

Exam

Name _____

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

- 1) _____ calls for meeting the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs. 1) _____
- A) Innovation
 - B) The sustainable marketing concept
 - C) The strategic planning concept
 - D) Consumerism
 - E) Environmentalism
- 2) All of the following are concepts that define the needs of consumers and/or businesses EXCEPT? 2) _____
- A) Sustainable marketing concept
 - B) Societal marketing concept
 - C) Strategic planning concept
 - D) Marketing concept
 - E) Consumer business concept
- 3) The _____ is specifically focused on future company needs only. 3) _____
- A) consumer business concept
 - B) marketing concept
 - C) sustainable marketing concept
 - D) societal marketing concept
 - E) strategic planning concept
- 4) The _____ is specifically focused on the future welfare of consumers only. 4) _____
- A) marketing concept
 - B) societal marketing concept
 - C) consumer business concept
 - D) sustainable marketing concept
 - E) strategic planning concept
- 5) McDonald's "Balanced, Active Lifestyle" initiative has added healthy food options to its menu, phased out traditional artery-clogging trans fats, launched a major multifaceted education campaign, and addressed environmental issues. "Balanced, Active Lifestyle" best exemplifies which concept? 5) _____
- A) societal marketing concept
 - B) consumer business concept
 - C) sustainable marketing concept
 - D) strategic planning concept
 - E) marketing concept

- 6) Many critics charge that the marketing system causes _____ to be higher than they would be under more "sensible" systems. 6) _____
A) product safety measures
B) imports
C) exports
D) employee morals
E) prices
- 7) Critics charge that intermediaries _____. 7) _____
A) are too few in number
B) underprice their services
C) are too competitive
D) are inefficient
E) provide only necessary services
- 8) A long-standing charge against intermediaries is that they mark up prices beyond the _____. 8) _____
A) resale value
B) delivery charges
C) promotion cost
D) value of their services
E) going market price
- 9) A heavily promoted brand of flu medicine sells for much more than a virtually identical store-branded product. Critics would likely charge that promotion for the branded flu medicine adds only _____ to the product rather than functional value. 9) _____
A) strength
B) quality
C) consistency
D) informational value
E) psychological value
- 10) Marketers respond to charges of high advertising and promotion costs that unnecessarily increase retail prices by arguing all of the following factors EXCEPT? 10) _____
A) Advertising and promotion adds quality to the product.
B) Advertising and promotion adds value by informing potential buyers of the availability and merits of a brand.
C) Advertising and promotion make consumers feel wealthy.
D) Advertising and promotion make consumers feel attractive.
E) Advertising and promotion is necessary for a firm to match competitors' efforts.
- 11) Dan's Drugstore sells consumers medicine for twenty dollars that only costs two dollars to make. The store is guilty of _____. 11) _____
A) false advertising
B) redlining
C) deceptive promotion
D) excessive markups
E) deceptive packaging

- 12) Albatross Enterprises was accused of deceptive pricing. Which of the following explains what might have happened? 12) _____
- A) Albatross misrepresented a product's features in an ad.
 - B) Albatross used misleading labelling.
 - C) Albatross refused to advertise sale prices in the local paper.
 - D) Albatross lured customers to the store for a bargain that is out of stock.
 - E) Albatross advertised a large price reduction from a phony high retail list price.
- 13) Hart's Department Store was accused of deceptive promotion. Which of the following best explains what might have happened? 13) _____
- A) Hart's advertised a large price reduction from a phony high retail list price.
 - B) Hart's refused to advertise sale prices in the local paper.
 - C) Hart's lured customers to the store for a bargain that is out of stock.
 - D) Hart's exaggerated its package contents through subtle design.
 - E) Hart's used misleading labelling.
- 14) Marketers claim that consumers often don't understand the reasons for high markups. All of the following are reasons a pharmaceutical company claims they must markup prices EXCEPT _____.
- A) to gain a profit
 - B) to cover cost of distributing existing medicines
 - C) to test new medicines
 - D) to cover cost of promoting
 - E) to cover cost of purchasing
- 15) Deceptive practices fall into three groups: deceptive _____, deceptive _____, and deceptive _____. 15) _____
- A) product; packaging; placement
 - B) pricing; promotion; placement
 - C) pricing; promotion; packaging
 - D) packaging; product; promotion
 - E) product; pricing; promotion
- 16) Deceptive promotion differs from deceptive pricing in that deceptive promotion overstates the product's _____ or _____. 16) _____
- A) design; features
 - B) packaging; costs
 - C) features; performance
 - D) availability; package contents
 - E) true price; performance
- 17) When shady marketers take advantage of consumers, they should be reported to any of the following organizations, EXCEPT _____. 17) _____
- A) the provincial Consumer Affairs Office
 - B) Advertising Standards Canada
 - C) Canadian Consumer Information Gateway
 - D) the Canadian Marketing Association
 - E) the Competition Bureau

- 18) Advertising "puffery" is a term for _____. 18) _____
A) a straightforward promotional message
B) innocent exaggeration for effect
C) subliminal appeals to consumers
D) value-added promotions
E) emotional appeals to consumers
- 19) Which of the following advertising situations would LEAST likely be considered "puffery"? 19) _____
A) Mr. Clean coming to a housewife's rescue
B) children immediately growing into attractive adults as a result of drinking milk
C) a retired couple drinking a vitamin and protein shake and then going bicycling
D) instantly toned thighs and legs as a result of using the Thigh Master for only 15 minutes
E) a sleepy mom who wakes up to a gray day, drinks a cup of coffee, and then looks out her window to see golden sunshine, beautiful flowers blooming, songbirds singing, and a rainbow on the horizon
- 20) When critics claim that insurance, real estate, and used cars are sold, not bought, they are making accusations of the use of _____. 20) _____
A) excessive materialism
B) shoddy products
C) high-pressure selling
D) deceptive promotions
E) excessive markups
- 21) _____ persuades people to buy goods they had no thought of buying. 21) _____
A) Strategic marketing
B) Redlining
C) High pressure selling
D) Reverse redlining
E) Sustainable marketing
- 22) The success of the Tom Dennis Ford dealership has been built largely on return customers and word-of-mouth recommendations. The majority of sales are made to customers who have purchased a vehicle at the dealership before or who know someone who had a positive experience purchasing a vehicle there. The sales force at the Tom Dennis Ford dealership most likely knows that using high-pressure selling does not work if the dealership wants to _____. 22) _____
A) build long-term relationships with customers
B) move last year's models
C) achieve short-term gains
D) obey local and federal law
E) maintain a database
- 23) Recently, a class-action lawsuit was brought against McDonald's, charging that its food has contributed to the nationwide obesity epidemic. The suit was eventually dismissed, but many critics continue to point out the health dangers of many "fast food" menu items. These critics are concerned that the fast food industry has used _____. 23) _____
A) high-pressure selling
B) deceptive pricing
C) deceptive packaging
D) deceptive promotions
E) harmful products

