**Review Test Submission: Quiz2 for Ch2 due 9/16/13**

**Content**

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| User | Ms. Aiesha Zakia Oliver |
| Course | Prinicipls Marketing |
| Test | Quiz2 for Ch2 due 9/16/13 |
| Started | 9/16/13 2:18 PM |
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| Status | Completed |
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| Time Elapsed | 58 minutes out of 1 hour. |
| Instructions |  |

* **Question 1**

2.5 out of 2.5 points

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|  | In the Boston Consulting Group (BCG) business portfolio analysis model that assesses a firm's strategic business units (SBUs), the vertical axis of this growth-share matrix represents the: |  |  |  |
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| Selected Answer: | market growth rate. |

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* **Question 2**

2.5 out of 2.5 points

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|  | Points of difference refer to |  |  |  |
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| Selected Answer: | those characteristics of a product that make it superior to competitive substitutes. |

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| Response Feedback: | Key term definition—points of difference. |

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* **Question 3**

2.5 out of 2.5 points

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|  | Business firms pursue several different types of goals. A(n) \_\_\_\_\_\_\_\_\_\_ goal is when a firm seeks to balance the conflicting goals of stakeholders to promote their overall welfare, even at the expense of profits. |  |  |  |
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| Selected Answer: | social responsibility |

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| Response Feedback: | Business firms pursue several different types of goals such as profit, sales, market share, quality, customer satisfaction, employee welfare, and social responsibility. A social responsibility goal is when a firm seeks to balance the conflicting goals of stakeholders to promote their overall welfare, even at the expense of profits. |

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* **Question 4**

2.5 out of 2.5 points

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|  | Market share is the ratio of sales revenue of the firm to the total sales revenue of all \_\_\_\_\_\_\_\_\_\_, including the firm itself. |  |  |  |
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| Selected Answer: | firms in the industry |

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| Response Feedback: | Key term definition—market share. |

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* **Question 5**

2.5 out of 2.5 points

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|  | Organizational strategies vary in at least two significant ways. These include by \_\_\_\_\_\_\_\_\_\_ and by \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | level; offering |

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* **Question 6**

2.5 out of 2.5 points

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|  | All of the following are names the BCG has given to describe the four quadrants in its growth-share matrix **EXCEPT**: |  |  |  |
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| Selected Answer: | hedgehogs. |

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| Response Feedback: | The BCG has given names to describe the four quadrants in its growth-share matrix. They are cash cows, stars, question marks, and dogs. See Figure 2-4 in the textbook. |

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* **Question 7**

2.5 out of 2.5 points

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|  | Several years ago, the Honda Motor Company unveiled the hybrid version of the Honda Civic. While the hybrid vehicles are very fuel efficient, they are also very expensive to purchase. Hybrid vehicles sales have increased over 570 percent with a compound annual growth rate of 88.6%. Sales of the Civic eventually overtook those of the Toyota Prius, making it the number one hybrid car in the U.S. For years, Honda has experienced tremendous success with their Accords—in fact, these Honda cars are the top-selling automobiles in the U.S. Where would the Honda Civic (hybrid version) and the Honda Accord fall in the BCG business portfolio analysis matrix? |  |  |  |
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| Selected Answer: | The hybrid Civic is a star; the Accord is a cash cow. |

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| Response Feedback: | The BCG growth-share matrix is based upon market growth rate and market share. The hybrid car market is a high growth market. The Honda Civic hybrid has slightly over half of the market share of this market. The vehicle will require large injections of cash from other products in the Honda line to maintain or increase market share. As a result, the Honda Civic hybrid is a star. The Honda Accord auto is well established in a slower-growth market and controls a significant percentage of market share. Thus, the Accord is a cash cow for Honda and the revenues generated from these cars will be used to finance the marketing of the hybrid Civic, a star in the BCG growth-share matrix. See Figure 2-4 in the textbook. |

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* **Question 8**

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|  | Core values refer to |  |  |  |
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| Selected Answer: | the fundamental, passionate, and enduring principles that guide an organization's conduct over time. |

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| Response Feedback: | Key term definition—core values. |

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* **Question 9**

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|  |   Consider Figure 2-7 above. A Florida-based flashlight company has been extremely successful due in part to the number of hurricanes in Florida that result in power outages. The firm is thinking of expanding its product offerings to include other emergency supplies such as generators and survival kits (consisting of food bars, a water filtration system, first aid supplies, etc.). Before going ahead with this decision, there were several factors that had to be taken into consideration: (1) The firm has a great reputation with its flashlights and does not want to ruin it. (2) Its physical plant could be refitted relatively easily to make small generators, but it would be rather costly. (3) It would have to rely on another firm to manufacture and package the survival kits. (4) Although there are nine named hurricanes scheduled for the upcoming year, no one really can predict what will happen. The company's need to refit its factory would fall in which quadrant(s) of the SWOT analysis grid? |  |  |  |
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| Selected Answer: | "A" |

