**Chapter 20 Sustainable Marketing: Social Responsibility and Ethics**

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.

A) The sustainable marketing concept

B) Innovation

C) Consumerism

D) Environmentalism

E) The strategic planning concept

Answer: A

2) All of the following are concepts that define the needs of consumers and/or businesses EXCEPT?

A) Marketing concept

B) Societal marketing concept

C) Strategic planning concept

D) Sustainable marketing concept

E) Consumer business concept

Answer: E

3) The \_\_\_\_\_\_\_\_ is specifically focused on future company needs only.

A) societal marketing concept

B) strategic planning concept

C) sustainable marketing concept

D) marketing concept

E) consumer business concept

Answer: B

4) The \_\_\_\_\_\_\_\_ is specifically focused on the future welfare of consumers only.

A) strategic planning concept

B) sustainable marketing concept

C) societal marketing concept

D) consumer business concept

E) marketing concept

Answer: C

5) McDonald's "Plan to Win" strategy 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. "Plan to Win" best exemplifies which concept?

A) sustainable marketing concept

B) marketing concept

C) societal marketing concept

D) strategic planning concept

E) consumer business concept

Answer: A

Page Ref: 585

6) Many critics charge that the American marketing system causes \_\_\_\_\_\_\_\_ to be higher than they would be under more "sensible" systems.

A) imports

B) exports

C) prices

D) product safety measures

E) employee morals

Answer: C

7) Critics charge that intermediaries \_\_\_\_\_\_\_\_.

A) are too few in number

B) are inefficient

C) provide only necessary services

D) underprice their services

E) are too competitive

Answer: B

8) A long-standing charge against intermediaries is that they mark up prices beyond the \_\_\_\_\_\_\_\_.

A) value of their services

B) delivery charges

C) going market price

D) promotion cost

E) resale value

Answer: A

Page Ref: 586

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.

A) consistency

B) strength

C) psychological value

D) quality

E) informational value

Answer: C

Page Ref: 586

10) Marketers respond to charges of high advertising and promotion costs that unnecessarily increase retail prices by arguing all of the following factors EXCEPT?

A) Advertising and promotion make consumers feel wealthy.

B) Advertising and promotion make consumers feel attractive.

C) Advertising and promotion adds quality to the product.

D) Advertising and promotion adds value by informing potential buyers of the availability and merits of a brand.

E) Advertising and promotion is necessary for a firm to match competitors' efforts.

Answer: C

Page Ref: 586

11) Dan's Drugstore sells consumers medicine for twenty dollars that only costs two dollars to make. The store is guilty of \_\_\_\_\_\_\_\_.

A) deceptive promotion

B) deceptive packaging

C) false advertising

D) excessive markups

E) redlining

Answer: D

Page Ref: 587

12) Albatross Enterprises was accused of deceptive pricing. Which of the following explains what might have happened?

A) Albatross refused to advertise sale prices in the local paper.

B) Albatross lured customers to the store for a bargain that is out of stock.

C) Albatross advertised a large price reduction from a phony high retail list price.

D) Albatross misrepresented a product's features in an ad.

E) Albatross used misleading labeling.

Answer: C

Page Ref: 587

13) Hart's Department Store was accused of deceptive promotion. Which of the following best explains what might have happened?

A) Hart's refused to advertise sale prices in the local paper.

B) Hart's lured customers to the store for a bargain that is out of stock.

C) Hart's advertised a large price reduction from a phony high retail list price.

D) Hart's used misleading labeling.

E) Hart's exaggerated its package contents through subtle design.

Answer: B

Page Ref: 587

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 cover cost of purchasing

B) to cover cost of promoting

C) to cover cost of distributing existing medicines

D) to test new medicines

E) to gain a profit

Answer: E

Page Ref: 587

15) Deceptive practices fall into three groups: deceptive \_\_\_\_\_\_\_\_, deceptive \_\_\_\_\_\_\_\_, and deceptive \_\_\_\_\_\_\_\_.