- 24) Consumers Union, the nonprofit testing and information organization, publishes _____ to assist the consumer in choosing products and to encourage businesses to eliminate product flaws. 24) _____
- A) *Home & Garden*
 - B) *Sports Illustrated*
 - C) *Consumer Reports*
 - D) *Buyers Weekly*
 - E) *Consumer Digest*
- 25) All of the following would be considered hazards in tested products EXCEPT _____. 25) _____
- A) carbon monoxide poisoning from room heaters
 - B) electrical dangers in appliances
 - C) injury risks from lawn mowers
 - D) sour-tasting medicine
 - E) faulty automobile design
- 26) Critics have charged that some companies intentionally manufacture their products with materials or components that cause the product to need to be replaced before it actually should need replacement. What is this called? 26) _____
- A) nonfunctional warranty
 - B) expressed dissatisfaction
 - C) product failure
 - D) short-term planning
 - E) planned obsolescence
- 27) The following quote best describes _____. "The marvels of modern technology include the development of a soda can which, when discarded, will last forever, and a...car, which when properly cared for, will rust out in two or three years." 27) _____
- A) product failure
 - B) short-term planning
 - C) planned obsolescence
 - D) nonfunctional warranty
 - E) excessive markups
- 28) Planned obsolescence might involve all of the following EXCEPT _____. 28) _____
- A) the use of components that will break soon after purchase
 - B) the holding back of attractive functional features, then introducing them later to make older models obsolete
 - C) the use of materials that will rust sooner than they should
 - D) producers continually changing consumer styles
 - E) the use of unsafe materials
- 29) Marketers respond to charges of planned obsolescence with all of the following EXCEPT? 29) _____
- A) Consumers like change.
 - B) Companies do not want to lose customers to other brands.
 - C) The product will eventually wear out anyway.
 - D) No one is forced to buy the new product.
 - E) For most technical products, customers want the latest innovations.

- 30) Trendy Teens manufactures fashionable clothing and accessories for the tween and teen female markets. New merchandise with a very different look is rolled out each season and heavily promoted as the "must-have" style in a variety of media. Trendy Teens could most easily be criticized for which of the following? 30) _____
- A) poor service to disadvantaged consumers
 - B) planned obsolescence
 - C) shoddy products
 - D) deceptive promotions
 - E) high-pressure selling
- 31) Critics claim that companies in the _____ industries introduce planned streams of new products that make older models obsolete, a form of planned obsolescence that harms consumers. 31) _____
- A) car and truck
 - B) financial and entertainment
 - C) food and beverage
 - D) housing and construction
 - E) consumer electronics and computer
- 32) Critics who believe that the marketing system poorly serves disadvantaged consumers claim that the _____ pay more for inferior goods. 32) _____
- A) rural poor
 - B) uneducated
 - C) urban poor
 - D) wealthy
 - E) elderly
- 33) The presence of _____ in low-income neighborhoods makes a big difference in keeping prices down. 33) _____
- A) small stores
 - B) redlining companies
 - C) large national chain stores
 - D) malls
 - E) factory outlets
- 34) When major chain retailers avoid placing stores in disadvantaged neighborhoods, they are likely to be accused of the discriminatory practice of _____. 34) _____
- A) redlining
 - B) licensing
 - C) puffery
 - D) embargo
 - E) scrambling merchandise
- 35) Critics claim that mortgage lenders used _____. Instead of staying away from people in poor urban areas, they targeted and exploited them by steering them toward subprime loans even though many qualified for safer fixed-rate loans. 35) _____
- A) redlining
 - B) puffery
 - C) the push strategy
 - D) reverse redlining
 - E) licensing

- 36) Several companies, some of them operating through the Internet, offer "paycheck advances." Consumers are encouraged to take out a loan against a paycheck they expect to receive in the near future. These short-term loans with high-interest rates, and high penalties for late payments, are often marketed to consumers who do not have traditional bank accounts. These companies could most easily be criticized for which of the following? 36) _____
- A) shoddy products
 - B) excessive markups
 - C) poor service to disadvantaged consumers
 - D) high-pressure selling
 - E) high advertising and promotion costs
- 37) Critics have charged that the marketing system urges too much interest in _____. 37) _____
- A) the push strategy
 - B) entering the global market arena
 - C) material possessions
 - D) new product invention
 - E) meeting a quota
- 38) Critics of the North American economic marketing system have charged that marketers have created a culture in which people are judged by what they _____. 38) _____
- A) eat
 - B) are
 - C) own
 - D) do
 - E) avoid
- 39) Events like Buy Nothing Day, started in Vancouver in 1992 by cartoonist Ted Dave, now span the globe. Buy Nothing Day's purpose is to criticize the marketing system for creating _____. 39) _____
- A) predatory competition
 - B) too few social goods
 - C) false wants and too much materialism
 - D) shoddy products
 - E) environmental problems
- 40) Organizations like Adbusters Media Foundation, have charged that the marketing system urges too much interest in material possessions and that North Americans' love affair with worldly possessions is not _____. 40) _____
- A) global
 - B) sustainable
 - C) avoidable
 - D) profitable
 - E) feasible
- 41) Which of the following statements supports the criticism that marketers benefit from creating false wants. 41) _____
- A) Advertisers use the mass media to create materialistic models of the good life.
 - B) People have strong defences against advertising and other marketing tools.
 - C) The high failure rate of new products shows that companies are not able to control demand.
 - D) People seek information when making important purchases and often do not rely on a single source.
 - E) Even minor purchases that may be affected by advertising messages lead to repeat purchases only if the product delivers the promised customer value.

- 42) On a deeper level, our wants and values are influenced not only by marketers but also by all of the following, EXCEPT _____. 42) _____
- A) intermediaries
 - B) religion
 - C) family
 - D) education
 - E) cultural background
- 43) The overselling of private goods results in _____, such as cars causing traffic jams, air pollution, injuries, and deaths. 43) _____
- A) social costs
 - B) opportunity costs
 - C) materialism
 - D) cultural pollution
 - E) misdirected funding
- 44) To restore the balance between private and public goods, producers could be required to bear the full _____ costs of their operations. 44) _____
- A) environmental
 - B) social
 - C) cultural
 - D) promotional
 - E) safety
- 45) For cars, "social costs" include all of the following EXCEPT _____. 45) _____
- A) traffic congestion
 - B) gasoline shortages
 - C) traffic accidents
 - D) congestion tolls
 - E) air pollution
- 46) TerraPass is a company that offers consumers the opportunity to buy carbon offsets, which are contributions to projects that combat global warming by reducing carbon emissions. TerraPass offers contribution packages for driving, flying, and home energy use. Through TerraPass, consumers can pay some of the _____ costs of their private goods and services. 46) _____
- A) promotional
 - B) safety
 - C) social
 - D) health
 - E) distribution
- 47) Cultural pollution could be referred to as _____. 47) _____
- A) air pollution
 - B) commercial noise
 - C) a marketer's inability to identify a target market
 - D) language barriers
 - E) zipping or zapping