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| Response Feedback: | The cost of refitting a physical plant would be an unfavorable internal factor, which is quadrant "B." See Figure 2-7 in the textbook. |

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* **Question 10**

2.5 out of 2.5 points

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|  | Medtronic is the world leader in producing and marketing heart pacemakers and other medical devices. All of the following are stakeholders of Medtronic EXCEPT: |  |  |  |
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| Selected Answer: | retailers. |

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* **Question 11**

2.5 out of 2.5 points

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|  | "To contribute to human welfare by application of biomedical engineering in the research, design, manufacture, and sale of instruments or appliances that alleviate pain, restore health, and extend life" is Medtronic's \_\_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | mission statement |

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| Response Feedback: | Medtronic is the world leader in producing heart pacemakers and other medical devices. Earl Bakken, its founder, wrote this mission statement for Medtronic when it was launched a half century ago, and which today remains virtually unchanged. |

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* **Question 12**

2.5 out of 2.5 points

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|  |   In Figure 2-2 above, "A" represents the "why" element of visionary organization. This is referred to as \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | organizational foundation |

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| Response Feedback: | Today's visionary organization uses three key elements: (1) specify its foundation (why does it exist?); (2) set a direction (what will it do?); and (3) formulate strategies (how will it do it?). See Figure 2-2 in the textbook. |

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* **Question 13**

2.5 out of 2.5 points

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|  |   In Figure 2-4 shown above, SBUs found in quadrant "A" would be called \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | stars |

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| Response Feedback: | SBUs with high growth rate and high relative market share are called stars. See Figure 2-4 in the textbook. |

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* **Question 14**

2.5 out of 2.5 points

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|  | Large organizations are extremely complex. They usually consist of \_\_\_\_\_\_\_\_\_\_ organizational levels whose strategies are linked to marketing. |  |  |  |
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| Selected Answer: | three |

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| Response Feedback: | Large organizations are extremely complex. They usually consist of three organizational levels whose strategies are linked to marketing. These levels are the corporate-level strategy, business unit-level strategy, and functional-level strategy. See Figure 2-1 in the textbook. |

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* **Question 15**

2.5 out of 2.5 points

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|  | Ben & Jerry's is founded on and dedicated to a sustainable corporate concept of linked prosperity. Its mission statement consists of three interrelated parts, which are: |  |  |  |
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| Selected Answer: | product, economic, and social. |

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* **Question 16**

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|  | At one point in time, Kodak had a very flat level of sales revenue. The CEO did not like the no-growth results so he told top management to develop a new set of strategies to increase sales revenues based on based on new plans and actions. The difference between the existing flat level and the projected increased level of sales revenue is known as the: |  |  |  |
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| Selected Answer: | evaluation gap. |

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* **Question 17**

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|  | In 2008, Kodak's ink-jet printer could be considered a "question mark" because the market dramatically changed as consumers shifted from single-purpose to multifunction machines designed to print photos, make copies, scan images, and send faxes. Today, Kodak now offers only multifunction printers. If Kodak can double or triple unit sales soon, this SBU "question mark" could become a "\_\_\_\_\_\_\_\_\_\_;" if online printing and sharing steal market share, this SBU could become a "\_\_\_\_\_\_\_\_\_\_." |  |  |  |
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| --- | --- |
| Selected Answer: | cash cow; star |

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| Response Feedback: | Today, Kodak now offers only multifunction printers. Moreover, Kodak's high-quality ink cartridges make photos at half the cost of Hewlett-Packard's (HP) printers. The result: In two short years, Kodak has sold over 1 million printers. Consumers buy an average of eight ink cartridges a year. Because HP is the entrenched 300-pound gorilla in this market, the future of this "question mark" could evolve into a "star" if Kodak is able to double or triple unit sales. Or, this SBU may turn into a "dog" because online printing and sharing have taken off and may soon reach $1 billion. See Figure 2-4 in the textbook. |

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* **Question 18**

2.5 out of 2.5 points

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|  |   In Figure 2-4 shown above, SBUs found in quadrant "C" would be called \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | dogs |

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| Response Feedback: | SBUs with low growth rate and low relative market share are called dogs. See Figure 2-4 in the textbook. |

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* **Question 19**

2.5 out of 2.5 points

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|  | A mission statement includes all of the following elements **EXCEPT**: |  |  |  |
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| Selected Answer: | short-term. |

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| Response Feedback: | A mission is a statement of the organization's functions in society, often identifying its customers, markets, products, and technologies. Recently, organizations have added a social element to their mission statements to reflect an ideal that is morally right and worthwhile. |

