

Chapter 4

The Marketing Environment

Multiple Choice

1. The most commercially influential demographic group in history is _____.
 - a. generation X
 - b. baby boomers
 - c. generation Y
 - d. seniors(b; Easy; p. 105)

2. The current marketing environment has a tendency to turn back the clock to simpler times. What has this yearning produced?
 - a. massive nostalgia wave
 - b. massive nutrition wave
 - c. massive exercise wave
 - d. massive music wave(a; Easy; p. 105)

3. _____ is perhaps the company that has been most successful in riding the nostalgia wave.
 - a. Capital Records
 - b. Ovaltine
 - c. Volkswagen
 - d. Levi Strauss(c; Moderate; p. 105)

4. Most trend analysts believe that the nostalgia craze/wave will _____ as the baby boomers continue to mature.
 - a. decline
 - b. slow
 - c. disappear
 - d. grow(d; Easy; p. 106)

5. Jamie Bestowitz is researching the factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers. What is Jamie researching?
 - a. the marketing environment
 - b. strategic planning
 - c. target markets
 - d. none of the above(a; Moderate; p. 106)

6. More than any other group in the company, marketers must be the _____ and _____.
- a. mass merchandisers; opportunity seekers
 - b. trend trackers; mass merchandisers
 - c. most skilled; trend trackers
 - d. trend trackers; opportunity seekers

(d; Challenging; p. 106)

7. You are directed to study the factors that are close to the company that affect its ability to serve its customers – the company, suppliers, marketing intermediaries, customer markets, competitors, and publics. What are you studying?
- a. the macroenvironment
 - b. the microenvironment
 - c. the marketing environment
 - d. the global environment

(b; Moderate; p. 107)

8. You are directed to study the factors that are larger societal forces that affect your company – demographic, economic, natural, technological, political, and cultural. What are you studying?
- a. the macroenvironment
 - b. the microenvironment
 - c. the marketing environment
 - d. the global environment

(a; Easy; p. 107)

9. All of the groups within a company are called the _____.
- a. culture
 - b. diversity
 - c. internal environment
 - d. climate

(c; Easy; p. 108)

10. Which of the following do suppliers not provide marketers within your firm?
- a. resources to produce products and services
 - b. insight into trends and competitors
 - c. partners in creating and delivering customer value
 - d. the funding for your paychecks

(d; Moderate; p. 108)

11. LandPort Transportation and Omega Warehousing help distribute the goods your company sells. The two businesses are examples of _____.
- a. resellers
 - b. marketing services agencies
 - c. marketing intermediaries
 - d. physical distribution firms

(c; Challenging; p. 108)

12. These firms help companies to stock and move goods from their points of origin to their destinations.
- financial intermediaries
 - physical distribution firms
 - marketing service firms
 - resellers

(b; Easy; p. 108)

13. Banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods and services are referred to as _____.
- financial intermediaries
 - physical distribution firms
 - marketing service firms
 - resellers

(a; Moderate; p. 108)

14. Currently, you are employed by a firm that conducts marketing research and creates ads for other companies that help them target and promote their products to the right markets. For whom are you employed?
- financial intermediary
 - physical distribution firm
 - marketing service firm
 - reseller

(c; Moderate; p. 108)

15. Percy Originals caters to a market of individuals and households that buys goods and services for personal consumption. What do we call this market?
- business
 - reseller
 - government
 - consumer

(d; Easy; p. 109)

16. Name the market that buys goods and services for further processing or for use in the production process.
- business
 - reseller
 - wholesale
 - consumer

(a; Easy; p. 109)

17. Rachel Patino works for a wholesale company called Distributors Unlimited. She is responsible for buying and selling goods at a profit to small retailers. What is her market?

- a. business
- b. reseller
- c. wholesale
- d. consumer

(b; Moderate; p. 109)

18. A company's marketing environment includes various _____, which consists of any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- a. teams
- b. audiences
- c. markets
- d. publics

(d; Moderate; p. 110)

19. This type of public is a radio station that carries news, features, and editorial opinions about your area. What is it?

- a. financial
- b. media
- c. citizen-action
- d. local

(b; Easy; p. 110)

20. A consumer organization, environmental group, and minority group have challenged your firm's stand on a local issue. This is the _____ public.

- a. general
- b. local
- c. government
- d. citizen-action

(d; Challenging; p. 110)

21. Your marketing environment is currently researching the size, density, location, age, and occupations of your target market. What is this environment?