- 48) All of the following are examples of cultural pollution EXCEPT _____. 48) _____
- A) street signs in an urban area
 - B) commercials during serious programs
 - C) ads in magazines
 - D) spam in an e-mail inbox
 - E) billboards marring beautiful scenery
- 49) Karl Lagaros, a marketing critic, is concerned about the pervasiveness of marketing. He points to advertising messages everywhere, from Web sites and e-mails to unwanted direct mail and catalogues to television commercials and product tie-ins to billboards and store signage. Karl is concerned about _____. 49) _____
- A) high advertising and promotion costs
 - B) false wants and too much materialism
 - C) cultural pollution
 - D) the balance between private goods and social goods
 - E) deceptive practices
- 50) In response to charges of _____, marketers point out that advertising makes much of television and radio free to users and also keeps down the cost of magazines and newspapers. 50) _____
- A) creating false wants
 - B) high promotion costs
 - C) creating too much materialism
 - D) too few social goods
 - E) cultural pollution
- 51) Cultural pollution continually pollutes people's minds with all of the following messages EXCEPT _____. 51) _____
- A) power
 - B) sex
 - C) religion
 - D) materialism
 - E) status
- 52) Large marketing companies can use patents and heavy promotion spending to _____. 52) _____
- A) acquire smaller companies
 - B) achieve economies of scale
 - C) set up barriers for others wanting to enter the industry
 - D) bear the social costs of their operations
 - E) offset cultural pollution
- 53) All of the following are potential advantages of acquisition EXCEPT? 53) _____
- A) Acquisitions require little government oversight.
 - B) An industry might become more competitive after an acquisition.
 - C) The acquiring company can gain economies of scale.
 - D) An acquiring company may improve the efficiency of an acquired company.
 - E) The acquisition may result in lower costs, leading to lower prices for consumers.

- 54) Setting prices below cost, threatening to cut off business with suppliers, and discouraging the purchase of a competitor's products are all examples of _____. 54) _____
- A) excessive materialism
 - B) barriers to entering a market
 - C) predatory competition
 - D) acquisitions
 - E) routine competition
- 55) The two major movements to keep business in line are environmentalism and _____. 55) _____
- A) consumerism
 - B) antimonopoly legislation
 - C) protectionism
 - D) innovation
 - E) regulating interstate commerce
- 56) The first organized consumer movement took place in the early 1900s. It was fueled by all of the following conditions EXCEPT _____. 56) _____
- A) rising prices
 - B) unsafe merchandise
 - C) scandals in the drug industry
 - D) conditions in the meat industry
 - E) Upton Sinclair's writing
- 57) Ralph Nader is most closely associated with which of the following? 57) _____
- A) the current wave of environmentalism
 - B) the environmentalism movement of the 1960s and 1970s
 - C) the consumerism movement of the 1960s
 - D) enlightened marketing
 - E) consumer-oriented marketing
- 58) _____ is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers. 58) _____
- A) The Bill of Rights
 - B) The Human Relations Movement
 - C) Grassroots politics
 - D) Environmentalism
 - E) Consumerism
- 59) All of the following are traditional sellers' rights EXCEPT _____. 59) _____
- A) the right to promote any product to any audience
 - B) the right to charge any price for the product
 - C) the right to use any buying incentive programs
 - D) the right to spend any amount to promote the product
 - E) the right to introduce any product in any size and style
- 60) Consumer advocates call for all of the following additional consumer rights EXCEPT _____. 60) _____
- A) the right to be protected from unwanted marketing messages
 - B) the right to be protected against questionable products and marketing practices
 - C) the right to influence products in ways that will improve the quality of life
 - D) the right to influence marketing practices in ways that will improve the quality of life
 - E) the right to be well informed about important product aspects

- 61) Proposals related to the consumer's right to _____ include controlling the ingredients that go into certain products and packaging as well as reducing the level of advertising "noise." 61) _____
A) be well informed about important aspects of the product
B) expect the product to perform as claimed
C) be protected against questionable marketing practices
D) not buy a product that is offered for sale
E) influence products and marketing practices in ways that will improve the "quality of life"
- 62) Proposals related to the consumer's right to be informed including knowing all of the following EXCEPT _____. 62) _____
A) product safety
B) product freshness (open dating)
C) unit pricing
D) nutritional labeling
E) ingredient labeling
- 63) Proposals _____ include promoting the use of sustainable ingredients, recycling and reducing solid wastes, and managing energy consumption. 63) _____
A) related to the right to charge any price for the product
B) related to consumer protection
C) related to the right to be informed
D) relating to quality of life
E) for preserving the world for future consumption
- 64) _____ is an organized movement of concerned citizens and government agencies to protect and improve people's living environment. 64) _____
A) Environmentalism
B) Sense-of-mission marketing
C) Social responsibility
D) Consumerism
E) Enlightened marketing
- 65) The _____ in North America came about because of concern for the loss of the atmosphere's ozone layer, toxic wastes, litter, and the damage caused by strip mining and forest depletion. 65) _____
A) second wave of consumerism
B) first wave of enlightened marketing
C) current wave of environmentalism
D) first wave of modern environmentalism
E) second wave of modern environmentalism
- 66) _____ is a management approach that involves developing strategies that both sustain the environment and produce profits for the company. 66) _____
A) Environmental sustainability
B) New clean technology
C) Consumerism
D) Social responsibility
E) Ethical decision making

- 67) Companies emphasizing _____ are developing "green marketing" programs that develop ecologically safer products, recyclable and biodegradable packaging, more energy-efficient operations, and better pollution controls. 67) _____
- A) pollution prevention
 - B) product stewardship
 - C) "beyond greening"
 - D) sustainability vision
 - E) new clean technology
- 68) All of the following are components of both internal and external "greening" and "beyond greening" activities EXCEPT _____. 68) _____
- A) pollution prevention
 - B) product stewardship
 - C) new clean technology
 - D) sustainability vision
 - E) environmentalism
- 69) Nike produces PVC-free shoes, recycles old sneakers, and educates young people about conservation, reuse, and recycling. Nike is using the most basic level of environmental sustainability known as _____. 69) _____
- A) "beyond greening"
 - B) product stewardship
 - C) redlining
 - D) pollution prevention
 - E) new clean technology
- 70) All of the following are components of "green marketing" EXCEPT _____. 70) _____
- A) making safer products
 - B) cradle-to-cradle practices
 - C) biodegradability
 - D) pollution controls
 - E) recycling
- 71) Minimizing pollution from production and all environmental impacts throughout the full product life cycle is called _____. 71) _____
- A) pollution prevention
 - B) design for environment (DFE)
 - C) environmental sustainability
 - D) green marketing
 - E) product stewardship
- 72) ABC, Inc. is currently designing a new product line with the goal of making each product easy to recover, reuse, or recycle. ABC, Inc. hopes to recover many of these products when they reach the end of their lifecycle and reuse components in new products. ABC, Inc. is in the _____ stage of environmental sustainability. 72) _____
- A) pollution prevention
 - B) new clean technology
 - C) sustainability vision
 - D) beyond greening
 - E) product stewardship

