Contemporary Marketing 18th edition Boone Test Bank

SKU: 9781337386852-TEST-BANK

TRUE/FALSE

1 : The planning process identifies objectives and determines the actions that are needed to attain those objectives.
A : true
B : false

Correct Answer : A

2 : Marketing planning establishes the basis for a firms overall strategic plan.
A : true
B : false

Correct Answer : B

3 : Planning often is classified on the basis of its scope or breadth.
A : true
B : false

Correct Answer : A

4 : Tactical plans typically determine an organizations primary strategic objectives and exclude short-term actions from their purview.
A : true
B : false

Correct Answer : B

5 : Tactical planning usually involves the production of quarterly and semiannual plans, along with divisional budgets, policies, and procedures.
A : true
B : false

Correct Answer : A

6 : Middle and supervisory-level managers spend less time as compared to CEOs on planning activities.
A : true
B : false

Correct Answer : A

7 : The chief executive officer (CEO) and vice president of marketing spend a greater proportion of their time on operational planning than do managers at all other organizational levels.
A : true
B : false

Correct Answer : B

8 : Employees at middle-management levels engage themselves in business unit budgets and divisional policies and procedures.
A : true

B : false

Correct Answer : A

9 : Supervisory managers tend to focus exclusively on strategic planning.
A : true
B : false

Correct Answer : B

10 : The planning process begins at the corporate level with the first step being the development of strategic objectives.
A : true
B : false

Correct Answer : B

11 : A mission can be defined as an essential purpose that differentiates one company from others.
A : true
B : false

Correct Answer : A

12 : A statement such as to hit the 300 employee mark by the end of the year is typically a part of a mission statement.
A : true
B : false

Correct Answer : B

13 : An organization lays out its basic objectives, or goals, in its complete mission statement.
A : true
B : false

Correct Answer : A

14 : Detailed organizational objectives should state specific intentions, such as Snapple Corporation seeks to increase its share of the non-carbonated soft drink market to 25 percent within the next two years.
A : true
B : false

Correct Answer : A

15 : An organizational objective should specify time frames stating Our organization aims to generate a 15 percent profit over the next 24 months.
A : true
B : false

Correct Answer : A

16 : When making tactical plans, managers dont need to be rushed and can take their time to

make decisions.
A : true
B : false

Correct Answer : B

17 : Strategies once implemented should not be changed even if the actual performance does not meet the desired results.
A : true
B : false

Correct Answer : B

18 : Marketers put the marketing strategy into action in order to monitor performance to ensure that objectives are being achieved.
A : true
B : false

Correct Answer : A

19 : Porters Five Forces are potential new entrants, bargaining power of buyers, bargaining power of suppliers, threat of substitute products, and rivalry among competitors.
A : true
B : false

Correct Answer : A

20 : The number of suppliers available to a manufacturer or retailer affects the bargaining power of buyers.
A : true
B : false

Correct Answer : B

21 : With increased availability of information, rivalry heats up among competitors that try to differentiate themselves from the crowd.
A : true
B : false

Correct Answer : A

22 : SWOT analysis refers to an examination of a firm that is limited to the variables of its stability, work ethic, organizational structure, and technological expertise.
A : true
B : false

Correct Answer : B

23 : A SWOT analysis helps planners compare internal organizational strengths and weaknesses with external opportunities and threats.
A : true
B : false

Correct Answer : A

24 : The disadvantage of core competencies is that they can be easily duplicated by competitors.
A : true
B : false

Correct Answer : B

25 : Matching an external opportunity with an internal weakness produces a situation known as leverage.
A : true
B : false

Correct Answer : B

26 : Strategic business units are key business units within small companies that offer only a few items to its customers.
A : true
B : false

Correct Answer : B

27 : Strategic business units (SBUs) of a diversified firm have common managers, resources, objectives, and competitors.
A : true
B : false

Correct Answer : B

28 : Each strategic business unit (SBU) in a firm has to prepare its plans in collaboration with other units in the organization.
A : true
B : false

Correct Answer : B

29 : Each SBU pursues its own distinct mission and often develops its own plans independently.
A : true
B : false

Correct Answer : A

30 : The position of an SBU along the horizontal axis indicates the annual growth rate of the market.
A : true
B : false

Correct Answer : B

31 : According to the BCG matrix, stars require considerable inflows of cash to finance further growth.
A : true

B : false

Correct Answer : A

32 : According to the BCG matrix, cash cow businesses produce strong cash flows and invest heavily in the units own promotions and production capacity.
A : true
B : false

Correct Answer : B

33 : According to the BCG matrix, if a question mark cannot become a star, the firm should pull out of the market and target other markets with greater potential.
A : true
B : false

Correct Answer : A

34 : According to the BCG matrix, dog products can be sold to other firms, where they are a better fit.
A : true
B : false

Correct Answer : A

35 : Tactical planning involves specifying programs to meet goals related to the managers area of responsibility.
A : true
B : false

Correct Answer : B

36 : Cassidy is a divisional marketing manager with Kimberly Clarke and responsible for decisions related to Huggies diapers. She recently had a meeting to plan licensing agreements where the company could screen various licensed characters on the Huggies diapers and use their images on the packaging for promotional purposes. Cassidy is engaging in operational planning.
A : true
B : false

Correct Answer : B

37 : Recently, top-level marketing managers of ToysRUs made the decision to close several stores due to lower than expected sales revenue. Now, they will be able to redirect funds to support an increased web presence and enhance their online marketing efforts. This decision demonstrates that marketing plans should be flexible and allow managers to make changes if objectives are not being met.
A : true
B : false