- a. demographic
- b. psychographic
- c. VALS
- d. geographic

(a; Moderate; p. 111)

22. Statisticians have projected the world's population to reach _____ billion by the year 2025.
- a. 6.5
 - b. 6.9
 - c. 7.5
 - d. 7.9

(d; Easy; p. 111)

23. The three largest age groups in America are the baby boomers, generation X, and _____.
- a. seniors
 - b. generation Y
 - c. teens
 - d. toddlers

(b; Moderate; p. 112)

24. You distribute coupons to every household in America. Sooner or later, you will reach all ____ million people in this country.
- a. 267
 - b. 277
 - c. 287
 - d. 297

(c; Easy; p. 112)

25. Research has shown that the most important demographic trend in the United States is the _____.
- a. changing age structure of the population
 - b. mobility of people
 - c. slowing birth rate
 - d. increase in professional jobs

(a; Moderate; p. 112)

26. Some baby boomers are referred to as "DINKs." What does this stand for?
- a. dependable income, no-kids couple
 - b. don't work, intelligent, no-kicks
 - c. dual-income, no-kids couple
 - d. none of the above

(c; Easy; p. 113)

27. Baby boomers were born between the years 1946 and _____.
- a. 1954
 - b. 1960
 - c. 1964
 - d. 1970

(c; Easy; p. 112)

28. This demographic age group is approaching life with a new stability and reasonableness in the way they live, think, eat, and spend. They are _____.
a. generation X
b. generation Y
c. baby busters
d. baby boomers
(d; Moderate; p. 113)
29. Which group buys a lot of sweaters, boots, electronics, cars, and computers?
a. generation X
b. generation Y
c. baby boomers
d. all of the above
(a; Easy; p. 114)
30. This group shares new cultural concerns, cares about the environment, and responds favorably to socially responsible companies. Who are they?
a. generation X
b. generation Y
c. generation Z
d. baby boomers
(a; Challenging; p. 114)
31. Who are the echo boomers?
a. generation X
b. generation Y
c. generation Z
d. baby boomers
(b; Moderate; p. 114)
32. This group has created large kid and teen markets. Who are they?
a. generation X
b. generation Y
c. generation Z
d. baby boomers
(b; Easy; p. 114)
33. Recently you read a marketing research report that mentioned ____ has (have) utter fluency and comfort with computer, digital, and Internet technology.
a. generation X
b. generation Y
c. generation Z
d. baby boomers
(b; Moderate; p. 114)

34. Defining people by their birth date may be less effective than segmenting them by their _____ or _____.
- a. income; occupation
 - b. lifestyle; occupation
 - c. lifestyle; life stage
 - d. occupation; life stage

(d; Challenging; p. 116)

35. It is interesting to note that about _____ percent of American households contain married couples with children.

- a. 24
- b. 28
- c. 32
- d. 34

(d; Easy; p. 116)

36. The three groups of baby boomers include leading, _____, and trailing.

- a. core
- b. general
- c. secondary
- d. central

(a; Moderate; p. 113)

37. _____ households are now growing faster than _____ households.

- a. Traditional; nontraditional
- b. Large; traditional
- c. Nontraditional; smaller
- d. Nontraditional; traditional

(d; Moderate; p. 116)

38. In 1950, women made up 30 percent of the workforce; now they make up _____.

- a. 35 percent
- b. 40 percent
- c. 43 percent
- d. 46 percent

(d; Easy; p. 116)

39. Americans are very mobile. Over the past two decades, the U.S. population has shifted toward the _____ states.

- a. Midwest
- b. western
- c. sunbelt
- d. southeastern

(c; Easy; p. 117)

40. Within given regions, the population is moving from large cities to the _____.
a. smaller cities
b. rural areas
c. foreign countries
d. suburbs
(d; Moderate; p. 117)
41. Nearly 40 million Americans are working out of their homes with electronic conveniences. They are called the _____ market.
a. telecommuters
b. SOHO
c. mobile
d. work-at-home
(b; Challenging; p. 117)
42. Population shifts interest marketers because people in different regions _____ differently.
a. eat
b. think
c. buy
d. act
(c; Moderate; p. 117)
43. Facts For You research firm has just released a report that one of these groups of workers has declined during the last 20 years. Which one is it?
a. white collar
b. blue collar
c. service
d. unemployed
(b; Moderate; p. 118)
44. Marketers need to know that almost everyone in this country is a native. Which country is it?
a. China
b. Bolivia
c. Japan
d. Korea
(c; Easy; p. 118)
45. Because of increased _____, Americans will demand higher quality products, books, magazines, travel, personal computers, and Internet services.
a. income
b. family size
c. education
d. none of the above
(c; Moderate; p. 118)

