

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

1) The social and managerial process by which individuals and groups obtain what they need through creating and exchanging products and value with others is called: 1) \_\_\_\_\_

- A) Commerce                      B) Marketing                      C) Sales                      D) Economics

Answer: B

2) Marketing mix elements include all of the following EXCEPT: 2) \_\_\_\_\_

- A) Marketing information systems                      B) Price  
C) Distribution                      D) Promotion

Answer: A

3) Which is NOT a purpose of marketing in a customer-centered firm? 3) \_\_\_\_\_

- A) To maximize company revenue                      B) To maximize customer satisfaction  
C) To generate customer value                      D) To improve relationship marketing

Answer: B

4) Instead of simply being defined as "freedom from defects," QUALITY should be defined: 4) \_\_\_\_\_

- A) In terms of customer satisfaction                      B) In terms of total sales  
C) In terms of product specifications                      D) In terms of employee satisfaction

Answer: A

5) Relationship marketing is a process where marketers work at building relationships with customers, distributors, dealers and: 5) \_\_\_\_\_

- A) Competitors                      B) Suppliers  
C) Managers                      D) Trade associations

Answer: B

6) When backed by buying power, wants become: 6) \_\_\_\_\_

- A) Demands                      B) Satisfied                      C) Needs                      D) Desires

Answer: A

7) Building strong economic and social ties with customers by delivering high-quality products and services is the foundation of: 7) \_\_\_\_\_

- A) Return on quality                      B) Relationship marketing  
C) The manufacturing concept                      D) Total quality management

Answer: B

8) When hotel management establishes no-smoking floors, bar managers no longer allow happy hours with free drink specials, and resort managers eliminate pollution from their properties, the \_\_\_\_\_ concept is being employed. 8) \_\_\_\_\_

- A) Manufacturing                      B) Product  
C) Marketing                      D) Societal marketing

Answer: D

- 9) A \_\_\_\_\_ is anything that can be offered to a market to satisfy a want or need. 9) \_\_\_\_\_  
 A) Service                      B) Product                      C) Concept                      D) Choice set  
 Answer: B
- 10) A \_\_\_\_\_ is a state of felt deprivation. 10) \_\_\_\_\_  
 A) Demand                      B) Need                      C) Desire                      D) Want  
 Answer: B
- 11) It is wise to assess the customer's \_\_\_\_\_ value and take appropriate actions to ensure a 11) \_\_\_\_\_  
 customer's long-term support.  
 A) Market                      B) Long-term                      C) Money                      D) Intrinsic  
 Answer: B
- 12) The Forum Company found that the cost of retaining a loyal customer is just \_\_\_\_\_ percent of 12) \_\_\_\_\_  
 the cost of attracting a new one.  
 A) 40                      B) 30                      C) 20                      D) 50  
 Answer: C
- 13) Which of the following is NOT part of the four-p framework of marketing? 13) \_\_\_\_\_  
 A) Pricing                      B) Promotion                      C) Placement                      D) Product  
 Answer: C
- 14) The two main industries that comprise the activities we call tourism are: 14) \_\_\_\_\_  
 A) The restaurant and cruise industries                      B) The hotel and restaurant industries  
 C) The hospitality and travel industries                      D) The hospitality and marketing industries  
 Answer: C
- 15) The most basic concept underlying marketing is that of: 15) \_\_\_\_\_  
 A) Understanding                      B) Customer                      C) Buying power                      D) Needs  
 Answer: D
- 16) A product can be: 16) \_\_\_\_\_  
 A) Tangible or intangible                      B) Tangible and intangible  
 C) Tangible only                      D) Intangible only  
 Answer: A
- 17) One of the biggest nonmonetary costs for hospitality customers is \_\_\_\_\_. 17) \_\_\_\_\_  
 A) Sentiments                      B) Time                      C) Energy                      D) Resources  
 Answer: B
- 18) One of the biggest nonmonetary costs for hospitality customers is \_\_\_\_\_. 18) \_\_\_\_\_  
 A) Energy                      B) Sentiments                      C) Resources                      D) Time  
 Answer: D
- 19) \_\_\_\_\_ is the act of obtaining a desired object from someone by offering something in return. 19) \_\_\_\_\_  
 A) Exchange                      B) Sales                      C) Marketing                      D) Transaction  
 Answer: A

