

Chapter 3 Analyzing the Marketing Environment

1) You are directed to study the actors close to the company that affect its ability to serve its customers-departments within the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. What are you studying?

- A) the macroenvironment
- B) the microenvironment
- C) the marketing environment
- D) the demographic environment
- E) the global environment

Answer: B

Diff: 1 Page Ref: 66

Skill: Concept

Objective: 3-1

2) Which of the following terms is used to describe the factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers?

- A) the marketing environment
- B) the cultural environment
- C) strategic planning
- D) target markets
- E) the marketing mix

Answer: A

Diff: 1 Page Ref: 66

Skill: Concept

Objective: 3-1

3) You are directed to study the demographic, economic, natural, technological, political, and cultural factors that are larger societal forces affecting your company. What are you studying?

- A) the macroenvironment
- B) the microenvironment
- C) the external environment
- D) the marketing mix
- E) the global environment

Answer: A

Diff: 1 Page Ref: 66

Skill: Concept

Objective: 3-1

4) Which of the following is NOT a type of factor in a company's macroenvironment?

- A) demographic
- B) economic
- C) technological
- D) competitive
- E) political

Answer: D

Diff: 1 Page Ref: 66

Skill: Concept

Objective: 3-1

5) All of the groups within a company are called the _____.

- A) culture
- B) diversity
- C) internal environment
- D) climate
- E) range

Answer: C

Diff: 2 Page Ref: 67

Skill: Concept

Objective: 3-1

6) Which type of organization helps companies to stock and move goods from their points of origin to their destination?

- A) financial intermediaries
- B) physical distribution firms
- C) marketing services agencies
- D) resellers
- E) suppliers

Answer: B

Diff: 1 Page Ref: 68

Skill: Concept

Objective: 3-1

7) Banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods and services are referred to as _____.

- A) financial intermediaries
- B) physical distribution firms
- C) marketing services agencies
- D) resellers
- E) wholesalers

Answer: A

Diff: 1 Page Ref: 68

Skill: Concept

Objective: 3-1

8) Currently, Diego Calabresa is employed by a firm that conducts marketing research and creates ads for other companies that help them target and promote their products to the right markets. Who is Diego's employer?

- A) a financial intermediary
- B) a physical distribution firm
- C) a marketing service agency
- D) a reseller
- E) a green marketer

Answer: C

Diff: 2 Page Ref: 68

Skill: Concept

Objective: 3-1

9) A _____ is defined as any group that has an actual or potential interest in, or impact on, an organization's ability to achieve its objectives.

- A) team
- B) competitor
- C) market
- D) public
- E) intermediary

Answer: D

Diff: 1 Page Ref: 69

AACSB: Communication

Skill: Concept

Objective: 3-1

10) Which of the following is NOT an example of the type of public that is part of a company's marketing environment?

- A) financial
- B) media
- C) government
- D) citizen-action
- E) marketing department

Answer: E

Diff: 1 Page Ref: 69

AACSB: Communication

Skill: Concept

Objective: 3-1

11) A radio station that carries news, features, and editorial opinions about your area is which type of public?

- A) financial
- B) media
- C) citizen-action
- D) local
- E) government

Answer: B

Diff: 1 Page Ref: 69

AACSB: Communication

Skill: Concept

Objective: 3-1

12) A consumer organization, environmental group, or minority group has challenged your firm's stand on a local issue. Your firm is being challenged by a _____ public.

- A) local
- B) general
- C) government
- D) citizen-action
- E) media

Answer: D

Diff: 1 Page Ref: 69

AACSB: Reflective Thinking

Skill: Concept

Objective: 3-1

13) Workers, managers, and members of the board are all part of a company's _____ public.

- A) general
- B) internal
- C) local
- D) intermediary
- E) market

Answer: B

Diff: 1 Page Ref: 69

Skill: Concept

Objective: 3-1

14) Percy Original caters to a market of individuals and households that buys goods and services for personal consumption. Percy Original caters to a _____ market.

- A) business
- B) reseller
- C) government
- D) consumer
- E) marketing intermediary

Answer: D

Diff: 2 Page Ref: 69

Skill: Concept

Objective: 3-1

15) Which type of market buys goods and services for further processing or for use in the production process?

- A) business
- B) reseller
- C) wholesale
- D) consumer
- E) retail

Answer: A

Diff: 2 Page Ref: 69

Skill: Concept

Objective: 3-1

16) Which type of market buys goods and services to produce public services or to transfer them to others who need them?