46. It is important for marketers to know that the _____ population growth is 12 times greater than the Caucasian growth rate.
- Hispanic
 - Ethnic
 - Asian
 - African American
- (b; Challenging; p. 118)
47. Most large companies know they must now target specially designed _____ and _____ to ethnic groups in the United States.
- advertising; services
 - services; promotions
 - products; promotions
 - services; labeling
- (c; Moderate; p. 118)
48. Members of this group are more likely than the general population to have professional jobs, own a vacation home, own a notebook computer, and own individual stocks.
- yuppies
 - gays and lesbians
 - baby boomers
 - echo boomers
- (b; Challenging; p. 119)
49. This group of Americans totals 54 million. Who are they?
- baby boomers
 - people born in America
 - people with disabilities
 - none of the above
- (c; Moderate; p. 120)
50. Which economic group offers few market opportunities?
- subsistence
 - second-world
 - industrial
 - industrial-technical
- (a; Easy; p. 120)
51. The _____ environment consists of factors that affect consumer purchasing power and spending patterns.
- social-cultural
 - political-legal
 - technological
 - economic
- (d; Easy; p. 120)

52. During the 1980s, American consumers fell into a(n) _____ frenzy that may never be equaled again in our time.
- debt
 - consumption
 - unemployment
 - spending
- (c; Challenging; p. 121)
53. Marketers would do well to take heed of the fact that this group is somewhat careful about its spending but can still afford the good life some of the time.
- Lower class
 - lower-middle class
 - middle class
 - upper class
- (c; Easy; p. 121)
54. Since money is tight for most Americans, marketers must strike a balance between product quality and price called _____.
- value marketing
 - lifestyle marketing
 - income distribution marketing
 - satisfaction marketing
- (a; Easy; p. 121)
55. Find the group of expenses that use up most household income.
- food, housing, retirement planning
 - housing, insurance, taxes
 - food, housing, transportation
 - housing, taxes, transportation
- (c; Moderate; p. 122)
56. Ernst Engel's laws generally have been supported by recent studies. He discovered that as family income rises, the percentage spent on _____ declines and the percentage spent on _____ remains about constant.
- food; clothing
 - clothing; recreation/entertainment
 - food; transportation
 - food; housing
- (d; Challenging; p. 122)
57. One of the major concerns for marketers about the natural environment is the _____.
- number of protestors against misuse
 - shortages of raw materials
 - increases in recycling
 - none of the above
- (b; Easy; p. 123)

58. The natural resources that are needed as inputs by marketers or that are affected by marketing activities are referred to as the _____.
a. raw material market
b. natural environment
c. endangered environment
d. green movement

(b; Easy; p. 123)

59. As a marketer of pesticides, you should be concerned about all of the following natural environment trends mentioned in your text except _____.
a. shortages of raw materials
b. increased pollution
c. increased government intervention
d. government subsidies

(d; Challenging; p. 123)

60. What movement has spawned the marketer's awareness of environmentally sustainable strategies?
a. EPA
b. black market
c. green movement
d. deregulation

(c; Moderate; p. 124)

61. Can you find the most likely dramatic force shaping the marketer's destiny?
a. technological environment
b. natural environment
c. legal-political environment
d. deregulation

(a; Easy; p. 124)

62. New technologies create new opportunities and new _____.
a. products
b. services
c. markets
d. means of financing purchases

(c; Moderate; p. 124)

63. This country leads the world in research and development spending. This aids marketers in developing new products for market segments.
a. England
b. Germany
c. Brazil
d. United States

(d; Moderate; p. 125)

64. Marketers are aware of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society. We call this the _____ environment.
- a. social-legal
 - b. legal-cultural
 - c. political
 - d. legal-technological
- (c; Easy; p. 125)

65. Even the most liberal advocates of free-market economies agree that the system works best with _____.
- a. medium regulation
 - b. maximum regulation
 - c. occasional regulation
 - d. at least some regulation
- (d; Moderate; p. 125)

66. As marketing manager for Laser Industries, you should be aware that legislation affecting business around the world will continue to _____.
- a. exist
 - b. increase
 - c. remain steady
 - d. decrease
- (b; Easy; p. 125)

67. Business legislation has been created for three basic reasons: to protect companies from each other, to protect consumers, and to _____.
- a. protect the interests of society
 - b. regulate prices
 - c. increase world trade
 - d. regulate monopolies
- (a; Challenging; p. 126)

