**review for midterm spring 2015**

**Multiple Choice**

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

\_\_\_\_ 1. One facet of marketing is that it is:

|  |  |
| --- | --- |
| a. | an approach that focuses on maximizing sales |
| b. | a short-term oriented approach to profit maximization |
| c. | an approach that requires diversity |
| d. | a philosophy that stresses customer satisfaction |
| e. | independent of value creation |

\_\_\_\_ 2. 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. |

\_\_\_\_ 3. Firms with a \_\_\_\_\_ orientation focus on the internal capabilities of the firm rather than on the desires and needs of the marketplace.

|  |  |
| --- | --- |
| a. | sales |
| b. | production |
| c. | market |
| d. | customer |
| e. | customer-benefit |

\_\_\_\_ 4. The \_\_\_\_\_ orientation assumes people will buy more if aggressive selling techniques are used.

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

\_\_\_\_ 5. Which marketing management philosophy focuses on the question, “What do customers want and need?”

|  |  |
| --- | --- |
| a. | Sales |
| b. | Production |
| c. | Product |
| d. | Market |
| e. | Internal |

\_\_\_\_ 6. Frequent-flyer programs are an example of financial incentives to customers in exchange for their continuing patronage. After flying a certain number of miles or flying a specified number of times, the frequent-flyer program participant earns a free flight or some other award such as free lodging. Airlines that use frequent-flyer programs are practicing:

|  |  |
| --- | --- |
| a. | commitment selling |
| b. | transaction marketing |
| c. | transformational marketing |
| d. | marketing engineering |
| e. | relationship marketing |

\_\_\_\_ 7. Which of the following is a type of strategic alternative that tries to increase market share among existing customers?

|  |  |
| --- | --- |
| a. | Vertical integration |
| b. | Product penetration |
| c. | Divestment |
| d. | Horizontal integration |
| e. | Market penetration |

\_\_\_\_ 8. 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 Walmart |
| d. | Yoplait sends yogurt coupons to its existing customers |
| e. | 3M distributes Breathe Right nasal strips in Europe |

\_\_\_\_ 9. \_\_\_\_\_ is a strategy that attempts to attract new customers to existing products.

|  |  |
| --- | --- |
| a. | Product development |
| b. | Market development |
| c. | Market penetration |
| d. | Product penetration |
| e. | Diversification |

\_\_\_\_ 10. In order to expand its sales into the U.S. market, BRL, an Australia-based winemaker, agreed to a merger with a U.S.-based wine distribution company. According to Ansoff’s strategic opportunity matrix, BRL would be implementing a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | diversification |
| b. | market development |
| c. | product development |
| d. | divestment |
| e. | product penetration |

\_\_\_\_ 11. \_\_\_\_\_ is a marketing strategy that creates new products for present markets.

|  |  |
| --- | --- |
| a. | Product penetration |
| b. | Market penetration |
| c. | Product development |
| d. | Market development |
| e. | Diversification |

\_\_\_\_ 12. Kraft introduced Philadelphia Ready-To-Eat Cheesecake Filling for those who do not have time to make cheesecake in the traditional manner. This is an example of a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | diversification |
| b. | market development |
| c. | product development |
| d. | divestment |
| e. | product penetration |

\_\_\_\_ 13. The marketing of new organic cotton tee-shirts for Life is good’s existing customers would be an example of a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | market development |
| b. | product development |
| c. | market penetration |
| d. | product penetration |
| e. | diversification |

\_\_\_\_ 14. \_\_\_\_\_ is the strategy of increasing sales by introducing new products into new markets.

|  |  |
| --- | --- |
| a. | Product penetration |
| b. | Product development |
| c. | Market penetration |
| d. | Market development |
| e. | Diversification |

\_\_\_\_ 15. Orange growers in Florida have lost millions of dollars due to hurricanes. As a result, some growers have decided to bulldoze their orange groves and put in freshwater lakes for raising shrimp, a product that has a strong popularity and is more weather resistant. Former orange growers who are now raising shrimp are pursuing a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | market penetration |
| b. | product development |
| c. | diversification |
| d. | market development |
| e. | product penetration |

\_\_\_\_ 16. The company that manufactures Molson beer, which is typically consumed by males, launched an alcoholic lemonade beverage to attract more females. This launch of a new product to attract a new market for Molson’s products is an illustration of a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | market development |
| b. | market penetration |
| c. | product penetration |
| d. | product development |
| e. | diversification |

\_\_\_\_ 17. For most American consumers, the brand name Benetton brings to mind a retail clothing store that carries many products that bear the Benetton brand. But Edizone Holding, which also owns a chain of restaurants, several toll roads in Italy, and a telecommunications company, holds the Benetton Group. The list of the company’s holdings indicates that the company’s managers believe in growth through:

|  |  |
| --- | --- |
| a. | market penetration |
| b. | diversification |
| c. | product development |
| d. | market development |
| e. | market integration |

\_\_\_\_ 18. Which of the following categories in the portfolio matrix is a market leader and growing fast?

|  |  |
| --- | --- |
| a. | Star |
| b. | Meteor |
| c. | Cash cow |
| d. | Shiner |
| e. | Top dog |

\_\_\_\_ 19. A business unit that usually generates more than it needs to maintain its market share is called a(n) \_\_\_\_\_ in the portfolio matrix.

|  |  |
| --- | --- |
| a. | star |
| b. | cash cow |
| c. | problem child |
| d. | dog |
| e. | independent |

