**Review Chapter 1-10**

**Multiple Choice**

*Identify the choice that best completes the statement or answers the question.*

\_\_\_\_ 1. The American Marketing Association's definition of marketing:

|  |  |
| --- | --- |
| a. | is limited to promotional activities |
| b. | focuses on the value of empowerment, teamwork, and customer value |
| c. | shows how marketing benefits the marketer |
| d. | relies on the synergy created by exchange |
| e. | includes creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large. |

\_\_\_\_ 2. Barry collects antique watches and decided to sell a few of them on eBay. Some of the watches he wants to sell are rare and very valuable. What condition is necessary for an exchange to occur between Barry and a buyer?

|  |  |
| --- | --- |
| a. | His watch should have a certificate of authenticity. |
| b. | The opening bid must be lower than other watches being sold on the site. |
| c. | Buyers must provide payment before the item is shipped. |
| d. | Delivery must take place within 2 days of the purchase. |
| e. | Potential buyers must be able to see the watch and understand its qualities. |

\_\_\_\_ 3. Researchers at PPG Industries spent considerable time, effort, and money developing a bluish windshield that would let in filtered sunlight but block out the heat. Little market research was done, but the scientists were convinced this new product would be significantly better than existing windshields even though it was more expensive and of a different color than the current models on the market. This scenario suggests PPG most likely has a(n) \_\_\_\_\_ orientation.

|  |  |
| --- | --- |
| a. | exchange |
| b. | production |
| c. | sales |
| d. | promotion |
| e. | customer |

\_\_\_\_ 4. Walker Farms has heard from many of its customers that they would like organic produce. As a result Walker Farms became a certified organic farm. Walker realizes that, while not all consumers are willing to pay the higher prices for organic produce, his customers want the organic produce. Walker realized:

|  |  |
| --- | --- |
| a. | he missed sales by not concentrating on the average customer |
| b. | different customer groups have different needs and wants |
| c. | he is a sales-oriented farm |
| d. | his business is about selling the cheapest vegetables |
| e. | his aim is a goal of profit through maximum sales volume |

\_\_\_\_ 5. Zipcar is a car rental service found in many metropolitan areas. It targets people who take mass transit or carpool to work but who occasionally need a car to run errands, visit the doctor, or check on a sick child. Zipcar is one of a few companies currently providing cars that can be rented by the hour. Zipcar has created a(n) \_\_\_\_\_ advantage.

|  |  |
| --- | --- |
| a. | reengineering |
| b. | experience curve |
| c. | service differentiation competitive |
| d. | alternative market |
| e. | sustainable competitive |

\_\_\_\_ 6. Yuengling is the oldest brewery in the United States. It was founded in 1827 in a time when small breweries dotted the nation. The brewery only sells in a ten state area on the eastern seaboard. For over 170 years, this strategy has given the brewery a:

|  |  |
| --- | --- |
| a. | brand name strategy |
| b. | niche competitive advantage |
| c. | price differentiation advantage |
| d. | marketing competitive advantage |
| e. | sustainable competitive advantage |

\_\_\_\_ 7. Market penetration occurs when:

|  |  |
| --- | --- |
| a. | a supermarket adds a new store |
| b. | a U.S.-based company begins to sell its products in China |
| c. | Motown records sells DVDs to Wal-Mart |
| d. | Yoplait yogurt sends coupons to its existing customers |
| e. | 3M distributes breathe-right nasal strips in Europe |

\_\_\_\_ 8. Pure Digital Technologies created the Flip, which is a digital camera that is priced around $150. It filled a gap between expensive digital cameras and web cams. The flip plugs straight into your computer and the video can easily be viewed and shared instantly. Creating a new product for a new market is called \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | divestment |
| b. | segment development |
| c. | target marketing |
| d. | diversification |
| e. | directed growth |

\_\_\_\_ 9. Which of the following category in the portfolio matrix is a market leader and growing fast?

|  |  |
| --- | --- |
| a. | star |
| b. | meteor |
| c. | cash cow |
| d. | shiner |
| e. | top dog |

\_\_\_\_ 10. Ocean Spray's development of Craisins sweetened dried cranberries to compete against raisins most directly affected the \_\_\_\_\_ element of the company's marketing mix.

|  |  |
| --- | --- |
| a. | place |
| b. | production |
| c. | product |
| d. | distribution |
| e. | target market |

\_\_\_\_ 11. A planning manager visiting a company's health and beauty aids division discovers the division has no effective method for allocating resources, nor for evaluating actual results against planned results. His suggestion to the division would likely be to prepare a:

|  |  |
| --- | --- |
| a. | marketing audit |
| b. | contingency plan |
| c. | service audit |
| d. | market share analysis |
| e. | series of tactical evaluations |

**DeFeet International**

DeFeet International started as a cyclist sock company. The founder, Shane Cooper, said that the existing socks for cyclists were just not of great quality so he made socks for his cycling team by knitting them inside out. The socks were of special materials aimed at giving the cyclist the most comfortable fit. These socks were not the traditional white socks but bright, bold, and flashy colored socks with cool graphics. These high tech socks were priced around $10 a pair. Their web site says “DeFeet is Made for Driven Soles.” Soon cycling elites like Lance Armstrong and Greg LeMond were sporting the DeFeet brand. The company branched into running, hiking and snow gear. Their products include socks, armskins, calfskins, boxer briefs, gloves, and shirts for the serious athlete. They also have a custom department where socks, armskins, and gloves can be customized with any motif including sponsor types of logos like Michelin, Pabst Blue Ribbon, or BP. Even kids can enjoy DeFeet’s high quality socks. DeFeet’s products can be found in retailers across the world, in more than twenty countries, like Israel, Australia, Belgium and the United States. More than two-dozen online retailers also carry their products.

\_\_\_\_ 12. Refer to DeFeet. What is DeFeet’s most likely target market strategy?

|  |  |
| --- | --- |
| a. | Appeal to the entire market |
| b. | Concentrate on one segment of the market |
| c. | Appeal to multiple segments |
| d. | Appeal to athletes |
| e. | Appeal to the world |

**Novartis**

Novartis, a Swiss drug maker, is planning to purchase a majority stake in Zhejiang Tianyuan Bio-Pharmaceutical Company, a Chinese vaccine maker. Novartis has agreed to pay $125 million for the company that holds a 3% share of China’s $1 billion vaccines market. The market for vaccines is growing 20% or more in developing nations of Asia, Africa, and Australasia. In the past, vaccine use has been limited to basic shots against diseases such as polio, tuberculosis, and measles, but as the economies of these countries grow, government and private healthcare spending focuses on preventing diseases such as hepatitis B, cholera and rotavirus, tetanus, and others. Some critics are against the acquisition, claiming that prices will increase. Novartis claims it is not interested in raising prices but rather to expand Tianyuan’s product offerings.

\_\_\_\_ 13. Refer to Novartis. Novartis assessed the opportunity presented by the growing potential markets in developing countries and determined it was consistent with its internal quality production processes and extensive R&D capabilities. This assessment process in which Novartis learned this about the environment is called a(n):

|  |  |
| --- | --- |
| a. | market audit |
| b. | situation analysis |
| c. | primary analysis |
| d. | profit and loss assessment |
| e. | strategic window search |

**Delta Faucet Company**

Masco is the name of a well-recognized company in the construction industry. It produces cabinetry, furniture, lighting, and plumbing fixtures for the upper-end homeowner and builder. One of the divisions of Masco is the Delta Faucet Company, which is the leader in the faucet industry. Delta Faucet was founded in 1955. Over the decades, it has developed a legacy based on well-crafted, high-quality products. Since the 1970s, Delta has focused its energies on building loyalty with the builder marketplace. Research in 2002 showed that while builders respect the Delta faucet for its quality, durability, and dependability, household consumers were not enamored with Delta products. Due to the number of new magazines and television programs devoted to home style, homeowners wanted faucets that were chic and stylish. This was not the image of the Delta Faucet. To change its image, Delta Faucet began a marketing program in which it committed itself to developing new products to appeal to homeowners. It adopted a new slogan, "Beautifully Engineered."