68. The reason business regulation exists to protect the interests of society is to limit _____.
- a. businesses from harming each other
 - b. unfair business practices
 - c. unrestrained business behavior
 - d. monopolistic competition
- (c; Moderate; p. 126)

69. International marketers will encounter the most business legislation in what country?
- a. Canada
 - b. Russia
 - c. China
 - d. United States
- (d; Moderate; p. 127)
70. Marketers will encounter legislation to regulate business activity in the United States at which of these levels?
- a. local and state
 - b. national
 - c. international
 - d. all of the above
- (d; Easy; p. 127)
71. The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of _____ and _____.
- a. ethics; promotion responsibility
 - b. ethics; social responsibility
 - c. finances; employee discrimination
 - d. management ethics; insider trading
- (b; Challenging; p. 127)
72. The primary concern with the boom in e-commerce and Internet marketing is _____.
- a. pornography
 - b. ripoffs
 - c. privacy
 - d. ethics
- (c; Moderate; p. 127)
73. A society's basic values, perceptions, preferences, and behaviors are found in its _____ environment.
- a. social
 - b. cultural
 - c. social-cultural
 - d. cultural-economic
- (b; Easy; p. 127)

74. Marketers must understand that a society's core beliefs and values have a high degree of _____.
a. persistence
b. rigidity
c. similarity
d. ethnocentrism
(a; Challenging; p. 129)
75. Your company is making negotiations to enter basic markets in Lower Albania. You have discovered that _____ beliefs and values are more open to change in this country.
a. simple
b. secondary
c. primary
d. core
(b; Easy; p. 129)
76. The Yankelovich model maintains that the decade drives for the 2000s will come primarily from the _____ and the _____.
a. echo boomers; baby boomers
b. generation Xers; generation Yers
c. baby boomers; generation Xers
d. none of the above
(c; Challenging; p. 130)
77. During the 2000s, baby boomers will be driven by all of the following except one.
a. adventure
b. smarts
c. intergenerational support
d. retreating
(d; Moderate; p. 130)
78. During the 2000s, gen Xers will be driven by which of the following factors?
a. redefining the good life
b. new rituals
c. cutting and pasting
d. all of the above
(d; Challenging; p. 130)
79. As contrasted with the "me" society during the 1980s, the new consumers are adopting more _____ behaviors and ambitions.
a. family
b. conservative
c. liberal
d. middle-of-the road
(b; Moderate; p. 130)

80. Studies suggest a bright future for products and services that serve _____ needs and provide real _____.
- a. emotional; excitement
 - b. basic; wants
 - c. basic; value
 - d. existing; value
- (c; Easy; p. 130)
81. Marketers have noticed a shift away from the “me” society to the “_____” society.
- a. them
 - b. we
 - c. new
 - d. future
- (b; Easy; p. 131)
82. Today’s employees tend to be less loyal to and more _____ of employers.
- a. trustful
 - b. respectful
 - c. ashamed
 - d. distrustful
- (d; Easy; p. 131)
83. Since September 11, many marketers have taken advantage of increased _____ in Americans.
- a. loyalty
 - b. patriotism
 - c. distrust
 - d. foreign intolerance
- (b; Moderate; p. 131)
84. People’s orientation to their society influences their attitudes toward the marketplace and their consumption _____.
- a. desires
 - b. needs
 - c. patterns
 - d. wants
- (c; Moderate; p. 131)
85. Marketers have observed from research that consumers are involved in more camping, hiking, boating, fishing, and other outdoor activities because of their _____.
- a. love of nature
 - b. awareness of nature
 - c. need for exercise
 - d. none of the above
- (a; Moderate; p. 131)

86. Consumers' love of nature has led to a \$25 billion industry supplying _____ and _____ products to a growing market.
- natural; low-priced
 - organic; healthy
 - natural; organic
 - organic; weight-loss
- (c; Challenging; p. 132)
87. Some experts explain that Americans are concerned with the meaning of life and issues of the soul and spirit and are on a _____ journey that marketers need to envision.
- religious
 - philosophical
 - eternal
 - spiritual
- (d; Moderate; p. 132)
88. Individuals are bringing their spiritual awareness to the _____ they buy.
- products
 - styles
 - brands
 - benefits
- (c; Moderate; p. 132)
89. Marketers can take _____ by taking aggressive action to affect the publics and forces in their marketing environments.
- an environmental perspective
 - an environmental management perspective
 - a natural perspective
 - a natural management perspective
- (b; Challenging; p. 132)
90. Firms that take an environmental management perspective will hire _____ to influence legislation affecting their industries to their advantage.
- mediators
 - lobbyists
 - negotiators
 - politicians
- (b; Easy; p. 132)

