

**Marketing: An Introduction, 13e (Armstrong)**  
**Chapter 16 Social Responsibility and Ethics**

1) \_\_\_\_\_ marketing calls for socially and environmentally responsible actions that meet the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs.

- A) Sustainable
- B) Customer driving
- C) Mass
- D) Customer-driven
- E) Differential

Answer: A

Diff: 1

LO: 16-1: Define sustainable marketing and discuss its importance.

AACSB: Ethical understanding and reasoning

2) The \_\_\_\_\_ concept specifically focuses on future company needs, but not the future welfare of customers.

- A) societal marketing
- B) strategic planning
- C) sustainable marketing
- D) global marketing
- E) cause marketing

Answer: B

Diff: 1

LO: 16-1: Define sustainable marketing and discuss its importance.

3) The \_\_\_\_\_ concept specifically focuses on the future welfare of customers, but not on future company needs.

- A) societal marketing
- B) strategic planning
- C) sustainable marketing
- D) marketing
- E) selling

Answer: A

Diff: 1

LO: 16-1: Define sustainable marketing and discuss its importance.

AACSB: Ethical understanding and reasoning

Mohammed taha

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4) The \_\_\_\_\_ concept focuses on meeting the company's short-term sales, growth, and profit needs by engaging customers and fulfilling their needs and wants more effectively and efficiently than the competition.

- A) societal marketing
- B) strategic planning
- C) sustainable marketing
- D) marketing
- E) cause marketing

Answer: D

Diff: 1

LO: 16-1: Define sustainable marketing and discuss its importance.

5) The \_\_\_\_\_ concept focuses on the future welfare of consumers and future company needs.

- A) societal marketing
- B) strategic planning
- C) sustainable marketing
- D) marketing
- E) cause marketing

Answer: C

Diff: 1

LO: 16-1: Define sustainable marketing and discuss its importance.

AACSB: Ethical understanding and reasoning

6) Satisfying consumers' immediate needs and desires does not always serve the future best interests of either customers or the business.

Answer: TRUE

Diff: 2

LO: 16-1: Define sustainable marketing and discuss its importance.

AACSB: Ethical understanding and reasoning

7) While the societal marketing concept considers the future welfare of consumers and the sustainable marketing concept considers future company needs, the strategic planning concept considers both.

Answer: FALSE

Diff: 2

LO: 16-1: Define sustainable marketing and discuss its importance.

8) Describe the concept of sustainable marketing. How is it different from the marketing concept, the societal marketing concept, and the strategic planning concept?

Answer: Sustainable marketing calls for socially and environmentally responsible actions that meet 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 customers and fulfilling those needs and wants more effectively and efficiently than competitors do. It focuses on meeting the company's short-term sales, growth, and profit needs by giving customers what they want now. However, satisfying consumers' immediate needs and desires does not always serve the future best interests of either customers or the business. Whereas the societal marketing concept considers the future welfare of consumers and the strategic planning concept considers future company needs, the sustainable marketing concept considers both. Sustainable marketing calls for socially and environmentally responsible actions that meet both the immediate and future needs of customers and the company.

Diff: 3

LO: 16-1: Define sustainable marketing and discuss its importance.

AACSB: Ethical understanding and reasoning

9) A common criticism of the marketing system is that intermediaries \_\_\_\_\_.

- A) are too few in number
- B) mark up prices beyond the value of their services
- C) provide only essential services
- D) undervalue their service costs
- E) are overly protective of manufacturers' interests

Answer: B

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

10) Critics charge that high advertising and promotion costs unnecessarily increase retail prices. Marketers most likely respond to this criticism by arguing that advertising \_\_\_\_\_.

- A) provides essential psychological benefits about products
- B) adds value by giving consumers product information
- C) generates tax breaks for small businesses
- D) applies a functional value to the product
- E) lowers prices by increasing competition

Answer: B

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

11) A toothbrush that costs ten cents to manufacture may cost a consumer \$3.00 to buy. According to critics, this is an example of \_\_\_\_\_.