\_\_\_\_ 20. Which of the following represents a business unit that shows rapid growth but poor profit margins?

|  |  |
| --- | --- |
| a. | Star |
| b. | Cash cow |
| c. | Problem child |
| d. | Loss leader |
| e. | Dog |

\_\_\_\_ 21. In the portfolio matrix, a business unit that has low growth potential and a small market share is called a(n):

|  |  |
| --- | --- |
| a. | widow |
| b. | problem child |
| c. | cash cow |
| d. | dog |
| e. | bust |

\_\_\_\_ 22. A statement of the firm’s business based on a careful analysis of benefits sought by present and potential customers and an analysis of existing and anticipated environmental conditions is known as a(n):

|  |  |
| --- | --- |
| a. | business audit |
| b. | marketing plan |
| c. | mission statement |
| d. | environmental focus |
| e. | portfolio matrix |

\_\_\_\_ 23. By defining its business as “printing books” instead of “empowering imaginations,” a children’s book publishing company would more than likely experience:

|  |  |
| --- | --- |
| a. | market synergy |
| b. | product entropy |
| c. | market harvesting |
| d. | nonspecific strategic planning |
| e. | marketing myopia |

\_\_\_\_ 24. The SWOT acronym refers to a firm’s analysis of its:

|  |  |
| --- | --- |
| a. | sales, width of product mix, observations, and technology |
| b. | situations, wealth, organizational strengths, and target markets |
| c. | strengths, weaknesses, opportunities, and threats |
| d. | service levels, willingness to spend, organizational culture, and total revenues |
| e. | strategies, willingness to change, objectives, and trends |

\_\_\_\_ 25. The set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition is known as a(n):

|  |  |
| --- | --- |
| a. | environmental advantage |
| b. | experience curve |
| c. | competitive advantage |
| d. | market segment |
| e. | strategic business unit |

\_\_\_\_ 26. Land O’Lakes makes a light butter with canola oil that has 60 percent less cholesterol and 50 percent less fat and calories than butter. This marketing gives the product a:

|  |  |
| --- | --- |
| a. | strategic edge |
| b. | competitive advantage |
| c. | tactical strength |
| d. | marketing mix |
| e. | mission statement |

\_\_\_\_ 27. Walmart realizes a \_\_\_\_\_ using its relationships with suppliers to give customers low prices and good customer service.

|  |  |
| --- | --- |
| a. | brand name strategy |
| b. | niche competitive advantage |
| c. | cost competitive advantage |
| d. | marketing competitive advantage |
| e. | synergistic competitive advantage |

\_\_\_\_ 28. Technol Medical Products makes specialty face masks to shield healthcare workers from infection. Because it focuses on this narrow market, it is able to outsell its primary competitors––3M and Johnson & Johnson. Technol has a(n):

|  |  |
| --- | --- |
| a. | aggregated positioning strategy |
| b. | demarketing focus |
| c. | heterogeneous target marketing strategy |
| d. | cost competitive advantage |
| e. | niche competitive advantage |

\_\_\_\_ 29. An advantage that cannot be copied by the competition is called a(n) \_\_\_\_\_ competitive advantage.

|  |  |
| --- | --- |
| a. | sustainable |
| b. | monopolistic |
| c. | primary |
| d. | unique |
| e. | dominant |

\_\_\_\_ 30. The \_\_\_\_\_ is the unique blend of product, place, promotion, and pricing strategies designed to produce mutually satisfying exchanges with a target market.

|  |  |
| --- | --- |
| a. | internal environmental mix |
| b. | marketing mix |
| c. | product mix |
| d. | product line |
| e. | market portfolio |

\_\_\_\_ 31. Making sure products are available when and where customers want them is the job of which element of the marketing mix?

|  |  |
| --- | --- |
| a. | Advertising strategies |
| b. | Production strategies |
| c. | Product strategies |
| d. | Promotion strategies |
| e. | Distribution strategies |

\_\_\_\_ 32. Which of the following statements describes ethics?

|  |  |
| --- | --- |
| a. | Ethics are the moral principles or values that generally govern the conduct of an individual. |
| b. | Ethics is the standard of behavior by which conduct is judged. |
| c. | Morals are a foundation for ethical behavior. |
| d. | Ethical values are situation specific and time oriented. |
| e. | All of the statements describe ethics. |

\_\_\_\_ 33. Ethical development can be thought as having three levels. The most basic, childlike level is the \_\_\_\_\_ stage.

|  |  |
| --- | --- |
| a. | preconventional morality |
| b. | transformationalism |
| c. | conventional morality |
| d. | postconventional morality |
| e. | actualized morality |

\_\_\_\_ 34. Hallie is a calculating, self-centered salesperson. She never engages in relationship marketing. She looks on any sales situation as a “win–lose” situation, and she believes any legal method she can use is justified when she wins. Hallie is most likely at the \_\_\_\_\_ stage of ethical development.

|  |  |
| --- | --- |
| a. | preconventional morality |
| b. | transformationalism |
| c. | conventional morality |
| d. | egocentrism |
| e. | basic morality |

\_\_\_\_ 35. \_\_\_\_\_ is the concern of business for the long-range welfare of both the company and its relationships to the society within which it operates.

|  |  |
| --- | --- |
| a. | Consumerism |
| b. | Corporate social responsibility |
| c. | Cultural sensitivity |
| d. | Conventional morality |
| e. | Environmental consideration |