Correct Answer : A

38 : Enterprise Holdings typically asks customers to respond to a customer satisfaction survey

to identify their level of satisfaction with their vehicle, rental experience, as well as likelihood to use Enterprise again in the future for a rental vehicle. The company strives to achieve a 95% customer satisfaction rating when customers respond on a scale from 1 which indicates not at all satisfied to 100 which indicates extremely satisfied regarding their satisfaction with the rental experience. This is an example of a marketing strategy.
A : true
B : false

Correct Answer : B

39 : Procter & Gamble and other consumer products companies have experienced decreased profitability due to its relationship with Walmart, the nations largest retailer, which demonstrates the impact of supplier power as one of the competitive forces identified by Michael Porter.
A : true
B : false

Correct Answer : B

40 : The threat of new competitors occurs when a product or service can be replaced with goods and services from a competing firm or industry.
A : true
B : false

Correct Answer : B

41 : Skippy Peanut Butter and recently launched a new product called Peanut Butter Bites which contain high levels of protein and are packaged in a convenient resealable snack container. The snack industry is high growth but Skippys Peanut Butter Bites currently has a low level of market share in the snack food market. According to the Boston Consulting Group, Peanut Butter Bites would be classified as stars.
A : true
B : false

Correct Answer : B

42 : According to the Boston Consulting Group, Question Marks generate considerably more cash than they need to maintain their position.
A : true
B : false

Correct Answer : B

43 : If a company has a business unit classified as a Question Mark due to its low relative market share in a slow growth market, the company should consider withdrawal or divestiture unless the market share position can be improved.
A : true
B : false

Correct Answer : B

MULTIPLE CHOICE

44 : The process of anticipating future events and conditions and determining the best way to achieve organizational objectives is known as:
A : retrospecting.
B : planning.
C : archiving.
D : correlating.

Correct Answer : B

45 : Product lines, pricing decisions, selection of appropriate distribution channels, and decisions relating to promotional campaigns are_____.
A : fixed and unchanging
B : independent of the impact of external factors
C : dynamic in todays boundaryless business environment
D : determined from a purely retrospective viewpoint

Correct Answer : C

46 : Marketing planning establishes the:
A : resource base provided by the firms strategy.
B : economic impact of additional sales.
C : daily and weekly schedules for individual employees.
D : basis for any marketing strategy.

Correct Answer : D

47 : Long-term plans focusing on those organizational objectives that will significantly affect a firm for five or more years are usually referred to as ______ plans.
A : strategic
B : marketing
C : economic
D : tactical

Correct Answer : A

48 : ADA Inc. stopped its production of oral care goods after determining apparel production to be its new primary objective. This is a direct result of the ______ planning process at ADA Inc.
A : tactical
B : research
C : strategic
D : economic

Correct Answer : C

49 : If an automobile manufacturer was planning to introduce a sports car powered by a hydrogen-oxygen fuel cell when the price of gasoline in the United States reached $4 per gallon, this would best be described as a direct result of its ______ plan.
A : short-term
B : operational
C : strategic
D : tactical

Correct Answer : C

50 : The U.S. Sports and Fitness Federation is determining where it should build its permanent training facility. It wants the facility to be located near a populated center but the facility must also provide ample access to those who dont reside in cities. The federation is engaged in _____ planning.
A : strategic
B : short-term
C : operational
D : economic

Correct Answer : A

51 : An event management company decided to use radio advertising in order to promote an upcoming music festival. The executives of the company suggested various activities that could be used for the radio campaign. These activities are a part of the companys _____.
A : tactical planning efforts
B : standard operating procedures
C : weekly scheduling plans
D : unit-wise budgeting plans

Correct Answer : A

52 : A companys plans that focus largely on its current and near-future activities and are determined by its middle level management are referred to as _____ plans.
A : strategic
B : long-term
C : operational
D : tactical

Correct Answer : D

53 : Preparation of quarterly and semiannual plans by personnel such as the general sales manager or advertising director would be classified as _____ planning.
A : consumer
B : tactical
C : procedural
D : operational

Correct Answer : B

54 : Compared to other organization personnel, more time is devoted to long-range strategic planning by the:
A : middle management.
B : manufacturing labor.
C : top management.
D : supervisory management.

Correct Answer : C

55 : In the planning hierarchy, plans dealing with organization-wide objectives, long-term plans, and the total budget would be classified as _____ plans.
A : weekly
B : tactical

C : operational
D : strategic

Correct Answer : D

56 : Employees of Popsie Inc., a small grocery store chain, are working on its tactical plans. The personnel most involved in this level of its planning process would be its:
A : top management, such as the owner.
B : middle management, such as the merchandising and advertising managers.
C : store managers.
D : supervisory management, such as shift managers and night auditors.

Correct Answer : B

57 : Operational planning:
A : should be used to establish the fundamental strategies of the organization.
B : is used to determine departmental rules and procedures.
C : is the primary responsibility of the top management.
D : should be completed at the same time the total budget is prepared.

Correct Answer : B

58 : Which of the following statements is true of tactical planning?
A : It is conducted exclusively by the supervisory personnel.
B : It is used to generate weekly plans, unit budgets, departmental rules, and procedures.
C : It is designed to determine annual budgets and long-range strategic goals.
D : It is performed to substitute the strategic planning process in large organizations.