- A) deceptive advertising
- B) redlining
- C) excessive markup
- D) high-pressure selling
- E) shoddy manufacturing

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning; Analytical thinking

12) \_\_\_\_\_ 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.

- A) Deceptive packaging
- B) Deceptive promotion
- C) Deceptive pricing
- D) Deceptive distribution
- E) Deceptive branding

Answer: B

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

13) A major step in regulating unfair or deceptive acts or practices was the enactment of the \_\_\_\_\_ in 1938.

- A) Robinson-Patman Act
- B) Wheeler-Lea Act
- C) Consumer Product Safety Act
- D) Taft-Hartley Act
- E) Sherman Act

Answer: B

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

14) In advertising, puffery refers to \_\_\_\_\_.

- A) broadcasting a straightforward promotional message
- B) including innocent exaggeration for effect
- C) creating emotional appeals for a brand
- D) creating subliminal appeals for a brand
- E) providing value-added promotions

Answer: B

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

15) Insurance, real estate, and used cars salespeople are trained to deliver smooth, canned talks to entice purchases. This is known as \_\_\_\_\_.

- A) sustainable marketing
- B) high-pressure selling
- C) customer-driven marketing
- D) redlining
- E) reverse redlining

Answer: B

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

16) High-pressure selling will most likely work in situations that involve \_\_\_\_\_.

- A) valued customers
- B) repeat customers
- C) service-based sales
- D) one-time sales
- E) complex products

Answer: D

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

17) A company should avoid high-pressure selling if it wants to \_\_\_\_\_.

- A) achieve short-term gains
- B) move a previous year's product models
- C) comply with local and federal laws
- D) build long-term relationships with valued customers
- E) maintain an accurate customer database

Answer: D

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

18) A class-action lawsuit was brought against a national burger chain, charging that its food contributed to the nationwide obesity epidemic. The suit was eventually dismissed, but critics continue to point out the health dangers of many fast food menu items. From the description, it can be concluded that these critics are concerned that the fast food industry is \_\_\_\_\_.

- A) using high-pressure sales tactics
- B) creating deceptive promotions
- C) engaging in deceptive pricing
- D) utilizing misleading packaging
- E) selling harmful products

Answer: E

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Analytical thinking; Ethical understanding and reasoning

19) Some companies intentionally manufacture their products with materials or components that will break, wear, rust, or rot sooner than they should. This practice is called \_\_\_\_\_.

- A) perceived obsolescence
- B) redlining
- C) planned obsolescence
- D) puffery
- E) reverse redlining

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

20) 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. For which of the following could Trendy Teens be easily criticized in this scenario?

- A) deceptive promotion
- B) redlining
- C) high-pressure selling
- D) planned obsolescence
- E) perceived obsolescence

Answer: E

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Analytical thinking

21) Critics claim that companies in the \_\_\_\_\_ industry are more likely to introduce planned streams of new products that make older models obsolete.

- A) automotive
- B) housing
- C) food and beverage
- D) consumer electronics
- E) music

Answer: D

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

22) Critics claim that the urban poor often have to shop in smaller stores that carry inferior goods and charge higher prices because the large, national chain stores refuse to establish stores. This is known as the discriminatory practice of \_\_\_\_\_.

- A) perceived obsolescence
- B) reverse redlining
- C) redlining
- D) puffery
- E) planned obsolescence

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

23) The nation's poor areas have 30 percent fewer supermarkets than do affluent areas. As a result, many low-income consumers find themselves \_\_\_\_\_.

- A) buying due to high-pressure methods
- B) in food deserts
- C) redlining
- D) being influenced by heavy advertising and promotion
- E) influenced by predatory pricing tactics

Answer: B

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

24) Critics who assert that the marketing system promotes too much interest in material possessions are most likely concerned that the result of successful marketing will be \_\_\_\_\_.

- A) high-pressure selling tactics
- B) unsustainable overconsumption
- C) perceived obsolescence
- D) planned obsolescence
- E) deceptive pricing

Answer: B

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

25) Which of the following most likely suggests that marketers lack the power to create consumer needs and control market demand?