\_\_\_\_ 14. Refer to Delta Faucet Company. The Delta Faucet Company is a \_\_\_\_\_ of Masco.

|  |  |
| --- | --- |
| a. | target market |
| b. | transactional division |
| c. | strategic business unit (SBU) |
| d. | share-bearing unit (SBU) |
| e. | situational business usage (SBU) |

\_\_\_\_ 15. Refer to Delta Faucet Company. The marketing program, which Delta designed to develop new products to appeal to homeowners, is an example of:

|  |  |
| --- | --- |
| a. | strategic planning |
| b. | a mission statement |
| c. | mass marketing |
| d. | production-oriented marketing |
| e. | tactical planning |

\_\_\_\_ 16. Corporate social responsibility is defined as the:

|  |  |
| --- | --- |
| a. | belief that the legal system defines ethical behavior |
| b. | development of inclusive codes of ethics |
| c. | rules by which social rewards are attained |
| d. | concern for social welfare by businesses |
| e. | coordination of social programs for publicity purposes |

\_\_\_\_ 17. Novartis created the Novartis Research Institute for Tropical Diseases in Singapore. The institute is unique because it is a not-for-profit organization that focuses on the discovery of new drugs for the treatment of neglected diseases, such as dengue fever and tuberculosis. Not only is this good business, it is also:

|  |  |
| --- | --- |
| a. | mandated by Supreme Court rulings |
| b. | socially responsible |
| c. | not ethically motivated |
| d. | demonstrating a lack of concern for diversity |
| e. | using environmental marketing |

\_\_\_\_ 18. The four components of the pyramid of corporate social responsibility are:

|  |  |
| --- | --- |
| a. | sustainability, creativity, profit, and culture |
| b. | organizational culture, creativity imagery, economic performance, and objectivity |
| c. | organizational, financial, social, and cultural responsibilities |
| d. | sustainability, legality, creativity, and competition |
| e. | economic, legal, ethical, and philanthropic responsibilities |

\_\_\_\_ 19. The pyramid of corporate social responsibilities contains all of the following components EXCEPT:

|  |  |
| --- | --- |
| a. | economic responsibilities |
| b. | ethical responsibilities |
| c. | cultural responsibilities |
| d. | legal responsibilities |
| e. | philanthropic responsibilities |

\_\_\_\_ 20. Japanese law prohibits the storage of more than 50 pounds of explosive at any single site in the nation. Every night Universal Studios Japan hosts a fireworks display. The theme park recently came under government investigation when allegations were made that the park was detonating more than 50 pounds of explosives in its nightly fireworks displays. If the allegations are true, in terms of the pyramid of corporate social responsibility, then Universal Studios Japan is not operating at a(n) \_\_\_\_\_ responsibility level.

|  |  |
| --- | --- |
| a. | legal |
| b. | philanthropic |
| c. | ethical |
| d. | economic |
| e. | cultural |

\_\_\_\_ 21. When a company engages in \_\_\_\_\_, it is implementing strategies that attempt to shape the external environment in which it operates.

|  |  |
| --- | --- |
| a. | synergistic control |
| b. | environmental management |
| c. | environmental control |
| d. | market control |
| e. | reactive management |

\_\_\_\_ 22. Which of the following is the most difficult for marketing managers to forecast, influence, or integrate into marketing plans?

|  |  |
| --- | --- |
| a. | technology |
| b. | social change |
| c. | demography |
| d. | competition |
| e. | economic conditions |

\_\_\_\_ 23. A(n) \_\_\_\_\_ is the practice of choosing goods and services that meet one's diverse needs and interests rather than conforming to a single, traditional lifestyle.

|  |  |
| --- | --- |
| a. | aggregated lifestyle |
| b. | component lifestyle |
| c. | psychographic mode of living |
| d. | demographically defined lifestyle |
| e. | targeted lifestyle |

\_\_\_\_ 24. Lance is a 30-year old, single professional who enjoys hiking, college sports, and poetry. He lives with his girlfriend but does not have plans to get married in the near future. He leads a life much different from his father who married right after high school, had children, and worked for the same company his entire career. More and more in the U.S., consumers like Lance are enjoying \_\_\_\_\_, piecing together a variety of interests, products, and services instead of conforming to traditional stereotypes.

|  |  |
| --- | --- |
| a. | well-defined segments |
| b. | component lifestyles |
| c. | simple multipurpose products |
| d. | conformity and cohesiveness |
| e. | modular market mixes |

\_\_\_\_ 25. The study of people's vital statistics, such as their ages, births, deaths, and locations, is called:

|  |  |
| --- | --- |
| a. | cultural sociology |
| b. | psychometrics |
| c. | ecology |
| d. | ethnography |
| e. | demography |

\_\_\_\_ 26. Almost any product in India, from tap water to milk, has traces of toxins due to the overuse and misuse of insecticides by Indian farmers, but the government expects multinational corporations (MNCs) operating in India to produce food that is toxin-free. In this way both \_\_\_\_\_ factors influence the operating environment for foreign firms.

|  |  |
| --- | --- |
| a. | social and technological |
| b. | legal and technological |
| c. | economic and legal |
| d. | economic and social |
| e. | technological and demographic |

\_\_\_\_ 27. When many consumers think of adhesives, they think of 3M because it makes so many kinds of adhesives used in the home. However, the world's largest adhesive producer is Henkel Consumer Adhesive, maker of Loctite and Duct tape. 3M and Henkel are part of each other's \_\_\_\_\_ environment.

|  |  |
| --- | --- |
| a. | competitive |
| b. | economic |
| c. | social |
| d. | marketing mix |
| e. | legal and political |

**E-cigarettes**

Smoking inflames non-smokers and claims the lives of more than 400,000 smokers each year, so the electronic cigarette is a welcomed alternative. Electronic cigarettes, called e-cigarettes, are battery-powered devices that emit a vapor from nicotine, flavorings, and other chemicals. It looks like a cigarette and allows smokers to inhale the nicotine vapor in places where smoking is not allowed. The product has been touted as a means to quit smoking as well. However, critics, especially the Food and Drug Administration, claim that “vaping” poses risks. In fact, the FDA claims its tests revealed a toxic chemical that is found in anti-freeze as well as other carcinogens. The FDA blocked a shipment of the product from China and banned the sale of this product in the United States. In addition to the safety issue, the FDA is concerned that children might be attracted to this product because they come in flavors other than traditional menthol, such as bubble gum, chocolate, and strawberry. The FDA wants this product to go through the same rigorous testing that drugs must go through before being marketed. However, the FDA’s authority over this product is questioned. While Congress has recently given the FDA authority over tobacco products, this is not a tobacco product and the Electronic Cigarette Association is fighting the ban.