A) product; pricing; promotion

B) pricing; promotion; placement

C) pricing; promotion; packaging

D) packaging; product; promotion

E) product; packaging; placement

Answer: C

Page Ref: 587

16) Deceptive promotion differs from deceptive pricing in that deceptive promotion overstates the product's \_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_.

A) true price; performance

B) features; performance

C) packaging; costs

D) design; features

E) availability; package contents

Answer: B

Page Ref: 587

17) A major step in regulating "unfair or deceptive business acts and practices" was the enactment of the \_\_\_\_\_\_\_\_ in 1938.

A) Robinson-Patman Act

B) Wheeler-Lea Act

C) Interstate Commerce Commissions

D) Taft-Hartley Act

E) Stamp Act

Answer: B

Page Ref: 587

18) Advertising "puffery" is a term for \_\_\_\_\_\_\_\_.

A) a straightforward promotional message

B) innocent exaggeration for effect

C) emotional appeals to consumers

D) subliminal appeals to consumers

E) value-added promotions

Answer: B

Page Ref: 588

19) Which of the following advertising situations would LEAST likely be considered "puffery"?

A) Mr. Clean coming to a housewife's rescue

B) instantly toned thighs and legs as a result of using the Thigh Master for only 15 minutes

C) children immediately growing into attractive adults as a result of drinking milk

D) a retired couple drinking a vitamin and protein shake and then going bicycling

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

Answer: D

Page Ref: 588

20) When critics claim that insurance, real estate, and used cars are sold, not bought, they are making accusations of the use of \_\_\_\_\_\_\_\_.

A) deceptive promotions

B) excessive markups

C) high-pressure selling

D) shoddy products

E) excessive materialism

Answer: C

Page Ref: 588

21) \_\_\_\_\_\_\_\_ persuades people to buy goods they had no thought of buying.

A) Sustainable marketing

B) High pressure selling

C) Strategic marketing

D) Redlining

E) Reverse redlining

Answer: B

Page Ref: 588

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 \_\_\_\_\_\_\_\_.

A) achieve short-term gains

B) move last year's models

C) obey local and federal law

D) build long-term relationships with customers

E) maintain a database

Answer: D

Page Ref: 588

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 \_\_\_\_\_\_\_\_.

A) high-pressure selling

B) deceptive promotions

C) deceptive pricing

D) deceptive packaging

E) harmful products

Answer: E

Page Ref: 588

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.

A) *Consumer Digest*

B) *Buyers Weekly*

C) *Home & Garden*

D) *Consumer Reports*

E) *Sports Illustrated*

Answer: D

Page Ref: 589

25) All of the following would be considered hazards in tested products EXCEPT \_\_\_\_\_\_\_\_.

A) electrical dangers in appliances

B) carbon monoxide poisoning from room heaters

C) injury risks from lawn mowers

D) faulty automobile design

E) sour-tasting medicine

Answer: E

Page Ref: 589

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?

A) product failure

B) short-term planning

C) planned obsolescence

D) nonfunctional warranty

E) expressed dissatisfaction

Answer: C

Page Ref: 589

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."

A) planned obsolescence

B) product failure

C) short-term planning

D) nonfunctional warranty

E) excessive markups

Answer: A

Page Ref: 590

28) Planned obsolescence might involve all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) the use of unsafe materials

B) producers continually changing consumer styles

C) the holding back of attractive functional features, then introducing them later to make older models obsolete

D) the use of materials that will rust sooner than they should

E) the use of components that will break soon after purchase

Answer: A

Page Ref: 590

29) Marketers respond to charges of planned obsolescence with all of the following EXCEPT?

A) Consumers like change.

B) No one is forced to buy the new product.

C) The product will eventually wear out anyway.

D) For most technical products, customers want the latest innovations.

E) Companies do not want to lose customers to other brands.