- A) government
- B) reseller
- C) wholesale
- D) consumer
- E) retail

Answer: A

Diff: 1 Page Ref: 69

Skill: Concept

Objective: 3-1

17) Rachel Patino works for a wholesale company called Distributors Unlimited. She is responsible for buying and selling goods at a profit to small retailers. What is her market?

- A) business
- B) reseller
- C) wholesale
- D) consumer
- E) retail

Answer: B

Diff: 1 Page Ref: 69

Skill: Concept

Objective: 3-1

18) Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?

- A) demographic
- B) psychographic
- C) economic
- D) geographic
- E) cultural

Answer: A

Diff: 1 Page Ref: 70

Skill: Concept

Objective: 3-2

19) The three largest generational groups in America are the baby boomers, Generation Xers, and _____.

- A) seniors
- B) Millennials
- C) teens
- D) tweens
- E) toddlers

Answer: B

Diff: 1 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

20) As a group, _____ are the most affluent Americans.

- A) baby boomers
- B) Generation Xers
- C) the Millennials
- D) echo boomers
- E) seniors

Answer: A

Diff: 2 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

21) Research has shown that the most important demographic trend in the United States is the _____.

- A) changing age structure of the population
- B) mobility of families
- C) slowing birth rate
- D) increasing number of professional jobs
- E) aging population

Answer: A

Diff: 3 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

22) The youngest of the baby boomers are now in their _____.

- A) late 20s
- B) mid-20s
- C) mid-40s
- D) early 50s
- E) early 60s

Answer: C

Diff: 2 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

23) Which of the following descriptions most accurately characterizes the baby boomers?

- A) They are increasingly likely to retire early.
- B) They are a shrinking market for new housing and home remodeling.
- C) They are past their peak earning and spending years.
- D) They hold 75% of the country's assets.
- E) They are uninterested in adapting new technologies.

Answer: D

Diff: 2 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

24) Which of the following descriptions most accurately characterizes Gen Xers?

- A) There are more Gen Xers than Millennials.
- B) They were the first generation of latchkey kids.
- C) They grew up during times of great economic growth.
- D) They are more interested in acquiring goods than having experiences.
- E) They rarely research a product before purchasing it.

Answer: B

Diff: 2 Page Ref: 72

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

25) Which demographic group is also referred to as the echo boomers?

- A) Generation X
- B) Millennials
- C) Generation Z
- D) baby boomers
- E) baby busters

Answer: B

Diff: 2 Page Ref: 74

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

26) Large tween and teen markets belong to which demographic group?

- A) Generation X
- B) Millennials
- C) baby busters
- D) baby boomers
- E) Generation Z

Answer: B

Diff: 1 Page Ref: 74

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

27) Which of the following descriptions most accurately characterizes Millennials?

- A) They are children of baby boomers.
- B) They are less ethnically diverse than Gen Xers.
- C) They have reached their peak earning and spending years.
- D) They were once labeled "the MTV generation."
- E) They have graduated from college and are taking over positions of power in the business world.

Answer: A

Diff: 2 Page Ref: 74

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

28) Which demographic group is characterized by a total fluency and comfort with computer, digital, and Internet technology?

- A) Generation X
- B) Millennials
- C) the elderly
- D) Generation Z
- E) baby boomers

Answer: B

Diff: 1 Page Ref: 74

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

29) Which of the following demographic groups has NOT seen a percentage increase in the past 50 years?

- A) women staying at home with their children
- B) men staying at home with their children
- C) nontraditional households
- D) nonfamily households
- E) women working outside of the home

Answer: A

Diff: 3 Page Ref: 75-76

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

30) Ameriprise Financial has published a *Dream Book* guide, one of the first steps in their Dream > Plan > Track approach to financial planning, as part of their strategy to attract _____ as customers.

- A) baby boomers
- B) Gen Xers
- C) echo boomers
- D) Millennials
- E) professionals

Answer: A

Diff: 2 Page Ref: 73

Skill: Concept

Objective: 3-2

31) "Dreams don't retire" is the theme of a(n) _____ marketing campaign aimed at baby boomers.

- A) financial services
- B) anti-aging products
- C) travel and entertainment
- D) fitness products
- E) technological products

Answer: A

Diff: 2 Page Ref: 73

Skill: Concept

Objective: 3-2

32) In 1950, women made up under 40 percent of the workforce; now they make up _____ percent.