- A) consumer acceptance of changing clothing styles
- B) affordable products in disadvantage communities
- C) use of social media in product comparisons
- D) consumer interest in modern technology
- E) high failure rate of new products

Answer: E

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Analytical thinking

26) The Great Recession has most likely resulted in a(n)\_\_\_\_\_.

- A) demand for private goods
- B) increase in cultural pollution
- C) decline in conspicuous spending
- D) increase in modern materialism
- E) desire for extravagant products

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

27) Carboi 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. Carboi offers contribution packages for driving, flying, and home energy use. Through Carboi, consumers can pay some of the \_\_\_\_\_ costs of their private goods and services.

- A) promotional
- B) safety
- C) recovery
- D) distribution
- E) social

Answer: E

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Analytical thinking



28) People who buy magazines that they like or who opt in to e-mail, social media, or mobile marketing programs rarely complain about the ads because they involve products and services of interest. This is counter to the claim that the marketing system creates \_\_\_\_\_.

- A) minimalistic social costs
- B) the creation of false wants
- C) excessive materialism
- D) high promotion costs
- E) cultural pollution

Answer: E

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

29) Jeremy Clarkson, 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 catalogs to television commercials and product tie-ins to billboards and store signs. From the description given, it can be concluded that Jeremy is concerned about \_\_\_\_\_.

- A) high 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

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Analytical thinking; Ethical understanding and reasoning

30) According to critics, large marketing companies use patents and heavy promotion spending to \_\_\_\_\_.

- A) acquire smaller companies
- B) offset too many social costs
- C) prevent industry competition
- D) achieve economies of scale
- E) offset cultural pollution

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

31) The European Commission recently accused Google of abusing its Web-search dominance, harming both competitors and consumers in European Union markets. The Commission also began investigating antitrust issues related to Google's Android mobile operating system. This is an example of \_\_\_\_\_.

- A) planned obsolescence
- B) excessive materialism
- C) predatory competition
- D) acquisition
- E) redlining

Answer: C

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning; Analytical thinking

32) Deceptive pricing practices include misrepresenting the product's features or performance or luring customers to the store for a bargain that is out of stock.

Answer: FALSE

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

33) Deceptive packaging includes exaggerating package contents through subtle design and misleading labels.

Answer: TRUE

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

34) 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

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

35) Companies that practice perceived obsolescence use product components that will break, wear, rust, or rot sooner than they should.

Answer: FALSE

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

36) Many low-income consumers find themselves in food deserts, which are plentiful in fruits and vegetables, fresh fish, and chicken but lack products like frozen pizzas, Cheetos, Moon Pies, and Cokes.

Answer: FALSE

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

37) Marketing critics claim that the inevitable outcome of successful marketing is unsustainable overconsumption.

Answer: TRUE

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

38) An increase in private goods, such as cars, typically leads to an increased need for public services, such as parking spaces.

Answer: TRUE

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

39) Marketing critics claim that the overselling of private goods results in social costs.

Answer: TRUE

Diff: 1

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

40) When a company expands by developing its own products rather than acquiring a competitor, the company is likely to be accused of reducing competition.

Answer: FALSE

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

41) Briefly describe a few ways the American marketing system is accused of harming the consumer.

Answer: Many critics charge that the American marketing system causes prices to be higher than they would be under more "sensible" systems. Critics point to three factors — high costs of distribution, high advertising and promotion costs, and excessive markups. A longstanding charge is that greedy marketing channel members mark up prices beyond the value of their services. As a result, distribution costs too much, and consumers pay for these excessive costs in the form of higher prices. Modern marketing is also accused of pushing up prices to finance unneeded advertising, sales promotion, and packaging. Critics charge that much of this promotion and packaging adds only psychological, not functional, value. Critics also charge that some companies mark up goods excessively.

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: promotion, packaging, and pricing. 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. Deceptive pricing includes practices such as falsely advertising "factory" or "wholesale" prices or a large price reduction from a phony high retail list price.