\_\_\_\_ 36. 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. | business’s concern for society’s welfare |
| e. | coordination of social programs for publicity purposes |

\_\_\_\_ 37. Which of the following statements about the theory of sustainability is true?

|  |  |
| --- | --- |
| a. | Sustainability is an internal process in which companies match resources and objectives. |
| b. | Sustainability is the idea that socially responsible companies will outperform their peers when they focus on the world’s problems as marketing opportunities. |
| c. | According to the theory of sustainability, a company cannot be socially responsible without a code of ethics and managerial support of that code. |
| d. | According to the theory of sustainability, ethical behavior should never be viewed as the means of obtaining a competitive advantage. |
| e. | Sustainability is only successful if it focuses on organizational strengths. |

\_\_\_\_ 38. The movement to develop and market products designed to minimize negative effects on the physical environment or to improve the environment is known as:

|  |  |
| --- | --- |
| a. | enviromarketing |
| b. | green marketing |
| c. | cause marketing |
| d. | social marketing |
| e. | minimalist marketing |

\_\_\_\_ 39. A(n) \_\_\_\_\_ is a defined group that managers feel is most likely to buy a firm’s product.

|  |  |
| --- | --- |
| a. | target market |
| b. | buying center |
| c. | aggregated unit |
| d. | consumer cluster |
| e. | demographic sample |

\_\_\_\_ 40. Consumers’ concern for health issues affects the way food is marketed. For example, marketers must now list the number of grams of transfat on a product’s nutrition label because it has recently come to light that this type of fat is harmful. Consumers’ concern for health issues is a(n) \_\_\_\_\_ factor.

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

\_\_\_\_ 41. The growth of social media use has resulted in:

|  |  |
| --- | --- |
| a. | decreased connection to each other |
| b. | Facebook losing viewers |
| c. | decreased discretionary income |
| d. | more component lifestyles |
| e. | increased exchange of information |

\_\_\_\_ 42. The study of people’s vital statistics, such as age, race and ethnicity, and location, is called:

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

\_\_\_\_ 43. Which of the following is NOT a demographic characteristic of a population?

|  |  |
| --- | --- |
| a. | Income level |
| b. | Age |
| c. | Values |
| d. | Education |
| e. | Birthrate |

\_\_\_\_ 44. \_\_\_\_\_ is the primary determinant of a person’s earning potential.

|  |  |
| --- | --- |
| a. | Race |
| b. | Education |
| c. | Social class |
| d. | Gender |
| e. | Marital status |

\_\_\_\_ 45. \_\_\_\_\_ is measured by comparing income to the relative cost of a set standard of goods and services in different geographic areas.

|  |  |
| --- | --- |
| a. | Gross individual profit |
| b. | Purchasing power |
| c. | Net profit |
| d. | Relative pricing |
| e. | Price escalation |

\_\_\_\_ 46. \_\_\_\_\_ is a measure of the decrease in the value of money, expressed as the percentage reduction in value since the previous year.

|  |  |
| --- | --- |
| a. | Inflation |
| b. | Recession |
| c. | Depression |
| d. | Consumer break-even |
| e. | Price escalation |

\_\_\_\_ 47. A period of economic activity characterized by negative growth, which reduces demand for goods and services, is called a(n):

|  |  |
| --- | --- |
| a. | stagnation |
| b. | inflation |
| c. | recession |
| d. | price escalation |
| e. | parity |

\_\_\_\_ 48. Shabby Chic fashion boutique has responded to economic trends by placing an emphasis on improving the quality of merchandise it offers, improving customer service, and reducing its cost of goods sold because consumers are not shopping as much as they used to due to lower purchasing power. Shabby Chic is apparently dealing with which level of economic activity?

|  |  |
| --- | --- |
| a. | Stagflation |
| b. | Recession |
| c. | Inflation |
| d. | Stagnation |
| e. | Distension |

\_\_\_\_ 49. The number of firms a company must face, the relative size of these firms, and the degree of interdependence within the industry are all part of its \_\_\_\_\_ environment.

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

\_\_\_\_ 50. Individuals and organizations utilizing a global vision to effectively market goods and services across the world are engaged in:

|  |  |
| --- | --- |
| a. | international selling schemes |
| b. | borderless commerce |
| c. | global marketing standardization |
| d. | global logistics |
| e. | global marketing |

\_\_\_\_ 51. Basketball is played nearly everywhere in the world and is an easily understood sport. The National Basketball Association (NBA) finals reached more than 600 million televisions in 195 countries. From this information, you should be able to infer that the NBA is:

|  |  |
| --- | --- |
| a. | developing international selling schemes |
| b. | implementing standard international marketing |
| c. | implementing global marketing standardization |
| d. | supplementing its foreign vision |
| e. | practicing global marketing |

\_\_\_\_ 52. 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. |

\_\_\_\_ 53. The primary reason large U.S. companies send U.S. jobs abroad is because labor costs are higher in the United States. They are engaging in:

|  |  |
| --- | --- |
| a. | outsourcing |
| b. | global trade |
| c. | multinational employee searches |
| d. | employee export |
| e. | global employment |

\_\_\_\_ 54. Globalization:

|  |  |
| --- | --- |
| a. | relies on strong government regulations to keep down prices |
| b. | promotes economic freedom and increases living standards |
| c. | tends to dry up the flow of foreign capital in less developed countries |
| d. | has made it easier for governments to abuse the freedom and property of their citizens |
| e. | has kept wages low in developing countries around the world |