- A) 35
- B) 40
- C) 43
- D) 46
- E) 59

Answer: E

Diff: 3 Page Ref: 75

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

33) Which of the following is a trend that depicts the increasingly nontraditional nature of today's American family?

- A) working women making up a smaller percentage of the workforce
- B) the falling percentage of married couples with children
- C) dual-income families declining in number
- D) stay-at-home dads declining in number
- E) the declining reliance on convenience foods and services

Answer: B

Diff: 2 Page Ref: 75

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

34) Over the past two decades, the U.S. population has shifted most heavily toward the _____ states.

- A) Midwestern
- B) Northern
- C) Sunbelt
- D) Southeastern
- E) Northeastern

Answer: C

Diff: 2 Page Ref: 76

Skill: Concept

Objective: 3-2

35) Which of the following geographical areas has NOT seen a recent population increase?

- A) micropolitan areas
- B) suburbs
- C) the West
- D) the Northeast
- E) the South

Answer: D

Diff: 3 Page Ref: 76

Skill: Concept

Objective: 3-2

36) In the 1950s, the American population began shifting from large cities to _____.

- A) farming communities
- B) rural areas
- C) foreign countries
- D) suburbs
- E) coastal towns

Answer: D

Diff: 1 Page Ref: 76

Skill: Concept

Objective: 3-2

37) Which of the following is the most reasonable to assume as more and more Americans move to "micropolitan areas"?

- A) Geographic segmentation may be less critical to marketers.
- B) Rural populations will offer an expanding market.
- C) Micropolitan areas are likely to offer the same advantages as metropolitan areas.
- D) Congested areas are likely to become more ensnarled.
- E) Crime rates in metropolitan areas will increase.

Answer: C

Diff: 3 Page Ref: 76

AACSB: Analytic Skills

Skill: Concept

Objective: 3-2

38) Nearly 10 percent of American workers currently work out of their homes with technological conveniences such as PCs, Internet access, and fax machines. These workers are referred to as the _____ market.

- A) micropolitan
- B) SOHO
- C) mobile
- D) independent
- E) contract

Answer: B

Diff: 2 Page Ref: 76

AACSB: Use of IT

Skill: Concept

Objective: 3-2

39) Which of the following groups of workers is projected to become smaller over the next ten years?

- A) white collar workers
- B) manufacturing workers
- C) managers
- D) telecommuters
- E) professional workers

Answer: B

Diff: 3 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

40) Because of increasing _____, Americans will demand higher quality products, books, magazines, travel, personal computers, and Internet services.

- A) numbers of nontraditional families
- B) family size
- C) levels of education
- D) social class awareness
- E) ethnic diversity

Answer: C

Diff: 2 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

- 41) Which of the following is an accurate statement about the diversity of the American population?
- A) African Americans represent the largest non-white segment of the population.
 - B) More than 12 percent of people living in the United States were born in another country.
 - C) The Asian American percentage of the population is expected to remain steady in the next 50 years.
 - D) In terms of ethnic diversity, the United States is about average in comparison to other countries with populations of a comparable size.
 - E) American ethnic populations are expected to slowly increase in the next few decades.

Answer: B

Diff: 3 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

- 42) Of the following, which is the fastest-growing ethnic minority in the United States?

- A) African Americans
- B) Asian Americans
- C) Hispanics
- D) Native Americans
- E) Arab Americans

Answer: C

Diff: 2 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

- 43) With an expected increase in ethnic populations, marketers are likely to place a greater emphasis on _____.

- A) geographic segmentation
- B) targeted advertising messages
- C) mass marketing
- D) mainstream advertising
- E) cause-related marketing

Answer: B

Diff: 2 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

44) Members of which of the following groups are more likely than the average American to have a professional job, have a household income over \$250,000, own a vacation home, own a notebook computer, and own individual stocks?

- A) Gen Xers
- B) gays and lesbians
- C) Millennials
- D) echo boomers
- E) environmentalists

Answer: B

Diff: 3 Page Ref: 78

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

45) Of the following diversity segments in the American population, which is currently the largest?

- A) adults with disabilities
- B) Hispanics
- C) African Americans
- D) telecommuters
- E) Asian Americans

Answer: A

Diff: 2 Page Ref: 78

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

46) The _____ environment consists of factors that affect consumer purchasing power and spending patterns.