True – False

91. Baby boomers comprise the most commercially influential demographic group in history.
(True; Easy; p. 106)
92. The yearning caused by “millennial fever” is a greater desire for advanced electronic technology.
(False; Moderate; p. 106)
93. Today’s marketers must be good at customer relationship management and partner relationship management in order to connect effectively with customers, others in the company, and external partners.
(True; Challenging; p. 106)
94. When your marketing manager, Suzie Kwan, discussed factors and forces outside marketing that affect marketing management’s ability to build and maintain successful relationships with target customers, you knew that she was talking about the external marketing concept.
(False; Moderate; p. 107)
95. Boz Foster, owner of the 21-store chain of Boz Cycles, explained to the store managers at a recent sales meeting that marketers, more than any other group in the company, must be the trend trackers and opportunity seekers. You believe this to be a true statement.
(True; Moderate; p. 107)
96. The microenvironment consists of the larger societal forces that affect the microenvironment, such as demographic, economic, political, and cultural.
(False; Easy; p. 107)
97. The macroenvironment consists of the factors close to the company that affect its ability to service its customers, such as suppliers, customer markets, competitors, and publics.
(False; Easy; p. 107)
98. Your accounting department must measure revenues and costs to help the marketing department know how well it is achieving its objectives.
(True; Easy; p. 108)
99. Trudie Jones works for a firm that is a distribution channel member that helps the company find customers or make sales to them. Trudie works for a reseller.
(True; Moderate; p. 108)

100. Marketing research firms, advertising agencies, media firms, and marketing consulting firms are referred to as marketing services agencies.
(True; Easy; p. 108)
101. As an employee of Bonkers Enterprises, you market wild and crazy games for teens to play at parties. You work in the business market.
(False; Easy; p. 108)
102. Today's marketers recognize the importance of working with their intermediaries as channels through which they sell their products rather than as mere partners.
(False; Moderate; p. 108)
103. No single competitive marketing strategy is best for all companies.
(True; Easy; p. 109)
104. Consumer organizations such as environmental and minority groups may question a company's marketing decisions. This type of public is called the local public.
(False; Moderate; p. 110)
105. The reason the demographic environment is of major interest to marketers is because it involves people, and people make up markets.
(True; Easy; p. 111)
106. If the world were reduced to a village of 1,000 people, the cross-representative sample would include 52 North Americans, 64 people who would speak Spanish, and 329 Christians, and half would be immunized against infections.
(True; Challenging; p. 111)
107. The single most important demographic trend in the United States that marketers should understand is the changing family structure.
(False; Moderate; p. 116)
108. It is important to note that as baby boomers reach their peak earning and spending years, they become markets for high-ticket items.
(True; Easy; p. 113)
109. Gen Yers buy a lot of products including cosmetics, cars, fast food, sweaters, boots, electronics, mountain bikes, and computers.
(False; Moderate; p. 114)
110. By the year 2010, the Gen Xers will take over the baby boomers as a primary market for almost every product category.
(True; Moderate; p. 114)

111. Marketers must increasingly consider the special needs of nontraditional households because they are now growing more rapidly than traditional households.
(True; Moderate; p. 116)
112. A reason that chain stores and franchise restaurants have done well in the United States is because the 21 percent of the population that is mobile can buy familiar products wherever they go.
(False; Moderate; p. 117)
113. The American workforce today is better educated and more white collar.
(True; Easy; p. 118)
114. We can learn from the advertising and promotion campaigns of most large companies that emphasizing community and family is important.
(True; Moderate; p. 118)
115. Companies in several industries are now waking up to the needs and potential of the gay and lesbian segment.
(True; Easy; p. 119)
116. The gay and lesbian market represents 54 million people and almost \$1 trillion in annual spending power. It is larger than African Americans or Hispanics.
(False; Moderate; p. 120)
117. Marketers realize there is some, though limited, opportunity in this economy that consumes most of their own agricultural and industrial output. It is called a third world country.
(False; Challenging; p. 120)
118. The marketing department at U.S. FoodStores just released a report that most household income is used up in purchasing food, housing, and transportation.
(True; Moderate; p. 122)
119. The significant trends in the natural environment include shortages of raw materials, increased pollution, and decreased government intervention.
(False; Challenging; p. 123)
120. Significant reasons for business legislation to be enacted include protecting the interests of society, protecting consumers, and protecting companies from each other.
(True; Easy; p. 125)
121. The difference in the cultural environment between core values/beliefs and secondary ones is that the former are more open to change.
(False; Easy; p. 129)