Correct Answer : C

59 : Comcasts NBC division acquired Universal Studios and the highest executive who approved this acquisition was most likely Comcasts CEO. This decision is the direct result of ______ planning process at Comcast.
A : tactical
B : strategic
C : operational
D : technological

Correct Answer : B

60 : The first step of the marketing planning process involves:
A : writing the mission statement.
B : establishing organizational objectives.
C : formulating a marketing plan.
D : hiring a senior planner.

Correct Answer : A

61 : Which of the following best represents a mission statement?
A : U.S. Army: Be all that you can be
B : Bass Pro Shop: To be the leading merchant of outdoor recreational products, inspiring people to love, enjoy, and conserve the great outdoors
C : Kelloggs: Breakfast cereals at a price everyone can afford

D : Walmart: Stores big enough to make shopping interesting for every family member

Correct Answer : B

62 : Which of the following defines an organizations mission?
A : Process of anticipating future events and conditions
B : Companywide program for scaling down the product-lines that are low on profitability
C : Essential purpose that differentiates one company from others
D : Collection of limited periods during which key requirements of a market and a firms particular competencies best fit together

Correct Answer : C

63 : A company can modify a strategy when its actual performance is not in line with expected results by:
A : redefining the firms mission.
B : focusing exclusively on long-range strategic issues.
C : putting the marketing strategy into action and monitoring performance.
D : interpreting the mission, vision, and values of the company differently.

Correct Answer : C

64 : The basic objectives or goals of an organization are derived from its:
A : standard operating procedures.
B : operational plans.
C : supervisory management strategy.
D : mission statement.

Correct Answer : D

65 : Business strategist Michael E. Porter identified five competitive forces that influence ______ in a model called Porters Five Forces.
A : planning strategies
B : corporate social responsibility
C : consumer behavior
D : sustainable development

Correct Answer : A

66 : Which of the following is a dimension of Porters Five Forces model?
A : Bargaining power of buyers
B : Existence of second-movers
C : Existing firms in the business environment
D : Rivalry among strategic business units

Correct Answer : A

67 : Promotional schemes such as frequent shopper programs provide incentives to loyal buyers. Considering Porters Five Forces model, such offers will:
A : reduce the threat of new entrants.
B : decrease the rivalry among competitors.
C : decrease the bargaining power of the supplier.
D : increase the threat of substitute products.

Correct Answer : A

68 : An automobile manufacturer is dependent on a single supplier for tires. Based on this information, which of the following statements is true?
A : The barriers to market entry are low.
B : The buyer has greater bargaining power.
C : The threat of new entrants is high.
D : The supplier has significant bargaining power.

Correct Answer : D

69 : A shoe manufacturer has multiple suppliers for leather. Based on this information, which of the following statements is true?
A : The suppliers have lesser bargaining than the buyer.
B : The barriers to market entry are high.
C : The rivalry among competitors is low.
D : The buyer has lesser bargaining power than the suppliers.

Correct Answer : A

70 : Which of the following conditions would lead a companys marketers to find a new market, change prices, or compete in other ways to maintain an advantage?
A : When the bargaining power of suppliers is low
B : When the bargaining power of buyers is low
C : When the threat of substitute products is high
D : When the threat of new entrants is low

Correct Answer : C

71 : Core competencies are capabilities that customers value and competitors:
A : can easily copy.
B : tend to overestimate.
C : find difficult to duplicate.
D : undervalue.

Correct Answer : C

72 : A certain social networking corporation has the highest number of users in the social networking industry. This is an example of the firms:
A : opportunity.
B : constraint.
C : strength.
D : threat.

Correct Answer : C

73 : A SWOT analysis is designed to reveal, among other things, a firms core competencies, which reflect its:
A : threats.
B : strengths.
C : opportunities.
D : vulnerabilities.

Correct Answer : B

74 : Matching an internal strength with an external opportunity produces a situation known as:
A : leverage.
B : constraint.
C : vulnerability.
D : plateau.

Correct Answer : A

75 : An example of a firms strength discovered by a SWOT analysis might be:
A : ownership of valuable patents.
B : a narrow current product line.
C : changing buyer tastes in the marketplace.
D : existing government policies favoring the industry.

Correct Answer : A

76 : Which of the following would qualify as an example of a firms weakness?
A : A bill passed by the government regarding the work timings of all organizations
B : A competitor planning to open a new branch close to the firms place of operations
C : The firms failure to pay its taxes on time leading to a poor reputation in the market
D : A ban imposed on the use of animals for testing cosmetics

Correct Answer : C

77 : Which of the following would qualify as an example of a firms weakness?
A : Changing buyer tastes in the marketplace
B : The presence of modern production facilities
C : Inadequate financing capabilities
D : An addition to the current product line

Correct Answer : C

78 : An example of a threat to a firm discovered by a SWOT analysis might be:
A : the presence of cost advantages due to advanced technology.
B : the chance to acquire firms with the needed technology.
C : the entry of new competitors in the industry.
D : the narrow product line produced by the firm.

Correct Answer : C

79 : As chief executive of Stalwart Shipfitting Company, a diversified producer of marine supplies and equipment, John needs a method for spotting promising product lines that warrant commitment of additional resources, as well as those that should be removed from the firms product portfolio. A good choice for this firm at this stage would be to use:
A : computer models.
B : strategic business units.
C : a marketing audit.
D : an industry analysis.

Correct Answer : B

80 : The strategic business unit (SBU) concept is best identified as a:
A : planning tool that separates tactical and operational issues for analysis.
B : strategic approach used primarily to separate marketing costs from production expenses.
C : marketing planning tool that best suits the needs of large, diversified organizations.
D : marketing approach appropriate for small enterprises producing a single product.