- A) cultural
- B) political
- C) technological
- D) economic
- E) natural

Answer: D

Diff: 1 Page Ref: 79

Skill: Concept

Objective: 3-2

47) A country with a(n) _____ economy consumes most of its own agricultural and industrial outputs and offers few market opportunities.

- A) industrial
- B) service
- C) technological
- D) subsistence
- E) rural

Answer: D

Diff: 2 Page Ref: 79

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

48) A country with a(n) _____ economy has rich markets for many different kinds of goods.

- A) industrial
- B) service
- C) developing
- D) subsistence
- E) multicultural

Answer: A

Diff: 2 Page Ref: 79

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

49) Which of the following factors has NOT contributed to today's age of the "tapped-out consumer"?

- A) rising incomes in the upper class
- B) debt repayment
- C) increasing household expenses
- D) savings for college tuition
- E) savings for retirement

Answer: A

Diff: 2 Page Ref: 80

AACSB: Analytic Skills

Skill: Concept

Objective: 3-2

50) Value marketing is the strategy of offering consumers _____.

- A) high quality at a high price
- B) luxury quality at a high price
- C) lesser quality at a low price
- D) reasonable quality at a fair price
- E) little quality at a low price

Answer: D

Diff: 2 Page Ref: 80

Skill: Concept

Objective: 3-2

51) Which of the following statements about income distribution in the United States is NOT true?

- A) In recent decades, the rich have gotten richer.
- B) In recent decades, the middle class has grown.
- C) In recent decades, the poor have remained poor.
- D) The top 10 percent of American earners account for almost half of all American income.
- E) The top one percent of American earners receive a higher percentage of the nation's total income than do the bottom 50 percent of American earners.

Answer: B

Diff: 3 Page Ref: 80

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-2

52) In a tiered market, companies target which of the following?

- A) affluent consumers only
- B) consumers of modest means only
- C) the middle class only
- D) consumers at all levels of income distribution
- E) professionals only

Answer: D

Diff: 2 Page Ref: 80

Skill: Concept

Objective: 3-2

53) Which of the following groups of expenses uses up the most household income?

- A) food, housing, retirement planning
- B) housing, insurance, taxes
- C) food, housing, transportation
- D) housing, taxes, transportation
- E) food, travel, savings

Answer: C

Diff: 2 Page Ref: 81

Skill: Concept

Objective: 3-2

54) Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant.

- A) food; clothing
- B) clothing; recreation/entertainment
- C) food; transportation
- D) food; housing
- E) recreation/entertainment; savings

Answer: D

Diff: 2 Page Ref: 81

Skill: Concept

Objective: 3-2

55) The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____.

- A) raw material market
- B) natural environment
- C) endangered environment
- D) green movement
- E) factors of production

Answer: B

Diff: 1 Page Ref: 81

Skill: Concept

Objective: 3-3

56) Which of the following American government agencies is charged with setting and enforcing pollution standards?

- A) the Environmental Protection Agency (EPA)
- B) the Federal Trade Commission (FTC)
- C) the Food and Drug Administration (FDA)
- D) the Consumer Product Safety Commission
- E) the Federal Energy Regulatory Commission

Answer: A

Diff: 2 Page Ref: 81

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

57) Which of the following has encouraged marketers to pursue environmentally sustainable strategies?

- A) the EPA
- B) the black market
- C) the green movement
- D) deregulation
- E) green intervention

Answer: C

Diff: 2 Page Ref: 82

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

58) Which of the following is a result of regulations set up by the Food and Drug Administration and the Consumer Product Safety Commission?

- A) The time between new product ideas and their introduction to the market has decreased.
- B) Spending on research and development has decreased.
- C) Research costs for companies have grown.
- D) More companies have failed to meet safety standards.
- E) Companies are more focused on making practical, affordable versions of products.

Answer: C

Diff: 2 Page Ref: 83

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

59) Marketers should be aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. This is most accurately described as the _____ environment.

- A) socio-legal
- B) cultural
- C) political
- D) legal-technological
- E) economic

Answer: C

Diff: 1 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

60) Even the most liberal advocates of free-market economies agree that the system works best with _____ regulation.

- A) private
- B) maximum
- C) intermittent
- D) at least some
- E) no

Answer: D

Diff: 2 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

61) Legislation affecting business around the world will continue to _____.