\_\_\_\_ 28. Refer to E-cigarettes. In 1964, 42% of Americans smoked, but now that rate has dropped below 20%. Which environmental factor has had the greatest impact on this trend?

|  |  |
| --- | --- |
| a. | technological factors |
| b. | economic factors |
| c. | competitive factors |
| d. | demographic factors |
| e. | social factors |

**Dog Spa**

Kelly Tumlin wants to open a dog grooming salon that will offer healthy, natural pet care and holistic pet products. All of the products sold at the salon will be of the highest quality and made of all-natural ingredients. Tumlin wants to pamper pets just like a spa pampers their owners. To determine the feasibility of the grooming salon, Tumlin hired a marketing researcher who studied all the market information available and determined that single, white-collar workers between the ages of 30 and 60 were the most likely people to use the services proposed by Tumlin. The researcher also determined the west side of the city offers the best location for the enterprise even though zoning regulations are much stricter in that area.

\_\_\_\_ 29. Refer to Dog Spa. The uncontrollable environmental factors Tumlin faces in terms of zoning restrictions for the new dog salon represent \_\_\_\_\_ factors.

|  |  |
| --- | --- |
| a. | economic |
| b. | political and legal |
| c. | research and development |
| d. | cultural |
| e. | demographic |

\_\_\_\_ 30. Many people fear world trade because it:

|  |  |
| --- | --- |
| a. | will inevitably lead to inflation |
| b. | will cause living standards to increase at a slower rate |
| c. | causes some people to lose their jobs as production shifts abroad |
| d. | has brought entire nations out of poverty |
| e. | has increased per capita income for some countries |

\_\_\_\_ 31. In 1764, the British Sugar and Currency Acts created such economic difficulty in the American colonies that soon-to-be Americans refused to buy British goods in protest. This refusal marked one of the first examples of the use of the:

|  |  |
| --- | --- |
| a. | transfer limit |
| b. | quota |
| c. | tariff |
| d. | exchange control |
| e. | boycott |

\_\_\_\_ 32. \_\_\_\_\_ are trade alliances in which several countries agree to work together to form a common trade area that enhances trade opportunities among those countries.

|  |  |
| --- | --- |
| a. | Boycotts |
| b. | Regional unifications |
| c. | Market groupings |
| d. | Free trade nations |
| e. | Expropriation members |

\_\_\_\_ 33. The North American Free Trade Agreement (NAFTA) did all of the following EXCEPT:

|  |  |
| --- | --- |
| a. | created the world's largest free-trade zone including Canada, the United States, and Mexico |
| b. | substantially reduced economic growth in Mexico |
| c. | allowed U.S. and Canadian financial-services companies to own subsidiaries in Mexico |
| d. | removed many tariffs and duties so that Mexico, Canada, and the United States can trade more freely |
| e. | expanded opportunities for U.S. businesses in Mexico |

\_\_\_\_ 34. Sony, Panasonic, and other Japanese manufacturers that build products to customer order instead of churning out products in anticipation of demand have decided to hire U.S. companies to produce electronics for them. The Japanese companies will handle the marketing of the products. Japanese electronics companies are using:

|  |  |
| --- | --- |
| a. | contract manufacturing |
| b. | direct investment |
| c. | franchising |
| d. | direct exporting |
| e. | countertrading |

\_\_\_\_ 35. The first step in creating the global marketing mix is to:

|  |  |
| --- | --- |
| a. | create a new product |
| b. | select the method of promotion |
| c. | develop a thorough understanding of the global target market |
| d. | set pricing policies |
| e. | decide whether product modification is necessary |

\_\_\_\_ 36. The European Union accused South Korea of selling ships at a loss in an attempt to push its European rivals out of the market. In other words, South Korea was accused of:

|  |  |
| --- | --- |
| a. | dumping |
| b. | illegal importing |
| c. | countertrading |
| d. | fiscal impropriety |
| e. | using an illegal cartel |

**Wataniya Mobile**

Wataniya Mobile is offering cellular service in the Palestinian territories. It is only the second cellphone carrier in the region and is significant because it is owned by foreign companies and investors like the Qatari royal family and the Palestine Investment Fund. The new service is aimed at increasing cellphone penetration, which is only 35%, in this economically challenged area. It has not been easy for Wataniya, though. It took two years to gain the required license from Israel, which controls the Palestinian territories’ airwaves and bandwidth required for the service. Even though Wataniya is allowed bandwidth, it has only received 3.8 megahertz of bandwidth from Israel, which is not enough for it to offer 3G mobile services that enable Web browsing and email.

\_\_\_\_ 37. Refer to Wataniya Mobile. Israel’s control of licensing and the limitation on the amount of bandwidth allotted to Wataniya Mobile is part of which environment?

|  |  |
| --- | --- |
| a. | cultural |
| b. | economic |
| c. | political and legal |
| d. | demographic |
| e. | resource |

\_\_\_\_ 38. Which of the following is the BEST example of an internal stimulus that would create need recognition?

|  |  |
| --- | --- |
| a. | a friend comments on how shabby your coat looks |
| b. | a radio station runs an ad for a new video game rental store |
| c. | a headache |
| d. | an invitation to a graduation for which you need a gift |
| e. | a billboard promoting a new national Internet service provider |

\_\_\_\_ 39. All of the following influence the extent to which an individual conducts an external search for information EXCEPT:

|  |  |
| --- | --- |
| a. | perceived risk |
| b. | knowledge |
| c. | prior experience |
| d. | social class |
| e. | level of interest |

\_\_\_\_ 40. Miller has just purchased a new Allez A1 Specialized bicycle for $1,000. Miller realizes that the Allez A1 costs more than most bikes, and even at that price it doesn't come with a set of pedals. Even though other brands of bicycles cost much less than the Allez A1, Miller tells himself that the Allez A1 is more comfortable and has greater durability than most road bikes. As Miller wonders if he made the right purchase decision, he is experiencing:

|  |  |
| --- | --- |
| a. | attribute remorse |
| b. | cognitive dissonance |
| c. | evaluation distortion |
| d. | consumer cognition |
| e. | perceptual disharmony |

\_\_\_\_ 41. Which of the following activities is most likely to be an example of routine response behavior?

|  |  |
| --- | --- |
| a. | the purchase of a three-week vacation cruise |
| b. | a homeowner’s purchase of a new grill for $600 |
| c. | the first-time purchase of a copy machine for your home office |
| d. | the purchase of toilet paper |
| e. | the purchase of a infant car seat |

\_\_\_\_ 42. \_\_\_\_\_ is an orderly series of stages in which consumers' attitudes and behavioral tendencies change through maturity, experience, and changing income and status.

|  |  |
| --- | --- |
| a. | Socialization |
| b. | The wheel of consumerism |
| c. | The family life cycle |
| d. | Lifestyle consumption |
| e. | Acculturation |

\_\_\_\_ 43. Chaz wants to be a pirate like Captain Jack Sparrow in Disney’s *Pirates of the Caribbean* movies. He wears a bandanna and carries a toy cutlass. Though Jack Sparrow is fictional, Chaz’s role play reveals his \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | superego |
| b. | compliant orientation |
| c. | ideal self-image |
| d. | real self-image |
| e. | socialization process |

\_\_\_\_ 44. Manufacturers of consumer goods often give away trial sizes of new products to encourage:

|  |  |
| --- | --- |
| a. | experiential learning |
| b. | selective perception |
| c. | continuous reinforcement |
| d. | conceptual learning |
| e. | problem recognition |

**New Car Purchase**

Zena has been promoted to vice-president at the management consulting firm she works for. Her status has led her to consider the need for a new car. Her trusty little Volkswagen Beetle had over 100,000 miles on it and no longer seemed appropriate. Susanne, another vice-president, suggested that Zena consider a car produced in the United States because the consulting firm she works for has a policy of supporting U.S. businesses. Zena began her quest for a new car by visiting several car dealers and obtaining pamphlets on the models she is considering. She also studied *Consumer Reports* magazine, *Car and Driver* ratings, and other consumer rating publications to see what the experts think. Finally, after evaluating all options, Zena decided to purchase a new Chrysler. She believes the car is a good fit with her new image and position in her company. Now that she has purchased the car, she has seen more advertisements touting its features than she ever noticed before. She also has noticed many models of her car on the road. Zena thinks the fact that so many others are driving the same model car as hers is proof that she made a good decision.