\_\_\_\_ 55. Otis Elevators has entered into a strategic alliance with a company in France from which it gets its elevator door systems. It has a similar agreement with a manufacturer in Japan that provides it with special motor drives. A manufacturer in Spain has worked closely with Otis to create small geared parts necessary for the manufacture of elevators. The component parts are assembled at its plant in the United States. Otis elevators can be found in buildings all over the world. Otis Elevators is an example of a(n):

|  |  |
| --- | --- |
| a. | cultural marketer. |
| b. | global trader. |
| c. | multinational corporation. |
| d. | exporting company. |
| e. | global enterprise. |

\_\_\_\_ 56. With a \_\_\_\_\_, a firm produces standardized products to be sold the same way all over the world.

|  |  |
| --- | --- |
| a. | traditional marketing strategy |
| b. | global marketing standardization approach |
| c. | product extension approach |
| d. | culturally based marketing strategy |
| e. | synergistic approach to marketing |

\_\_\_\_ 57. Central to any society is a common set of values shared by its citizens that determines what is socially acceptable. Marketers refer to these values collectively as a country’s:

|  |  |
| --- | --- |
| a. | ethical system. |
| b. | culture. |
| c. | Ethnocentrism. |
| d. | national personality. |
| e. | Socialization. |

\_\_\_\_ 58. A tax levied on the goods entering a country is called a(n):

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

\_\_\_\_ 59. Which method of entering the global marketplace would be LEAST risky?

|  |  |
| --- | --- |
| a. | Exporting |
| b. | Licensing |
| c. | Contract manufacturing |
| d. | Joint ventures |
| e. | Direct investment |

\_\_\_\_ 60. Which method of entering the global marketplace would be most risky?

|  |  |
| --- | --- |
| a. | Licensing |
| b. | Direct investment |
| c. | Contract manufacturing |
| d. | Joint ventures |
| e. | Exporting |

\_\_\_\_ 61. Which list correctly ranks the methods of entering the global marketplace in increasing order of risk?

|  |  |
| --- | --- |
| a. | Exporting, licensing and franchising, contract manufacturing, joint venture, and direct investment |
| b. | Importing, contract manufacturing, licensing and franchising, joint venture, and direct investment |
| c. | Licensing, franchising, contract manufacturing, joint venture, direct investment, and exporting |
| d. | Franchising, contract manufacturing, joint venture, direct investment, importing, and licensing |
| e. | Importing, contract manufacturing, joint venture, direct investment, and exporting |

\_\_\_\_ 62. \_\_\_\_\_ is a legal process whereby a firm agrees to let another firm use its manufacturing process, trademarks, patents, trade secrets, or other proprietary knowledge in return for a fee or royalty.

|  |  |
| --- | --- |
| a. | A joint venture |
| b. | Divestment |
| c. | Licensing |
| d. | A principal-agent agreement |
| e. | A contract manufacturing arrangement |

\_\_\_\_ 63. 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. |

\_\_\_\_ 64. 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. |

\_\_\_\_ 65. When IKEA, the Swedish home furnishings retailer, first entered the Japanese market, it failed. It was more successful in its second try because it was aware of the need to adapt its furnishings to fit the smaller Japanese homes. It success on its second foray into Japan was based on its ability to give the Japanese consumer what he or she needed without abandoning its product strategy. IKEA had to adopt a \_\_\_\_\_ strategy.

|  |  |
| --- | --- |
| a. | product substitution |
| b. | market differentiation |
| c. | message adaptation |
| d. | product invention |
| e. | product adaptation |

\_\_\_\_ 66. The pricing component of the global marketing mix is:

|  |  |
| --- | --- |
| a. | the same in domestic and foreign markets |
| b. | fairly simplistic due to the strength of the U.S. dollar abroad |
| c. | the easiest element to implement successfully |
| d. | complicated by product penetration strategies |
| e. | a complex matter due to tariffs, exchange rates, and transportation costs, insurance, and taxes. |

\_\_\_\_ 67. The processes consumers use when making purchase decisions are called:

|  |  |
| --- | --- |
| a. | consumer behavior. |
| b. | marketing. |
| c. | consumerism. |
| d. | perceptual mapping. |
| e. | database mining. |

\_\_\_\_ 68. Which step in the consumer decision-making process is a result of an imbalance between actual and desired states?

|  |  |
| --- | --- |
| a. | Evaluation of alternatives |
| b. | Want recognition |
| c. | Purchase |
| d. | Need recognition |
| e. | Postpurchase behavior |

\_\_\_\_ 69. After a need or want is recognized, a consumer may search for information about the various alternatives available to satisfy it. This occurs during which part of the consumer decision-making process?

|  |  |
| --- | --- |
| a. | Evaluation of alternatives |
| b. | Information search |
| c. | Cognitive dissonance |
| d. | Consideration stage |
| e. | Product identification |

\_\_\_\_ 70. The steps of the consumer decision-making process in order are:

|  |  |
| --- | --- |
| a. | need recognition, alternative aggregation, reevaluation, purchase decision, postpurchase behavior |
| b. | need positioning, stimulus response reactions, evaluation of alternatives, purchase decision, postpurchase behavior |
| c. | need positioning, alternative aggregation and divestment, purchase decision, postpurchase evaluation |
| d. | information search, need positioning, evaluation of alternatives, product trial, purchase decision, postpurchase satisfaction |
| e. | need recognition, information search, evaluation of alternatives, purchase, and postpurchase behavior |