- A) become standardized
- B) increase
- C) remain steady
- D) decrease
- E) threaten the American domestic economy

Answer: B

Diff: 2 Page Ref: 84

Skill: Concept

Objective: 3-4

62) The legislation created to limit the number of commercials aired during children's programming is called the _____

- A) Children's Online Privacy Protection Act
- B) Child Protection Act
- C) Fair Packaging and Labeling Act
- D) Children's Television Act
- E) Consumer Product Safety Act

Answer: D

Diff: 2 Page Ref: 85

AACSB: Communication

Skill: Concept

Objective: 3-4

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AACSB: Multicultural and Diversity

Skill: Concept

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Skill: Concept

Objective: 3-2

53) Which of the following groups of expenses uses up the most household income?

A) food, housing, retirement planning

B) housing, insurance, taxes

C) food, housing, transportation

D) housing, taxes, transportation

E) food, travel, savings

Answer: C

Diff: 2 Page Ref: 81

Skill: Concept

Objective: 3-2

54) Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant.

- A) food; clothing
- B) clothing; recreation/entertainment
- C) food; transportation
- D) food; housing
- E) recreation/entertainment; savings

Answer: D

Diff: 2 Page Ref: 81

Skill: Concept

Objective: 3-2

55) The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____.

- A) raw material market
- B) natural environment
- C) endangered environment
- D) green movement
- E) factors of production

Answer: B

Diff: 1 Page Ref: 81

Skill: Concept

Objective: 3-3

56) Which of the following American government agencies is charged with setting and enforcing pollution standards?

- A) the Environmental Protection Agency (EPA)
- B) the Federal Trade Commission (FTC)
- C) the Food and Drug Administration (FDA)
- D) the Consumer Product Safety Commission
- E) the Federal Energy Regulatory Commission

Answer: A

Diff: 2 Page Ref: 81

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

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57) Which of the following has encouraged marketers to pursue environmentally sustainable strategies?

- A) the EPA
- B) the black market
- C) the green movement
- D) deregulation
- E) green intervention

Answer: C

Diff: 2 Page Ref: 82

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

58) Which of the following is a result of regulations set up by the Food and Drug Administration and the Consumer Product Safety Commission?

- A) The time between new product ideas and their introduction to the market has decreased.
- B) Spending on research and development has decreased.
- C) Research costs for companies have grown.
- D) More companies have failed to meet safety standards.
- E) Companies are more focused on making practical, affordable versions of products.

Answer: C

Diff: 2 Page Ref: 83

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-3

59) Marketers should be aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. This is most accurately described as the _____ environment.

- A) socio-legal
- B) cultural
- C) political
- D) legal-technological
- E) economic

Answer: C

Diff: 1 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

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60) Even the most liberal advocates of free-market economies agree that the system works best with _____ regulation.

- A) private
- B) maximum
- C) intermittent
- D) at least some
- E) no

Answer: D

Diff: 2 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

61) Legislation affecting business around the world will continue to _____.

- A) become standardized
- B) increase
- C) remain steady
- D) decrease
- E) threaten the American domestic economy

Answer: B

Diff: 2 Page Ref: 84

Skill: Concept

Objective: 3-4

62) The legislation created to limit the number of commercials aired during children's programming is called the _____

- A) Children's Online Privacy Protection Act
- B) Child Protection Act

- C) Fair Packaging and Labeling Act
- D) Children's Television Act
- E) Consumer Product Safety Act

Answer: D

Diff: 2 Page Ref: 85

AACSB: Communication

Skill: Concept

Objective: 3-4

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63) Business legislation has been created for three basic reasons: to protect companies from each other, to protect consumers, and to _____.

- A) protect the interests of society
- B) regulate prices
- C) increase world trade
- D) regulate monopolies
- E) promote social responsibility

Answer: A

Diff: 2 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

64) The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of _____ and _____.

- A) ethics; promotion responsibility
- B) ethics; social responsibility
- C) finances; employee discrimination
- D) management ethics; insider trading
- E) promotion; pricing

Answer: B

Diff: 3 Page Ref: 86

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

65) Cause-related marketing is a(n) _____.

- A) response to customer needs
- B) primary form of environmental awareness
- C) primary form of corporate giving
- D) response to corporate legislative problems
- E) attempt to influence consumers' core beliefs

Answer: C

Diff: 2 Page Ref: 86

AACSB: Ethical Reasoning

Skill: Concept

Objective: 3-4

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66) A society's basic values, perceptions, preferences, and behaviors are all part of its _____ environment.

