

Strategic Marketing Practice Exam Review Case 1



Case 1 - Organizational Overview

- ▶ Case study overview
- ▶ Local coffee and tea café
- ▶ Growth and profit



Case 1 – Great Perks Coffee and Tea

- Founded in Chicago in 2015
- The Beans are a retired couple
- Word of mouth marketing



Case 1 – Expanded to Six Locations

- ▶ Expanded marketing
- ▶ Six locations
- ▶ Vice president of marketing



Question 1.1

Great Perks Coffee and Tea, initially established by the Beans as a single location in their neighborhood, has developed into a successful regional chain with plans for national expansion. The executive team is excited to quickly expand beyond Midwestern neighborhoods and also into high-traffic metropolitan areas. As the vice president of marketing, what actions would you take to support expansion plans?

- A. Start the marketing planning process to confirm that marketing and corporate objectives will be met
- B. Determine the marketing mix for the geographic areas for expansion once they have been identified
- C. Apply the successful marketing strategy for existing locations to the geographic areas for expansion
- D. Begin the marketing planning process after the corporate mission, vision, and strategy are confirmed

ANSWER: D

Course Learning Outcome: Use the marketing planning process to meet business goals



Question 1.9

An important element of *Great Perks Coffee and Tea's* marketing plan is its loyalty program. Thousands of customers regularly have their digital cards scanned with purchases to earn rewards. The card application and purchases allow the company to collect and maintain much information about each customer to personalize rewards and for other business purposes. An insider data breach of the customer relationship management system was recently discovered. What changes should you recommend to the executive team to revise the marketing planning process?

- A. Modify promotions with the loyalty program being discontinued, so customers are protected from future incidents
- B. No change since the loyalty program is an important part of the marketing plan, and customers know that their data is at risk
- C. Modify multiple aspects of the process, including the SWOT analysis and promotions, with a renewed commitment to security, ethical, and legal standards
- D. No changes since this one-time issue is being managed with the termination of the offending employee and essential communications with officials and customers

ANSWER: C

Course Learning Outcome: Justify a focus on legal, ethical, and social responsibility matters in marketing decisions



Question 1.12

In your new role as the vice president of marketing for *Great Perks Coffee and Tea*, you participate in weekly meetings with other executives to review strategic actions and company performance. In the most recent meeting, finances were discussed, and you were questioned about your budget for marketing research. What explanation do you have for including marketing research in the budget?

- A. It is a reasonable expense to pay preferred customers to participate in monthly focus groups for customer insights and loyalty
- B. It is an essential expense for assistance with collecting competitive pricing information, so *Great Perks Coffee and Tea's* pricing strategies can be validated
- C. It is a reasonable expense for retaining a marketing research company to regularly collect quantitative information about *Great Perks Coffee and Tea's* promotions
- D. It is an essential expense for assistance with collecting and analyzing customer insights so executives can determine the best marketing strategies to achieve goals

ANSWER: D

Course Learning Outcome: Explain the fundamentals of marketing research



Question 1.20

With expansion plans for *Great Perks Coffee and Tea* now focusing on 6 Northeastern locations, marketing research is essential. You have concluded that qualitative with quantitative research methods would result in insightful and actionable information. What is the most significant combination of a qualitative research method and a quantitative research method for collecting appropriate information to support executive decisions?

- A. Focus groups and survey research
- B. Social listening and survey research
- C. Focus groups and in-depth interviews
- D. In-depth interviews and experimental research

ANSWER: A

Course Learning Outcome: assess the impact of internal and external environmental factors on the marketing planning process



Question 1.24

The executive team at *Great Perks Coffee and Tea* has been excited by initial marketing research and how it can support decisions about expansion and related matters, including expansion into 4 of the Northeastern locations. You are pleased that the team now understands the value of marketing research. As the marketing expert, you believe that it is your duty to inform the team of occasional concerns that could become apparent with research results which would affect their decisions about any actions. What can you point out about potential concerns with primary and secondary marketing research results to which the team must be sensitive?

- A. Biases in data collection and interpretation, inconsistency with other available information, and no specific directions on what to do
- B. Biases in data collection and interpretation, inconsistency with other available information, and no answer to the research question
- C. Insignificant sample size, inconsistencies with the expected outcomes, and indicators that the research was a waste of time and resources
- D. Insignificant sample size, inconsistencies with the expected outcomes, and no instructions on how to fix the results, so they answer the research question

ANSWER: B

Course Learning Outcome: Assess the impact of internal and external environmental factors on the marketing planning process

[Strategic Marketing] Saylor.org



Conclusion

- ▶ Case 1 Overview
- ▶ Great Perks Coffee and Tea
- ▶ Review of five exam questions
- ▶ Conclusion