\_\_\_\_ 71. An external information search is especially important when:

|  |  |
| --- | --- |
| a. | there is a great deal of past experience |
| b. | there are high costs associated with making an incorrect decision |
| c. | the cost of gathering information is high |
| d. | buying frequently purchased, low-cost items |
| e. | there is little risk of making an incorrect decision |

\_\_\_\_ 72. A group of brands resulting from an information search, from which a buyer can choose is referred to as the buyer’s:

|  |  |
| --- | --- |
| a. | evoked set |
| b. | primary set |
| c. | inert set |
| d. | complete set |
| e. | justifiable set |

\_\_\_\_ 73. Rose is shopping for a new camera. She has set a maximum of $250 as the highest price she will pay, so she doesn’t even bother considering cameras that cost more than that. Rose is narrowing the number of available choices by using a:

|  |  |
| --- | --- |
| a. | cost margin |
| b. | product attribute |
| c. | cutoff |
| d. | boundary |
| e. | knockoff |

\_\_\_\_ 74. Inner tension that a consumer experiences after recognizing an inconsistency between behavior and values or opinions is referred to as:

|  |  |
| --- | --- |
| a. | cognitive dissonance. |
| b. | psychological discomfort. |
| c. | affect referral. |
| d. | perceptual imbalance. |
| e. | Dissatisfaction. |

\_\_\_\_ 75. How can marketers reduce consumers’ cognitive dissonance?

|  |  |
| --- | --- |
| a. | Offer guarantees |
| b. | Offer sales promotions |
| c. | Avoid contradictory information |
| d. | Change the product |
| e. | Ignore it |

\_\_\_\_ 76. The types of products people purchase using routine response behavior are typically:

|  |  |
| --- | --- |
| a. | frequently purchased, low-cost items |
| b. | frequently purchased, high-cost items |
| c. | infrequently purchased, low-cost items |
| d. | infrequently purchased, high-cost items |
| e. | all types of items, regardless of price or frequency of purchase |

\_\_\_\_ 77. 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 a home office |
| d. | The purchase of toilet paper |
| e. | The purchase of an infant car seat |

\_\_\_\_ 78. The type of decision making that requires a moderate amount of time for gathering information and deliberating about an unfamiliar brand in a familiar product category is referred to as:

|  |  |
| --- | --- |
| a. | routine response behavior |
| b. | limited decision making |
| c. | extensive decision making |
| d. | uninvolved decision making |
| e. | affective decision making |

\_\_\_\_ 79. When a consumer is purchasing an unfamiliar, expensive product or an infrequently bought item, he or she is practicing:

|  |  |
| --- | --- |
| a. | extensive decision making |
| b. | cognitive harmonizing |
| c. | limited problem solving |
| d. | strategic behavior |
| e. | stimulus discrimination |

\_\_\_\_ 80. Alanna is looking into purchasing a scooter as gas prices continue to rise. She needs a reasonably priced, comfortable, and safe scooter with room to store her books. She is not familiar with scooters, and this is a major purchase for her. The purchase will probably involve:

|  |  |
| --- | --- |
| a. | low-involvement problem solving |
| b. | low-involvement decision making |
| c. | extensive decision making |
| d. | limited decision making |
| e. | dedicated cognitive behavior |

\_\_\_\_ 81. When Avril went to purchase a birthday card for her new boyfriend, she went to three stores and spent four hours reading over 500 cards before selecting the perfect one. This card (which cost $3.25) is properly designated as a high-involvement product because of:

|  |  |
| --- | --- |
| a. | product involvement |
| b. | situational involvement |
| c. | shopping involvement |
| d. | enduring involvement |
| e. | all of these |

\_\_\_\_ 82. A group in society, such as family, friends, or a professional organization, that influences an individual’s purchasing behavior is called a(n):

|  |  |
| --- | --- |
| a. | reference group |
| b. | conformist group |
| c. | opinion group |
| d. | social group |
| e. | influential group |

\_\_\_\_ 83. You are the brand manager for a new line of allergy-relief drugs. Which of the following methods might you employ to use opinion leadership/reference groups to help stimulate demand for your products?

|  |  |
| --- | --- |
| a. | Create ads that show the typical consumer performing a healthy lifestyle activity. |
| b. | Develop a promotional campaign that tells customers they “deserve to use” these products. |
| c. | Drop the price of your new products to the point where customers will realize they are getting a bargain. |
| d. | Develop a promotional campaign that emphasizes safety and security needs being fulfilled by these healthcare products. |
| e. | Use a series of ads showing different healthcare associations and societies endorsing the use of these healthcare products. |

\_\_\_\_ 84. Opinion leaders are:

|  |  |
| --- | --- |
| a. | wealthy, well-educated individuals. |
| b. | experts on all high-involvement consumer goods. |
| c. | usually the same individuals for all social classes. |
| d. | people who influence others. |
| e. | easy to locate and target. |

\_\_\_\_ 85. When consumers change or distort information that conflicts with their feelings or beliefs, it is called:

|  |  |
| --- | --- |
| a. | selective distortion |
| b. | selective dissonance |
| c. | intermittent reinforcement |
| d. | selective retention |
| e. | selective exposure |

\_\_\_\_ 86. Cassandra, an accounting major, read an article stating that accounting graduates are receiving the highest starting salary offers for business majors. The article also stated that marketing majors start with lower salaries but surpass all other majors’ salaries within ten years. A week later, Cassandra doesn’t remember reading this last part of the article, just the first part. This is an example of:

|  |  |
| --- | --- |
| a. | selective distortion |
| b. | selective exposure |
| c. | intermittent reinforcement |
| d. | selective socialization |
| e. | selective retention |