Answer: C

Page Ref: 590

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?

A) deceptive promotions

B) shoddy products

C) high-pressure selling

D) poor service to disadvantaged consumers

E) planned obsolescence

Answer: E

Page Ref: 590

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.

A) car and truck

B) housing and construction

C) food and beverage

D) consumer electronics and computer

E) financial and entertainment

Answer: D

Page Ref: 590

32) Critics who believe that the American marketing system poorly serves disadvantaged consumers claim that the \_\_\_\_\_\_\_\_ pay more for inferior goods.

A) wealthy

B) uneducated

C) urban poor

D) rural poor

E) elderly

Answer: C

Page Ref: 590

33) The presence of \_\_\_\_\_\_\_\_ in low-income neighborhoods makes a big difference in keeping prices down.

A) malls

B) small stores

C) redlining companies

D) large national chain stores

E) factory outlets

Answer: D

Page Ref: 590

34) When major chain retailers avoid placing stores in disadvantaged neighborhoods, they are likely to be accused of the discriminatory practice of \_\_\_\_\_\_\_\_.

A) embargo

B) licensing

C) redlining

D) puffery

E) scrambling merchandise

Answer: C

Page Ref: 590

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.

A) reverse redlining

B) redlining

C) puffery

D) licensing

E) the push strategy

Answer: A

Page Ref: 591

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?

A) shoddy products

B) poor service to disadvantaged consumers

C) high-pressure selling

D) high advertising and promotion costs

E) excessive markups

Answer: B

Page Ref: 590

37) Critics have charged that the marketing system urges too much interest in \_\_\_\_\_\_\_\_.

A) material possessions

B) the push strategy

C) meeting a quota

D) new product invention

E) entering the global market arena

Answer: A

Page Ref: 591

38) Critics of the American economic marketing system have charged that marketers have created a culture in which people are judged by what they \_\_\_\_\_\_\_\_.

A) are

B) own

C) do

D) eat

E) avoid

Answer: B

Page Ref: 591

39) Bill Talen, also known as the Reverend Billy, leader of the Church of Stop Shopping, wants people to resist the temptation to shop. He annually leads a group of volunteers in his post-Thanksgiving Buy Nothing Parade in front of Macy's in Manhattan. Bill Talen is criticizing the American marketing system for creating \_\_\_\_\_\_\_\_.

A) too few social goods

B) environmental problems

C) shoddy products

D) false wants and too much materialism

E) predatory competition

Answer: D

Page Ref: 592

40) Businesses hire \_\_\_\_\_\_\_\_ firms to use mass media to create materialistic models of the good life.

A) Hollywood

B) Broadway

C) Madison Avenue

D) Fifth Avenue

E) Michigan Avenue

Answer: C

Page Ref: 592

41) Critics say marketing is seen as benefiting \_\_\_\_\_\_\_\_ more than \_\_\_\_\_\_\_\_.

A) consumers; industry

B) industry; consumers

C) stores; manufacturers

D) exporters; importers

E) independent sellers; chain stores

Answer: B

Page Ref: 592

42) Our wants and values are LEAST influenced by which of the following?

A) family

B) education

C) religion

D) cultural background

E) intermediaries

Answer: E

Page Ref: 592

43) The overselling of private goods results in \_\_\_\_\_\_\_\_, such as cars causing traffic jams, air pollution, injuries, and deaths.

A) cultural pollution

B) misdirected funding

C) social costs

D) materialism

E) opportunity costs

Answer: C

Page Ref: 592-593

44) To restore the balance between private and public goods, producers could be required to bear the full \_\_\_\_\_\_\_\_ costs of their operations.

A) promotional

B) cultural

C) environmental

D) social

E) safety

Answer: D

Page Ref: 593

45) For cars, "social costs" include all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) traffic congestion

B) air pollution

C) gasoline shortages

D) congestion tolls

E) traffic accidents

Answer: D

Page Ref: 593

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.

