**CHAPTER TWO**

**STRATEGIC E-MARKETING AND PERFORMANCE METRICS**

**Multiple Choice**

1. Which of the following is a goal oriented focus of strategic planning?
2. growth
3. competitive position
4. geographic scope (e.g., expansion)
5. all of the above

(d; Easy; LO1; Analytic Skills)

1. The four performance areas of the balanced scorecard include all of the following except \_\_\_\_\_\_\_\_.
2. customer perspective
3. internal business perspective
4. learning and growth perspective
5. metrics perspective

(d; Moderate; LO3; Analytic Skills)

1. Regarding customers and business partners, e-marketing is capable of improving the overall value propositions by \_\_\_\_\_\_\_\_.
2. increasing benefits for customers
3. decreasing costs for customers and the company
4. increasing the revenues
5. all of the above

(d; Moderate; LO2; Analytic Skills)

1. The various levels of organizational commitment to e-business include all of the following, except \_\_\_\_\_\_\_\_.
2. activity
3. business process
4. enterprise
5. business policy

(d; Moderate; LO2; Use of Information Technology)

1. The costs associated with the organization’s value proposition include, for example, \_\_\_\_\_\_\_\_.
2. time
3. energy
4. psychic
5. all of the above

(d; Easy, LO3; Analytic Skills)

1. Which of the following is true about business use of informational technology?
2. It generally increases benefits to stakeholders.
3. It generally lowers costs to stakeholders.
4. It can lead to a decrease in value to stakeholders.
5. All of the above.

(d; Easy; LO1; Use of Information Technology)

1. Which of the following is not a viable competitive position for a firm within its given industry?
2. industry leader (e.g., Google)
3. price leader (e.g., Priceline)
4. quality leader (e.g., Mercedes)
5. business model leader (e.g., Borders)

(d; Moderate; LO1; Analytic Skills)

1. Corporate level business strategies that include information technology components, such as internet, digital databases) are known as \_\_\_\_\_\_\_\_.
2. marketing strategies
3. e-business strategies
4. e-marketing strategies
5. corporate strategies

(b; Easy; LO2; Use of Information Technology)

1. Which of the following is not one of the four appropriate rationales for choosing the objectives of a strategic plan?
2. strategic justification
3. personal justification
4. technical justification
5. financial justification

(b; Moderate; LO1; Reflective Thinking Skills)

1. Important elements of value include all of the following except \_\_\_\_\_\_\_\_.
2. customers’ perception of product benefits
3. partners’ perception of product costs
4. customer evaluations of support services
5. all of the above

(b, Moderate, LO3; Analytic Skills)

1. Which of the following processes is unlikely to be carried out at the activity level of e-business commitment?
2. customer relationship management
3. online purchasing
4. e-mail
5. dynamic pricing online

(a; Difficult; LO2; Reflective Thinking Skills)

1. Which of the following is not an activity which is likely to be practiced at the business process level of e-business commitment?
2. content publishing
3. knowledge management
4. direct selling
5. database marketing

(c; Difficult; LO2; Reflective Thinking Skills)

1. \_\_\_\_\_\_\_\_ are specific measures designed to evaluate the effectiveness and efficiency of an organization’s operations.
2. Strategic outcomes
3. Key performance metrics
4. Business models
5. Strategic objectives

(b; Moderate; LO3; Analytic Skills)

1. \_\_\_\_\_\_\_\_ can be learned from dividing net profits by total assets.
2. Return on investment (ROI)
3. Market capitalization
4. Earnings
5. Income

(a; Easy; LO3; Analytic Skills)

1. Profits and return on investment (ROI) are among the most common metrics used to assess performance from the \_\_\_\_\_\_\_\_ perspective.
2. customer
3. internal
4. innovation/learning
5. financial

(d; Moderate; LO3; Reflective Thinking)

1. Content sponsorship, direct selling, and social networking, occur at the \_\_\_\_\_\_\_\_ of the e-business model.
2. activity level
3. business process level
4. enterprise level
5. none of the above

(c; Difficult; LO2; Use of Information Technology)

1. Database marketing and customer relationship management (CRM) occur at the \_\_\_\_\_\_\_\_ of the e-business model.
2. activity level
3. business process level
4. enterprise level
5. none of the above