- A) social
- B) cultural

- C) political
- D) cultural-economic
- E) natural

Answer: B

Diff: 1 Page Ref: 87

Skill: Concept

Objective: 3-4

67) Marketers should understand that a society's core beliefs and values have a high degree of _____.

- A) persistence
- B) flexibility
- C) similarity
- D) ethnocentrism
- E) conformity

Answer: A

Diff: 2 Page Ref: 87

Skill: Concept

Objective: 3-4

68) Your company is making negotiations to enter a market in Lower Albania. You would most likely discover that _____ beliefs and values are open to change in this country.

- A) inherited
- B) secondary
- C) primary
- D) core
- E) traditional

Answer: B

Diff: 2 Page Ref: 87

Skill: Concept

Objective: 3-4

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69) A society's _____ are expressed in how people view themselves, organizations, society, nature, and the universe.

- A) social codes
- B) cultural values
- C) demographics
- D) public policies
- E) economies

Answer: B

Diff: 1 Page Ref: 87

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-4

70) Trends in people's views of organizations indicate that which of the following has increased in the past twenty years?

- A) employees' loyalty to their employers
- B) confidence in American political organizations
- C) distrust in big American businesses
- D) distrust in small, local businesses
- E) employees' view of work as a source of satisfaction

Answer: C

Diff: 2 Page Ref: 89

Skill: Concept

Objective: 3-4

71) Watching the cultural trends of how people view society, observers have noted that since September 11, 2001, marketers responded to the increased _____ of Americans with special products and promotions.

A) loyalty

B) patriotism

C) distrust

D) foreign intolerance

E) belligerence

Answer: B

Diff: 2 Page Ref: 89

Skill: Concept

Objective: 3-4

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72) Which of the following is a potential downside to using patriotic themes in marketing programs?

- A) Patriotism has been on the decline in the past decade.
- B) Levels of patriotism fluctuate rapidly.
- C) Such promotions can be viewed as attempts to gain from others' triumph or tragedy.
- D) Americans are less confident in political organizations.
- E) Few marketers currently use this technique.

Answer: C

Diff: 3 Page Ref: 89

AACSB: Communication

Skill: Concept

Objective: 3-4

73) Cultural forecasters have noted a renewed American interest in _____.

- A) dominating and taming nature
- B) the fine arts
- C) work as a source of satisfaction and self-definition
- D) spirituality
- E) reforming social classes

Answer: D

Diff: 3 Page Ref: 90

AACSB: Multicultural and Diversity

Skill: Concept

Objective: 3-4

74) Marketers can take a(n) _____ by taking aggressive action to affect the publics and forces in their marketing environments.

- A) environmental stance
- B) proactive stance
- C) natural perspective
- D) natural-management perspective
- E) relationship-building perspective

Answer: B

Diff: 2 Page Ref: 91

Skill: Concept

Objective: 3-5

132) Which microenvironment actors have affected The Landing the most?

- A) competitors
- B) suppliers
- C) intermediaries
- D) natural environment
- E) economic environment

Answer: A

Diff: 2 Page Ref: 66

AACSB: Analytic Skills

Skill: Application

Objective: 3-1

133) Which of the following macroenvironmental forces has had the greatest effect on The Landing?

- A) the demographic environment
- B) the technological environment
- C) the sustainable environment
- D) the political environment
- E) the social responsibility environment

Answer: A

Diff: 1 Page Ref: 70

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

134) Which macroenvironmental force is most responsible for The Landing's 43-year survival?

- A) the demographic environment
- B) the natural environment
- C) the economic environment
- D) the political environment
- E) the legal environment

Answer: B

Diff: 2 Page Ref: 81

AACSB: Analytic Skills

Skill: Application

Objective: 3-3

135) Which of the following demographic forces has most likely influenced the recent upscale atmosphere of the area surrounding Witmer Lake?

- A) baby boomers reaching their peak earning and spending years
- B) Gen Xers displacing the lifestyles of baby boomers
- C) Millennials beginning to assert their buying power
- D) the changing structure of the American family
- E) the growing ethnic diversity of the country

Answer: A

Diff: 2 Page Ref: 71

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

136) If there is one overall lesson to be learned from the opening Xerox scenario, what would it be?

Answer: As the marketing environment and consumers' needs change, marketers must change with them.

Diff: 2 Page Ref: 65

AACSB: Analytic Skills

Skill: Application

Objective: 3-1

137) How have large retailers such as Wal-Mart changed the dynamics behind partnering with resellers?