- 73) _____ involves thinking ahead in the design stage to create products that are easier to reuse, recycle, or recover. 73) _____
- A) Pollution control
 - B) Societal marketing
 - C) Strategic planning
 - D) Consumerism
 - E) Design for environment (DFE)
- 74) Xerox Corporation's Equipment Remanufacture and Parts Reuse Program converts end-of-life office equipment into new products and parts. This not only helps sustain the environment, but it is also highly profitable for the company. Such a practice is known as _____. 74) _____
- A) a sustainability vision
 - B) design for environment (DFE)
 - C) pollution prevention
 - D) green marketing
 - E) new environmental technology
- 75) Companies can develop _____, which serves as a guide to the future. It shows how the company's products and services, processes, and policies must evolve and what new technologies must be developed to get there. 75) _____
- A) pollution prevention
 - B) product stewardship
 - C) cradle-to-cradle practices
 - D) new clean technology
 - E) a sustainability vision
- 76) As international trade barriers come down and global markets expand, environmental issues are having _____ impact on international trade. 76) _____
- A) a greater
 - B) a decreased
 - C) a neutral
 - D) a positive
 - E) more impact on cultural differences and less
- 77) The philosophy of _____ holds that a company's marketing should support the best long-run performance of the marketing system. 77) _____
- A) corporate social responsibility
 - B) the free enterprise system
 - C) consumer-oriented marketing
 - D) the sustainable marketing concept
 - E) environmentalism
- 78) All of the following are sustainable marketing principles EXCEPT _____. 78) _____
- A) innovative marketing
 - B) customer-value marketing
 - C) societal marketing
 - D) value marketing
 - E) consumer-oriented marketing

- 79) Jacob Engineering Group views and organizes its marketing activities from the viewpoint of its buyers. Management works hard to sense, serve, and satisfy the needs of its well-defined group of buyers. What does Jacob Engineering Group practice? 79) _____
- A) sense-of-mission marketing
 - B) societal marketing
 - C) consumer-oriented marketing
 - D) innovative marketing
 - E) customer-value marketing
- 80) Which sustainable marketing principle requires that a company seek real product and marketing improvements? 80) _____
- A) market-oriented
 - B) consumer-oriented
 - C) sense-of-mission
 - D) innovative
 - E) customer-value
- 81) After Sony and Microsoft soundly beat and outsold Nintendo's GameCube in the Video Game War of 2001, the smallest of the three game platform makers needed a new plan. The resulting Wii system, with its intuitive motion-sensitive controller and interactive games, appealed not only to teen boys but also to their sisters, moms, dads, and even grandparents. The system immediately outsold both the PlayStation 3 and Xbox 360. This is a successful example of _____ marketing. 81) _____
- A) sense-of-mission
 - B) innovative
 - C) customer-value
 - D) societal
 - E) consumer-oriented
- 82) Some firms define their purpose in narrow product terms. Others that define their purpose in broad social terms follow _____. 82) _____
- A) customer-value marketing
 - B) sense-of-mission marketing
 - C) consumer-oriented marketing
 - D) consumerism
 - E) societal marketing
- 83) Timberland employees get 40 hours paid leave each year to pursue volunteer projects. The company runs a service day that hosts projects in 25 countries, and it supports a nonprofit organization that brings young people into public service for a year. CEO Jeffrey Swartz sees such service as a powerful differentiator for Timberland with its current and potential customers. Timberland could be most accurately described as practicing _____. 83) _____
- A) sustainability vision
 - B) innovative marketing
 - C) environmental sustainability
 - D) consumerism
 - E) sense-of-mission marketing

- 84) Dove wanted to do more than just sell its beauty care products. The company was on a quest to discover "real beauty" and help women be happy just the way they are. As a result, the Dove Campaign for Real Beauty was successfully launched in 2004. Dove was practicing which type of marketing? 84) _____
- A) societal
 - B) customer-value
 - C) innovative
 - D) consumer-oriented
 - E) sense-of-mission
- 85) When a company makes marketing decisions by considering consumers' wants and interests, the company's requirements, and society's long-run interests, it is practicing _____ marketing. 85) _____
- A) customer-value
 - B) sense-of-mission
 - C) value
 - D) societal
 - E) consumer-oriented
- 86) What are deficient products? 86) _____
- A) products that are either unsafe or inferior
 - B) products that have low appeal but may benefit consumers in the long run
 - C) products that have neither immediate appeal nor long-run benefits
 - D) any product in the decline stage of the product life cycle
 - E) products that give high immediate satisfaction but only hurt consumers in the long run
- 87) Dales Drugstore sells cough medicine that is sour and ineffective. This is an example of a _____ product. 87) _____
- A) salutary
 - B) deficient
 - C) desirable
 - D) pleasing
 - E) societal
- 88) A company that makes products that give high immediate satisfaction but may hurt consumers in the long run makes _____ products. 88) _____
- A) desirable
 - B) threatening
 - C) pleasing
 - D) deficient
 - E) salutary
- 89) _____ products give both high immediate satisfaction and high long-run benefits. 89) _____
- A) Deficient
 - B) Pleasing
 - C) Threatening
 - D) Desirable
 - E) Salutary
- 90) Examples of pleasing products include _____. 90) _____
- A) cigarettes and junk food
 - B) fruits and vegetables
 - C) bicycle helmets and elbow pads
 - D) dental services and medications
 - E) seat belts and air bags

- 91) Which of the following is the best example of a desirable product? 91) _____
 A) healthy and delicious breakfast food
 B) junk food
 C) cigarettes
 D) effective but bad-tasting medicine
 E) dental insurance
- 92) In societal marketing, the ideal goal for companies is to turn all of their products into _____ 92) _____
 ones.
 A) desirable ones
 B) salutary ones
 C) pleasing ones
 D) serviceable ones
 E) durable ones
- 93) Maytag's front-loading Neptune washer provides superior cleaning and energy efficiency. The 93) _____
 Neptune washer is an example of a _____ product.
 A) satisfying B) deficient C) pleasing D) salutary E) desirable
- 94) The challenge for makers of which type of product is to add long-run benefits without reducing the 94) _____
 product's pleasing qualities?
 A) desirable B) durable C) salutary D) deficient E) pleasing
- 95) The challenge for makers of which type of product is to add some pleasing qualities so that it will 95) _____
 become more desirable in the consumers' minds?
 A) desirable B) salutary C) aesthetic D) durable E) pleasing
- 96) Baker Enterprises produces several new products that have low appeal but may benefit consumers 96) _____
 in the long run. What is the most accurate classification of these products?
 A) unpleasing
 B) deficient
 C) pleasing
 D) salutary
 E) desirable
- 97) Monica Carey is a conscientious marketing manager. Sometimes it is unclear what decisions to 97) _____
 make when she and her staff are faced with moral dilemmas. Monica and other managers could
 create broad guidelines that everyone in the organization must follow in the form of _____.
 A) a company vision statement
 B) a company value statement
 C) a financial statement
 D) a company mission statement
 E) corporate marketing ethics policies