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

42) What are the three categories of deceptive marketing practices? Briefly describe each.

Answer: Deceptive practices fall into three groups: pricing, promotion, and packaging. 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.

Diff: 2

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

43) Identify and discuss the major social criticisms of marketing.

Answer: The impact of marketing on society has been criticized for creating false wants, too much materialism, too few social goods, and excessive cultural pollution. Critics have charged that the marketing system urges too much interest in material possessions, and that America's love affair with worldly possessions is not sustainable. Too often, people are judged by what they own rather than by who they are. The critics do not view this interest in material things as a natural state of mind but rather as a matter of false wants created by marketing. Marketers, they claim, stimulate people's desires for goods and create materialistic models of the good life. Thus, marketers have created an endless cycle of mass consumption based on a distorted interpretation of the "American Dream."

Business has also been accused of overselling private goods at the expense of public goods. As private goods increase, they require more public services that are usually not forthcoming. For example, private automobile ownership (private good) requires highways, traffic control, parking spaces, and police services (public goods). The overselling of private goods results in social costs.

Critics also charge the marketing system with creating cultural pollution. They feel our senses are being constantly assaulted by marketing and advertising. Commercials interrupt serious programs; pages of ads obscure magazines; billboards mar beautiful scenery; spam fills our e-mail inboxes; flashing display ads intrude on our online and mobile screens. What's more, the critics claim, these interruptions continually pollute people's minds with messages of materialism, sex, power, or status.

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

44) Identify the social costs of increased automobile ownership. Describe two options for restoring the balance between private and public goods. Give specific examples.

Answer: Business has been accused of overselling private goods at the expense of public goods. As private goods increase, they require more public services that are usually not forthcoming. For example, an increase in automobile ownership (private good) requires more highways, traffic control, parking spaces, and police services (public goods). The overselling of private goods results in social costs. 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. To decrease rush hour traffic on the Bay Bridge between Oakland and San Francisco, California, the Metropolitan Transportation Commission charges a \$6 toll during peak commute hours versus \$4 at other times. The charge reduced the flow of drivers during peak hours, cutting the average 32-minute wait time some bridges approach in half.

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

45) Describe the harmful impact that a company's marketing practices could have on other businesses.

Answer: Critics charge that a company's marketing practices can harm other companies and reduce competition. They identify three problems: acquisitions of competitors, marketing practices that create barriers to entry, and unfair competitive marketing practices. Critics claim that firms are harmed and competition reduced when companies expand by acquiring competitors rather than by developing their own new products. The large number of acquisitions and the rapid pace of industry consolidation over the past several decades have caused concern that vigorous young competitors will be absorbed, thereby reducing competition. In some cases, acquisitions can be good for society. The acquiring company may gain economies of scale that lead to lower costs and lower prices. In addition, a well-managed company may take over a poorly managed company and improve its efficiency. An industry that was not very competitive might become more competitive after the acquisition. But acquisitions can also be harmful and, therefore, are closely regulated by the government. Critics have also charged that marketing practices bar new companies from entering an industry. Large marketing companies can use patents and heavy promotion spending or tie up suppliers or dealers to keep out or drive out competitors. Those concerned with antitrust regulation recognize that some barriers are the natural result of the economic advantages of doing business on a large scale. Existing and new laws can challenge other barriers. For example, some critics have proposed a progressive tax on advertising spending to reduce the role of selling costs as a major barrier to entry. Finally, some firms have, in fact, used unfair competitive marketing practices with the intention of hurting or destroying other firms. They may set their prices below costs, threaten to cut off business with suppliers, discourage the buying of a competitor's products, or use their size and market dominance to unfairly damage rivals. Although various laws work to prevent such predatory competition, it is often difficult to prove that the intent or action was really predatory.

Diff: 3

LO: 16-2: Identify the major social criticisms of marketing.

AACSB: Ethical understanding and reasoning

46) The two major citizen action movements to keep businesses in line are \_\_\_\_\_.