A) promotional

B) safety

C) health

D) distribution

E) social

Answer: E

Page Ref: 593

47) Cultural pollution could be referred to as \_\_\_\_\_\_\_\_.

A) commercial noise

B) air pollution

C) language barriers

D) a marketer's inability to identify a target market

E) zipping or zapping

Answer: A

Page Ref: 593

48) All of the following are examples of cultural pollution EXCEPT \_\_\_\_\_\_\_\_.

A) commercials during serious programs

B) ads in magazines

C) street signs in an urban area

D) billboards marring beautiful scenery

E) spam in an e-mail inbox

Answer: C

Page Ref: 593

49) Karl Lagaros, a marketing critic, is concerned about the pervasiveness about marketing. He points to advertising messages everywhere, from Web sites and e-mails to unwanted direct mail and catalogs to television commercials and product tie-ins to billboards and store signage. Karl is concerned about \_\_\_\_\_\_\_\_.

A) high advertising and promotion costs

B) cultural pollution

C) deceptive practices

D) false wants and too much materialism

E) the balance between private goods and social goods

Answer: B

Page Ref: 593

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.

A) too few social goods

B) creating false wants

C) creating too much materialism

D) high promotion costs

E) cultural pollution

Answer: E

Page Ref: 593

51) Cultural pollution continually pollutes people's minds with all of the following messages EXCEPT \_\_\_\_\_\_\_\_.

A) materialism

B) sex

C) power

D) religion

E) status

Answer: D

Page Ref: 593

52) Large marketing companies can use patents and heavy promotion spending to \_\_\_\_\_\_\_\_.

A) acquire smaller companies

B) bear the social costs of their operations

C) set up barriers for others wanting to enter the industry

D) achieve economies of scale

E) offset cultural pollution

Answer: C

Page Ref: 594

53) All of the following are potential advantages of acquisition EXCEPT?

A) The acquiring company can gain economies of scale.

B) Acquisitions require little government oversight.

C) An acquiring company may improve the efficiency of an acquired company.

D) An industry might become more competitive after an acquisition.

E) The acquisition may result in lower costs, leading to lower prices for consumers.

Answer: B

Page Ref: 594

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 \_\_\_\_\_\_\_\_.

A) routine competition

B) excessive materialism

C) predatory competition

D) acquisitions

E) barriers to entering a market

Answer: C

Page Ref: 594

55) The two major movements to keep business in line are environmentalism and \_\_\_\_\_\_\_\_.

A) consumerism

B) protectionism

C) antimonopoly legislation

D) regulating interstate commerce

E) innovation

Answer: A

Page Ref: 595

56) The first organized consumer movement in the United States took place in the early 1900s. It was fueled by all of the following conditions EXCEPT \_\_\_\_\_\_\_\_.

A) rising prices

B) conditions in the meat industry

C) unsafe merchandise

D) scandals in the drug industry

E) Upton Sinclair's writing

Answer: C

Page Ref: 595

57) Ralph Nader is most closely associated with which of the following?

A) the consumerism movement of the 1960s

B) the environmentalism movement of the 1960s and 1970s

C) the current wave of environmentalism

D) enlightened marketing

E) consumer-oriented marketing

Answer: A

Page Ref: 595

58) \_\_\_\_\_\_\_\_ is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers.

A) Environmentalism

B) The Bill of Rights

C) Grassroots politics

D) Consumerism

E) The Human Relations Movement

Answer: D

Page Ref: 595

59) All of the following are traditional sellers' rights EXCEPT \_\_\_\_\_\_\_\_.

A) the right to charge any price for the product

B) the right to spend any amount to promote the product

C) the right to promote any product to any audience

D) the right to use any buying incentive programs

E) the right to introduce any product in any size and style

Answer: C

Page Ref: 595

60) Consumer advocates call for all of the following additional consumer rights EXCEPT \_\_\_\_\_\_\_\_.

