

TEST BANK FOR

Contemporary Marketing 19th Edition by Louis E. Boone, David L. Kurtz Copyright 2022

Chapter 1-18 with Appendix [A B]

Chapter 1

Indicate whether the statement is true or false.

1. On average, marketing expenses account for half of the costs involved in a product.
 - a. True
 - b. False

2. Production orientation is a business philosophy that stresses on the importance of quantity of products rather than the quality of products.
 - a. True
 - b. False

3. Form utility refers to conversion of raw materials and components into finished goods and services.
 - a. True
 - b. False

4. Marketing of a product begins after it hits the shelf.
 - a. True
 - b. False

5. It can be said that Glen Inc., a woolen products manufacturing company based in Switzerland, is a firm that uses a market-driven strategy because it produces goods based on local customers' experiences, needs, and preferences.
 - a. True
 - b. False

6. Virtually all colleges and universities have alumni associations that publish magazines, hold reunions, and try to raise funds. These activities constitute organization marketing.
 - a. True
 - b. False

7. In the sales era, firms attempted to match their output to the potential number of customers who would want it.
 - a. True
 - b. False

8. Promotional events designed to attract visitors to a particular area or to improve the image of a city, state, or nation would be examples of event marketing.
 - a. True
 - b. False

9. Buying an iPod generates ownership utility; however, buying a concert ticket does not.
 - a. True

Name: _____ Class: _____ Date: _____

b. False

10. In modern terminology, Apple's excellent sales and customer service, sleek design, innovative engineering, and reliability all add up to a world-class "product."

a. True

b. False

11. The relationship era builds on the marketing era's customer orientation by only focusing on maintaining relationships with customers.

a. True

b. False

12. Manufacturers engage in risk taking when they create goods and services based on research and their belief that consumers need them.

a. True

b. False

13. The advent of a strong buyer's market created the need for consumer orientation by businesses.

a. True

b. False

14. Mary Kay Cosmetic's long-time policy of rewarding top sales representatives with a "Mary Kay pink" Cadillac is an example of integrated marketing communications.

a. True

b. False

15. When Dolly Parton promotes her theme park called Dollywood, it is both place and person marketing.

a. True

b. False

16. According to relationship marketing, the lifetime value of a customer should exceed the investment made by the firm to attract and keep the customer.

a. True

b. False

17. Marketing of sporting, cultural, and recreational activities to selected target markets is known as cause marketing.

a. True

b. False

18. The emergence of the marketing concept can be linked to the shift from a seller's market to a buyer's market.

a. True

b. False

19. Celebrities use person marketing as a way to increase their value in the marketplace.

a. True

b. False

Name: _____ Class: _____ Date: _____

20. Marketing is the indirect connection between a firm and its customers.
- True
 - False
21. An auto manufacturer creates ownership utility for its consumers by combining metal, rubber, plastic, and petroleum products.
- True
 - False
22. Intermediaries that may be involved in a product's movement from producer to final consumer are known as wholesalers.
- True
 - False
23. Owen buys a car for himself. Owen has created ownership utility.
- True
 - False
24. Mobile marketing is a term used to describe marketing messages sent via wireless technology.
- True
 - False
25. The marketing concept focuses on the objective of achieving short-term profits instead of long-run success during tough economic times.
- True
 - False
26. Branches of the U.S. military sometimes show recruitment advertisements in cinemas featuring movies that are most likely to attract viewers of military age. This is an example of place marketing.
- True
 - False
27. When bad weather damages crops such as wheat and corn, food manufacturers such as Kraft often have to pass the additional cost of scarce supplies along to their customers in the form of higher prices.
- True
 - False
28. A firm with a fully developed marketing concept is one with a company-wide consumer orientation with the objective of achieving long-term success.
- True
 - False
29. The marketing era is defined by a shift in focus from products and sales to satisfying a consumer's needs.
- True
 - False
30. Relationship marketing moves customers up a loyalty ladder—from new customers to regular purchasers, then to loyal supporters of the firm and its goods and services, and finally to advocates who not only buy its products but recommend

them to others.

- a. True
- b. False

31. Within a business environment, the marketing function is responsible for the creation of time, place, and ownership utility, whereas the production function creates form utility.

- a. True
- b. False

32. In the history of marketing, the fourth era, known as the social era, has given way to the fifth era, called the relationship era.

- a. True
- b. False

33. The marketing era is the successive historical outcome of the production era.

- a. True
- b. False

34. Relationship building in marketing starts with excellent customer service after purchase.

- a. True
- b. False

35. Used car lots, which rely heavily on flashy newspaper ads and loud commercials for their revenues, are still a great example of the third era of marketing history.

- a. True
- b. False

36. Compared to transaction marketing, relationship marketing relies more heavily on information technologies.

- a. True
- b. False

37. The traditional view of marketing can be described as transaction-based marketing.

- a. True
- b. False

38. The cost of finding new customers is far less than the cost of maintaining existing ones.

- a. True
- b. False

39. A seller's market is one in which there are more goods and services than people willing to buy them.

- a. True
- b. False

40. A theater group promoting a performance to raise funds in the fight against cancer is an example of both cause marketing and event marketing.

- a. True
- b. False