- 20) A company's \_\_\_\_\_ is the set of benefits or values it promises to deliver to consumers to satisfy their needs. 20) \_\_\_\_\_  
A) Quality proposition B) Value Proposition  
C) Mission statement D) Value Promise

Answer: B

- 21) The production concept holds that consumers will favor products that are \_\_\_\_\_ and highly \_\_\_\_\_, and therefore management should focus on production and distribution efficiency. 21) \_\_\_\_\_  
A) Popular, qualitative B) Popular, affordable  
C) Available, affordable D) Available, qualitative

Answer: C

- 22) Under the product concept, marketing strategy focuses on making continuous product \_\_\_\_\_. 22) \_\_\_\_\_  
A) Advertisement and promotions B) Advertisements  
C) Improvements D) Promotions

Answer: C

- 23) The selling concept holds that consumers will not buy enough of the organization's products unless the organization undertakes a large \_\_\_\_\_ and \_\_\_\_\_ effort. 23) \_\_\_\_\_  
A) Advertising, marketing B) Marketing, promotion  
C) Advertising, promotion D) Selling, promotion

Answer: D

- 24) The \_\_\_\_\_ describes a channel that stretches from raw materials to components to final products that are carried to final buyers. 24) \_\_\_\_\_  
A) Product marketing B) Production cycle  
C) Product placement D) Supply chain

Answer: D

- 25) \_\_\_\_\_ are highly loyal but not very profitable. 25) \_\_\_\_\_  
A) Butterflies B) True Friends C) Strangers D) Barnacles

Answer: D

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 26) The hospitality industry is the second largest employer in the United States. 26) \_\_\_\_\_  
Answer:  True  False

- 27) A market is only the set of actual, not potential, buyers who have transacted with a seller. 27) \_\_\_\_\_  
Answer:  True  False

- 28) The simplest definition of marketing is delivering customer satisfaction at a profit. 28) \_\_\_\_\_  
Answer:  True  False

- 29) There is no current evidence to suggest long-term customers are more profitable than new customers. 29) \_\_\_\_\_  
Answer:  True  False

- 30) The two main industries that comprise what we call tourism are the hospitality and restaurant industries. 30) \_\_\_\_\_  
Answer: True  False
- 31) During recessions or oil shortages people rarely travel. 31) \_\_\_\_\_  
Answer: True  False
- 32) "Quality" could be defined as the features and characteristics of a product that bear on its ability to satisfy customer needs. 32) \_\_\_\_\_  
Answer:  True False
- 33) The practical definition of a marketing manager is one of a person focused entirely on finding enough customers to buy the company's current output. 33) \_\_\_\_\_  
Answer: True  False
- 34) In choosing among products, the guiding principle of most consumers is customer value — the most benefit for the price. 34) \_\_\_\_\_  
Answer:  True False
- 35) The product concept holds that customers prefer existing products, and the job of management is to development good versions of these existing products. 35) \_\_\_\_\_  
Answer:  True False

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 36) Define *marketing*. How does this definition differ from the general perception of marketing?  
Answer: Answers will vary.
- 37) Explain a marketer's value proposition.  
Answer: Answers will vary.
- 38) Describe each of the five marketing management orientations and identify which of these appears to be best for society.  
Answer: Answers will vary.
- 39) What is the key to lasting customer relationships? How is this linked to higher lifetime value and increased customer equity?  
Answer: Answers will vary.
- 40) Illustrate with example the concept of customer equity.  
Answer: Answers will vary.