question 8

**Select the rationale for establishing a well-managed value chain.**

**A.** Each partner in the value chain should help create more value for customers as the product travels along the chain.

Question 1

**Tim, a wholesaler, is involved in the local milk distribution network. He does not actually purchase milk to sell to consumers but rather negotiates sales contracts for three producers of milk in his locality. Tim receives a commission from the milk producers for his services. Which of the following wholesaler categories does Tim belong to?**

**D.** Broker

Question 2

**Which term can be best described as the process of product creation from the raw materials to the finished good, and, finally, to the customer?**

**B.** A marketing channel

Question 3

**Which among the given stakeholders constitute the most basic marketing channel?**

**B.** A producer and a consumer

Question 4

**What is an important characteristic of marketing channels?**

**D.** Marketing channels were traditionally viewed as the way in which a company promotes and sells a product.

Question 5

**Graphica Inc., a tiles manufacturer company, has implemented a plan to remove the additional partners in its supply chain by eliminating the packaging partner and the grading partner of its tiles and ceramic sales. This also implies that Graphica has chosen to minimize the services in the value chain. Which trend has been adopted by Graphica Inc.?**

**D.** Go direct

Question 6

**What is the term that can be defined as the entire process of moving from the raw materials to the finished good and finally, to the customer?**

**D.** Supply chain

Question 7

**Pick the process that is used by companies to monitor and adjust value chains in order to ensure maximum efficiency.**

**A.** Production chain management

CORRECT ANSWER

**D.** Supply chain management

EXPLANATION

Firms that want to provide the most value to their customers and generate the highest profits for their organization actively monitor their supply chains. They continuously make large and minute adjustments to keep their supply chains as efficient as possible. This process is called supply chain management.

Question 1

**Which process is used by companies to adjust and monitor value chains in order to ensure maximum efficiency?**

**B.** Supply chain management

Question 1

**Select the process that companies use to look to the future, use current trends to predict what the future will look like, and then attempt to influence the forces that will affect that future.**

**A.** Strategic planning

Question 2

**What do assessments involve in strategic planning?**

**D.** Component analysis

CORRECT ANSWER

**B.** Situation analysis

EXPLANATION

Strategic planning begins with assessments, or situation analysis. Based on the situation analysis, organizations analyze their strengths, weaknesses, opportunities, and threats, or conduct what's called a SWOT analysis.

Question 3

**Where do you find the purpose of an organization?**

**A.** A mission statement

Question 4

**Which is an internal factor of an organization that could be included in a SWOT analysis?**

**A.** The economy and the capabilities of competitive companies

CORRECT ANSWER

**D.** The company's financial and human resources

EXPLANATION

Assessing and evaluating the internal environment of the company includes looking at the company's financial and human resources, its technological and physical plan capabilities, and any other components that affect its ability to produce products.

Question 5

**What is essential in order to do a good SWOT analysis?**

**B.** There should be at least five items in each of the cells.

Question 6

**Which of the following are external factors of an organization that could be included in a SWOT analysis?**

**D.** The capabilities of competitive companies

Question 7

**Which statement describes the strategic planning process?**

**D.** It uses current trends to predict what the future will look like.

Question 8

**AGD Technologies Inc., a U.S.-based information technology company with subsidiaries in three other countries, conducts a SWOT analysis. The analysts find that in one of the countries where its subsidiary is located, the government is planning to make changes to its corporate tax laws, which could adversely affect AGD's profit margins. Where in the SWOT analysis will this factor be incorporated?**

**D.** Threats

Question 1

**Choose from the given options the one that outlines the overall scheme that an organization has for its marketing efforts.**

**D.** Marketing plan

Question 2

**Identify one of the components of the four P's of marketing.**

**B.** Price

Question 3

**What is the primary function of a marketing plan?**

**A.** It outlines the overall schemes that an organization has for its marketing efforts.

Question 4

**Choose the statement that is NOT true of a marketing plan.**

**D.** A marketing plan is usually the primary responsibility of the market analysts.

Question 5

**What is an important aspect of a marketing plan?**

**D.** In some cases, individual teams create marketing plans.

Question 6

**Neil Inc. has made its advertising and promotion plans for its core business - technological solutions for farmers. The marketing specialists also developed pricing policies and the potential distributors during this process. Which of the following best describes these activities?**

**A.** A marketing plan

Question 7

**Mohammed is the chief marketing officer of a multinational company. He has been given the primary responsibility for developing the marketing plan of the organization. In this case, what should Mohammed do?**

**A.** Mohammed can assign the tasks to different teams and then consolidate the individual marketing plans into a single corporate marketing plan.

Question 8

**In the context of strategic planning, what do assessments involve?**

**C.** Situation analysis

Question 1

**Which is an internal factor of an organization that could be included in a SWOT analysis?**

1. Components that affect its ability to produce products

SWOT

Strengths, Weakness, Opportunities, threats.

Question 1

**Companies consider their product placement relative to their competitor's products in the marketplace. Which term is used to refer to this practice?**

**D.** Brand positioning

Question 2

**What is a two-dimensional graph that shows where a company's product stands relative to its competitors called?**

**A.** A perceptual map

Question 3

**What is a catchphrase for a particular product that sums up the essence of a product in a positive light that stands out in the minds of customers?**

**C.** A tagline

Question 4

**Pick the term that refers to an attempt to move an existing product or company to a different place in the minds of customers.**

**C.** Repositioning

Question 5

**Choose the way in which brand positioning helps an organization.**

**C.** It helps a company's product to stand out from the competitors.

Question 6

**What is an advantage of a perceptual map?**

**B.** It enables the marketing team to place their company's product in an area where the competitors are not clustered.

Question 7

**Pick the reason why taglines are used by companies.**

**A.** They are used to position a product as unique or distinctive in the minds of consumers.

Question 8

**Why would a company reposition its well-positioned product?**

**A.** To generate new sales or appeal to a different market segment

Question 1

**The marketing team of SpeedPro Inc., a leading car brand, wants to position the company's new product in an area where its competitors are not clustered. In this case, which technique can SpeedPro use to position its product?**

**A.** Perceptual mapping