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* **Question 20**

0 out of 2.5 points

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|  |   According to Figure 2-5 above, which two marketing strategies would be used if a firm were not willing to find new markets. |  |  |  |
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| Selected Answer: | market development and market penetration |

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| Response Feedback: | Both product development ("B") and market penetration ("A") require a firm to expand its current markets. See Figure 2-5 in the textbook. |

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* **Question 21**

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|  | One of the strengths inherent in the use of the BCG business portfolio analysis is that it |  |  |  |
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| Selected Answer: | identifies specific marketing strategies and marketing tactics on how to solve SBU shortcomings. |

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| Response Feedback: | The primary strength of business portfolio analysis lies in forcing a firm to place each of its SBUs in the growth-share matrix, which in turn suggests which SBUs will be cash producers and cash users in the future. |

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* **Question 22**

2.5 out of 2.5 points

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|  | In 2008, about 80 percent of U.S. consumers owned a digital camera because it is easy to use, is relatively inexpensive, and allows images to be uploaded and shared online. And Kodak's sales of digital cameras have been good, moving from a "question mark" to a "cash cow." But in the near future, Kodak's digital camera sales may flatten due to high household penetration, the economic downturn, and increased competition. As a result, its new digital camera sales may come mostly as replacement sales for existing, not new customers. Kodak expects this SBU may become(may remain) a \_\_\_\_\_\_\_\_\_\_ in the near future. |  |  |  |
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| --- | --- |
| Selected Answer: | cash cow |

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| Response Feedback: | In business portfolio analysis, an organization's SBUs often start as "question marks" and proceed counterclockwise to become "stars," then "cash cows," and finally "dogs." Kodak expects this SBU to continue to be a "cash cow" but recent trends may force this SBU back to "star" since new models sales will consist of mainly replacement sales at lower prices. See Figure 2-4 in the textbook. |

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* **Question 23**

2.5 out of 2.5 points

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|  | Compared to marketing strategies, marketing tactics generally involve actions that |  |  |  |
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| Selected Answer: | are detailed day-to-day operational decisions. |

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| Response Feedback: | Marketing tactics are detailed day-to-day operational decisions essential to the overall success of marketing strategies. |

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* **Question 24**

2.5 out of 2.5 points

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|  | Market segmentation refers to |  |  |  |
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| Selected Answer: | aggregating prospective buyers into groups that have common needs and will respond similarly to a marketing action. |

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| Response Feedback: | Key term definition—market segmentation. [NOTE: "Segments" was omitted from the question so to as not give away the answer.] |

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* **Question 25**

2.5 out of 2.5 points

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|  | An organization uses the strategic marketing process to answer all of the following questions **EXCEPT**: |  |  |  |
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| Selected Answer: | "Where do we want to go?" |

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| Response Feedback: | An organization uses the strategic marketing process to answer questions such as: (1) "How do we allocate our resources to get where we want to go?" (2) "How do we convert our plans into actions?" (3) "How do our results compare with our plans?" and (4) "Do deviations require new plans?" Questions such as "Where are we now?" and "Where do we want to go?" are answered during the analysis (business portfolio and diversification) that occurs prior to engaging in the strategic marketing process. |

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* **Question 26**

2.5 out of 2.5 points

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|  | Netflix is a company that rents DVD movies either by mail or streams movies over the Internet. It jumped into an industry where there were many competitors from other local and national video stores. Initially, it established a loyal clientele by providing a service that was not available—reliable and fast shipment. Its delivery system created Netflix's |  |  |  |
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| --- | --- |
| Selected Answer: | competitive advantage. |

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| Response Feedback: | Competitive advantage is a unique strength relative to competitors, often based on quality, time, cost, or innovation. In this case, it is the fast, reliable delivery. |

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* **Question 27**

2.5 out of 2.5 points

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|  | The money left over after a business firm's total expenses are subtracted from its total revenues and is the reward for the risk it undertakes in marketing its offerings is referred to as: |  |  |  |
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| Selected Answer: | profit. |

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* **Question 28**

2.5 out of 2.5 points

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|  |   In Figure 2-1 above, "D" represents the |  |  |  |
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| Selected Answer: | functional level. |

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| Response Feedback: | Large organizations usually consist of three organizational levels whose strategies are linked to marketing. The board of directors ("A") oversees the three levels of strategy: corporate ("B"), business unit ("C"), and functional ("D") that comprises the individual departments (marketing, finance, etc. or "E") in organizations. See Figure 2-1 in the textbook. |

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* **Question 29**

2.5 out of 2.5 points

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|  | An effective technique a firm can use to appraise its internal strengths and weaknesses and external opportunities and threats is referred to as (a) \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| Selected Answer: | SWOT analysis |