\_\_\_\_ 45. Refer to New Car Purchase. Zena's visits to the dealers and looking at ratings in magazines best represent which step of the consumer decision-making process?

|  |  |
| --- | --- |
| a. | need recognition |
| b. | information search |
| c. | evaluation of alternatives |
| d. | stimulus |
| e. | postpurchase behavior |

\_\_\_\_ 46. Refer to New Car Purchase. Which type of consumer buying decision does Zena's purchase represent?

|  |  |
| --- | --- |
| a. | routine response |
| b. | limited decision making |
| c. | extensive decision making |
| d. | impulse buying |
| e. | motivational response |

\_\_\_\_ 47. Refer to New Car Purchase. Susanne has influenced Zena's choice of a new automobile. In this instance, Susanne is acting as a(n):

|  |  |
| --- | --- |
| a. | dissociative reference |
| b. | purchase catalyst |
| c. | gatekeeper |
| d. | social reference |
| e. | opinion leader |

\_\_\_\_ 48. Refer to Coca-Cola. Ed's Coke purchase best represents which type of consumer buying decision?

|  |  |
| --- | --- |
| a. | routine response behavior |
| b. | limited decision making |
| c. | extensive decision making |
| d. | situation convenience |
| e. | motivational response |

\_\_\_\_ 49. The elimination of intermediaries such as wholesalers or distributors from a marketing channel is referred to as:

|  |  |
| --- | --- |
| a. | disintermediation |
| b. | disassociation |
| c. | unencumberance |
| d. | demarketing |
| e. | selective retention |

\_\_\_\_ 50. Due to rapidly rising overhead costs and increases in raw material prices, Framarx Corporation was forced to raise the price of its waxed and coated paper by 35 percent. (The paper is used between frozen hamburger patties to keep the patties from freezing together.) Framarx is the leading manufacturer in this industry, and its competitors will follow suit. While the sales force for Framarx believes the price increase will result in a drop in sales, its marketing manager disagrees because the demand for the waxed and coated paper is more than likely:

|  |  |
| --- | --- |
| a. | resistant |
| b. | inelastic |
| c. | derived |
| d. | elastic |
| e. | bundled |

\_\_\_\_ 51. Electric cars will increase the demand for electricity, which will then dramatically increase demand for the equipment needed to provide consumers with the electricity. This dramatic increase is due to the:

|  |  |
| --- | --- |
| a. | demand fluctuator principle |
| b. | joint demand principle or division effect |
| c. | inelastic demand effect |
| d. | circumlocution effect |
| e. | accelerator principle |

\_\_\_\_ 52. All of the following are considered types of business products EXCEPT:

|  |  |
| --- | --- |
| a. | raw materials. |
| b. | convenience goods |
| c. | major equipment |
| d. | accessory equipment |
| e. | component parts |

\_\_\_\_ 53. Southeastern Concrete Company has 15 concrete trucks. The company's accountant depreciated the value of the vehicles over several years. What type of business product is the concrete truck?

|  |  |
| --- | --- |
| a. | major equipment |
| b. | component part |
| c. | processed material |
| d. | fabricating item |
| e. | accessory equipment |

\_\_\_\_ 54. Which of the following is the BEST example of accessory equipment?

|  |  |
| --- | --- |
| a. | a parking lot |
| b. | a store display rack |
| c. | accounting services |
| d. | a river barge |
| e. | light bulbs |

\_\_\_\_ 55. The \_\_\_\_\_ is the member of the buying center who regulates the flow of information.

|  |  |
| --- | --- |
| a. | decider |
| b. | influencer |
| c. | purchaser |
| d. | gatekeeper |
| e. | user |

\_\_\_\_ 56. A \_\_\_\_\_ is a situation requiring the purchase of a product for the first time.

|  |  |
| --- | --- |
| a. | straight rebuy |
| b. | value buy |
| c. | modified rebuy |
| d. | new buy |
| e. | make-or-buy |

\_\_\_\_ 57. Texas Instruments has developed a detailed Values and Ethics Statement and Code of Business Conduct. Why did they choose to create this?

|  |  |
| --- | --- |
| a. | Because it makes TI look good |
| b. | TI’s suppliers will only buy from them if they have this statement |
| c. | U. S. law requires a code of ethics |
| d. | Consumers demand ethical practices |
| e. | A Code of Ethics helps guide buyers and sellers and overall helps the company to follow ethical practices |

**FAA**

The Federal Aviation Administration has been struggling for several years with antiquated systems, and all it takes is a single failure on one piece of the system to shut down the entire air-traffic control system for several hours, resulting in significant snarls at major airports. The most recent failure occurred in the FAA’s core telecommunications network, called the Federal Telecommunications Infrastructure (FTI), which is managed by Harris Corporation. Marc Raimondi, a spokesperson for Harris Corporation, said, “The FTI system has proven to be one of the most reliable and secure communications networks operating within the civilian government.” Snafus like this have been happening with alarming frequency, prompting Congress to demand the FAA and its contractors to do more to prevent these malfunctions. The problem is that the FAA has been using a patchwork approach by updating with modern hardware and software on old systems instead of a complete overhaul of the system. The FAA’s next generation of modernization will rely on satellite-based networks instead of phone lines and data cables. The FAA is waiting for White House approval on whether it will have the funds to take this next step.

\_\_\_\_ 58. Refer to FAA. The FAA is what type of business buyer?

|  |  |
| --- | --- |
| a. | producer |
| b. | reseller |
| c. | government |
| d. | institution |
| e. | unbiased |

\_\_\_\_ 59. Refer to FAA. Harris Corporation provides which type of business product to the FAA?

|  |  |
| --- | --- |
| a. | major equipment |
| b. | accessory equipment |
| c. | raw materials |
| d. | business services |
| e. | component parts |

\_\_\_\_ 60. Refer to FAA. Ultimately, The FAA must get authority from the President to spend the billions of dollars necessary to upgrade the system because Congress must authorize the funds and the President must approve that authorization. In terms of the buying center, the President is the:

|  |  |
| --- | --- |
| a. | initiator |
| b. | gatekeeper |
| c. | purchaser |
| d. | decider |
| e. | user |

**Lucent Technologies**

Because AT&T Corporation wanted to become a big player in the booming market for outsourcing computer services, it set up Lucent Technologies to manage corporate clients' worldwide computer networks. Lucent Technologies assists corporations in global network and computer management by drawing on AT&T's worldwide digital network and its computer hardware and software businesses. It also relies on the expertise of technicians at Bell Laboratories.