- A) consumerism and environmentalism
- B) protectionism and materialism
- C) consumerism and protectionism
- D) liberalism and monetarism
- E) innovation and predatory pricing

Answer: A

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

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

- A) Environmentalism
- B) Proactivism
- C) Affirmative action
- D) Consumerism
- E) Liberalism

Answer: D

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

48) Which of the following is a traditional right of sellers?

- A) the right to introduce any product in any size and style, provided it is not hazardous to personal health or safety
- B) the right to expect a product to be safe
- C) the right to expect a product to perform as claimed
- D) the right to consume now in a way that will preserve and sustain the world for future generations of consumers
- E) the right to be well informed about important aspects of a product

Answer: A

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

49) Which of the following is a traditional right of buyers?

- A) the right to charge any price for a product, provided no discrimination exists among similar kinds of buyers
- B) the right to spend any amount to promote a product, provided it is not defined as unfair competition
- C) the right to use any product message, provided it is not misleading or dishonest in content or execution
- D) the right to use buying incentive programs, provided they are not unfair or misleading
- E) the right not to buy a product that is offered for sale

Answer: E

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

50) Controlling the ingredients that go into certain products and reducing the level of advertising "noise" are part of proposals relating to the consumer's right to \_\_\_\_\_.

- A) not buy a product that is offered for sale
- B) expect a product to perform as claimed
- C) be well informed about important aspects of the product
- D) be protected against questionable products, promotions, and marketing practices
- E) influence marketing practices in ways that will improve quality of life

Answer: E

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

51) Promoting the use of sustainable ingredients, recycling and reducing solid wastes, and managing energy consumption relate to the consumer's right to \_\_\_\_\_.

- A) not buy a product that is offered for sale
- B) be well informed about important aspects of a product
- C) consume now in a way that will preserve the world for future generations
- D) be protected against questionable products and marketing practices
- E) influence marketing practices in ways that will improve quality of life

Answer: C

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

52) \_\_\_\_\_ is an organized movement of concerned citizens, businesses, and government agencies designed to protect and improve people's current and future living environment.

- A) Socialism
- B) Consumerism
- C) Environmentalism
- D) Consumption
- E) Reduction

Answer: C

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning



53) \_\_\_\_\_ is a management approach that involves developing strategies that both support the ecological balance and produce profits for the company.

- A) Consumerism
- B) Quasi-environmentalism
- C) Environmental sustainability
- D) Materialism
- E) The marketing concept

Answer: C

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

54) Natural & Safe sells a concentrated, biodegradable bathroom cleaner in a recycled container. This is best described as a component of the company's internal \_\_\_\_\_ program.

- A) green marketing
- B) consumerism
- C) sustainability
- D) environmental
- E) sociological

Answer: A

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning; Analytical thinking

55) \_\_\_\_\_ involves minimizing pollution from production and all environmental impacts throughout the full life cycle of goods.

- A) The marketing concept
- B) Pollution control
- C) Product stewardship
- D) Consumerism
- E) Pollution prevention

Answer: C

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

56) The Card Company strives to recover, reuse, and recycle paper at the end of its life cycle to be used in the production of all new greeting cards. In fact, a hundred percent of all of its cards are made from recycled materials. In this case, The Card Company is demonstrating \_\_\_\_\_.

- A) pollution prevention
- B) pollution control
- C) product stewardship
- D) the marketing concept
- E) the selling concept

Answer: C

Diff: 3

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Analytical thinking

57) \_\_\_\_\_ involves thinking ahead to create products that are easier to recover, reuse, recycle, or safely return to nature after usage, thus becoming part of the ecological cycle.

- A) Consumerism
- B) Design for environment
- C) Beyond greening
- D) Pollution control
- E) Pollution prevention

Answer: B

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

58) \_\_\_\_\_ serves as a guide to the future, laying out how a company's products and services, processes, and policies must evolve and what new technologies must be developed to get there.