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| Response Feedback: | Key term definition—SWOT analysis. |

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* **Question 30**

2.5 out of 2.5 points

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|  | Diversification refers to the marketing strategy of: |  |  |  |
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| Selected Answer: | increasing sales of current products in current markets. |

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* **Question 31**

2.5 out of 2.5 points

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|  | A technique that managers use to quantify performance measures and growth targets to analyze its strategic business units (SBUs) as though they were a collection of separate investments is referred to as |  |  |  |
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| Selected Answer: | business portfolio analysis. |

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| Response Feedback: | Key term definition—business portfolio analysis. |

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* **Question 32**

2.5 out of 2.5 points

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|  | Market penetration refers to the marketing strategy of: |  |  |  |
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| Selected Answer: | increasing sales of current products in current markets. |

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* **Question 33**

0 out of 2.5 points

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|  |   Consider Figure 2-7 above. A Florida-based flashlight company has been extremely successful due in part to the number of hurricanes in Florida that result in power outages. The firm is thinking of expanding its product offerings to include other emergency supplies such as generators and survival kits (consisting of food bars, a water filtration system, first aid supplies, etc.). Before going ahead with this decision, there were several factors that had to be taken into consideration: (1) The firm has a great reputation with its flashlights and does not want to ruin it. (2) Its physical plant could be refitted relatively easily to make small generators, but it would be rather costly. (3) It would have to rely on another firm to manufacture and package the survival kits. (4) Although there are nine named hurricanes scheduled for the upcoming year, no one really can predict what will happen. The company's reputation would fall in which quadrant(s) of the SWOT analysis grid? |  |  |  |
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| Selected Answer: | "A" and "D" |

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| Response Feedback: | The firm's reputation is a favorable internal factor or strength, which is quadrant "A." See Figure 2-7 in the textbook. |

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* **Question 34**

2.5 out of 2.5 points

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|  | A \_\_\_\_\_\_\_\_\_\_ is a nongovernmental organization that serves its customers but does not have profit as an organizational goal. |  |  |  |
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| Selected Answer: | nonprofit organization |

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| Response Feedback: | Text term definition—nonprofit organization. |

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* **Question 35**

2.5 out of 2.5 points

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|  | A subsidiary, division, or unit of an organization that markets a set of related offerings to a clearly defined group of customers is referred to as a |  |  |  |
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| --- | --- |
| Selected Answer: | strategic business unit. |

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| Response Feedback: | Key term definition—strategic business unit. |

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* **Question 36**

2.5 out of 2.5 points

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|  | A marketing strategy to increase sales of current products in current markets is referred to as |  |  |  |
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| Selected Answer: | market penetration. |

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| Response Feedback: | Text term definition—market penetration. See Figure 2-5 in the textbook. |

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* **Question 37**

2.5 out of 2.5 points

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|  | A small business owner was preparing her staff for the upcoming holiday season. Her women's apparel retail store had a great year—sales and profits were up 20 percent. In a meeting with her sales staff before opening the store on Black Friday, the day after Thanksgiving, she said, "We want to move as much inventory as possible. Not only can we highlight our holiday items, why don't we mark down some of our other seasonal items while people are in a shopping mood?" From this statement, she was concerned with a \_\_\_\_\_\_\_\_\_\_ goal. |  |  |  |
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| Selected Answer: | sales |

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| Response Feedback: | If profits are acceptable, a firm may elect to maintain or increase its sales level even though profitability may not be maximized. |

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* **Question 38**

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|  |   Consider Figure 2-5 above. A small family owns gelato business in the town's favorite place where parents and children stop on their way home from work to relax or school to play. However, the business owner is barely making ends meet. He experiments by purchasing a case of large take-home containers so customers can not only stop on the way home from school or work but also enjoy the gelato after dinner at home. Profits begin to rise. This is an example of a \_\_\_\_\_\_\_\_\_\_ strategy that would be found in quadrant \_\_\_\_\_\_\_\_\_\_. |  |  |  |
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| --- | --- |
| Selected Answer: | product development; "B" |

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| Response Feedback: | Market penetration is a marketing strategy to increase sales or current products in current markets ("A"). See Figure 2-5 in the textbook. |

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* **Question 39**

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|  | The information about an organization's marketing metrics graphically so marketers can quickly (1) spot deviations from plans and (2) take corrective actions is referred to as: |  |  |  |
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| Selected Answer: | data visualization. |

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* **Question 40**

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|  | A toothbrush manufacturer sells several lines of toothbrushes. One line is for small children, another line is for people with gum problems, and still another is for people who wear dentures. These different products are targeted toward different groups based on decisions resulting from the process of: |  |  |  |
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| Selected Answer: | market analysis. |

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Monday, October 7, 2013 3:09:23 AM EDT