\_\_\_\_ 61. Refer to Lucent Technologies. Lucent Technologies depends on AT&T but also has found it necessary to form cooperative partnerships with other technology, telecommunications, and software firms. Lucent has found it necessary to form:

|  |  |
| --- | --- |
| a. | strategic alliances |
| b. | relationship contracts |
| c. | outsourcing vendor liaisons |
| d. | bargaining positioning grids |
| e. | market groupings |

\_\_\_\_ 62. A \_\_\_\_\_ is a group of people or organizations that has wants and needs that can be satisfied by particular product categories, has the ability to purchase these products, and is willing to exchange resources for the products.

|  |  |
| --- | --- |
| a. | firm |
| b. | buyer |
| c. | market |
| d. | consumer |
| e. | target |

\_\_\_\_ 63. A group of middle school students stop by a bicycle store. The store has just received a new shipment of high-end racing bicycles. The bicycles range in price from $1,200 to $3,000. All of the students want one of these new bikes, but none has the means to buy one. Is this group of consumers a potential market for the expensive bikes?

|  |  |
| --- | --- |
| a. | Yes, they are a potential market since they are all about the same age. |
| b. | No, they do not have the ability to purchase at this time. |
| c. | No, to qualify as a market, they must need the product. |
| d. | Yes, they are a market because this product could satisfy their consumer wants and desires. |
| e. | Yes, they are a market because this group shares relatively similar product needs and purchasing characteristics. |

\_\_\_\_ 64. Market segmentation can assist marketers to do all of the following EXCEPT:

|  |  |
| --- | --- |
| a. | develop more precise definitions of customer needs and wants |
| b. | identify which variable base should be used for segmenting |
| c. | more accurately define marketing objectives |
| d. | improve resource allocation |
| e. | evaluate performance |

\_\_\_\_ 65. The marketing manager of Gevala gourmet coffees wants to target the gay male consumer because he thinks this segment of consumers appreciates and consumes gourmet coffee. Even though gay lifestyles are becoming more accepted socially, the manager is finding it difficult to determine the market potential for this segment because many gay consumers are not willing to admit their lifestyle publicly. Which criterion of a useful segment does this illustrate?

|  |  |
| --- | --- |
| a. | substantiality |
| b. | identifiability and measurability |
| c. | complexity |
| d. | responsiveness |
| e. | validity |

\_\_\_\_ 66. If a market segment is especially motivated by coupons in newspapers, which segmentation success criterion is most influential in the success of this program?

|  |  |
| --- | --- |
| a. | responsiveness |
| b. | identifiability and measurability |
| c. | substantiality |
| d. | accessibility |
| e. | functionality |

\_\_\_\_ 67. *Modern Maturity* magazine is targeted toward adults age 50 and older. It has articles on health and fitness as well as the arts and finance. What segmenting base is *Modern Maturity* using?

|  |  |
| --- | --- |
| a. | demographic |
| b. | geographic |
| c. | nomological |
| d. | economic |
| e. | generational |

\_\_\_\_ 68. Fisher-Price developed a rugged, waterproof camera for children. This product uses \_\_\_\_\_ segmentation.

|  |  |
| --- | --- |
| a. | ethnicity |
| b. | income |
| c. | age |
| d. | gender |
| e. | occupation |

\_\_\_\_ 69. *Redbook* magazine targets what it calls "*Redbook* jugglers," defined as 25- to 44-year-old women who must juggle family, husband, and job. According to a *Redbook* ad, "She's the product of the ‘me generation,’ the thirty-something woman who balances home, family, and career— more than any generation before her, she refuses to put her pleasures aside. She's old enough to know what she wants. And young enough to get it." This is an example of \_\_\_\_\_ segmentation.

|  |  |
| --- | --- |
| a. | demographic and psychographic |
| b. | benefit desired and usage rate |
| c. | geodemographic and benefit desired |
| d. | demographic and usage rate |
| e. | benefit desired and demographic |

\_\_\_\_ 70. A series of stages determined by a combination of age, marital status, and the presence or absence of children is known as the:

|  |  |
| --- | --- |
| a. | generation gap |
| b. | family life cycle |
| c. | maturation process |
| d. | segmentation cycle |
| e. | psychographic process |

\_\_\_\_ 71. \_\_\_\_\_ is the process of grouping customers into market segments according to what is sought from the product.

|  |  |
| --- | --- |
| a. | Benefit segmentation |
| b. | Value-added segmentation |
| c. | Lifestyle segmentation |
| d. | Macrosegmentation |
| e. | Psychographic segmentation |

\_\_\_\_ 72. Karry-Lite, the manufacturer of lightweight suitcases with wheels, uses as its slogan, "Takes the 'lug' out of luggage." This slogan illustrates the use of \_\_\_\_\_ segmentation.

|  |  |
| --- | --- |
| a. | geodemographic |
| b. | benefit |
| c. | functional |
| d. | usage-rate |
| e. | feature-based |

\_\_\_\_ 73. All of the following are steps in the market segmenting process EXCEPT:

|  |  |
| --- | --- |
| a. | determine the objectives of the segmentation strategy |
| b. | profile and analyze segments |
| c. | design, implement, and maintain appropriate marketing mixes |
| d. | select a market or product category for study |
| e. | choose a basis or bases for segmenting the market |

\_\_\_\_ 74. Mirage Resorts in Las Vegas has a system that allows hotel clerks instantaneous access to a client's gambling history to determine what sort of room or complimentary services will provide the guests with the highest level of service. The resort is practicing:

|  |  |
| --- | --- |
| a. | firewall marketing |
| b. | one-to-one marketing |
| c. | an application of the 80/20 rule |
| d. | transactional marketing |
| e. | marketing through technology |

\_\_\_\_ 75. Increasing share of customer means:

|  |  |
| --- | --- |
| a. | selling more products to each customer |
| b. | increasing the number of customers |
| c. | winning market share from competitors |
| d. | the sales due to a customer relative to the costs of attaining and retaining that customer |
| e. | individual customer revenue minus costs to satisfy that customer |

\_\_\_\_ 76. The place a product, brand, or group of products occupies in consumers’ minds relative to competing offerings is referred to as a product’s:

|  |  |
| --- | --- |
| a. | status |
| b. | equity |
| c. | frame |
| d. | role |
| e. | position |

\_\_\_\_ 77. Changing consumers’ perceptions of a brand in relation to competing brands is known as:

|  |  |
| --- | --- |
| a. | positioning |
| b. | repositioning |
| c. | reintermediation |
| d. | demarketing |
| e. | reengineering |

\_\_\_\_ 78. H&R Block launched a $100 million marketing campaign to parlay the company's intimate knowledge of 20 million customers' finances into other services like mortgages and investment advice. Block has great brand recognition, but consumers only care about it four months out of the year. H&R Block is attempting to \_\_\_\_\_ itself to make people think of it as a company offering services year-round.

|  |  |
| --- | --- |
| a. | reposition |
| b. | reengineer |
| c. | demarket |
| d. | undifferentiate |
| e. | niche |

**Turkey Hunting Equipment**

Around the beginning of fall each year, about 2.7 million turkey hunters all over the United States start looking at catalogs for the perfect item to guarantee that this year they will kill a wild turkey, the most elusive game bird on the North American continent. The devoted turkey stalker can stock up on everything from camouflaged turkey hunting socks, turkey license plate holders, vests with huge pockets for toting dead birds, and hunting videos to turkey decoys, turkey earrings, and turkey callers. Neil Cost is considered the best manufacturer of turkey callers in the world. It is his only product, and each is highly prized by turkey hunters. It is not unusual for a turkey hunter to pay $5,000 for one of Cost's callers.

\_\_\_\_ 79. Refer to Turkey Hunting Equipment. What kind of strategy does Neil Cost use to select his target market?

|  |  |
| --- | --- |
| a. | concentrated targeting |
| b. | multisegment |
| c. | mass marketing |
| d. | undifferentiated |
| e. | repositioned |

**Mercedes-Benz**

Daimler AG, the maker of Mercedes-Benz automobiles, is planning to launch a new line of downsized luxury vehicles in the United States by 2012. Daimler has experienced a recent drop in global sales attributed to its product mix that focuses on larger luxury automobiles. With increasing fuel prices and stricter U.S. fuel-economy standards coming down the pipeline, Daimler doesn’t want to be left behind. Daimler is behind its competition, though. Its German rivals, Audi and BMW, have been relatively successful in the U.S. BMW”s Mini Cooper, demanding as much as $34,000, has already driven away with some of Daimler’s potential sales. While Daimler already offers the Smart car in the U.S., the new offerings will not be going after the same consumers.