\_\_\_\_ 87. Ranked from the lowest to the highest level, Maslow’s hierarchy of needs model includes:

|  |  |
| --- | --- |
| a. | safety, esteem, social, physiological, and self-actualization needs |
| b. | physiological, social, esteem, economic, and self-actualization needs |
| c. | psychological, safety, economic, esteem, and social needs |
| d. | physiological, safety, social, esteem, and self-actualization needs |
| e. | safety, economic, social, esteem, and self-development needs |

\_\_\_\_ 88. A product is defined as a business product rather than a consumer good on the basis of its:

|  |  |
| --- | --- |
| a. | intended use. |
| b. | physical characteristics. |
| c. | price. |
| d. | distribution method. |
| e. | tangible attributes. |

\_\_\_\_ 89. \_\_\_\_\_ is a measure of a Web site’s effectiveness and is calculated by multiplying the frequency of visits times the duration of a visit times the number of pages viewed during each visit.

|  |  |
| --- | --- |
| a. | Effective reach |
| b. | Effective frequency |
| c. | Gross rating points |
| d. | Interactiveness |
| e. | Stickiness |

\_\_\_\_ 90. A cooperative agreement between business firms is called a:

|  |  |
| --- | --- |
| a. | shared capital contract. |
| b. | global partner development strategy. |
| c. | strategic alliance. |
| d. | joint contract. |
| e. | comarketing effort. |

\_\_\_\_ 91. A particular segment of the business market includes those individuals and organizations that purchase goods and services for the purpose of making a profit. They achieve this goal by using purchased goods and services to make other goods, to become part of other goods, or to facilitate the daily operations of the organization. This group is called the \_\_\_\_\_ segment of the business market.

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

\_\_\_\_ 92. According to the text, another commonly used name for producers is:

|  |  |
| --- | --- |
| a. | fabricators. |
| b. | installers. |
| c. | original equipment manufacturers. |
| d. | product providers. |
| e. | component networks. |

\_\_\_\_ 93. Businesses that buy finished goods and sell them for a profit are called:

|  |  |
| --- | --- |
| a. | inventory carriers. |
| b. | producers. |
| c. | distribution networks. |
| d. | resellers. |
| e. | business facilitators. |

\_\_\_\_ 94. What would a U.S. company that manufactures the lighted signs used in amusement parks, at outdoor sports arenas, for restaurant promotion, and by state departments of transportation on the sides of roads use to facilitate its market segmentation and targeting if it wanted data that were readily available and usable?

|  |  |
| --- | --- |
| a. | A large amount of marketing research, including scanner data and focus groups |
| b. | Other competing firms as a strategic alliance referral service |
| c. | Government bidding processes |
| d. | The North American Industry Classification System |
| e. | Derived demand |

\_\_\_\_ 95. The demand for consumer goods often affects the demand for business products. This characteristic of business markets is called \_\_\_\_\_ demand.

|  |  |
| --- | --- |
| a. | elastic |
| b. | inelastic |
| c. | fluctuating |
| d. | derived |
| e. | joint |

\_\_\_\_ 96. As the demand for VCR players has fallen, so has the demand for blank VHS tapes because the demand for VHS tapes is an example of a(n) \_\_\_\_\_ demand.

|  |  |
| --- | --- |
| a. | joint |
| b. | inelastic |
| c. | elastic |
| d. | fluctuating |
| e. | derived |

\_\_\_\_ 97. When demand for a product is \_\_\_\_\_, an increase or decrease in the price of the product will not significantly affect demand for the product.

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

\_\_\_\_ 98. \_\_\_\_\_ is commonplace in business marketing and can sometimes occur over several months.

|  |  |
| --- | --- |
| a. | Negotiation |
| b. | Need mediation |
| c. | Customerization |
| d. | Purchase arbitration |
| e. | Disintermediation |

\_\_\_\_ 99. General Motors buys engines for use in its vehicles from BorgWarner, which in turn buys many of the vehicles it needs from GM. This is an example of:

|  |  |
| --- | --- |
| a. | nested demand. |
| b. | derived demand. |
| c. | reciprocity. |
| d. | elastic demand. |
| e. | circular buying. |

\_\_\_\_ 100. Which type of business product includes such capital goods as large or expensive machines, mainframe computers, blast furnaces, generators, airplanes, and buildings?

|  |  |
| --- | --- |
| a. | Major equipment |
| b. | Raw materials |
| c. | Component parts |
| d. | Accessory equipment |
| e. | Investment goods |

\_\_\_\_ 101. Which type of business product represents goods, such as portable tools and office equipment that are less expensive and shorter-lived than major equipment?

|  |  |
| --- | --- |
| a. | Accessory equipment |
| b. | Component parts |
| c. | Processed goods |
| d. | Supplies |
| e. | Intermediate goods |

\_\_\_\_ 102. Unprocessed extractive or agricultural products, such as copper, peanuts, soybean, bauxite, fruits, ore, and so on, that become part of finished products are examples of:

|  |  |
| --- | --- |
| a. | supplies. |
| b. | OEM parts. |
| c. | component parts. |
| d. | processed materials. |
| e. | raw materials. |