Correct Answer : C

81 : Which of the following is true of a strategic business unit?
A : A strategic unit directly adopts the mission of its parent organization.
B : Each strategic unit depends on plans of the other units in the organization.
C : A strategic unit has its own managers, resources, objectives, and competitors.
D : A strategic unit is a key business unit within a small company that does not differ significantly from the parent company.

Correct Answer : C

82 : In a(n) _____, firms evaluate their products and divisions to determine the strongest and weakest.
A : organizational appraisal
B : market analysis
C : utilization analysis
D : portfolio analysis

Correct Answer : D

83 : The performance framework developed by the Boston Consulting Group (BCG) plots:
A : market share against market growth potential.
B : market attractiveness against number of product lines.
C : current market conditions against past trends.
D : performance in test markets before a full-scale rollout.

Correct Answer : A

84 : The quadrant of the BCG market share/market growth matrix that represents both a high market share and a high rate of market growth represents the:
A : cash cows.
B : innovators.
C : stars.
D : strivers.

Correct Answer : C

85 : Microsoft Windows generates considerable income for its parent company but is expensive to support. However, the expense is acceptable because Windows is the worlds dominant operating system. Based on this information, Windows would be categorized under the BCG market share/market growth matrix as a:
A : star.
B : cash cow.
C : question mark.
D : dog.

Correct Answer : A

86 : According to the BCG market share/market growth matrix, the SBU that produces strong cash flows which can be used to finance the growth of other SBUs is the:
A : dog.
B : question mark.
C : cash cow.
D : laggard.

Correct Answer : C

87 : According to the BCG market share/market growth matrix, the revenues earned from cash cows should be used to finance the growth of:
A : question marks and dogs.
B : dogs and stars.
C : stars and question marks.
D : question marks and cash cows.

Correct Answer : C

88 : One of General Electrics business units produces a variety of light bulbs and generates healthy revenue. The revenues of this business unit are used to finance the growth of other business units with higher growth potentials. How would this unit be classified on the BCG market share/market growth matrix?
A : Cash cow
B : Star
C : Question mark
D : Dog

Correct Answer : A

89 : The BCG market share/market growth matrix classifies products with a low relative share of a high-growth market as ______.
A : stars
B : question marks
C : cash cows
D : dogs

Correct Answer : B

90 : In terms of the BCG Matrix, which of the following SBUs are characterized by earning only low market shares in low-growth markets?
A : Stars
B : Question marks
C : Dogs
D : Cash cows

Correct Answer : C

91 : YOU Inc., a radio cassette manufacturer, sold its business due to poor market shares. According to the BCG Matrix, the firm sold its business because the business had become a ______ as seen in its poor prospects and performance.
A : star

B : question mark
C : cash cow
D : dog

Correct Answer : D

92 : According to the BCG market share/market growth matrix, ______ typically require more cash than they generate.
A : cash cows
B : stars
C : question marks
D : achievers

Correct Answer : C

93 : The product manager for a line of mousetraps informs the board of directors at the companys annual meeting that the product has been classified as a dog according to the BCG market share/market growth matrix. This means the product:
A : requires a go/no go decision within the next several years.
B : has low market share of a high-growth rate market.
C : should be withdrawn from the market or sold off as quickly as possible.
D : needs heavy investment to make it a star.

Correct Answer : C

94 : Every company, whether for-profit or not-for-profit, must plan. Otherwise, the company will find itself reacting to future events rather than proactively positioning itself to take advantage of future events.Which of the following statements is false in regards to strategic planning?
A : It includes the process of determining the organizations primary objectives.
B : It is done after the company completes its tactical planning activities.
C : It involves choosing actions that will facilitate the achievement of its primary objectives.
D : It provides longer term guidance for the marketers and other decision makers in the firm.
E : It establishes the company objectives that are used to develop the tactical plan.

Correct Answer : B

95 : There are many roles played in the planning process for a typical company. Depending on the organizational level, the planning focus and the effort devoted will be different. Which of the following statements is true about planning within an organization?
A : In their role in the planning process, top management focuses on short-term operational objectives for the company.
B : Only top management spends time focused on strategic and operational planning activities for the organization.
C : Middle management employees spend more of their time focusing on planning than other levels of the organization.
D : Supervisors are tasked with developing specific programs and tactics for achieving the goals of their responsibility areas.
E : Middle managers are primarily focused on strategic planning considerations.

Correct Answer : D

96 : You are the head of market strategies for a large media company, and you are responsible for leading the enterprise through its annual marketing planning process. Which one of the

following statements is true about this process?
A : Your organizations objectives are the essential set of statements that outlines its purpose and differentiates it from other organizations.
B : Your organizations objectives specify the organizations goals and operational scope.
C : After your firm establishes its objectives, the next step in the marketing planning process is to develop the marketing strategy.
D : The last step in your marketing planning process should include an analysis of the risks and opportunities that you will face in striving to achieve your objectives.
E : Your organizations objectives should be specific in describing what achievements are intended and desired.