A) the right to be protected from unwanted marketing messages

B) the right to be well informed about important product aspects

C) the right to be protected against questionable products and marketing practices

D) the right to influence marketing practices in ways that will improve the quality of life

E) the right to influence products in ways that will improve the quality of life

Answer: A

Page Ref: 595-596

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."

A) not buy a product that is offered for sale

B) expect the product to perform as claimed

C) be well informed about important aspects of the product

D) be protected against questionable marketing practices

E) influence products and marketing practices in ways that will improve the "quality of life"

Answer: E

Page Ref: 596

62) Proposals related to the consumer's right to be informed including knowing all of the following EXCEPT \_\_\_\_\_\_\_\_.

A) unit pricing

B) ingredient labeling

C) nutritional labeling

D) product freshness (open dating)

E) product safety

Answer: E

Page Ref: 596

63) Proposals \_\_\_\_\_\_\_\_ include promoting the use of sustainable ingredients, recycling and reducing solid wastes, and managing energy consumption.

A) related to the right to be informed

B) related to consumer protection

C) for preserving the world for future consumption

D) relating to quality of life

E) related to the right to charge any price for the product

Answer: C

Page Ref: 596

64) \_\_\_\_\_\_\_\_ is an organized movement of concerned citizens and government agencies to protect and improve people's living environment.

A) Consumerism

B) Environmentalism

C) Social responsibility

D) Enlightened marketing

E) Sense-of-mission marketing

Answer: B

Page Ref: 596

65) The \_\_\_\_\_\_\_\_ in the United States 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.

A) first wave of modern environmentalism

B) second wave of modern environmentalism

C) current wave of environmentalism

D) second wave of consumerism

E) first wave of enlightened marketing

Answer: A

Page Ref: 596

66) \_\_\_\_\_\_\_\_ is a management approach that involves developing strategies that both sustain the environment and produce profits for the company.

A) Consumerism

B) New clean technology

C) Environmental sustainability

D) Social responsibility

E) Ethical decision making

Answer: C

Page Ref: 597

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.

A) pollution prevention

B) product stewardship

C) "beyond greening"

D) new clean technology

E) sustainability vision

Answer: A

Page Ref: 597

68) All of the following are components of both internal and external "greening" and "beyond greening" activities EXCEPT \_\_\_\_\_\_\_\_.

A) pollution prevention

B) product stewardship

C) environmentalism

D) new clean technology

E) sustainability vision

Answer: C

Page Ref: 597

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 \_\_\_\_\_\_\_\_.

A) pollution prevention

B) product stewardship

C) new clean technology

D) "beyond greening"

E) redlining

Answer: A

Page Ref: 597

70) All of the following are components of "green marketing" EXCEPT \_\_\_\_\_\_\_\_.

A) making safer products

B) cradle-to-cradle practices

C) recycling

D) biodegradability

E) pollution controls

Answer: B

Page Ref: 597

71) Minimizing pollution from production and all environmental impacts throughout the full product life cycle is called \_\_\_\_\_\_\_\_.

A) green marketing

B) design for environment (DFE)

C) product stewardship

D) environmental sustainability

E) pollution prevention

Answer: C

Page Ref: 597-598

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.

A) pollution prevention

B) new clean technology

C) product stewardship

D) beyond greening

E) sustainability vision

Answer: C

Page Ref: 597-598

73) \_\_\_\_\_\_\_\_ involves thinking ahead in the design stage to create products that are easier to reuse, recycle, or recover.

A) Pollution control

B) Design for environment (DFE)

C) Consumerism

D) Societal marketing

E) Strategic planning

Answer: B

Page Ref: 598

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 \_\_\_\_\_\_\_\_.

A) pollution prevention

B) green marketing

C) a sustainability vision

D) design for environment (DFE)

E) new environmental technology

Answer: D

Page Ref: 598

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.