98) A company that produces and heavily markets cigarettes, with many promotions aimed at young (although legal age) nonsmokers, most likely follows which of the following as a guiding principle? 98) _____

- A) the philosophy of consumerism
- B) the philosophy of consumer-oriented marketing
- C) the philosophy that companies can do in good conscience whatever the market and legal systems allow
- D) the philosophy of environmentalism
- E) the philosophy that companies should have a social conscience

99) Companies must decide what principle they should use as a guide on issues of ethics and social responsibility. All of the following are common philosophies to accomplish this goal EXCEPT? 99) _____

- A) Let society decide.
- B) Let the free market decide.
- C) Let individual companies decide.
- D) Let individual managers decide.
- E) Let the legal system decide.

100) The Canadian Marketing Association (CMA) has created a code of ethics. The subsection of the code that states, "Offers must be clear and truthful and shall not misrepresent a product, service, solicitation or program and shall not mislead by statement, or technique of demonstration or comparison." is titled _____. 100) _____

- A) Media-Specific Standards of Practice
- B) Accuracy of Representation
- C) Application and Governing Legislation
- D) Fulfillment Practices
- E) Constituent Elements and Characteristics of the Offer

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

101) Sustainable marketing calls for meeting the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs. 101) _____

102) The major criticisms of marketing include harming consumers through high prices, deceptive practices, high-pressure selling, shoddy or unsafe products, planned obsolescence, and poor service to disadvantaged countries. 102) _____

103) Consumers can rarely buy functional versions of highly promoted branded products at lower prices. 103) _____

104) When responding to consumer complaints about high prices, marketers often explain that consumers do not understand the costs involved that justify the prices. 104) _____

105) Though marketers may make long-term gains with high-pressure selling tactics, this approach can do serious damage to short-term customer relationships. 105) _____

106) Most manufacturers *want* to produce quality goods. 106) _____

107) Jones Toy Company has been accused of producing shoddy and unsafe children's toys. If Jones is typical of most companies, the complaints will centre on manufacturer indifference, increased production complexity, and poorly trained labour. 107) _____

- 108) A common accusation aimed at consumer advertising is that it makes you buy things you don't need. 108) _____
- 109) Critics of marketing view consumer interest in material things as a natural state of mind and a matter of false wants created by marketing. 109) _____
- 110) Many marketers have been accused of overselling private goods at the expense of public goods because many private goods require more public services that are usually not forthcoming. 110) _____
- 111) People who buy magazines which address their interests—such as *Vogue* or *CanadianBusiness*—rarely complain about the ads because the magazines advertise products of interest. 111) _____
- 112) Because some people view business as the cause of many economic and social ills, movements have arisen to keep business in line. The two major movements have been consumerism and effective marketing. 112) _____
- 113) Consumerism's early beginnings were fueled by rising prices, conditions in the meat industry, and scandals in the drug industry in the early 1900s. 113) _____
- 114) Each basic consumer right has led to more specific proposals from consumerists, such as nutritional and ingredient labelling. 114) _____
- 115) Whereas environmentalists consider whether the marketing system is efficiently serving consumer wants, consumerists are concerned with marketing's effects on the environment and with the environmental costs of serving consumer needs and wants. 115) _____
- 116) The management strategy of environmental sustainability focuses on developing ways to sustain the environment while also producing profits. 116) _____
- 117) In the progress toward environmental sustainability, a company must first strive for pollution prevention and product stewardship before developing "beyond greening" plans. 117) _____
- 118) "Beyond greening" activities focus on improving what companies already do to protect the environment. 118) _____
- 119) Wal-Mart, the world's largest company, is also the world's biggest crusader for the cause of saving the Earth for future generations. 119) _____
- 120) Most companies have grown to embrace the new consumer rights, at least in principle. 120) _____
- 121) Sustainable marketing consists of five principles: consumer-oriented marketing, customer-value marketing, innovative marketing, sense-of-mission marketing, and societal marketing. 121) _____
- 122) Sunset Lawn Service puts most of its resources into value-building marketing investments. The management at Sunset is practicing customer-value marketing. 122) _____
- 123) New World Food Supplements continuously seeks real product and marketing improvements. Obviously, New World is involved in consumer-oriented marketing. 123) _____

- 124) A company that makes marketing decisions by considering consumers' wants and long-run interests, the company's requirements, and society's long-run interest must be practicing consumer-oriented marketing. 124) _____
- 125) In consumer-oriented marketing, a company defines its mission in broad social terms rather than narrow product terms. 125) _____
- 126) When a company views and organizes its marketing activities from only the consumer's point of view, it is practicing societal marketing. 126) _____
- 127) Seatbelts are considered to be salutary products. 127) _____
- 128) Xorbate Blue is a relatively new food supplement that provides both high immediate satisfaction and high long-run benefits. Xorbate Blue is best classified as a pleasing product. 128) _____
- 129) When a company chooses what principle to follow on issues of ethics and social responsibility, there are two common philosophies to use as guides: first, let the free market and legal system decide, and second, let individual managers and companies choose. 129) _____
- 130) A company must lower its ethical standards to successfully conduct business in countries with lower standards. 130) _____

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 131) Briefly define the four marketing concepts. 131) _____
- 132) How do resellers answer criticism of the high costs of distribution? 132) _____
- 133) Canadian retailers like Suzy Shier and the Bay have been accused of double tagging —placing sale tags on goods right in the factory, so that the sale price was in fact the regular price. Relate this to the practice of deceptive pricing. 133) _____
- 134) Marketers are sometimes accused of deceptive practices that lead consumers to believe they will get more value than they actually do. Recently, Lululemon was criticized for a deceptive practice. Explain which of the practices they were accused of and why. 134) _____
- 135) Explain how marketers and marketing critics disagree about the psychological value of advertising. 135) _____
- 136) Explain why most marketers avoid deceptive practices. 136) _____
- 137) Why might salespeople use high-pressure selling tactics that do not lead to long-term relationships with customers? 137) _____
- 138) What are two risks a company takes when producing shoddy, harmful, or unsafe products? 138) _____

