Chapter 1

Understanding Global Markets and Marketing

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. | The three activities included in the global marketing framework are:       |  |  | | --- | --- | | A. | assessment, strategy development, and marketing mix construction. |  |  |  | | --- | --- | | B. | economic, political, and cultural development. |  |  |  | | --- | --- | | C. | the Internet, e-commerce, and digital communication. |  |  |  | | --- | --- | | D. | gaining market share, capturing prospective customers, and retaining new customers. | |

**True / False Questions**

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| --- | --- |
| 2. | The term ‘global village’ refers to the fact that people who are physically separated by time and space are interconnected by electronic media.     True    False |

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| 3. | Because of expanded demand for a country’s products and the free movement of investment, technology, and know-how globalization has not experienced any negative publicity.     True    False |

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. | During the next six months, Greta and Abdul will be researching markets in the European Union for their line of interactive flat screen televisions. They will next identify which country in the region should be their target and determine what method they will use to enter it, and with what product marketing strategies. In short, Greta and Abdul are implementing \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | global operations |  |  |  | | --- | --- | | B. | the global marketing framework |  |  |  | | --- | --- | | C. | a strategic plan |  |  |  | | --- | --- | | D. | global outsourcing | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. | The process of interaction and integration among people, companies, and governments of many nations is known as\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | multinational marketing |  |  |  | | --- | --- | | B. | social networking |  |  |  | | --- | --- | | C. | e-commerce |  |  |  | | --- | --- | | D. | globalization | |

**True / False Questions**

|  |  |
| --- | --- |
| 6. | Most people around the world have positive attitudes toward globalization.     True    False |

|  |  |
| --- | --- |
| 7. | Because regional, integrated markets like the EU have brought us further towards a borderless world, consumer motivations and preferences across markets have become very much the same.     True    False |

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. | A global marketing approach requires that a firm attend to all of the following EXCEPT \_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | coordinate and integrate production, marketing, and other functions across countries |  |  |  | | --- | --- | | B. | develop strategies on a country by country basis |  |  |  | | --- | --- | | C. | focus efforts world-wide |  |  |  | | --- | --- | | D. | optimize resources and reduce costs | |

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| 9. | Attaining worldwide coordination, rationalization, and integration of all marketing activities is the specific objective of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | the World Trade Organization |  |  |  | | --- | --- | | B. | regional and integrated markets such as NAFTA |  |  |  | | --- | --- | | C. | global marketing |  |  |  | | --- | --- | | D. | global markets | |

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| 10. | The Cage Distance Framework suggests that the distance between countries can be measured along four dimensions. These include:       |  |  | | --- | --- | | A. | cultural, administrative, geographic, and economic |  |  |  | | --- | --- | | B. | cultural, administrative, geographic, and environmental |  |  |  | | --- | --- | | C. | climate, administrative, geographic, and ethnicity |  |  |  | | --- | --- | | D. | culture, agreements, geography, and economy | |

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| 11. | An overall decline in worldwide population growth contributes to all of the following EXCEPT:       |  |  | | --- | --- | | A. | increased pension payments |  |  |  | | --- | --- | | B. | an aging population |  |  |  | | --- | --- | | C. | changes in work patterns |  |  |  | | --- | --- | | D. | greater pressure on the planet’s resources | |

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| 12. | Shakeena’s Canadian firm has just entered into an arrangement to distribute upscale handbags and accessories to retailers and consumers in Taiwan. While research indicates that her product’s designs are compatible with other fashion-oriented items sold in Taiwan, she is still concerned. She perceives that the differences in culture between Canada and Taiwan are so significant that they will prevent a successful marketing effort. Shakeena is struggling with the phenomenon of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | cultural distance |  |  |  | | --- | --- | | B. | psychic distance |  |  |  | | --- | --- | | C. | multinational distance |  |  |  | | --- | --- | | D. | actual distance | |