\_\_\_\_ 80. Refer to Mercedes-Benz. Daimler plans to introduce the downsized luxury vehicles in major U.S. cities, such as Los Angeles, New York, Miami, Atlanta, Dallas, and Chicago, because market research has shown that these metropolitan areas have the greatest potential with respect to the consumers able to purchase a $30,000+ smaller luxury vehicle. Which type of psychographic segmentation does this represent?

|  |  |
| --- | --- |
| a. | geodemographic |
| b. | personality |
| c. | benefit |
| d. | usage-rate |
| e. | demographic |

\_\_\_\_ 81. A(n) \_\_\_\_\_ is an interactive, flexible computerized information system that enables managers to obtain and manipulate information as they are making decisions.

|  |  |
| --- | --- |
| a. | expert system |
| b. | marketing information system |
| c. | artificial intelligence system |
| d. | marketing decision support system |
| e. | database marketing system |

\_\_\_\_ 82. The publisher of a Canadian business magazine wanted to make several major changes in the magazine's content and format. To determine what changes would be supported by its subscribers and what changes would not be welcomed, the publisher should engage in:

|  |  |
| --- | --- |
| a. | advertising |
| b. | database marketing |
| c. | marketing research |
| d. | a data retrieval system |
| e. | secondary data |

\_\_\_\_ 83. Your supervisor has instructed you to conduct a marketing research effort that will determine how your company's business customer demographics have changed. You have also been instructed to use primary data. You will:

|  |  |
| --- | --- |
| a. | gather data from Standard & Poor's General Information File |
| b. | develop a mail survey to study your primary market |
| c. | employ studies done by the Federal Trade Commission |
| d. | make sure you locate Internet information by using a search engine |
| e. | ask the National Industrial Conference Board for its latest study |

\_\_\_\_ 84. Computer-assisted personal interviewing and computer-assisted self-interviewing are computerized techniques for conducting:

|  |  |
| --- | --- |
| a. | CLT interviews |
| b. | mall intercept interviews |
| c. | e-mail interviews |
| d. | in-home interviews |
| e. | focus groups |

\_\_\_\_ 85. Representatives of the Tourism Board of Arkansas visited state welcome centers and asked visitors to the state, “What is your reason for coming to Arkansas?” This would be an example of a(n) \_\_\_\_\_ question.

|  |  |
| --- | --- |
| a. | scaled-response |
| b. | Likert scale |
| c. | open-ended |
| d. | dichotomous |
| e. | multiple choice |

\_\_\_\_ 86. You have been given the task of creating a questionnaire that requires each respondent to provide a rich array of information based on his/her own frame of reference. Which of the following types of questions would best deliver such information?

|  |  |
| --- | --- |
| a. | true-false questions |
| b. | mix-and-match questions |
| c. | open-ended questions |
| d. | scaled-response questions |
| e. | closed-ended questions |

\_\_\_\_ 87. Which type of survey question is a closed-ended question designed to measure the intensity of a respondent’s answer?

|  |  |
| --- | --- |
| a. | semantic differential |
| b. | scaled-response question |
| c. | interval-based question |
| d. | sampling frame question |
| e. | bounded-frame question |

\_\_\_\_ 88. \_\_\_\_\_ research depends on watching what people do.

|  |  |
| --- | --- |
| a. | Anonymous viewership |
| b. | Observation |
| c. | Interactive |
| d. | Personal scanner |
| e. | Survey |

\_\_\_\_ 89. Mystery shoppers engage in a form of:

|  |  |
| --- | --- |
| a. | mall intercept study |
| b. | experiential study |
| c. | marketing audit |
| d. | observation research |
| e. | market audit |

\_\_\_\_ 90. The best experiments are those in which:

|  |  |
| --- | --- |
| a. | all variables are allowed to act freely |
| b. | all variables are held constant except the ones manipulated |
| c. | all factors provide the desired results |
| d. | the subjects are unpaid volunteers |
| e. | two variables are held constant while all of the others are manipulated |

\_\_\_\_ 91. A researcher wants to determine what percentage of the population in the southeastern United States would use a mass transit system if it were well-maintained. He gets telephone books from every city with over 200,000 people in those states and selects the fifteenth name in the middle column on every hundredth page as his sample. He has made a \_\_\_\_\_ error.

|  |  |
| --- | --- |
| a. | targeting |
| b. | random |
| c. | nonprobability |
| d. | frame |
| e. | reliability |

**Sav-More Supermarkets**

Observers of the supermarket industry see no letup in the use of checkout-counter-based target marketing. Sav-More supermarkets have installed an electronic marketing system in their stores. The system allows the stores to do more direct mail promotions by combining the current Sav-More's check cashing cards with the new Sav-More's Bonus Club frequent-shopper cards. The new system uses bar-code scanners and magnetic cards issued to shoppers to track all purchases. As with most customer databases, demographic information is gathered for subsequent offers to frequent-shopper club members, and psychographic information is tracked whenever customers use the magnetic strip cards to make purchases. Generally, marketing to these consumers achieves better results than free- standing insert (FSI) coupons.

\_\_\_\_ 92. Refer to Sav-More Supermarkets. Edisto decided the best way to determine what is causing the drop in orange juice sales was to conduct a survey among shoppers in the frozen food section of Sav-More. The data Edisto collected are called \_\_\_\_\_ data.

|  |  |
| --- | --- |
| a. | single-source |
| b. | secondary |
| c. | representational |
| d. | primary |
| e. | dichotomous |

\_\_\_\_ 93. Compared to the other classifications of consumer products, shopping products are:

|  |  |
| --- | --- |
| a. | widely available so they need little or no promotion |
| b. | usually less expensive than convenience products |
| c. | purchased without significant planning |
| d. | usually more expensive than convenience products and are found in fewer stores |
| e. | purchased immediately after the consumer realizes he or she needs them |

\_\_\_\_ 94. A go-cart manufacturer recently added shock absorbers to make the ride in its go-carts smoother. It has not changed its prices. This is a(n) \_\_\_\_\_ modification.

|  |  |
| --- | --- |
| a. | upsale |
| b. | style |
| c. | dysfunctional |
| d. | repositioning |
| e. | quality |

\_\_\_\_ 95. A style modification is a(n):

|  |  |
| --- | --- |
| a. | change in the product's durability or dependability |
| b. | safety improvement |
| c. | aesthetic product change |
| d. | way to add convenience |
| e. | improvement in product versatility and effectiveness |

\_\_\_\_ 96. A(n) \_\_\_\_\_ refers to brands where at least one third of the product is sold outside the home country.

|  |  |
| --- | --- |
| a. | evoked set |
| b. | global brand |
| c. | equity brand name |
| d. | master brand |
| e. | ethnocentric trademark |

\_\_\_\_ 97. Most people recognize Butterball as a brand of turkey, but Butterball brand is also found on fresh turkey breast cuts, turkey sausages, ground turkey, lunchmeat cold cuts, fresh marinated bone-in, boneless, and whole chicken, frozen chicken products, and Butterball stuffing and gravy mixes. Butterball uses:

|  |  |
| --- | --- |
| a. | dealer branding |
| b. | brand grouping |
| c. | family branding |
| d. | generic branding |
| e. | cobranding |

**Hardie Siding Products**

James Hardie began selling fiber cement siding products in the United States in 1989 to leading builders, lumberyards, and home improvement centers. Even though ads guaranteed the product would not rot or crack for 50 years, many builders hated the product. It was heavy to install, and it showed every flaw in a bad framing job. In 1997, Hardie decided to run ads in traditional lifestyle magazines and emphasize the emotional appeal of houses made with strong, weather-resistant materials. Soon consumers began asking their builders or remodelers to use the product. Trade ads were used to explain how builders could take advantage of the interest created by the ads in lifestyle magazines. By 2000, the Hardieplank was the number one brand siding in North America. James Hardie is now the third most recognized brand of building material in the world.