- A) An environmental mission statement
- B) A cradle-to-cradle practice
- C) Pollution prevention
- D) Product stewardship
- E) A sustainability vision

Answer: E

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

59) What do most companies today focus on when it comes to protecting the environment?

- A) investing heavily in pollution prevention
- B) practicing product stewardship
- C) developing a sustainable vision
- D) investing heavily in environmental technology
- E) increasing the biodegradability of products

Answer: A

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

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

Answer: TRUE

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

61) Today, enlightened companies implement environmental sustainability strategies not because someone is forcing them to or to reap short-run profits but because it's the right thing to do.

Answer: TRUE

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

62) In the progress toward environmental sustainability, a company must first develop a sustainability vision, which serves as a guide to the future.

Answer: FALSE

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

63) Product stewardship is a "beyond greening" activity.

Answer: FALSE

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

64) Developing biodegradable packaging and implementing energy-efficient operations are examples of pollution prevention activities.

Answer: TRUE

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

65) What are the traditional rights of sellers and buyers?

Answer: Traditional sellers' rights include the following:

1. The right to introduce any product in any size and style, provided it is not hazardous to personal health or safety, or, if it is, to include proper warnings and controls
2. The right to charge any price for the product, provided no discrimination exists among similar kinds of buyers
3. The right to spend any amount to promote the product, provided it is not defined as unfair competition
4. The right to use any product message, provided it is not misleading or dishonest in content or execution
5. The right to use buying incentive programs, provided they are not unfair or misleading

Traditional rights of buyers include the following:

1. The right not to buy a product that is offered for sale
2. The right to expect the product to be safe
3. The right to expect the product to perform as claimed

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Analytical thinking

66) Define consumerism and environmentalism.

Answer: Consumerism is an organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers. Environmentalism is an organized movement of concerned citizens, businesses, and government agencies designed to protect and improve people's current and future living environment.

Diff: 1

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

67) List the consumer rights called for by consumer advocates.

Answer: Consumer advocates call for the following consumer rights:

1. The right to be well informed about important aspects of the product
2. The right to be protected against questionable products and marketing practices
3. The right to influence products and marketing practices in ways that will improve "quality of life"
4. The right to consume now in a way that will preserve the world for future generations of consumers

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

68) Describe product stewardship, design for environment (DFE), and cradle-to-cradle practices.

Answer: Companies can practice product stewardship — minimizing not only pollution from production and product design but also all environmental impacts throughout the full product life cycle, while at the same time 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, thus becoming part of the ecological cycle. Design for environment and cradle-to-cradle practices not only help to sustain the environment, but they can also be highly profitable for the company.

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

69) What is a sustainability vision?

Answer: Companies can develop a sustainability vision, 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. This vision of sustainability provides a framework for pollution control, product stewardship, and new environmental technology for the company and others to follow.

Diff: 2

LO: 16-3: Define consumerism and environmentalism and explain how they affect marketing strategies.

AACSB: Ethical understanding and reasoning

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

- A) selling
- B) global marketing
- C) sustainable marketing
- D) differential marketing
- E) marketing

Answer: C

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

71) Enlightened marketing calls for building long-run consumer engagement, loyalty, and relationships by continually improving the benefits consumers receive from the firm's market offering. This is related to \_\_\_\_\_, one of the five sustainable marketing principles.

- A) consumer-oriented marketing
- B) innovative marketing
- C) sense-of-mission marketing
- D) societal marketing
- E) customer value marketing

Answer: E

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

72) The App Store views and organizes its marketing activities from the viewpoint of its buyers, who are predominantly comprised of the Millennial generation. Management works hard to sense, serve, and satisfy the needs of this tech savvy demographic. Which of the following does The App Store most likely practice?

- A) consumer-oriented marketing
- B) societal marketing
- C) sense-of-mission marketing
- D) affiliate marketing
- E) innovative marketing

Answer: A

Diff: 3

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

73) Which sustainable marketing principle emphasizes building long-run consumer engagement, loyalty, and relationships?