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| 13. | The EPRG framework proposes four orientations by which a firm’s foreign market operations are managed. These include:       |  |  | | --- | --- | | A. | environment, population, commerce, and geography |  |  |  | | --- | --- | | B. | exports, purchases, resources, and goals |  |  |  | | --- | --- | | C. | ethnocentric, polycentric, regiocentric, and geocentric |  |  |  | | --- | --- | | D. | earnings, profits, revenues, and goals | |

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| 14. | Within the EPRG framework, firms that believe their domestic strategies are superior to foreign strategies and thus leverage their domestic strategy in all global markets are considered to have a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | geocentric |  |  |  | | --- | --- | | B. | ethnocentric |  |  |  | | --- | --- | | C. | polycentric |  |  |  | | --- | --- | | D. | regiocentric | |

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| 15. | Within the EPRG framework, global firms whose strategies differ significantly from country to country are likely operating with a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | geocentric |  |  |  | | --- | --- | | B. | regiocentric |  |  |  | | --- | --- | | C. | polycentric |  |  |  | | --- | --- | | D. | ethnocentric | |

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| 16. | Within the EPRG framework, a global marketer who orients a marketing strategy to the European Union exhibits a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | ethnocentric |  |  |  | | --- | --- | | B. | regiocentric |  |  |  | | --- | --- | | C. | polycentric |  |  |  | | --- | --- | | D. | geocentric | |

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| 17. | The global marketer who confidently proclaims, “The world is my market!” has a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation according to the EPRG framework.       |  |  | | --- | --- | | A. | geocentric |  |  |  | | --- | --- | | B. | polycentric |  |  |  | | --- | --- | | C. | regiocentric |  |  |  | | --- | --- | | D. | ethnocentric | |

**True / False Questions**

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| 18. | A completely standardized marketing mix is common among global companies.     True    False |

**Multiple Choice Questions**

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| 19. | All of these are benefits to standardized marketing strategies on a global basis EXCEPT\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | uniformity of product design |  |  |  | | --- | --- | | B. | lowered R&D costs |  |  |  | | --- | --- | | C. | the ability to discretely address local market needs |  |  |  | | --- | --- | | D. | economies of scale in production and marketing | |

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| 20. | Creating value by some form of company-customer interaction at the fabrication/assembly stage of the operations level to create customized products with production cost and monetary price similar to those of mass-produced products defines \_\_\_\_\_\_\_\_\_\_\_ .       |  |  | | --- | --- | | A. | customer relationship marketing |  |  |  | | --- | --- | | B. | mass customization |  |  |  | | --- | --- | | C. | customized marketing |  |  |  | | --- | --- | | D. | mass production | |

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| 21. | The concept of customization views each consumer as \_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | unaffected by cultural differences |  |  |  | | --- | --- | | B. | price-driven |  |  |  | | --- | --- | | C. | a member of an undifferentiated market |  |  |  | | --- | --- | | D. | an individual market segment | |

**True / False Questions**

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| 22. | If products are standardized, then all accompanying elements of the marketing mix can be standardized as well.     True    False |

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| 23. | A Nescafe commercial airing in Chile would convey the same promotional message if run in France.     True    False |

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| 24. | Dell's famous "build-to-order" model that facilitated its rise to dominance in the PC industry is an example of successful consumer goods customization.     True    False |

**Multiple Choice Questions**

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| 25. | Longer waiting times for customized products, longer searching times for retail outlets and higher prices are challenges inherent in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | customization |  |  |  | | --- | --- | | B. | standardization |  |  |  | | --- | --- | | C. | mass production |  |  |  | | --- | --- | | D. | team production | |

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| 26. | The sequence of activities required to make a product or provide a service is known as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | chain of command |  |  |  | | --- | --- | | B. | value chain |  |  |  | | --- | --- | | C. | competitive advantage |  |  |  | | --- | --- | | D. | modus operandi (M.O.) | |

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| 27. | Inbound logistics, marketing and sales, and operations are all considered elements of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | service and after sales support |  |  |  | | --- | --- | | B. | research and development |  |  |  | | --- | --- | | C. | secondary value chain activities |  |  |  | | --- | --- | | D. | primary value chain activities | |