- 139) Product safety is a major concern. How did Maple Leaf Foods respond to the listeriosis outbreak in 2008? 139) _____
- 140) Explain the practice of redlining and why it is criticized. 140) _____
- 141) Buy Nothing Day was started in Vancouver in 1992 by cartoonist Ted Dave and now spans the globe. Explain the initiative and its purpose. 141) _____
- 142) What is meant by cultural pollution? Give two examples. 142) _____
- 143) Why are critics concerned about companies acquiring competitors? 143) _____

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

- 144) Define the consumerism and environmentalism movements.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 145) Why has Air Canada recently partnered with Toronto-based Zerofootprint on a program that encourages passengers to contribute to an environmentally friendly project? 145) _____
- 146) What is involved in pollution prevention? Give at least one example. 146) _____
- 147) Why is environmentalism especially challenging for global marketers? 147) _____
- 148) How is consumer-oriented marketing different from customer-value marketing? 148) _____
- 149) Explain how a firm benefits from using sense-of-mission marketing. 149) _____
- 150) How is the societal marketing concept related to marketing ethics? 150) _____

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

- 151) Describe the ways marketing is accused of harming the consumer.
- 152) Describe the three different categories of deceptive marketing practices.
- 153) How do marketers respond to critics' accusations of planned obsolescence?
- 154) Identify the social costs of increased automobile ownership, and then describe two options for restoring the balance between private and public goods. Give specific examples.
- 155) How do marketers respond to charges of "commercial noise"?
- 156) How do consumerism and environmentalism affect marketing strategies?
- 157) Discuss two components of the environmental sustainability portfolio.

- 158) Describe the five sustainable marketing principles.
- 159) Compare and contrast the four types of products in the societal classification of products. Provide examples of each.
- 160) Compare and contrast the two common principles that can be used to guide companies and marketing managers on issues of ethics and social responsibility.
- 161) Many industrial and professional associations have suggested codes of ethics. For example, the Canadian Marketing Association has a code to regulate practices of its members. Referring to excerpts as given in Table 4.3., explain the CMA's position on Accuracy of Representation.

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

Refer to the scenario below to answer the following questions.

The Good Earth's Table began as a single store in an urban Toronto neighbourhood almost forty years ago. It has grown to a regional chain of 20 stores across Southern Ontario, offering its customers fresh produce, cheese and dairy products, bread and bakery items, and select packaged grocery items.

The Good Earth's Table owes its success to its ability to serve customers who are willing to pay a bit more for quality ingredients and the diverse selection of sought-after products kept in stock. If an ingredient is showing up in trendy restaurants and cafes, you can bet that The Table, as it is often called, will have it on its shelves.

In recent years, management has noticed an increased demand among its loyal clientele for organic, locally-produced products and an interest in supporting food producers with more sustainable practices, and so they have complied. Some customers will travel further and pay more for products that meet their social responsibility criteria.

The Good Earth's Table produces little advertising beyond the occasional in-store flyer. Instead it sponsors community events and participates in its partners' promotional programs, relying primarily on word-of-mouth to attract new shoppers.

- 162) Management at The Good Earth's Table clearly considers the future welfare of consumers and future company needs. Which of the four marketing concepts guides this retail operation? 162) _____
- A) sustainable marketing concept
 - B) strategic planning concept
 - C) competitive marketing concept
 - D) marketing concept
 - E) societal marketing concept
- 163) A customer can sometimes pay twice as much for a bag of carrots at The Good Earth Table than they would at a supermarket. Some feel the cost would be less if the store dealt directly with the local farm. How could management best support the use of intermediaries? 163) _____
- A) If you want quality produce you must be willing to pay for it.
 - B) The chain makes more profit when more intermediaries are involved.
 - C) The involvement of more distribution partners helps pay for our advertising.
 - D) Local producers must reduce the price of their products to be attractive to intermediaries.
 - E) Intermediaries do work that would otherwise have to be done by manufacturers or consumers.

- 164) Recently, The Good Earth's Table discovered that one of its cracker manufacturers was making false claims about its factory's eco-practices and so stopped carrying its products. The Good Earth's Table and its customers were victims of _____. 164) _____
- A) greenwashing
 - B) shoddy manufacturing
 - C) high-pressure selling
 - D) deceptive pricing
 - E) environmental responsibility
- 165) Once The Good Earth's Table grew from operating one or two neighbourhood stores to a regional chain they were open to criticism of redlining, which means to _____. 165) _____
- A) draw a red line around disadvantaged neighbourhoods and avoiding placing stores there
 - B) offer store credit only to homes within a clearly defined border
 - C) draw a red line around advantaged neighbourhoods and avoiding placing stores there
 - D) operate at a loss in order to avoid paying corporate taxes
 - E) discontinue relationships with local intermediaries
- 166) While many see The Good Earth's Table as a marketer that allows consumers to make socially responsible choices, others may charge that promoting the consumption of designer vegetables and exclusive choices is just another example of _____ 166) _____
- A) deceptive packaging
 - B) greenwashing
 - C) commercial noise
 - D) cultural pollution
 - E) creating false wants
- 167) Whole Foods has been eyeing The Good Earth's Table for possible acquisition. Which of the following is a way that acquisitions can be good for society? 167) _____
- A) The highly competitive food industry may become less competitive after the acquisition.
 - B) The cost of acquisition may force Whole Foods to raise prices and reduce quality.
 - C) The acquisition may allow Whole Foods to gain economies of scale that lead to lower costs and lower prices.
 - D) Whole Foods may be more inclined to practice redlining than The Good Earth's Table has been.
 - E) The Good Earth's Table may become more poorly managed and less efficient.
- 168) The Good Earth's Table is a seller of high-end food products. Under Consumerism, which of the following is a traditional seller's right? 168) _____
- A) the right to be protected against questionable products and marketing practices
 - B) the right to consume now in a way that will preserve the world for future generations of consumers
 - C) the right not to buy a product that is offered for sale
 - D) the right to spend any amount to promote the product, provided it is not defined as unfair competition.
 - E) The right to influence products and marketing practices in ways that will improve the "quality of life"

- 169) When it comes to environmental sustainability, The Good Earth's Table currently practices at the most basic level by eliminating or minimizing waste before it is created. This level of compliance is known as _____ 169) _____
- A) design for environment
 - B) pollution prevention
 - C) clean technology
 - D) product stewardship
 - E) cradle-to-cradle
- 170) The Good Earth's Table demonstrates an all-consuming passion for delivering superior value to carefully chosen customers, believing that only by seeing the world through its customers' eyes can the company build lasting and profitable customer relationships. This reflects the company's _____ 170) _____
- A) innovative marketing
 - B) customer-value marketing
 - C) customer-oriented marketing
 - D) sense-of-mission marketing
 - E) societal marketing
- 171) Although The Good Earth's Table's product portfolio is largely made up of nutritious food items, they do also carry high-caloric bakery treats. These would be classified as _____ products. 171) _____
- A) desirable B) decadent C) deficient D) pleasing E) salutary