Correct Answer : E

97 : The BCG (Boston Consulting Group) matrix places strategic business units into which of the following four-quadrants:
A : Strengths, Weaknesses, Opportunities, and Threats
B : Oligopoly, Monopoly, Monopolistic Competition, and Perfect Competition
C : Micro, Small, Medium, and Large
D : North, South, East, and West
E : Stars, Cash Cows, Question Marks, and Dogs

Correct Answer : E

98 : If a firm decides to make a major investment in a firm that supplies raw materials to it, this would be an example of _______________ planning. If a university decides to add courses in ethics and business analysis to its masters degree program, this would be an example of _____________ planning.
A : tactical, strategic
B : marketing, operational
C : strategic, organizational
D : organizational, tactical
E : strategic, tactical

Correct Answer : E

99 : With respect to the BCG matrix, which one of the following generates considerable income, but requires sizeable investments to underwrite further growth in the future?
A : Cash cows
B : Stars
C : Question marks
D : SBUs
E : Dogs

Correct Answer : B

100 : You are excited about being promoted to general sales manager, a middle management job, but you feel a bit overwhelmed as you anticipate the demands of the new position. A colleague tries to help, pointing out that you will also be shedding some responsibilities. Which of the following will not be part of your new job?
A : Quarterly plans
B : Daily and weekly plans
C : Divisional policies
D : Divisional procedures

E : Semiannual plans

Correct Answer : B

101 : Youve just started a new job as Chief Marketing Officer for a restaurant chain, and youve learned that the marketing planning process is already underway. In fact, the first two steps have been completed. What do you need to do now?
A : Define the chains mission.
B : Determine the chains specific objectives.
C : Formulate a marketing strategy.
D : Implement strategy.
E : Assess organizational resources and opportunities.

Correct Answer : E

102 : Jamal is the marketing director of a third party logistics firm operating in the United States. Jamal and his team recently engaged in _________ to determine the companys primary objectives over the next three years and identified specific actions that the company would initiate to achieve the objectives.
A : strategic planning
B : tactical planning
C : operations planning
D : near-term planning

Correct Answer : A

103 : Jose is the social media manager for a childrens museum and is making decisions about the best mix of social media tools to utilize in order to achieve the objective of increasing the number of family memberships by 10% during the year. Jose likes to use Twitter, Instagram, Facebook, and Pinterest to reach the museums desired target market but he spends most of his time developing the appropriate content and determining the frequency of posts. Which term best describes Joses activity related to determining the use of social media?
A : Tactical planning
B : Media scheduling
C : Strategic planning
D : Operations planning

Correct Answer : A

104 : A two-day offsite retreat was held for a team of executives of a major hospital including the hospitals CEO, President, and Vice-Presidents. Over the course of the two-days, the executives engaged in brainstorming sessions and worked together to articulate the direction the hospital should take and specific objectives that should be achieved over the next 5 years. The team focused considerable attention to objectives related to the Affordable Care Act and rising numbers of patients eligible for Medicare. The executives were engaged in ________.
A : strategic planning
B : tactical planning
C : operational planning
D : defensive planning

Correct Answer : A

105 : Jamie is the regional sales manager for Sherwin Williams paint company and oversees a

team of 40 outside sales representatives. She meets with her sales managers on a monthly basis to review budgets and track the teams progress in meeting its sales quotas in order to reach company objectives. Jamie requires that each sales manager collaborate with his or her individual sales representatives to develop weekly call schedules and account plans. What type of planning is Jamie and her sales managers engaged in?
A : Operational planning
B : Strategic planning
C : Tactical planning
D : Constructive planning

Correct Answer : A

106 : The Original Penguin clothing brand that features a cute penguin with a tie wrapped around its neck has made a successful comeback to mens fashions since 2003. The brand is popular among young men and the company recently articulated its interest in generating a 10% increase in sales among college students in the United States for the next year. Which step in the marketing planning process best corresponds to the articulation of a 10% increase in sales?
A : Determine organizational objectives
B : Assess organizational resources and evaluate risks and opportunities
C : Formulate strategy
D : Implement strategy through operational plans

Correct Answer : A

107 : Budweiser and its stable of beer brands including Michelob, Bud Lite, and Budweiser Platinum have faced significant inroads in sales by craft breweries such as Boston Beer Company and Sierra Nevada Brewing Company. The craft breweries represent a(n) ______ to Budweiser.
A : threat
B : weakness
C : strategic window
D : opportunity

Correct Answer : A

108 : Kraft Mac & Cheese first hit the shelves in 1937 and remains a favorite product for families. The product has undergone changes in formulation as well as packaging over the years and Kraft recently reformulated the product so it does not contain any artificial ingredients. Sales of Kraft Mac & Cheese in the familiar blue box continue to be strong and help Kraft fund other products since it generates such a strong cash flow. Kraft continues to invest in its Mac & Cheese brand through research and development as well as promotional activities. Its likely that Kraft views Mac & Cheese as a ______ according the BCG matrix.
A : star
B : cash cow
C : quotation mark
D : dog

Correct Answer : A

109 : TaB is a cola product marketed by Coca-Cola company and has a loyal following due to its low levels of sodium and no caffeine. However, the TaB product has low market share and low growth rate. TaB is a ______ according the BCG matrix.

A : dog
B : cash cow
C : quotation mark
D : star

Correct Answer : A

110 : One distinction or difference between strategic planning and marketing planning is
A : strategic planning focuses on the long term.
B : marketing planning defines how specified activities will be implemented.
C : strategic planning is conducted by mid-level managers.
D : strategic planning emphasizes product, pricing, promotion, and distribution decisions.

Correct Answer : A

111 : Our Lady of the Lake Hospital has assembled a group of employees to engage in planning activities. If the group comprises top executives such as the Chief Executive Officer, Chief Financial Officer, and Chief Marketing Officer, they would likely create
A : long-term plans.
B : business unit budgets.
C : operational plans.
D : tactical plans.