- A) sense-of-mission marketing
- B) innovative marketing
- C) customer value marketing
- D) consumerist marketing
- E) differential marketing

Answer: C

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

74) Innovative marketing most likely involves \_\_\_\_\_.

- A) protecting the natural environment
- B) considering the consumer's point of view
- C) seeking real product and marketing improvements
- D) defining goals in broad social terms rather than narrow product terms
- E) placing an emphasis on increasing short-run sales rather than long-term value

Answer: C

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

75) "Doing good" and "doing well" are considered a double bottom line of values and profits for many organizations. Profits sometimes suffer as a result. This is one of the challenges of \_\_\_\_\_ marketing.

- A) societal
- B) sense-of-mission
- C) consumer-oriented
- D) customer value
- E) innovative

Answer: B

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking; Ethical understanding and reasoning

76) Lakeland Inc. 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. Lakeland could be most accurately described as practicing \_\_\_\_\_ marketing.

- A) affiliate
- B) undifferentiated
- C) differentiated
- D) innovative
- E) sense-of-mission

Answer: E

Diff: 3

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

77) When a company makes marketing decisions by considering consumers' wants and interests, the company's requirements, and society's long-run interests, it is most likely practicing \_\_\_\_\_ marketing.

- A) value
- B) societal
- C) sense-of-mission
- D) consumer-oriented
- E) customer value

Answer: B

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

78) What are deficient products?

- A) products that have neither immediate appeal nor long-run benefits
- B) products that give high immediate satisfaction but 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) products in the decline stage of the product life cycle

Answer: A

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

79) Products that give high immediate satisfaction but may hurt consumers in the long run are called \_\_\_\_\_ products.

- A) deficient
- B) pleasing
- C) salutary
- D) desirable
- E) threatening

Answer: B

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

80) Which of the following is the best example of a salutary product?

- A) cereal
- B) cigarettes
- C) bottled water
- D) junk food
- E) dental insurance

Answer: E

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

81) Beverages that are high in sugar are called \_\_\_\_\_ products.

- A) deficient
- B) pleasing
- C) salutary
- D) desirable
- E) salubrious

Answer: B

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

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

- A) Deficient
- B) Pleasing
- C) Desirable
- D) Salutory
- E) Threatening

Answer: C

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

83) Maytag's front-loading Neptune washer comes in attractive designs and also guarantees quick cleaning and high energy efficiency. The Neptune washer is most likely an example of a \_\_\_\_\_ product.

- A) deficient
- B) pleasing
- C) salutory
- D) desirable
- E) disposable

Answer: D

Diff: 3

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

84) The societal marketing concept states that companies should try to turn \_\_\_\_\_.

- A) deficient products into pleasing ones
- B) desirable products into pleasing ones
- C) deficient products into salutory ones
- D) all of their products into salutory ones
- E) all of their products into desirable ones

Answer: E

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Ethical understanding and reasoning

85) The challenge for makers of \_\_\_\_\_ products is to add long-run benefits without reducing the products' agreeable qualities.

- A) salutory
- B) desirable
- C) pleasing
- D) durable
- E) deficient

Answer: C

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

86) The challenge posed by \_\_\_\_\_ products is to add some agreeable qualities so that they will become more desirable in the consumers' minds.

- A) salutary
- B) desirable
- C) pleasing
- D) durable
- E) aesthetic

Answer: A

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

87) In sense-of-mission marketing, a company defines its mission in product terms rather than social terms.

Answer: FALSE

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

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

Answer: FALSE

Diff: 1

LO: 16-4: Describe the principles of sustainable marketing.

89) A company that makes marketing decisions by considering consumers' wants and long-run interests, the company's requirements, and society's long-run interests is practicing consumer-oriented marketing.

Answer: FALSE

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

90) Bicycle helmets and some insurance offerings are considered pleasing products that give high immediate satisfaction but may hurt consumers in the long run.

Answer: FALSE

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

91) Cigarettes and junk food are considered pleasing products.

Answer: TRUE

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

92) 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 salutary product.