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| 28. | Secondary value chain activities include all of these elements *except* \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | after sales support |  |  |  | | --- | --- | | B. | human resources |  |  |  | | --- | --- | | C. | technology development |  |  |  | | --- | --- | | D. | procurement | |

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| 29. | The difference between the total value (the price the consumer is willing to pay) and the cost of performing all the activities in the value chain is referred to as \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | profit |  |  |  | | --- | --- | | B. | margin |  |  |  | | --- | --- | | C. | value differential |  |  |  | | --- | --- | | D. | value system | |

**True / False Questions**

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| 30. | In a global marketing system, there is a growing spatial dispersion of activities that comprise a value chain.     True    False |

**Multiple Choice Questions**

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| 31. | The major tools by which a global value chain is managed are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | configuration, coordination |  |  |  | | --- | --- | | B. | research, development |  |  |  | | --- | --- | | C. | sales, service |  |  |  | | --- | --- | | D. | shipping, receiving | |

**True / False Questions**

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| 32. | Cross-subsidization is applicable when firms can benefit from sharing costs and/or revenues.     True    False |

**Multiple Choice Questions**

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| 33. | All of these elements are considered internal drivers of global marketing strategy *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | global vision |  |  |  | | --- | --- | | B. | financing |  |  |  | | --- | --- | | C. | international experience |  |  |  | | --- | --- | | D. | culture | |

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| 34. | All of these are considered external drivers of global marketing strategy *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | international experience |  |  |  | | --- | --- | | B. | economy |  |  |  | | --- | --- | | C. | culture |  |  |  | | --- | --- | | D. | political-legal systems | |

**True / False Questions**

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| 35. | While market and consumer oriented metrics measure overall firm performance, financial outcomes are better indicators of marketing success.     True    False |

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| 36. | The Booz Allen Hamilton consulting firm found that firms having the highest rates of R&D spending as a percentage of sales are more likely than other companies in their industries to achieve superior gross margins.     True    False |

**Multiple Choice Questions**

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| 37. | The ability to look into the future; the capacity to visualize the image that the company is seeking to create on a world-wide basis is known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | a mission statement |  |  |  | | --- | --- | | B. | global vision |  |  |  | | --- | --- | | C. | strategic vision |  |  |  | | --- | --- | | D. | foreign mission | |

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| 38. | All of these are consumer measures of marketing performance *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | brand equity |  |  |  | | --- | --- | | B. | purchase intention |  |  |  | | --- | --- | | C. | market share |  |  |  | | --- | --- | | D. | brand recognition | |

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| 39. | New products launched and revenue from new products/total turnover are elements of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_ measurement of marketing performance.       |  |  | | --- | --- | | A. | innovation |  |  |  | | --- | --- | | B. | market |  |  |  | | --- | --- | | C. | consumer |  |  |  | | --- | --- | | D. | financial | |

Chapter 1 Understanding Global Markets and Marketing Answer Key

**Multiple Choice Questions**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. | The three activities included in the global marketing framework are:       |  |  | | --- | --- | | **A.** | assessment, strategy development, and marketing mix construction. |  |  |  | | --- | --- | | B. | economic, political, and cultural development. |  |  |  | | --- | --- | | C. | the Internet, e-commerce, and digital communication. |  |  |  | | --- | --- | | D. | gaining market share, capturing prospective customers, and retaining new customers. |   Correct! |

**True / False Questions**

|  |  |
| --- | --- |
| 2. | The term ‘global village’ refers to the fact that people who are physically separated by time and space are interconnected by electronic media.     **TRUE**  Correct! |

|  |  |
| --- | --- |
| 3. | Because of expanded demand for a country’s products and the free movement of investment, technology, and know-how globalization has not experienced any negative publicity.     **FALSE**  Globalization has in fact become quite controversial in recent years due to issues regarding labor conditions and many others. |