A) new clean technology

B) cradle-to-cradle practices

C) pollution prevention

D) product stewardship

E) a sustainability vision

Answer: E

Page Ref: 598

76) As international trade barriers come down and global markets expand, environmental issues are having \_\_\_\_\_\_\_\_ impact on international trade.

A) a neutral

B) a positive

C) a decreased

D) a greater

E) more impact on cultural differences and less

Answer: D

Page Ref: 599

77) The philosophy of \_\_\_\_\_\_\_\_ holds that a company's marketing should support the best long-run performance of the marketing system.

A) corporate social responsibility

B) environmentalism

C) the sustainable marketing concept

D) the free enterprise system

E) consumer-oriented marketing

Answer: C

Page Ref: 602

78) All of the following are sustainable marketing principles EXCEPT \_\_\_\_\_\_\_\_.

A) consumer-oriented marketing

B) customer-value marketing

C) innovative marketing

D) value marketing

E) societal marketing

Answer: D

Page Ref: 602

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?

A) consumer-oriented marketing

B) societal marketing

C) sense-of-mission marketing

D) customer-value marketing

E) innovative marketing

Answer: A

Page Ref: 602

80) Which sustainable marketing principle requires that a company seek real product and marketing improvements?

A) consumer-oriented

B) innovative

C) customer-value

D) sense-of-mission

E) market-oriented

Answer: B

Page Ref: 602

81) After Sony and Microsoft kicked the Mario out of 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.

A) consumer-oriented

B) innovative

C) customer-value

D) societal

E) sense-of-mission

Answer: B

Page Ref: 602

82) Some firms define their purpose in narrow product terms. Others that define their purpose in broad social terms follow \_\_\_\_\_\_\_\_.

A) societal marketing

B) sense-of-mission marketing

C) consumer-oriented marketing

D) customer-value marketing

E) consumerism

Answer: B

Page Ref: 603

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 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 \_\_\_\_\_\_\_\_.

A) consumerism

B) environmental sustainability

C) sustainability vision

D) innovative marketing

E) sense-of-mission marketing

Answer: E

Page Ref: 603

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?

A) sense-of-mission

B) consumer-oriented

C) customer-value

D) innovative

E) societal

Answer: A

Page Ref: 603

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.

A) value

B) societal

C) sense-of-mission

D) consumer-oriented

E) customer-value

Answer: B

Page Ref: 604

86) What are deficient products?

A) products that have neither immediate appeal nor long-run benefits

B) products that give high immediate satisfaction but only hurt consumers in the long run

C) products that have low appeal but may benefit consumers in the long run

D) products that are either unsafe or inferior

E) any product in the decline stage of the product life cycle

Answer: A

Page Ref: 604

87) Dales Drugstore sells cough medicine that is sour and ineffective. This is an example of a \_\_\_\_\_\_\_\_ product.

A) societal

B) pleasing

C) salutary

D) deficient

E) desirable

Answer: D

Page Ref: 604

88) A company that makes products that give high immediate satisfaction but may hurt consumers in the long run makes \_\_\_\_\_\_\_\_ products.

A) deficient

B) pleasing

C) salutary

D) desirable

E) threatening

Answer: B

Page Ref: 604

89) \_\_\_\_\_\_\_\_ products give both high immediate satisfaction and high long-run benefits.

A) Deficient

B) Pleasing

C) Desirable

D) Salutary

E) Threatening

Answer: C

Page Ref: 604

90) Examples of pleasing products include \_\_\_\_\_\_\_\_.

A) cigarettes and junk food

B) dental services and medications

C) seat belts and air bags

D) fruits and vegetables

E) bicycle helmets and elbow pads

Answer: A

Page Ref: 604

91) Which of the following is the best example of a desirable product?

A) healthy and delicious breakfast food

B) cigarettes

C) effective but bad-tasting medicine

D) junk food

E) dental insurance

Answer: A

Page Ref: 604

92) In societal marketing, the ideal goal for companies is to turn all of their products into \_\_\_\_\_\_\_\_ ones.