Answer: FALSE

Diff: 3

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

93) Briefly discuss the five principles of sustainable marketing.

Answer: Under the sustainable marketing concept, a company's marketing should support the best long-run performance of the marketing system. It should be guided by five sustainable marketing principles: consumer-oriented marketing, customer value marketing, innovative marketing, sense-of-mission marketing, and societal marketing.

1. Consumer-oriented marketing acts from the consumer's point of view. It should work hard to sense, serve, and satisfy the needs of a defined group of customers — both now and in the future.

2. Customer value marketing exists when a firm puts most of its resources into customer value-building marketing investments. By creating value for consumers, the company can capture value from consumers in return.

3. Innovative marketing seeks real product and marketing improvements. The company that overlooks new and better ways to do things will eventually lose customers to another company that has found a better way.

4. When a company defines its mission in broad social terms rather than narrow product terms, it is practicing sense-of-mission marketing. Brands linked with broader missions can serve the best long-run interests of both the brand and consumers.

5. Finally, societal marketing is in use when the company makes marketing decisions by considering consumers' wants, the company's requirements, consumers' long-run interests, and society's long-run interests. Companies should be aware that neglecting consumer and societal long-run interests is a disservice to consumers and society. Alert companies view societal problems as opportunities.

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Ethical understanding and reasoning

94) Compare the four types of products in the societal classification of products. Provide examples of each type to illustrate your answer.

Answer: Products can be classified according to their degree of immediate consumer satisfaction and long-run consumer benefit. Pleasing products give high immediate satisfaction but may hurt consumers in the long run. Examples include cigarettes and junk food. Salutary products have low immediate appeal but may benefit consumers in the long run; for instance, bicycle helmets or some insurance products. Desirable products give both high immediate satisfaction and high long-run benefits, such as a tasty and nutritious breakfast food.

Diff: 2

LO: 16-4: Describe the principles of sustainable marketing.

AACSB: Analytical thinking

95) Jeff Barkins is a conscientious marketing manager. Sometimes, Jeff and his staff are unclear what decisions to make when faced with moral dilemmas. Jeff and other managers could create broad guidelines that everyone in the organization must follow in the form of a \_\_\_\_\_.

- A) business value statement
- B) company mission statement
- C) company vision statement
- D) corporate marketing ethics policy
- E) financial statement

Answer: D

Diff: 3

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Analytical thinking; Ethical understanding and reasoning

96) Corporate marketing ethics policies should most likely address distributor relations, advertising standards, customer service, pricing product development, and general ethical standards.

Answer: TRUE

Diff: 2

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Ethical understanding and reasoning

97) According to the societal marketing concept, firms and managers should focus primarily on what marketing efforts are legal and allowed.

Answer: FALSE

Diff: 1

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Ethical understanding and reasoning

98) According to the World Bank, firms from Australia, Denmark, Finland, and Japan engage in the most corrupt business practices.

Answer: FALSE

Diff: 2

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Ethical understanding and reasoning

99) How can companies help marketers act ethically when faced with ethical dilemmas?

Answer: Companies can develop corporate marketing ethics policies to provide broad guidelines for everyone in the organization to follow. These policies should cover distributor relations, advertising standards, customer service, pricing, product development, and general ethical standards. Companies must develop a set of principles that will help employees figure out the moral importance and implications of each situation and decide how far they can go in good conscience.

Diff: 2

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Ethical understanding and reasoning

100) Compare 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 issues of ethics and social responsibility should be decided by the free market and legal system. Under this principle, companies and their managers are not responsible for making moral judgments. Companies can in good conscience do whatever the market and legal systems allow. A second principle puts responsibility not on the system but in the hands of individual companies and managers. This more enlightened philosophy suggests that a company should have a social conscience. Companies and managers should apply high standards of ethics and morality when making corporate decisions, regardless of "what the system allows." 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-run consumer welfare.

Diff: 2

LO: 16-5: Explain the role of ethics in marketing.

AACSB: Ethical understanding and reasoning

Mohammed taha

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