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 4. | During the next six months, Greta and Abdul will be researching markets in the European Union for their line of interactive flat screen televisions. They will next identify which country in the region should be their target and determine what method they will use to enter it, and with what product marketing strategies. In short, Greta and Abdul are implementing \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | global operations |  |  |  | | --- | --- | | **B.** | the global marketing framework |  |  |  | | --- | --- | | C. | a strategic plan |  |  |  | | --- | --- | | D. | global outsourcing |   Operations implies a step in implementation as opposed to implementing a marketing framework. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 5. | The process of interaction and integration among people, companies, and governments of many nations is known as\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | multinational marketing |  |  |  | | --- | --- | | B. | social networking |  |  |  | | --- | --- | | C. | e-commerce |  |  |  | | --- | --- | | **D.** | globalization |   Multinational marketing is one subset of globalized business but does not include all global business activities. |

**True / False Questions**

|  |  |
| --- | --- |
| 6. | Most people around the world have positive attitudes toward globalization.     **TRUE**  Correct! |

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| --- | --- |
| 7. | Because regional, integrated markets like the EU have brought us further towards a borderless world, consumer motivations and preferences across markets have become very much the same.     **FALSE**  In spite of the removal of trade and other barriers that result from integrated markets, consumer preferences within individual markets are still quite varied. |

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 8. | A global marketing approach requires that a firm attend to all of the following EXCEPT \_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | coordinate and integrate production, marketing, and other functions across countries |  |  |  | | --- | --- | | **B.** | develop strategies on a country by country basis |  |  |  | | --- | --- | | C. | focus efforts world-wide |  |  |  | | --- | --- | | D. | optimize resources and reduce costs |   Coordination of these elements is critical to a global marketing approach. |

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| 9. | Attaining worldwide coordination, rationalization, and integration of all marketing activities is the specific objective of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | the World Trade Organization |  |  |  | | --- | --- | | B. | regional and integrated markets such as NAFTA |  |  |  | | --- | --- | | **C.** | global marketing |  |  |  | | --- | --- | | D. | global markets |   The WTO, or World Trade Organization, is concerned with and promoting fair trade and prosperity worldwide and is not specifically focused on marketing. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 10. | The Cage Distance Framework suggests that the distance between countries can be measured along four dimensions. These include:       |  |  | | --- | --- | | **A.** | cultural, administrative, geographic, and economic |  |  |  | | --- | --- | | B. | cultural, administrative, geographic, and environmental |  |  |  | | --- | --- | | C. | climate, administrative, geographic, and ethnicity |  |  |  | | --- | --- | | D. | culture, agreements, geography, and economy |   Correct! |

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| 11. | An overall decline in worldwide population growth contributes to all of the following EXCEPT:       |  |  | | --- | --- | | A. | increased pension payments |  |  |  | | --- | --- | | B. | an aging population |  |  |  | | --- | --- | | C. | changes in work patterns |  |  |  | | --- | --- | | **D.** | greater pressure on the planet’s resources |   Increased pension payments are an indirect result of the aging population associated with the decline of worldwide population growth. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 12. | Shakeena’s Canadian firm has just entered into an arrangement to distribute upscale handbags and accessories to retailers and consumers in Taiwan. While research indicates that her product’s designs are compatible with other fashion-oriented items sold in Taiwan, she is still concerned. She perceives that the differences in culture between Canada and Taiwan are so significant that they will prevent a successful marketing effort. Shakeena is struggling with the phenomenon of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | cultural distance |  |  |  | | --- | --- | | **B.** | psychic distance |  |  |  | | --- | --- | | C. | multinational distance |  |  |  | | --- | --- | | D. | actual distance |   Cultural distance refers to a measure of the actual differences or similarities between cultures, whereas psychic differences exist in the minds of the individuals, in this case, Shakeena. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 13. | The EPRG framework proposes four orientations by which a firm’s foreign market operations are managed. These include:       |  |  | | --- | --- | | A. | environment, population, commerce, and geography |  |  |  | | --- | --- | | B. | exports, purchases, resources, and goals |  |  |  | | --- | --- | | **C.** | ethnocentric, polycentric, regiocentric, and geocentric |  |  |  | | --- | --- | | D. | earnings, profits, revenues, and goals |   These elements serve to explain the environment in which the global firm is operating but do not represent how the firm actually operates within that environment. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 14. | Within the EPRG framework, firms that believe their domestic strategies are superior to foreign strategies and thus leverage their domestic strategy in all global markets are considered to have a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | geocentric |  |  |  | | --- | --- | | **B.** | ethnocentric |  |  |  | | --- | --- | | C. | polycentric |  |  |  | | --- | --- | | D. | regiocentric |   A geocentric firm seeks to standardize one global strategy which may or may not be based upon its domestic strategy. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. | Within the EPRG framework, global firms whose strategies differ significantly from country to country are likely operating with a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | geocentric |  |  |  | | --- | --- | | B. | regiocentric |  |  |  | | --- | --- | | **C.** | polycentric |  |  |  | | --- | --- | | D. | ethnocentric |   A geocentric firm seeks to standardize one global strategy for all global markets, while a polycentric firm implements discrete strategies for each market. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | Within the EPRG framework, a global marketer who orients a marketing strategy to the European Union exhibits a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_ orientation.       |  |  | | --- | --- | | A. | ethnocentric |  |  |  | | --- | --- | | **B.** | regiocentric |  |  |  | | --- | --- | | C. | polycentric |  |  |  | | --- | --- | | D. | geocentric |   This variable would deal with cultural as opposed to regional issues. |