\_\_\_\_ 103. Finished items ready for assembly, or products that need very little processing before they become a part of some other product, are called:

|  |  |
| --- | --- |
| a. | supplies. |
| b. | raw materials. |
| c. | accessory equipment. |
| d. | processed materials. |
| e. | component parts. |

\_\_\_\_ 104. Products that have had some processing are used directly in the production of other products, and do not retain their identity in the final product are called:

|  |  |
| --- | --- |
| a. | raw materials. |
| b. | supplies. |
| c. | processed materials. |
| d. | component parts. |
| e. | replacement parts. |

\_\_\_\_ 105. \_\_\_\_\_ are consumable, inexpensive, and often standardized items that do not become part of the final product.

|  |  |
| --- | --- |
| a. | Processed materials |
| b. | Supplies |
| c. | Provisions |
| d. | Accessory equipment |
| e. | Replacement parts |

\_\_\_\_ 106. A dentist hired a janitorial service to clean her office every evening. The janitorial service provided the dentist with:

|  |  |
| --- | --- |
| a. | OEMs. |
| b. | processed services. |
| c. | business services. |
| d. | accessory services. |
| e. | service supplies. |

\_\_\_\_ 107. The \_\_\_\_\_ is the set of all persons in an organization who become involved in the purchasing process.

|  |  |
| --- | --- |
| a. | buying center |
| b. | stakeholder committee |
| c. | ad hoc purchasing staff |
| d. | board of directors |
| e. | comptroller’s staff |

\_\_\_\_ 108. The three most important evaluative criteria for business-to-business purchases are quality, price, and:

|  |  |
| --- | --- |
| a. | competitive offers. |
| b. | service. |
| c. | reliability. |
| d. | assurance. |
| e. | existing relationships. |

\_\_\_\_ 109. Business buyers use a variety of criteria to evaluate alternative products and suppliers. The three most important criteria, in order of importance, are:

|  |  |
| --- | --- |
| a. | price, sales support, and service. |
| b. | quality, service, and price. |
| c. | reputation, price, and capability. |
| d. | price, delivery time, and product reliability. |
| e. | service, quality, and reputation. |

\_\_\_\_ 110. A university is considering the purchase of a Web-based course delivery system due to increased demand for online courses and degrees. Since the school has not offered online courses before, what type of buying situation does this represent for the school?

|  |  |
| --- | --- |
| a. | Value engineering task |
| b. | Modified rebuy |
| c. | Straight rebuy |
| d. | New buy |
| e. | Derived rebuy |

\_\_\_\_ 111. Apple, Inc. wants a faster microprocessor for its new Macs. Apple most likely engaged in a:

|  |  |
| --- | --- |
| a. | value engineering task. |
| b. | modified rebuy. |
| c. | straight rebuy. |
| d. | new process. |
| e. | new buy. |

\_\_\_\_ 112. A routine purchasing situation in which the purchaser is not looking for new information or other suppliers is called a:

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

\_\_\_\_ 113. A market is people or organizations that have:

|  |  |
| --- | --- |
| a. | the ability, willingness, and power to buy. |
| b. | a medium of exchange and products they desire. |
| c. | needs and wants and an ability and willingness to buy. |
| d. | unmet needs or wants and products or services that satisfy those unmet needs or wants. |
| e. | communication, financial, and capital resources. |

\_\_\_\_ 114. \_\_\_\_\_ is the process of dividing a market into meaningful groups that are relatively similar and identifiable.

|  |  |
| --- | --- |
| a. | Perceptual mapping |
| b. | Positioning |
| c. | Micromarketing |
| d. | Market sampling |
| e. | Market segmentation |

\_\_\_\_ 115. The purpose of market segmentation is to:

|  |  |
| --- | --- |
| a. | reduce the market down to a size the firm can handle |
| b. | divide the market into equal size and profit regions for sales territories |
| c. | group a large number of markets together, enabling a company to serve them simultaneously |
| d. | develop a generalized definition of the market as a whole |
| e. | enable the marketer to tailor marketing mixes to meet the needs of one or more specific groups |

\_\_\_\_ 116. To be useful, a segmentation scheme must produce segments that meet four basic criteria. The criteria are:

|  |  |
| --- | --- |
| a. | segmentability, targetability, reliability and validity, and homogeneity |
| b. | tangibility, inseparability, nonperishability, and uniqueness |
| c. | substantiality, identifiability and measurability, accessibility, and responsiveness |
| d. | reliability, flexibility, tangibility, and unbiased |
| e. | complexity, compatability, relative advantage, trialability, and observability |

\_\_\_\_ 117. \_\_\_\_\_ is the segmenting of markets based on the region of the country or the world, market size, market density (number of people within a certain unit of land), or climate.

|  |  |
| --- | --- |
| a. | Community segmentation |
| b. | Geographic segmentation |
| c. | Geodemographic segmentation |
| d. | PRIZM segmentation |
| e. | Demonstrated regionalization |

\_\_\_\_ 118. Income, ethnic background, gender, and age are all examples of \_\_\_\_\_ segmentation bases.

|  |  |
| --- | --- |
| a. | geodemographic |
| b. | organizational |
| c. | demographic |
| d. | socioeconomic |
| e. | psychographic |

\_\_\_\_ 119. *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 |

\_\_\_\_ 120. Abbeville Press published a book by Armin Brott and Jennifer Ash entitled *The Expectant Father: Facts, Tips, and Advice for Dads-to-Be*. It is an advice book for men whose partners are expecting a baby. What demographic variables have been used to define the market for this book?