Answer Key

Testname: UNTITLED4

- 1) B
- 2) E
- 3) E
- 4) B
- 5) C
- 6) E
- 7) D
- 8) D
- 9) E
- 10) A
- 11) D
- 12) E
- 13) C
- 14) A
- 15) C
- 16) C
- 17) C
- 18) B
- 19) C
- 20) C
- 21) C
- 22) A
- 23) E
- 24) C
- 25) D
- 26) E
- 27) C
- 28) E
- 29) C
- 30) B
- 31) E
- 32) C
- 33) C
- 34) A
- 35) D
- 36) C
- 37) C
- 38) C
- 39) C
- 40) B
- 41) A
- 42) A
- 43) A
- 44) B
- 45) D
- 46) C
- 47) B
- 48) A
- 49) C
- 50) E

Answer Key

Testname: UNTITLED4

- 51) C
- 52) C
- 53) A
- 54) C
- 55) A
- 56) B
- 57) C
- 58) E
- 59) A
- 60) A
- 61) E
- 62) A
- 63) E
- 64) A
- 65) D
- 66) A
- 67) A
- 68) E
- 69) D
- 70) B
- 71) E
- 72) E
- 73) E
- 74) B
- 75) E
- 76) A
- 77) D
- 78) D
- 79) C
- 80) D
- 81) B
- 82) B
- 83) E
- 84) E
- 85) D
- 86) C
- 87) B
- 88) C
- 89) D
- 90) A
- 91) A
- 92) A
- 93) E
- 94) E
- 95) B
- 96) D
- 97) E
- 98) C
- 99) A
- 100) B

Answer Key

Testname: UNTITLED4

- 101) TRUE
- 102) TRUE
- 103) FALSE
- 104) TRUE
- 105) FALSE
- 106) TRUE
- 107) FALSE
- 108) TRUE
- 109) FALSE
- 110) TRUE
- 111) TRUE
- 112) FALSE
- 113) TRUE
- 114) TRUE
- 115) FALSE
- 116) TRUE
- 117) FALSE
- 118) FALSE
- 119) TRUE
- 120) TRUE
- 121) TRUE
- 122) TRUE
- 123) FALSE
- 124) FALSE
- 125) FALSE
- 126) FALSE
- 127) TRUE
- 128) FALSE
- 129) TRUE
- 130) FALSE
- 131) Sustainable marketing calls for meeting the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs. The marketing concept recognizes that organizations thrive from day to day by determining the current needs and wants of target group customers and fulfilling those needs and wants more effectively and efficiently than the competition. The societal marketing concept considers the future welfare of consumers while the strategic planning concept considers future company needs.
- 132) Resellers argue that intermediaries provide services that customers want, such as more convenience, more service, longer store hours, and return privileges. Also, retail competition is so intense that profit margins are actually quite low.
- 133) Marketers are sometimes accused of deceptive practices that lead consumers to believe they will get more value than they actually do. Deceptive practices fall into three groups: pricing, promotion, and packaging. *Deceptive pricing* includes practices such as falsely advertising "factory" or "wholesale" prices or a large price reduction from a phony high retail list price.
- 134) *Deceptive promotion* includes practices such as misrepresenting the product's features or performance or luring the customers to the store for a bargain that is out of stock. For example, Vancouver-based lululemon athletica withdrew its Vitasea shirts made from seaweed fibres when research conducted by a newspaper revealed that claims that the shirts released marine amino acids and minerals were false; the Vitasea shirts were no different than ordinary cotton T-shirts.

Answer Key

Testname: UNTITLED4

- 135) Marketing critics believe that the psychological value advertising may add to a product is not worth the higher retail prices that must be charged to finance the advertising that creates the psychological value. Marketers believe that consumers want and are willing to pay more for the psychological benefits—such as feeling wealthy, attractive, or special—created by advertising.
- 136) Deceptive practices make consumers believe they are buying something more than what they are actually getting; when consumers do not get what they expect, they will switch to more reliable products. Deceptive practices prohibit marketers from building value and trust with their customers, both keys to profitable customer relationships.
- 137) Salespeople might be more motivated by short-term gains, particularly when sales contests promise big rewards to those who sell most.
- 138) Companies that market shoddy, harmful, or unsafe products risk damaging their reputation, conflicts with consumer groups and regulators, liability lawsuits, and loss of customers.
- 139) In 2008 Maple Leaf Foods accidentally introduced deadly listeriosis into prepared meat products through its slicing machines. The company worked hard to rebuild its image and trust among consumers with an extensive PR campaign following the outbreak. Its open and honest communication accompanied by its extensive advertising campaign helped build purchase intent from 64 percent up to over 90 percent.
- 140) Redlining is a type of economic discrimination in which major chain retailers avoid placing stores in disadvantaged neighborhoods. Because of redlining, the urban poor do not have as many shopping options and must buy their goods in smaller stores that carry inferior products and charge higher prices.
- 141) Buy Nothing Day's purpose is to draw attention to the harmful effects of over-consumption and not only asks consumers to stop shopping for 24 hours, it also asks them to think about issues like where their products originate from, why they are purchased, and what they do with them after purchase. Usually held the Friday after American Thanksgiving, the day has been praised for drawing attention to issues such as how many resources consumers use in developed versus developing countries. However, with the economy in a tailspin and layoffs taking place daily, the day has recently drawn criticism.
- 142) Cultural pollution is the constant assault on our senses by advertising. Examples will vary but may include: commercials that interrupt serious programs, pages of ads that obscure magazine, spam that fills e-mailboxes, and billboards that mar beautiful scenery.
- 143) Critics are concerned that such acquisitions harm the acquired firms and reduce competition within an industry; also, there is concern that acquisitions discourage new competitors from entering the market.
- 144) Consumerism is an organized social movement intended to strengthen the rights and power of consumers relative to sellers. Environmentalism is an organized social movement seeking to minimize the harm done to the environment and quality of life by marketing practices. Citizens and government agencies are involved in both movements.
- 145) More and more companies are adopting policies of environmental sustainability. Enlightened companies are taking action not because someone is forcing them to or to reap short-run profits, but because it is the right thing to do—for both the company and for the planet's environmental future. That's the reason behind the Air Canada/ZeroFootprint partnership that encourages passengers to contribute to an environmentally friendly project to cancel out their share of carbon dioxide generated by their flight.
- 146) Pollution prevention means more than pollution control, or the cleaning up of waste after it has been created. It involves the elimination or minimization of waste before it is created. Biodegradable packaging, better pollution controls, and more energy-efficient operations are all examples of pollution prevention.
- 147) As international barriers come down and global marketers expand, environmental issues are having an even greater impact on international trade; different environmental standards between and among various countries make environmentalism especially challenging. Also, environmental factors that motivate consumers in one country may not concern consumers in another country at all.
- 148) Consumer-oriented marketing means that the company should view and organize its marketing activities from the consumer's point of view; customer-value marketing takes that a step further, as the company puts most of its resources into customer-value-building marketing investments.