\_\_\_\_ 98. Refer to Hardie Siding Products. Hardie now makes multiple types of fiber-cement siding products. There are different widths, textures, and profiles. The different types of siding the company makes are called its product:

|  |  |
| --- | --- |
| a. | line |
| b. | mix |
| c. | reference point |
| d. | item |
| e. | standardization |

**Nestle**

When consumers think of Nestle, they probably think of chocolate. Historically, though, Nestle’s confectionary business is its weakest area. Based in Switzerland, it is the world’s largest food company, with a brand arsenal of Nescafe, Jenny Craig, Perrier, Purina, and PowerBar, just to name a few of its 30 product lines. Nestle is hoping to become the “world’s leading health, nutrition, and wellness firm” by spending billions of dollars on research and development of functional foods--foods that have pharmaceutical-like capabilities to enhance energy and heart, bone, gut, and other health. Nestle wants consumers to see chocolate as a pharmaceutical product rather than just a treat. Part of this new focus includes streamlining their product mix by selling underperforming items or lines that do not fit its new direction. Critics claim this new focus could hurt the company’s existing brands if the new products fail. Additionally, it may be an uphill battle convincing consumers that a company known for indulgence is now a wellness company.

\_\_\_\_ 99. Refer to Nestle. Some of Nestle’s products include bottled water, candy, and coffee, which would be classified as what type of consumer products?

|  |  |
| --- | --- |
| a. | heterogeneous shopping products |
| b. | homogeneous shopping products |
| c. | convenience products |
| d. | specialty products |
| e. | unsought products |

\_\_\_\_ 100. Refer to Nestle. Nestle’s quest is to make some of its existing products more nutritious and provide a health benefit. This is an example of which type of product modification?

|  |  |
| --- | --- |
| a. | style modification |
| b. | extensive modification |
| c. | brand modification |
| d. | ingredient modification |
| e. | functional modification |

**Review Chapter 1-10**

**Answer Section**

**MULTIPLE CHOICE**

 1. ANS: E

According to the American Marketing Association, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

REF: 3

 2. ANS: E

For an exchange to take place, each party must have something the other values; the parties must be able to communicate; each party must believe that it is appropriate to deal with the other; and each party must be free to accept or reject the exchange offer.

REF: 4

 3. ANS: B

A production orientation is a philosophy that focuses on the internal capabilities of the firm rather than on the desires and needs of the marketplace.

REF: 4

 4. ANS: B

One way to implement the marketing concept is to concentrate on the needs of specific groups of customers.

REF: 10-11

 5. ANS: C

A service differentiation competitive advantage exists when a firm provides something unique that is valuable to buyers beyond simply offering a low price.

REF: 20

 6. ANS: B

A niche competitive advantage is achieved when a firm seeks to target and effectively serve a small segment of the market.

REF: 20

 7. ANS: D

Market penetration is the marketing of the same product to current customers.

REF: 22

 8. ANS: D

Diversification is creating a new product for a new market.

REF: 22

 9. ANS: A

A star is a fast-growing market leader.

REF: 23

 10. ANS: C REF: 25

 11. ANS: A

A marketing audit is a thorough, systematic, periodic evaluation of the objectives, strategies, structure, and performance of the marketing organization. A marketing audit will evaluate the past, present, and future performance of all aspects of the marketing department.

REF: 26

 12. ANS: C

DeFeet makes products for various target groups; cyclists, runners, hikers, athletic women & men, and corporate sponsors so their appeal would be to multiple segments.

REF: 24

 13. ANS: B

When a company pursues a study to ascertain its current status and capabilities and its future expectations, it is conducting a situation analysis.

REF: 18

 14. ANS: C

A strategic business unit (SBU) is a subgroup of a single business or a collection of related businesses within the larger organization.

REF: 18

 15. ANS: A

Strategic planning is the managerial process of creating and maintaining a fit between the organization’s objectives and resources and evolving market opportunities.

REF: 15

 16. ANS: D

Corporate social responsibility is a business’s concern for society’s welfare.

REF: 34

 17. ANS: B

Social responsibility is the duty that a business feels for the welfare of society. By helping developing nations, Novartis is helping to meet the needs of society.

REF: 34

 18. ANS: E

The four components of the pyramid of corporate social responsibility are economic, legal, ethical, and philanthropic responsibilities.

REF: 34-35

 19. ANS: C

The four components of the pyramid of corporate social responsibility are economic, legal, ethical, and philanthropic responsibilities.

REF: 34-35

 20. ANS: A

Universal Studios Japan is not obeying the letter of the law.

REF: 34

 21. ANS: B

Environmental management means attempting to influence external environmental factors.

REF: 40

 22. ANS: B

Social factors and changes are difficult to foresee, because they are usually slow and/or small changes.

REF: 40

 23. ANS: B

This is the definition of component lifestyles.

REF: 41

 24. ANS: B

Component lifestyles are the practice of choosing goods and services that meet one’s diverse needs and interests rather than conforming to a single, traditional lifestyle.

REF: 41

 25. ANS: E

This is the definition of demography.

REF: 41-42

 26. ANS: B

It is technological in that the insecticides are a product of technology. The expectations for MNCs are a product of the legal environment.

REF: 47-48

 27. ANS: A

The competitive environment encompasses the number of competitors a firm must face, the relative size of the competitors, and the degree of interdependence within the industry.

REF: 51

 28. ANS: E

Many of the smoking bans have resulted from social pressure to limit smoking.

REF: 40-41

 29. ANS: B

The laws and regulations of various governments represent uncontrollable political and legal factors.

REF: 48

 30. ANS: C

Global competition and cheap imports help keep inflation down, and world trade has caused the standards of living for many countries to increase at a faster rate. The other options describe advantages.

REF: 54

 31. ANS: E

An exclusion of all products from certain countries or companies by a government or group is a boycott.

REF: 59

 32. ANS: C

Market groupings are trade alliances to benefit the common good of its members.

REF: 59

 33. ANS: B

Over the years, Mexico has made economic gains due to NAFTA.

REF: 61

 34. ANS: A

Contract manufacturing takes place when a foreign company produces goods to specification set by a domestic company, with the domestic firm's brand name affixed to the goods. In this case the “domestic” companies are in Japan selling in a foreign market for them--the United States.

REF: 64-65

 35. ANS: C

Developing an understanding of the global target market is the first step, and market research results in knowledge of customer needs and wants that will guide product, price, promotion, and distribution decisions.

REF: 65

 36. ANS: A

Dumping is the sale of an exported product at a price lower than that charged for the same product in the home market of the exporter (South Korea).

REF: 69

 37. ANS: C

The political/legal environment is placing restrictions on the operation of this business.

REF: 59

 38. ANS: C

Aches and pains are generated internally by your body without outside inputs from anything or anyone.