(b; Difficult; LO2; Use of Information Technology)

1. Within the e-business model, e-mail occurs \_\_\_\_\_\_\_\_.
2. at the activity level
3. at the business process level
4. at the enterprise level
5. none of the above

(a; Difficult; LO2; Use of Information Technology)

1. Within the e-business model, order processing occurs \_\_\_\_\_\_\_\_.
2. at the activity level
3. at the business process level
4. at the enterprise level
5. none of the above

(a; Difficult; LO2; Use of Information Technology)

1. The internal perspective of the Balanced Scorecard gives particular attention to \_\_\_\_\_\_\_\_.
2. market share
3. shareholder value
4. supply chain value to the company
5. customer satisfaction

(c; Moderate; LO3; Analytic Skills)

**True/False**

1. The Balanced Scorecard is based on three stakeholder perspectives.
2. True
3. False

(b; Easy; LO3; Analytic Skills)

1. Return on investment (ROI) is a popular metric used to measure performance regarding the *financial perspective* or the Balanced Scorecard.
2. True
3. False

(a; Moderate; LO3; Analytic Skills)

1. According to the text, Raytheon has measured transactions and loyalty to evaluate the *customer perspective* of the Balanced Scorecard.
2. True
3. False

(a; Moderate; LO3; Reflective Thinking Skills)

1. Objectives, strategies and tactics exist exclusively at the executive level.
2. True
3. False

(b; Difficult; LO1; Reflective Thinking Skills)

1. In order to determine whether a business model is an appropriate fit for a given firm it is important to consider connected activities and price.
2. True
3. False

(a; Moderate; LO2; Reflective Thinking Skills)

1. All e-business models are internet business models.
2. True
3. False

(b; Easy; LO2; Reflective Thinking Skills)

1. Customer relationship management focuses only on retaining existing individual customers.
2. True
3. False

(b; Moderate; LO2; Reflective Thinking Skills)

1. The Balanced Scorecard can be used by all types of businesses.
2. True
3. False

(a, Moderate, LO3; Reflective Thinking Skills)

1. Strategy represents the means to achieve a goal.
2. True
3. False

(a; Easy; LO1; Reflective Thinking Skills)

1. An e-business model is a method by which the organization sustains itself in the long term using information technology resources and principles.
2. True
3. False

(a; Moderate; LO2; Use of Information Technology)

1. Information technology always lowers costs to business stakeholders.
2. True
3. False

(b; Difficult; LO2; Use of Information Technology)

1. Growth in market share is the main way for e-commerce companies to evaluate long term performance.
2. True
3. False

(b; Difficult, LO3; Analytic Skills)

**Essay**

1. What are four types of justifications that a decision maker may cite to support or oppose an organizational or marketing campaign?

* Strategic justification
* Operational justification
* Technical justification
* Financial justification

(Moderate; LO1)

1. From the customer’s perspective, what are the value-added benefits of e-marketing?

* Online mass customization
* Personalization
* 24/7 Convenience
* Self-service ordering and tracking
* One-stop shopping

(Moderate; LO1; Use of Information Technology)

1. Business organizations may vary according to their e-business activities. What are the different levels of commitment to e-business available to these organizations?

* Activity: e-mail, blog
* Business process: customer relationship management (CRM)
* Enterprise: offline and online retailing
* Pure play: 100% online, dot-com or dot-net, presence

(Difficult; LO2; Use of Information Technology)

1. What are the benefits of the Balanced Scorecard?

* Means to monitor and measure performance
* Links strategy to measurement
* Measure performance metrics in customer, internal, innovation and learning, and financial areas.

(Difficult; LO3; Analytic Skills)

1. What are the four perspectives of the Balanced Scorecard?

* Customer
* Internal business
* Learning and growth
* Financial

(Easy; LO3)

1. On what bases can organizations appraise or evaluate their business models?

* Customer Value
* Scope
* Price
* Revenue Sources
* Connected Activities
* Implementation
* Capabilities
* Sustainability

(Moderate, LO2; Analytic Skills)

1. The Balanced Scorecard provides several metrics for evaluating the customer perspective. What are these specific metrics?

* Customer Loyalty
* Lifetime Value
* Customer perceptions
* Penetration of target market
* Customer buying patterns

(Difficult; LO3)