Answer: More and more large retailers have tremendous bargaining power with suppliers; the "giants" often set their own terms and can shut the manufacturer out of large markets.

Diff: 2 Page Ref: 68

AACSB: Analytic Skills

Skill: Application

Objective: 3-1

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

Answer: A brand's image could be damaged if members of one generation respond negatively to a marketing campaign designed to appeal to members of another generation. Each generation spans decades of time, so members of one generation are actually at diverse life stages.

Diff: 3 Page Ref: 79

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

139) How do baby boomers today differ from previous generations as they neared and reached their sixties?

Answer: Baby boomers are more likely to retire later and to work more after retiring; instead of seeing themselves as getting older, the baby boomers see this as another new phase of life with opportunities for reinvention.

Diff: 2 Page Ref: 71

AACSB: Multicultural and Diversity

Skill: Application

Objective: 3-2

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

Answer: Too much might be assumed about people in the same age group, and grouping people by lifestyle may eliminate some of the inaccurate assumptions made regarding age.

Diff: 3 Page Ref: 75

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

141) How might geographic shifts in population impact marketers?

Answer: People in different regions buy differently. If tastes and preferences are taken with consumers as they disperse geographically at increasing rates, predicting specific consumption patterns in certain geographic areas may become difficult over time.

Diff: 2 Page Ref: 76

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

142) In terms of ethnic and racial makeup, why is the United States today more accurately characterized as a "salad bowl" than a "melting pot"?

Answer: Individuals hailing from virtually every country in the world live in the United States; people from these diverse group mix together, but retain many important ethnic and cultural differences. The melting pot metaphor is inaccurate because people from diverse cultures and ethnic groups have not "melted" into one homogeneous culture.

Diff: 2 Page Ref: 77

AACSB: Multicultural and Diversity

Skill: Application

Objective: 3-2

143) Briefly explain why Americans amassed record amounts of debt in the 1990s and why the free-spending trend has ended.

Answer: Americans purchased beyond their means because of high expectations for future economic growth based on a boom in the stock market and rapid increases in home values; those expectations were dashed by the recent economic downturn.

Diff: 2 Page Ref: 80

AACSB: Analytic Skills

Skill: Application

Objective: 3-2

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

Answer: Marketers who help to develop solutions to these problems can gain the advantage of becoming market leaders, as increasingly strict environmental regulations can be expected in the United States and elsewhere. Environmentally responsible actions will help a company's public image; they will also help to create a more sustainable market.

Diff: 3 Page Ref: 81-82

AACSB: Ethical Reasoning

Skill: Application

Objective: 3-3

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

Answer: Some firms, if left to their own devices, may produce shoddy products, mislead consumers in their advertising, or deceive consumers through packaging and pricing in order to increase profits.

Diff: 1 Page Ref: 84

AACSB: Ethical Reasoning

Skill: Application

Objective: 3-4

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

Answer: Marketers may work to protect the long-run interests of their consumers and the environment by making products safer, interacting responsibly with the natural environment, and supporting social organizations through cause-related marketing.

Diff: 1 Page Ref: 85

AACSB: Ethical Reasoning

Skill: Application

Objective: 3-4

147) Explain the controversy surrounding cause-related marketing.

Answer: Companies using cause-related marketing may be perceived as trying to merely increase sales or improve their images if their connection to the cause is not accurately explained or understood or if they appear to be exploiting a cause in order to increase sales.

Diff: 2 Page Ref: 87

AACSB: Analytic Skills

Skill: Application

Objective: 3-4

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

Answer: A core belief is a stronger, overall belief; an example might be a strong work ethic. A secondary belief is more open to change; an example might be one's idea that a strong work ethic can be maintained even while working only part-time.

Diff: 2 Page Ref: 87

AACSB: Reflective Thinking

Skill: Application

Objective: 3-4

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

Answer: People select and use products and services as a means of self-expression; knowledge of these self-views will help marketers position their products to be most attractive to target markets.

Diff: 1 Page Ref: 88

AACSB: Analytic Skills

Skill: Application

Objective: 3-4

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

Answer: To take a proactive stance, marketers need to take action to affect the different actors and forces in their marketing environment. These steps might include running advertorials or other campaigns to influence public opinion and hiring lobbyists to influence legislation.

Diff: 3 Page Ref: 91

AACSB: Reflective Thinking

Skill: Application

Objective: 3-5