REF: 74

 39. ANS: D

Social class wouldn’t necessarily affect the amount of information search a consumer would conduct.

REF: 76

 40. ANS: B

Cognitive dissonance is an inner tension that a consumer experiences after recognizing an inconsistency between behavior and values or opinions.

REF: 78

 41. ANS: D

Only the toilet paper is an example of routine response behavior because it is a frequently purchased, low-cost good and requires little search and decision time.

REF: 79-80

 42. ANS: C

Families go through an orderly series of stages and consumption attitudes and behaviors are influenced by one’s stage in the series.

REF: 89

 43. ANS: C

Ideal self-image represents the way an individual would like to be.

REF: 91

 44. ANS: A

Trial behavior reinforces experiential learning, often leading to repeat behavior.

REF: 95

 45. ANS: B

These activities best represent information search. Zena must collect the information before she can begin evaluating alternatives.

REF: 75

 46. ANS: C

Consumers practice extensive decision making when purchasing unfamiliar, expensive products or an infrequently bought item.

REF: 80

 47. ANS: E

Opinion leaders are individuals who influence the opinions of others.

REF: 86

 48. ANS: A

The fact Ed is out of Coca-Cola suggests it is a frequently purchased product, typically a routine response behavior.

REF: 79

 49. ANS: A

This is the definition of disintermediation.

REF: 101-102

 50. ANS: B

A good is price inelastic if a change in price causes little or no change in demand. Paper used between hamburger patties is a fairly insignificant cost item in the production of hamburger and might even be considered a necessity item.

REF: 106

 51. ANS: E

Increased consumer demand leading to a larger increase in demand for manufacturing equipment to make the consumer product is known as the multiplier effect of demand or as the accelerator principle.

REF: 107

 52. ANS: B

The types of business products are major equipment, accessory equipment, raw materials, component parts, processed materials, supplies, and business services.

REF: 108-110

 53. ANS: A

An installation, also called major equipment, is expensive and large.

REF: 108

 54. ANS: B

Accessory equipment is generally less expensive and short-lived compared to major equipment and is used in the conducting of business. Accessory equipment also tends to be purchased by a widely dispersed market. Light bulbs are supplies. Accounting services represent a business service.

REF: 109

 55. ANS: D

Gatekeepers can regulate who gets an appointment to meet with the other members of the buying center.

REF: 111

 56. ANS: D

This is the definition of a new buy situation.

REF: 112

 57. ANS: E

Ethics can be the standard of behavior in which a company is judged. Having a Code of Ethics can help guide a Company. See Code of Ethics at Lockheed Martin

REF: 113

 58. ANS: C

Government organizations include federal, state, and local buying units. The FAA is a federal agency.

REF: 104-105

 59. ANS: D

Businesses often retain outside provides to provide essential services, such as keeping the FTI operational.

REF: 110

 60. ANS: D

The decider is the person who has the formal or informal power to approve the purchase.

REF: 111

 61. ANS: A

Cooperative relationships are strategic alliances.

REF: 103

 62. ANS: C REF: 117

 63. ANS: B

A market is a group of people or organizations that has wants and needs that can be satisfied by particular product categories, has the ability to purchase these products, and is willing to exchange resources for the products. There is no suggestion of ability in this case.

REF: 117

 64. ANS: B

Market segmentation itself does not signal which base should be used, but it will define needs and wants, and help marketers define marketing objectives, improve resource allocation, and evaluate performance.

REF: 118

 65. ANS: B

Segments must be identifiable and their size measurable, which might be difficult due to many gay consumers not admitting their lifestyle.

REF: 119

 66. ANS: A

Responsiveness is in force when a target segment responds differently (hopefully more positively) to the marketing mix than other segments.

REF: 119

 67. ANS: A

This magazine is using age as a segmentation base, which is characteristic of demographic segmentation.

REF: 120

 68. ANS: C

Attracting children is a popular strategy for companies that hope to instill early brand loyalty.

REF: 120

 69. ANS: A

Thirty-something women indicate demographic segmentation. The juggling act describes her lifestyle.

REF: 120 | 122

 70. ANS: B

This described family life cycle.

REF: 121-122

 71. ANS: A

This is the definition of benefit segmentation.

REF: 124

 72. ANS: B

The benefit sought is easy-to-carry luggage.

REF: 124

 73. ANS: A

The steps in segmenting a market are (1) select a market or product category for study, (2) choose a basis or bases for segmenting the market, (3) select segmentation descriptors, (4) profile and analyze segments, (5) select target markets, and (6) design, implement, and maintain appropriate marketing mixes.

REF: 125-126

 74. ANS: B

One-to-one marketing is an individualized method of marketing to customers.

REF: 129

 75. ANS: A

Share of customer represents how much a customer spends with a business, so increasing customer share attempts to sell more products to each customer rather than attempting to gain more customers overall.

REF: 129

 76. ANS: E

This is the definition of a product’s position.

REF: 130

 77. ANS: B

This is the goal of repositioning.

REF: 131

 78. ANS: A

Repositioning means changing the customers’ perceptions of a brand in relation to competing brands.

REF: 131

 79. ANS: A

Cost targets one segment in the market.

REF: 127

 80. ANS: A

The types of psychographic segmentation include personality, motives, lifestyles, and geodemographics. This is an example of geodemographics, which is segmenting potential customers into neighborhood lifestyle categories.

REF: 122

 81. ANS: D

A marketing decision support system is defined as an interactive, flexible computerized information system that enables managers to obtain and manipulate information as they are making decisions.

REF: 135

 82. ANS: C

Marketing research would be appropriate to use to determine how the publisher could provide greater customer satisfaction.

REF: 136

 83. ANS: B

Primary data are information collected for the first time and are used to gain a better understanding of a particular problem.

REF: 139-141

 84. ANS: B

Marketing researchers are applying computer technology in mall interviewing in several ways.

REF: 139-140

 85. ANS: C

The question encouraged an answer phrased in the customer's own words.

REF: 141

 86. ANS: C

Open-ended questions encourage unlimited answer choices phrased in the respondent's own words.

REF: 141

 87. ANS: B

This is the definition of a scaled-response question.

REF: 141

 88. ANS: B

Observation research is a method that relies on four types of observation: people watching people, people watching an activity, machines watching people, and machines watching an activity.

REF: 142

 89. ANS: D

This form of observational research is an example of people watching people or an activity.

REF: 142

 90. ANS: B

An experiment is characterized by the researcher changing one or more variables while observing the effects of those changes on another variable.

REF: 143

 91. ANS: D

He has made a frame error because not everyone has a listed telephone number.

REF: 145

 92. ANS: D

Information collected for the first time for the purpose of solving a particular problem under investigation is called primary data.

REF: 139

 93. ANS: D

Shopping products are typically items such as clothing, automobiles, and major appliances. Consumers usually compare items across brands or stores.

REF: 154

 94. ANS: E

Quality modifications entail changing a product's dependability or durability.

REF: 156

 95. ANS: C

Style modifications change the aesthetics of a product rather an its quality or functionality.

REF: 156

 96. ANS: B

This is the definition of a global brand.

REF: 158

 97. ANS: C

Family branding refers to the strategy of marketing several different products under the same brand name.

REF: 159

 98. ANS: A

The siding is a group of closely related products.

REF: 155

 99. ANS: C

Convenience products are relatively inexpensive items that merit little shopping effort.

REF: 154

 100. ANS: E

Functional modifications involve changes in a product’s versatility, effectiveness, convenience, or safety. Nestle is attempting to make its existing products more versatile and effective.

REF: 156