Correct Answer : A

112 : Companies such as Ford Motor Company often grow their business by seeking new markets. Which of the following would most likely be responsible for making the decision regarding Ford Motor Company establishing a manufacturing facility in India?
A : Chief Operating Officer
B : Human Resources Director
C : Regional Marketing Director for Asia-Pacific
D : Sales Manager for India

Correct Answer : A

113 : Rick is the divisional manager for Kroger grocery store and oversees 20 stores in the Midwest region near Cincinnati, Ohio. Rick has scheduled several meetings with the store managers in his area to make decisions and develop plans. Which of the following would most likely be an outcome resulting from the meetings?
A : Specification of the local advertising budgets for each of the 20 stores
B : Identifying the advertising agency responsible to develop national advertising campaigns
C : Articulating the companys policy regarding their commitment to reducing Krogers carbon footprint
D : Selection of vendors to produce Krogers private label canned vegetable products

Correct Answer : A

114 : The store manager of a Target store location in Evansville, Indiana has assembled her department managers for an off-site one day planning meeting. Which of the following would be an example of the type of decisions the department managers might make?
A : Identifying the stores policy regarding donations of food product to local food banks
B : Developing Targets employee termination policy related to unexcused absences, no shows, or tardiness

C : Planning the expected revenue targets for all stores in Targets system
D : Identifying the products to feature and promote on Target.com

Correct Answer : A

115 : Danica is a sales manager with Kind, manufacturers of natural snacks such as protein bars, healthy grain bars, and breakfast bars. Danica typically schedules quarterly meetings with her 8 sales representatives where they collaborate to develop their weekly and daily account plans. These meetings reflect Danicas efforts to engage in _____ planning.
A : operational
B : tactical
C : strategic
D : calendar

Correct Answer : A

116 : The executive officers including the President, Provost, Chief Financial Officer, and Vice President of Development of a private university spent approximately three months to develop a long-term plan for the university, which included their goals to build the endowment through a capital campaign and the amount of funds that should be made available to support the various areas of the university such as academics, athletics, and building and maintenance. This is an example of _____ planning.
A : strategic
B : tactical
C : operational
D : developmental

Correct Answer : A

117 : Taylor is an account executive with Enterprise Holdings and works the counter at airport. She always strives to be upbeat, professional, polished, friendly, and fast since the company routinely asks customers about their experience when renting a vehicle. Taylor believes her customer service skills are a key component to achieving high customer satisfaction scores. Taylors activities would be described as ________ that could become part of the companys marketing plan.
A : marketing tactics
B : marketing strategies
C : key performance indicators
D : marketing objectives

Correct Answer : A

118 : Enterprise Holdings seeks to achieve a 95% customer satisfaction rate, which is one of its marketing objectives. One way the company can achieve high levels of customer satisfaction is through the vehicle selection and maintaining strong relationships with automobile manufacturers to ensure Enterprise has the vehicles in stock that customers desire to rent. If Enterprise were developing a written marketing plan, which section of the plan would contain the information related to maintaining strong relationships with automobile vendors to ensure they have the vehicles customers wish to rent?
A : Marketing strategies
B : Marketing tactics
C : Key performance indicators
D : SWOT analysis

Correct Answer : A

119 : Companies such as Blockbuster Video and Family Video have been negatively impacted by streaming services such as Netflix, which demonstrates ________, one of Michael Porters competitive forces.
A : threat of substitutes
B : powerful customers
C : power of suppliers
D : power of new entrants

Correct Answer : A

120 : Consumers are increasingly showing a preference for fulfilling their product needs via smartphone applications and online shopping. The relative ease of creating a web-based storefront is posing a significant threat to brick-and-mortar retailers and driving many established retailers to close their doors. According to Michael Porter, this is an example of
A : threat of new competitors.
B : supplier power.
C : buyer power.
D : threat of substitutes.

Correct Answer : A

121 : Tiffany has worked in the restaurant industry since graduating from cooking school and has decided to open her own restaurant. Like most restaurants, she will have a variety of beverages to offer customers but was surprised by the proposals from Pepsi and Coca-Cola, which were quite high. Due to the high costs associated with offering a brand name soda, Tiffanys profits on carbonated beverages will be reduced. Which of Porters competitive forces does this exemplify?
A : Supplier power
B : Buyer power
C : Threat of substitutes
D : Threat of new competitors

Correct Answer : A

122 : Craft and micro-breweries have sparked consumer interest in a wide variety of flavor profiles and interest in supporting small, locally owned businesses. In addition, these companies have created pressure on established brands such as Budweiser and Miller that have increased promotional activities and reduced prices as a strategy to retain customers. Craft breweries are an example of _________, one of Michael Porters five competitive forces.
A : threat of new competitors
B : supplier power
C : buyer power
D : retailer power

Correct Answer : A

123 : Michelle is the owner of a fitness studio called Cardio Kick and has been a personal trainer and certified trainer for 10 years. Her certification and experience in personal training would be classified as a(n) _____ when performing a SWOT analysis.
A : strength

B : weakness
C : opportunity
D : threat

Correct Answer : A

124 : Michelle is the owner of Cardio Kick, a fitness studio and is performing a SWOT analysis as part of a strategic planning exercise. She knows that consumers aged 1830 are especially interested in staying fit, eating clean, and looking attractive and is wondering how she should classify this trend. How would you advise Michelle on this item?
A : Opportunity
B : Threat
C : Strength
D : Weakness