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| 17. | The global marketer who confidently proclaims, “The world is my market!” has a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ orientation according to the EPRG framework.       |  |  | | --- | --- | | **A.** | geocentric |  |  |  | | --- | --- | | B. | polycentric |  |  |  | | --- | --- | | C. | regiocentric |  |  |  | | --- | --- | | D. | ethnocentric |   Correct! |

**True / False Questions**

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| 18. | A completely standardized marketing mix is common among global companies.     **FALSE**  While companies continually strive to standardize the marketing mix in order to take advantage of benefits such as economies of scale and consistent product quality, few firms can claim to have achieved this goal. |

**Multiple Choice Questions**

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| 19. | All of these are benefits to standardized marketing strategies on a global basis EXCEPT\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | uniformity of product design |  |  |  | | --- | --- | | B. | lowered R&D costs |  |  |  | | --- | --- | | **C.** | the ability to discretely address local market needs |  |  |  | | --- | --- | | D. | economies of scale in production and marketing |   Uniformity of product design is a benefit to standardization, as common technical and production standards are applied to products. |

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| 20. | Creating value by some form of company-customer interaction at the fabrication/assembly stage of the operations level to create customized products with production cost and monetary price similar to those of mass-produced products defines \_\_\_\_\_\_\_\_\_\_\_ .       |  |  | | --- | --- | | A. | customer relationship marketing |  |  |  | | --- | --- | | **B.** | mass customization |  |  |  | | --- | --- | | C. | customized marketing |  |  |  | | --- | --- | | D. | mass production |   Customer relationship marketing refers to creating value by the development of personal interactions with customers and their resultant sense of trust in the brand and the company. |

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| 21. | The concept of customization views each consumer as \_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | unaffected by cultural differences |  |  |  | | --- | --- | | B. | price-driven |  |  |  | | --- | --- | | C. | a member of an undifferentiated market |  |  |  | | --- | --- | | **D.** | an individual market segment |   Customized products are designed to address specific consumer preferences based upon culture. |

**True / False Questions**

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| 22. | If products are standardized, then all accompanying elements of the marketing mix can be standardized as well.     **FALSE**  Each product whether standardized or customized may have to adopt communication, pricing, or distribution to different target markets. |

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| 23. | A Nescafe commercial airing in Chile would convey the same promotional message if run in France.     **FALSE**  This is illustrated in the example provided in your text. |

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| 24. | Dell's famous "build-to-order" model that facilitated its rise to dominance in the PC industry is an example of successful consumer goods customization.     **TRUE**  Correct! |

**Multiple Choice Questions**

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| 25. | Longer waiting times for customized products, longer searching times for retail outlets and higher prices are challenges inherent in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | **A.** | customization |  |  |  | | --- | --- | | B. | standardization |  |  |  | | --- | --- | | C. | mass production |  |  |  | | --- | --- | | D. | team production |   Correct! |