122. When firms take aggressive action to affect the publics and forces in their marketing environment, they are taking an environmental management perspective.
(True; Moderate; p. 132)

Essay

123. Provide an overview of what marketers will face during the new millennium.

The baby boomers are resisting the aging process, and everyone seems to feel a bit overwhelmed, overstimulated, overloaded, and technostressed. There is a yearning to turn back the clock to simpler times. Nostalgia plays a major role in boomers' lives. Products are reproduced anew to bring back memories and good times. We must be aware of the convergence of a wide range of forces in the environment ranging from technological to economic, demographic, cultural, social, and political.
(Challenging; p. 106)

124. Who are the major players in a company's microenvironment?

Within the company, marketing management takes other groups into account such as top management, finance, research and development, purchasing, operations, and accounting. Suppliers form an important link in the company's overall customer value delivery system. Marketing intermediaries help the firm to promote, sell, and distribute its goods to final buyers. They include resellers, physical distribution firms, marketing services agencies, and financial intermediaries.

Customers purchase the goods and services a company produces. Competitors vie for your customers' dollars and loyalty. Various publics have an actual or potential interest in an organization's ability to achieve its objectives.

(Moderate; pp. 107-111)

125. What goes into a company's macroenvironment?

Studying demography to determine the human population in terms of size, density, location, age, gender, race, occupation, and other statistics in a firm's market area is essential. It is important to note that the most single important demographic trend in the United States is the changing age structure. A firm must be aware of generational differences and the changing American family structure.

Populations are shifting geographically and are more mobile. They are better educated and more white collar than in the past. Diversity keeps increasing. The economy evolves, and household incomes and consumer spending habits change. The natural, technological, political, and cultural environments exert forces on the macroenvironment.

(Challenging; pp. 111-132)

126. Describe important factors in the marketing environment.

It consists of the factors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers. Marketers must be good at customer relationship management and partner relationship management to survive in this environment. Customers, suppliers, competitors, and various publics must be studied.

(Easy; p. 106-111)

127. Differentiate between the basic marketing intermediaries.

These groups help the company to promote, sell, and distribute its goods and services to final buyers. Resellers are distribution channel firms that help the company find customers or make sales to them. Physical distribution firms help the company to stock and move goods from their points of origin to their destinations.

Marketing services agencies are the marketing research firms, advertising agencies, media firms, and marketing consulting firms that help the company target and promote its products to the right markets. Financial intermediaries include banks, credit companies, insurance companies, and other businesses that help finance transactions or insure against the risks associated with the buying and selling of goods.

(Moderate; p. 108-109)

128. Distinguish among the five types of customer markets.

Consumer markets consist of individuals and households that buy goods and services for personal consumption. Business markets buy goods and services for further processing or for use in their production process. Reseller markets buy goods and services to resell at a profit. Government markets are made up of government agencies that buy goods and services to produce public services or transfer the goods and services to others who need them. International markets consist of these buyers in other countries, including consumers, producers, resellers, and governments.

(Challenging; p. 107)

129. What can marketers learn from demography?

Marketers can learn much about human populations in terms of size, density, age, location, gender, race, occupation, and other statistics. We learn that the world population is growing at an explosive rate, which means growing human needs to satisfy. The baby boomer market of 78 million people has created the largest single market in U.S. history. Gen Xers and Gen Yers have different needs and wants and have money to satisfy them. We can learn the differences in the generations and the changing American family. The mobility and geographic shifts open new marketing opportunities for many companies. A better-educated and a more white-collar population in the United States means a shift in emphasis on many goods and services.

(Challenging; p. 111-120)

130. Who are the five major submarkets in the United States? What is the major significance of the markets?

The five major submarkets that have their special needs and wants include African Americans, Hispanics, Asian Americans, disabled Americans, and the gay/lesbian market. The major significance is that they are all growing steadily and are changing the current household makeup. Marketers must study each market to effectively serve its needs.

(Easy; p. 127-129)

131. What steps is the government taking to regulate the political environment?

Governments develop public policy to guide commerce with sets of laws and regulations that limit business for the good of society as a whole. Business legislation has been enacted for a number of reasons, including to protect companies from each other, to protect consumers, and to protect the interests of society.

(Easy; p. 125-127)