Answer Key

Testname: UNTITLED4

- 149) Sense-of-mission marketing means that the company should define its mission in broad *social* terms rather than narrow *product* terms; when a company defines a social mission, employees feel better about their work and have a clearer sense of direction.
- 150) The societal marketing concept requires a company and its marketing managers to work out a philosophy of responsible and ethical behaviour, looking beyond what is legal and allowed and developing standards based on personal integrity, corporate conscience, and long-run consumer welfare.
- 151) Marketers are charged with causing prices to be higher than they need to be. They are sometimes accused of deceptive practices that lead consumers to believe they will get more value than they actually do. Sometimes salespeople pressure consumers to purchase products they neither want nor can afford. Others are accused of selling shoddy or unsafe products. Others are blamed for developing products that become obsolete before they actually need replacement. Last, marketers are accused of delivering poor service to disadvantaged consumers or not making products available to them.
- 152) Deceptive pricing includes practices such as falsely advertising factory or wholesale prices or advertising a large price reduction from a phony high retail list price. Deceptive promotion includes practices such as misrepresenting the product's features or performance or luring customers to the store for a bargain that is out of stock. Deceptive packaging includes exaggerating package contents through subtle design, using misleading labelling, or describing size in misleading terms.
- 153) Marketers respond that consumers like style changes; they get tired of the old goods and want a new look in fashion. Or they want the latest high-tech innovations, even if older models still work. No one has to buy the new product, and if too few people like it, it will simply fail. Finally, most companies do not design their products to break down earlier, because they do not want to lose customers to other brands. Instead, they seek constant improvement to ensure that products will consistently meet or exceed customer expectations. Much of the so-called planned obsolescence is the working of the competitive and technological forces in a free society—forces that lead to ever-improving goods and services.
- 154) For cars, some of the social costs include traffic congestion, gasoline shortages, and air pollution. One option for restoring the balance between private and public goods is to make producers bear the full social costs of their operations. The government could require automobile manufacturers to build cars with more efficient engines and better pollution control systems. Automakers would then raise their prices to cover extra costs. A second option is to make consumers pay the social costs. For example, many cities around the world are starting to charge "congestion tolls" in an effort to reduce traffic congestion; drivers entering high-traffic areas are required to pay a fee. Similarly, the U.S. government has recently proposed a bill that would create rush-hour fees in congested urban areas across the country. If the costs of driving increase enough, the government hopes, consumers will travel at nonpeak times or find alternative transportation modes.
- 155) Marketers answer the charges of "commercial noise" with these arguments: First, they hope that their ads reach primarily the target audience. But because of mass-communication channels, some ads are bound to reach people who have no interest in the product and are therefore bored or annoyed. People who buy magazines addressed to their interests—such as *Vogue* or *Fortune*—rarely complain about the ads because the magazines advertise products of interest.
- Second, ads make much of television and radio free to users and keep down the costs of magazines and newspapers. Many people think commercials are a small price to pay for these benefits. Consumers find many television commercials entertaining and seek them out—for example, ad viewership during the Super Bowl usually equals game viewership. Finally, today's consumers have alternatives. For example, they can zip or zap TV commercials on recorded programs or avoid them altogether on many paid cable or satellite channels. Thus, to hold consumer attention, advertisers are making their ads more entertaining and informative.

Answer Key

Testname: UNTITLED4

- 156) Alert marketers view consumerism as an opportunity to serve consumers better by providing more consumer information, education, and protection. Environmental groups have improved conditions in many industries, including the meat and drug industries, and have helped pass legislation to protect the environment. The latest move is for companies to be proactive and take the responsibility for not doing environmental harm. They are practicing environmental sustainability by developing strategies that both sustain the environment and produce profits for the company. Many companies have responded positively to consumerism and environmentalism as ways to create greater customer value and to strengthen customer relationships.
- 157) At the most basic level, a company can practice pollution prevention. This involves more than pollution control –cleaning up waste after it has been created. Pollution prevention means eliminating or minimizing waste before it is created. Companies emphasizing prevention have responded with internal "green marketing" programs—designing and developing ecologically safer products, recyclable and biodegradable packaging, better pollution controls, and more energy-efficient operations. At the next level, companies can practice product stewardship—minimizing not just pollution from production and product design but all environmental impacts throughout the full product life cycle, and all the while reducing costs. Many companies are adopting design for environment (DFE) and cradle-to-cradle practices. This involves thinking ahead to design products that are easier to recover, reuse, recycle, or safely return to nature after usage, becoming part of the ecological cycle. (Answers will vary to include new-clean technology and sustainability vision.)
- 158) Consumer-oriented marketing acts from the consumers' point of view. Innovative marketing seeks real product and marketing improvements. Customer-value marketing exists when a firm puts most of its resources into value-building investments. When a company defines its mission in broad social terms rather than narrow product terms, it is practicing sense-of-mission marketing. Finally, societal marketing exists when the company makes its decisions by considering its own, consumers', and society's long-run interests.
- 159) Deficient products are at the bottom because they have neither immediate appeal nor long-run benefits. Desirable products are at the top because they give both high immediate satisfaction and high long-run benefits. In between are pleasing products and salutary products. Pleasing products give high immediate satisfaction but may hurt consumers in the long run. Salutary products have low appeal but may benefit consumers in the long run. Examples will vary to include some of the following: cigarettes, junk food, sour-tasting ineffective medicine, seat-belts, and tasty, nutritious breakfast foods.
- 160) One principle states that such issues should be decided by the free market and legal system. A second, and more enlightened principle, puts responsibility not in the system but in the hands of individual companies and managers. Each firm and marketing manager must work out a philosophy of socially responsible and ethical behaviour. Under the societal marketing concept, managers must look beyond what is legal and allowable and develop standards based on personal integrity, corporate conscience, and long-term consumer welfare.
- 161) Accuracy: Offers must be clear and truthful and shall not misrepresent a product, service, solicitation or program and shall not mislead by statement, or technique of demonstration or comparison.
Identity: Every offer and shipment shall identify the marketer and provide the consumer with sufficient information to be able to contact the marketer.
Disguise: No person shall make offers or solicitations in the guise of research or a survey when the real intent is to sell products, services, or to raise funds.
Disparagement: No offer shall attack or discredit, or disparage products, services, advertisements or companies using inaccurate information.
Representation: Photography, artwork or audio-visual representation must accurately and fairly illustrate the product offered.
- 162) A
163) E
164) A
165) A
166) E
167) C
168) D

Answer Key

Testname: UNTITLED4

169) B

170) C

171) D