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| 26. | The sequence of activities required to make a product or provide a service is known as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | chain of command |  |  |  | | --- | --- | | **B.** | value chain |  |  |  | | --- | --- | | C. | competitive advantage |  |  |  | | --- | --- | | D. | modus operandi (M.O.) |   This refers to organizational hierarchy and not manufacturing or marketing. |

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| 27. | Inbound logistics, marketing and sales, and operations are all considered elements of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | service and after sales support |  |  |  | | --- | --- | | B. | research and development |  |  |  | | --- | --- | | C. | secondary value chain activities |  |  |  | | --- | --- | | **D.** | primary value chain activities |   Service and sales support are elements of primary value chain activities. |

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| 28. | Secondary value chain activities include all of these elements *except* \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | **A.** | after sales support |  |  |  | | --- | --- | | B. | human resources |  |  |  | | --- | --- | | C. | technology development |  |  |  | | --- | --- | | D. | procurement |   Correct! |

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| 29. | The difference between the total value (the price the consumer is willing to pay) and the cost of performing all the activities in the value chain is referred to as \_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | profit |  |  |  | | --- | --- | | **B.** | margin |  |  |  | | --- | --- | | C. | value differential |  |  |  | | --- | --- | | D. | value system |   This is a traditional definition of revenue minus cost and does not reflect the complete scope of the value chain. |

**True / False Questions**

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| 30. | In a global marketing system, there is a growing spatial dispersion of activities that comprise a value chain.     **TRUE**  Correct! |

**Multiple Choice Questions**

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| 31. | The major tools by which a global value chain is managed are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | **A.** | configuration, coordination |  |  |  | | --- | --- | | B. | research, development |  |  |  | | --- | --- | | C. | sales, service |  |  |  | | --- | --- | | D. | shipping, receiving |   Correct! |

**True / False Questions**

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| 32. | Cross-subsidization is applicable when firms can benefit from sharing costs and/or revenues.     **TRUE**  Correct! |

**Multiple Choice Questions**

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| 33. | All of these elements are considered internal drivers of global marketing strategy *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | global vision |  |  |  | | --- | --- | | B. | financing |  |  |  | | --- | --- | | C. | international experience |  |  |  | | --- | --- | | **D.** | culture |   This is indeed considered an internal driver of global marketing strategy. |

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| 34. | All of these are considered external drivers of global marketing strategy *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | **A.** | international experience |  |  |  | | --- | --- | | B. | economy |  |  |  | | --- | --- | | C. | culture |  |  |  | | --- | --- | | D. | political-legal systems |   Correct! |

**True / False Questions**

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| 35. | While market and consumer oriented metrics measure overall firm performance, financial outcomes are better indicators of marketing success.     **FALSE**  It is actually market and consumer metrics that are considered to be better indicators of marketing success. |

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| 36. | The Booz Allen Hamilton consulting firm found that firms having the highest rates of R&D spending as a percentage of sales are more likely than other companies in their industries to achieve superior gross margins.     **TRUE**  Correct! |

**Multiple Choice Questions**

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| 37. | The ability to look into the future; the capacity to visualize the image that the company is seeking to create on a world-wide basis is known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | a mission statement |  |  |  | | --- | --- | | **B.** | global vision |  |  |  | | --- | --- | | C. | strategic vision |  |  |  | | --- | --- | | D. | foreign mission |   This is a statement of the company's organizational goals and objectives. |

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| 38. | All of these are consumer measures of marketing performance *except* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.       |  |  | | --- | --- | | A. | brand equity |  |  |  | | --- | --- | | B. | purchase intention |  |  |  | | --- | --- | | **C.** | market share |  |  |  | | --- | --- | | D. | brand recognition |   This is considered a consumer measure of marketing performance. |

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| 39. | New products launched and revenue from new products/total turnover are elements of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_ measurement of marketing performance.       |  |  | | --- | --- | | **A.** | innovation |  |  |  | | --- | --- | | B. | market |  |  |  | | --- | --- | | C. | consumer |  |  |  | | --- | --- | | D. | financial |   Correct! |