A) salutary ones

B) desirable ones

C) pleasing ones

D) durable ones

E) serviceable ones

Answer: B

Page Ref: 605

93) Maytag's front-loading Neptune washer provides superior cleaning and energy efficiency. The Neptune washer is an example of a \_\_\_\_\_\_\_\_ product.

A) deficient

B) pleasing

C) salutary

D) desirable

E) satisfying

Answer: D

Page Ref: 604

94) The challenge for makers of which type of product is to add long-run benefits without reducing the product's pleasing qualities?

A) salutary

B) desirable

C) pleasing

D) durable

E) deficient

Answer: C

Page Ref: 605

95) The challenge for makers of which type of product is to add some pleasing qualities so that it will become more desirable in the consumers' minds?

A) salutary

B) desirable

C) pleasing

D) durable

E) aesthetic

Answer: A

Page Ref: 605

96) Baker Enterprises produces several new products that have low appeal but may benefit consumers in the long run. What is the most accurate classification of these products?

A) deficient

B) pleasing

C) salutary

D) desirable

E) unpleasing

Answer: C

Page Ref: 604

97) Monica Carey is a conscientious marketing manager. Sometimes it is unclear what decisions to 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 value statement

B) a company mission statement

C) a company vision statement

D) corporate marketing ethics policies

E) a financial statement

Answer: D

Page Ref: 605

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?

A) the philosophy that companies should have a social conscience

B) the philosophy that companies can do in good conscience whatever the market and legal systems allow

C) the philosophy of environmentalism

D) the philosophy of consumer-oriented marketing

E) the philosophy of consumerism

Answer: B

Page Ref: 606

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 end EXCEPT?

A) Let the free market decide.

B) Let the legal system decide.

C) Let society decide.

D) Let individual managers decide.

E) Let individual companies decide.

Answer: C

Page Ref: 606

100) The American Marketing Association (AMA) has created a code of ethics that includes all of the following ethical values EXCEPT \_\_\_\_\_\_\_\_.

A) honesty

B) fairness

C) openness

D) competitiveness

E) responsibility

Answer: D

Page Ref: 607-608

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.

Answer: TRUE

Page Ref: 584

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.

Answer: TRUE

Page Ref: 586

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

Answer: FALSE

Page Ref: 586

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

Answer: TRUE

Page Ref: 587

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

Answer: FALSE

Page Ref: 588

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

Answer: FALSE

Page Ref: 588

107) A common accusation aimed at consumer advertising is that it makes you buy things you don't need.

Answer: TRUE

Page Ref: 591

108) Critics of marketing view consumer interest in material things as a natural state of mind and a matter of false wants created by marketing.

Answer: FALSE

Page Ref: 592

109) 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.

Answer: TRUE

Page Ref: 592-593

110) 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.

Answer: FALSE

Page Ref: 595

111) Consumerism's early beginnings were fueled by rising prices, conditions in the meat industry, and scandals in the drug industry in the early 1900s.

Answer: TRUE

Page Ref: 595

112) Each basic consumer right has led to more specific proposals from consumerists, such as nutritional and ingredient labeling.

Answer: TRUE

Page Ref: 596

113) 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.

Answer: FALSE

Page Ref: 596

114) The management strategy of environmental sustainability focuses on developing ways to sustain the environment while also producing profits.

Answer: TRUE

Page Ref: 597

115) In the progress toward environmental sustainability, a company must first strive for pollution prevention and product stewardship before developing "beyond greening" plans.

Answer: FALSE

Page Ref: 597

116) Sustainable marketing consists of five principles: consumer-oriented marketing, customer-value marketing, innovative marketing, sense-of-mission marketing, and societal marketing.