Correct Answer : A

125 : Michelle, owner of the fitness studio, Cardio Kick has limited financial capital and must rely on word-of-mouth and social media such as Facebook to promote her business. Using a SWOT framework, how would you classify Michelles limited financial capital?
A : Weakness
B : Strength
C : Opportunity
D : Threat

Correct Answer : A

126 : Cardio Kick is a fitness studio owned by Michelle that uses boxing training and plyometric exercises to enhance the fitness of participants. Michelle is working on a SWOT analysis for the business and wondering how to classify the consumer perception that boxing is violent and male dominated. How would you classify this consumer perception about boxing?
A : Threat
B : Opportunity
C : Weakness
D : Strength

Correct Answer : A

127 : Michelle is the owner of Cardio Kick, a fitness studio that uses boxing training and plyometrics to help members stay in shape or get in shape. Michelle is very creative and changes the workout everyday so that a different body part is emphasized during the workout. This helps balance training, improve results for members, and decrease boredom among members. If Michelle were performing a SWOT analysis, how would you classify her ability to be creative and change daily workouts?
A : Strength
B : Weakness
C : Opportunity
D : Threat

Correct Answer : A

128 : The smartphone market is growing rapidly as more consumers adopt the technology and wireless providers offer economical packages for consumers. Googles Pixel phone has a

relatively low level of market share in the industry, which is dominated by brands such as Apple, Samsung, and LG. For Google, the Pixel phone is likely classified as a _____ according to the Boston Consulting Group.
A : question mark
B : star
C : cash cow
D : dog

Correct Answer : A

129 : Some consumers are concerned about fuel economy and reducing their carbon footprint and may prefer a hybrid or electric vehicle. The market for hybrid cars is growing and Toyota has a strong position in the market due to the high level of sales of their Prius model. If Toyota was using the Boston Consulting Group growth/share matrix to map the position of the Prius, how would it be classified?
A : Star
B : Cash cow
C : Question mark
D : Dog

Correct Answer : A

130 : Single serve beverage makers using a k-pod system are very popular and have had high levels of growth in the last several years. Mr. Coffee offers a k-cup brewing system as well as its traditional 810 cup drip coffee maker but growth in the market for carafe-style coffee makers has been declining. Mr. Coffee has a strong market share for its carafe-style makers but a low relative market share for its individual k-pod systems. Therefore, the carafe-style brewing system would be described as a ______ and the individual brewing system would be classified as a ______ according to the Boston Consulting Group.
A : cash cow, question mark
B : star, question mark
C : question mark, cash cow
D : question mark, cash cow

Correct Answer : A

131 : Many consumers only have a mobile phone and no longer maintain a landline phone at home. Due to the increased adoption of mobile phones, companies such as Samsung offer a wide variety of phones from basic models to advanced, smartphones. The Samsung Convoy is a basic phone that allows consumers to send and receive calls and text messages as well as a 5 megapixel camera. Samsungs Galaxy smartphone model is one of the most popular phones with high relative market share while the Convoy has low market share. According to the Boston Consulting Group, the Convoy would be classified as a(n) _____ and the Galaxy as a(n) _______.
A : question mark, star
B : dog, question mark
C : question mark, cash cow
D : cash cow, star

Correct Answer : A

132 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls

and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement regarding Calebs difficulty in hiring teachers for foreign language, physics, calculus, and computer science would be categorized as a(n):
A : weakness
B : opportunity
C : threat
D : strength

Correct Answer : A

133 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The districts inability to compete with larger school systems that can pay higher starting salaries to teachers certified in foreign language, calculus, physics, and computer science would be categorized as a(n):
A : weakness
B : opportunity
C : threat
D : strength

Correct Answer : A

134 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in

its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement related to students earning higher salaries and having better career opportunities if they achieve a college degree would be categorized as a(n):
A : opportunity
B : weakness
C : threat
D : strength

Correct Answer : A

135 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement related to the district offering students the ability to compete in a number of different sports would be categorized as a(n):
A : strength
B : weakness
C : threat
D : opportunity

Correct Answer : A

136 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement related to the district offering students the ability to participate in a number of different student organizations would be categorized as a(n):
A : strength
B : weakness
C : threat
D : opportunity

Correct Answer : A

137 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement related to the districts students performing well on state-wide tests would be categorized as a(n):
A : strength
B : weakness
C : threat
D : opportunity

Correct Answer : A

138 : Caleb is the superintendent of a small school district in a rural area of Iowa with a population of 2,500 people. The school district participates in a wide variety of sports for girls and boys including softball, baseball, basketball, volleyball, track, wrestling, and cross country. Students may also be a member of over 12 clubs and organizations sponsored by the school. The school typically rates highly on state-wide tests and approximately 80% of high school graduates attend college. However, Caleb has difficulty in recruiting faculty to teach foreign language, physics, calculus, and computer science classes. Its difficult to recruit these teachers because they are in high demand and are often attracted to larger school districts that can provide higher salaries. Caleb knows the importance of STEM (science, technology, engineering, and math) to the United States and is concerned that the district may fall behind in its ability to prepare students for their future. In addition, Caleb hopes to increase the number of graduates who attend college since college degrees enable students to pursue careers with higher salaries and benefits. Assume that you are helping Caleb conduct a SWOT analysis. The statement related to the importance of STEM education in the United States would be categorized as a(n):
A : opportunity
B : weakness
C : threat
D : strength

Correct Answer : A

MULTIPLE ANSWER

139 : As the marketing director for a public health advocacy group, you recently obtained approval from the board to pursue a new set of strategic objectives. Among them: to achieve

80% community awareness of the groups name and purpose. Now you must turn to tactical planning. Which of the following tasks should you undertake?
A : Develop a five-year funding allocation plan.
B : Reserve advertising space in local newspapers for the next six months.
C : Recruit an assistant to write press releases.
D : Improve the visibility of your headquarters building.

