**Entrepreneurship**

**And**

**Small Business Management**

Homework 7

**Chapter 9** **Building a Powerful Bootstrap Marketing Plan**

Following are 20 questions: 16 multiple choice questions worth 4 points each and four open questions worth nine points each.

1) \_\_\_\_\_\_\_\_ is the process of creating and delivering desired goods and services to customers and involves all of the activities associated with winning and retaining loyal customers.

A) Marketing

B) Personal selling

C) Promotion

D) Customer service

2) For an entrepreneur, a business plan \_\_\_\_\_\_\_\_.

A) is of relatively little importance due to the dynamic nature of the marketplace

B) is synonymous with the marketing plan

C) tends to stress how the entrepreneur will operate rather than detailing what (s)he wants to accomplish

D) contains both a marketing plan and a financial plan

3) The focus of a small company's marketing plan should be on \_\_\_\_\_\_\_\_.

A) preparing accurate financial forecasts

B) the customer

C) describing how its products or services are superior to those of competitors

D) the competition

4) Which of the following is ***not*** one of the objectives a bootstrap marketing plan should accomplish?

A) Determine customer needs and wants through market research.

B) Determine how the company will be able to serve all customers.

C) Analyze the firm's competitive advantages and build a marketing strategy around them.

D) Create a marketing mix that meets customer needs and wants.

5) The specific group of customers at whom a company aims its good or services is referred to as a \_\_\_\_\_\_\_\_.

A) market segmentation

B) bootstrap marketing

C) niche marketing

D) target market

6) Successful marketing requires a business owner to \_\_\_\_\_\_\_\_.

A) understand target customers' needs, demands, and wants

B) offer customers products and services that will satisfy their needs, demands, and wants

C) provide customers with service, convenience, and value so that they will return

D) All of the above

7) Tracking \_\_\_\_\_\_\_\_ patterns can enable entrepreneurs to adjust their strategies accordingly to better position them to take advantage of the opportunities these trends may create.

A) population

B) demographic

C) weather

D) traffic

8) A common mistake entrepreneurs make is \_\_\_\_\_\_\_\_.

A) assuming that a market exists for their product or service

B) taking too much time to conduct planning and research

C) conducting informal research

D) conducting online research, which is too impersonal and does not yield accurate information

9) Which of the following statements concerning marketing research is ***false***?

A) Market research is the vehicle for gathering the information that serves as the foundation for the company's marketing plan, helps avoid costly marketing mistakes, and can uncover unmet customer needs the business can serve.

B) Market research involves systematically collecting, analyzing, and interpreting data pertaining to the small company's market, customers, and competitors.

C) Small companies are at a distinct disadvantage compared to larger ones when conducting market research since it is so expensive.

D) Small businesses cannot afford to miss their target markets and market research can help them focus their efforts.

10) Your friend has decided to conduct market research to assist in making informed decisions for her/his small business. What should you recommend as the first step in the market research process?

A) Collect data

B) Define the objective

C) Design the research

D) Determine the relevant information

11) An individualized (one-to-one) marketing campaign requires business owners to \_\_\_\_\_\_\_\_.

A) collect information on their customers, linking their identities to their transactions

B) calculate the long-term value of their customers so they know which ones are most desirable and most profitable

C) practice "just-in-time marketing" by knowing what their customers' buying cycle is and time their marketing efforts to coincide with it

D) All of the above

12) Which of the following is ***not*** a primary market research source?

A) Customer surveys

B) Focus groups

C) Daily transactions

D) All of the above are sources of primary market research.

13) Which of the following is ***not*** a secondary source of market research data?

A) Census data

B) Trade publications

C) Focus groups

D) Magazines

14) A process in which computer software that uses statistical analysis, database technology, and artificial intelligence finds hidden patterns, trends, and connections in data so that business owners can make better marketing decisions and predictions about customers' behavior is known as \_\_\_\_\_\_\_\_.

A) guerilla marketing

B) data mining

C) individualized marketing

D) total quality management

15) One "natural" advantage small businesses have over large businesses, which can be a significant competitive advantage, is \_\_\_\_\_\_\_\_.

A) building a community with customers and connecting with them on an emotional level

B) their ability to conduct market research

C) their lower costs

D) their ability to serve many highly diverse target markets

16) Which of the following bootstrap marketing tactic(s) allow a small company to utilize relationship marketing successfully?

A) Keep in close contact with customers with "thank you's" and other personal communication techniques.

B) Organize and sponsor a service or community-oriented project.

C) Launch a loyalty or frequent buyer program.

D) All of the above

Answer: D

**Open Questions**

1) Why is it important for small business owners to clearly define their target market(s) as part of their marketing strategies?

2) Why is it important for small business owners to track demographic trends? How can small companies become effective trend trackers?

3) Your friend Maria is experiencing declining sales in the business she has owned and successfully operated for three years. She has asked for your guidance in determining the course(s) of action she should take. Your recommendation to her is to undertake a marketing research project. Briefly outline the steps involved in market research. She is concerned that market research will be too expensive and sophisticated for a small business such as hers. Is this true? Explain.

4) Explain the concept of total quality management. How is it different from the quality inspection of a final product just before being packaged?