Answer: TRUE

Page Ref: 602

117) Sunset Lawn Service puts most of its resources into value-building marketing investments. The management at Sunset is practicing customer-value marketing.

Answer: TRUE

Page Ref: 602

118) New World Food Supplements continuously seeks real product and marketing improvements. Obviously, New World is involved in consumer-oriented marketing.

Answer: FALSE

Page Ref: 602

119) 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.

Answer: FALSE

Page Ref: 602

120) In consumer-oriented marketing, a company defines its mission in broad social terms rather than narrow product terms.

Answer: FALSE

Page Ref: 602

121) When a company views and organizes its marketing activities from only the consumer's point of view, it is practicing societal marketing.

Answer: FALSE

Page Ref: 604

122) Seatbelts are considered to be salutary products.

Answer: TRUE

Page Ref: 604

123) 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.

Answer: FALSE

Page Ref: 604

124) 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 mangers and companies choose.

Answer: TRUE

Page Ref: 606

125) A company must lower its ethical standards to successfully conduct business in countries with lower standards.

Answer: FALSE

Page Ref: 606

126) Briefly define the four marketing concepts

Answer: 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.

Page Ref: 584-585

127) How do resellers answer criticism of the high costs of distribution?

Answer: 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.

Page Ref: 586

128) Explain how marketers and marketing critics disagree about the psychological value of advertising.

Answer: 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.

Page Ref: 586

129) Explain why most marketers avoid deceptive practices.

Answer: 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.

Page Ref: 588

130) Why might salespeople use high-pressure selling tactics that do not lead to long-term relationships with customers?

Answer: Salespeople might be more motivated by short-term gains, particularly when sales contests promise big rewards to those who sell most.

Page Ref: 588

131) What are two risks a company takes when producing shoddy, harmful, or unsafe products?

Answer: Companies that market shoddy, harmful, or unsafe products risk damaging their reputation, conflicts with consumer groups and regulators, liability lawsuits, and loss of customers.

Page Ref: 589

132) Explain the practice of redlining and why it is criticized.

Answer: 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.

Page Ref: 590

133) What is meant by cultural pollution? Give two examples.

Answer: 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.

Page Ref: 593

134) Why are critics concerned about companies acquiring competitors?

Answer: 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.

Page Ref: 594

135) Define the consumerismand environmentalismmovements.

Answer: 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.

Page Ref: 595

136) What is involved in pollution prevention? Give at least one example.

Answer: 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.

Page Ref: 597

137) Why is environmentalism especially challenging for global marketers?

Answer: 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.

Page Ref: 599

138) How is consumer-oriented marketing different from customer-value marketing?

Answer: 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.

Page Ref: 602

139) Explain how a firm benefits from using sense-of-mission marketing.

Answer: 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.

Page Ref: 603

140) How is the societal marketing concept related to marketing ethics?

Answer: The societal marketing concept requires a company and its marketing managers to work out a philosophy of responsible and ethical behavior, looking beyond what is legal and allowed and developing standards based on personal integrity, corporate conscience, and long-run consumer welfare.

Page Ref: 606

141) Describe the ways marketing is accused of harming the consumer.

Answer: 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.

Page Ref: 586

142) Describe the three different categories of deceptive marketing practices.

Answer: 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 labeling, or describing size in misleading terms.

143) How do marketers respond to critics' accusations of planned obsolescence?

Answer: 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.

144) 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.

Answer: 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.

145) How do marketers respond to charges of "commercial noise"?

Answer: 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.

146) How do consumerism and environmentalism affect marketing strategies?

Answer: 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.

147) Discuss two components of the environmental sustainability portfolio.

Answer: 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.)

148) Describe the five sustainable marketing principles.

Answer: 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.

149) Compare and contrast the four types of products in the societal classification of products. Provide examples of each.

Answer: 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.

150) Compare and contrast the two common principles that can be used to guide companies and marketing managers on issues of ethics and social responsibility.

Answer: 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 behavior. 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.