Correct Answer : D

140 : Within your diversified processed-food firm, there are SBUs for fruits, vegetables, dairy products, and baked goods. Each SBU has its own:
A : Managers
B : Resources
C : Objectives
D : Competitors
E : Portfolios

Correct Answer : E

ESSAY

141 : Define and explain the term planning in the context of marketing.

Correct Answer : Planning is the process of anticipating future events and conditions and determining the best way to achieve organizational objectives. Planning is a continuous process that includes identifying objectives and then determining the actions through which a firm can attain those objectives. The planning process creates a blueprint for marketers, executives, production staff, and everyone else in the organization to follow for achieving organizational objectives. It also defines checkpoints so that people within the organization can compare actual performance with expectations to indicate whether current activities are moving the organization toward its objectives. Before marketing planning begins, an organization must define its objectives.

142 : Define marketing planning.

Correct Answer : Marketing planning is the process of implementing planning activities devoted to achieving the marketing objectives. It establishes the basis for a marketing strategy. Product lines, pricing decisions, selection of appropriate distribution channels, and decisions relating to promotional campaigns all depend on plans formulated within the marketing organization.

143 : How does planning differ at various levels of organizational management?

Correct Answer : a) Top managers spend greater proportions of their time engaged in strategic planning than managers at middle and supervisory levels.b) Middle-level managers tend to focus on operational planning, which involves creating and implementing tactical plans for their own departments.c) Supervisory personnel engage in developing daily and weekly programs for meeting the goals in their areas of responsibility.

144 : Describe the aspects of strategic and tactical planning.

Correct Answer : Strategic planning is the process of determining an organization's primary objectives and adopting courses of action that will achieve these objectives.Strategic planning has a critical impact on the organization's destiny because it provides long-term direction for its decision makers.Tactical planning guides the implementation of activities specified in the strategic plan.Tactical plans are usually shorter in duration than strategic plans and focus on current and near-future activities that a firm must complete to implement the larger strategies.

145 : Distinguish between an organizations mission and its objectives. Provide an example of each.

Correct Answer : An organization’s mission is its essential purpose that differentiates it from other organizations. An example of a mission statement is: “To be regarded as the quality and market leader of the hotel industry worldwide.”Objectives are organizational goals and guide the development of supporting marketing objectives and plans. Well-conceived objectives should state relatively specific intentions. An example of an objective is: “attain a 20 percent share of the market by 2018.”

146 : What is a marketing strategy? Explain the process of implementing the marketing strategy into action.

Correct Answer : A marketing strategy is an overall, companywide program for selecting a particular target market and then satisfying consumers in that market through a careful blending of the elements of the marketing mix—product, distribution, promotion, and price—each of which is a component of the overall marketing strategy.In the two final steps of the planning process, marketers put the marketing strategy into action; then they monitor performance to ensure that objectives are achieved. Sometimes strategies need to be modified if the product’s or company’s actual performance is not in line with expected results.

147 : Explain the forces that influence the rivalry among competitors in Porters Five Forces Model.

Correct Answer : The four forces of Porter Five Forces Model including potential new entrants, bargaining power of buyers, bargaining power of suppliers, and threat of substitute products influence the rivalry among competitors. In addition, issues such as cost and differentiation or lack of differentiation of products—along with the Internet—influence the strategies that companies use to stand out from their competitors. With increased availability of information, which tends to level the playing field, rivalry heats up among competitors who try to differentiate themselves from the crowd.

148 : Define SWOT analysis and explain its importance.

Correct Answer : SWOT analysis is an important strategic planning tool that assists planners in their planning task.a)SWOT stands for strengths, weaknesses, opportunities, and threats. The analysis provides managers with a critical view of an organization's internal and external environment and helps them evaluate the firm’s fulfillment of its basic mission.b)The analysis allows planners to match the firm's internal strengths with external opportunities to secure organizational leverage in the marketplace.c)It further assists the firm in recognizing internal weaknesses that might prevent capitalizing on opportunities, which would constrain its activities.d)SWOT analysis aids in the identification of environmental threats to the firm's strengths that could lead to vulnerabilities.e)Finally, SWOT analysis helps spot internal weaknesses that environmental threats might attack, which would present the firm with problems.

149 : Describe the strategic business unit concept.

Correct Answer : Strategic business units (SBUs) are key business units within diversified firms. Each SBU has its own managers, resources, objectives, and competitors. A division, product line, or single product may define the boundaries of an SBU. Each SBU pursues its own distinct mission and often develops its own plans independently of other units in the organization. Strategic business units, also called categories, focus the attention of company managers so that they can respond effectively to changing consumer demand within limited markets. Companies may have to redefine their SBUs as market conditions dictate.

150 : Describe the market share/market growth matrix.

Correct Answer : The market share/market growth matrix places business units in a four-quadrant chart that plots market share - the percentage of the market the firm controls - against market growth potential.Stars are units with high market shares and high growth potential. The firm should invest more funds for future growth.Cash cows are units with high market shares but low growth potential. They generate strong cash flows that should be used to finance the growth of stars.Question marks are units with low market shares but high growth potential. The firm needs to watch these units carefully, making prudent investment decisions. These units typically use more cash than they generate.Dogs are units with low market shares and low growth potential. These units are least attractive and the firm should consider withdrawal.