|  |  |
| --- | --- |
| a. | Benefit desired and lifestyle |
| b. | Gender and family life cycle stage |
| c. | Age, gender, and personality |
| d. | Benefit desired and gender |
| e. | Usage-rate and lifestyle |

\_\_\_\_ 121. 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. |

\_\_\_\_ 122. \_\_\_\_\_ segmentation is based on personality, motives, and lifestyles.

|  |  |
| --- | --- |
| a. | Psychographic |
| b. | Demographic |
| c. | Benefit |
| d. | Family life cycle |
| e. | Character |

\_\_\_\_ 123. \_\_\_\_\_ is a method that clusters potential customers into neighborhood lifestyle categories and is a combination of geographic, demographic, and lifestyle segmentations.

|  |  |
| --- | --- |
| a. | Geodemographic segmentation |
| b. | Microsegmentation |
| c. | Sociocultural clustering |
| d. | Acculturation |
| e. | Lifestyle segmentation |

\_\_\_\_ 124. Miller Lite’s long-running “Great Taste...Less Filling!” advertising campaign was ranked by *Advertising Age* magazine as the 8th-best advertising campaign in history. Miller Lite was using \_\_\_\_\_ segmentation in this ad campaign.

|  |  |
| --- | --- |
| a. | geographic |
| b. | demographics |
| c. | psychographics |
| d. | benefit |
| e. | usage rate |

\_\_\_\_ 125. Which type of segmentation divides a market by the amount of product bought or consumed?

|  |  |
| --- | --- |
| a. | Benefit segmentation |
| b. | Characteristic segmentation |
| c. | Usage-rate segmentation |
| d. | Demographic segmentation |
| e. | Psychographic segmentation |

\_\_\_\_ 126. Most airline frequent flyer programs reward the most frequent flyers with business class upgrades and flight lounge privileges. Airlines are using these rewards as a means of implementing \_\_\_\_\_ segmentation.

|  |  |
| --- | --- |
| a. | lifestyle |
| b. | motive |
| c. | usage-rate |
| d. | demographic |
| e. | personality |

\_\_\_\_ 127. What does the 80/20 principle propose?

|  |  |
| --- | --- |
| a. | Roughly 80 percent of the profit comes from 20 percent of the sales. |
| b. | Roughly 80 percent of a firm’s customers are repeat business. |
| c. | Roughly 50 percent of a firm’s customers purchase 80 percent of the sales volume of the product. |
| d. | Roughly 20 percent of a firm’s customers purchase 80 percent of the sales volume of the product. |
| e. | Sales are equally divided among heavy, medium, and light users, but they all need slightly different products. |

\_\_\_\_ 128. 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 |

\_\_\_\_ 129. Firms can be categorized by the type of purchasing strategy they use. \_\_\_\_\_ usually contact familiar suppliers and place an order with the first that can meet product and delivery requirements.

|  |  |
| --- | --- |
| a. | Strugglers |
| b. | Actualizers |
| c. | Optimizers |
| d. | Satisficers |
| e. | Experiencers |

\_\_\_\_ 130. Firms can be categorized by the type of purchasing strategy used. \_\_\_\_\_ consider numerous, even unfamiliar, suppliers and solicit and analyze options.

|  |  |
| --- | --- |
| a. | Satisficers |
| b. | Strivers |
| c. | Optimizers |
| d. | Actualizers |
| e. | Innovators |

\_\_\_\_ 131. A(n) \_\_\_\_\_ is a group of people or organizations for which an organization designs, implements, and maintains a marketing mix intended to meet the needs of that group, resulting in mutually satisfying exchanges.

|  |  |
| --- | --- |
| a. | heterogeneous segment |
| b. | target market |
| c. | responsive segment |
| d. | aggregated market |
| e. | undifferentiated target |

\_\_\_\_ 132. Which of the following is a potential disadvantage associated with an undifferentiated strategy?

|  |  |
| --- | --- |
| a. | Large competitors may more effectively market to niche segment |
| b. | Unimaginative product offerings |
| c. | Segments too small |
| d. | High costs |
| e. | Loss of synergy |

\_\_\_\_ 133. One segment of a market is called a:

|  |  |
| --- | --- |
| a. | slice |
| b. | wedge |
| c. | pocket |
| d. | slot |
| e. | niche |

\_\_\_\_ 134. Which target marketing strategy views the market as one big market with no individual segments and thus uses a single marketing mix?

|  |  |
| --- | --- |
| a. | Undifferentiated |
| b. | Concentrated |
| c. | Niche |
| d. | Uniform |
| e. | Multisegmented |

\_\_\_\_ 135. A(n) \_\_\_\_\_ strategy entails selecting one segment of a market to target and focuses on understanding the needs, motives, and satisfactions of the members of that segment, as well as on developing a highly specialized marketing mix.

|  |  |
| --- | --- |
| a. | universal product |
| b. | undifferentiated targeting |
| c. | concentrated targeting |
| d. | market development |
| e. | product development |

\_\_\_\_ 136. When a firm serves two or more well-defined market segments with a distinct marketing mix for each, it is using a(n) \_\_\_\_\_ targeting strategy.

|  |  |
| --- | --- |
| a. | undifferentiated |
| b. | concentrated |
| c. | niche |
| d. | multisegment |
| e. | pluralistic |

\_\_\_\_ 137. A potential disadvantage of multisegment targeting is \_\_\_\_\_, which occurs when sales of a new product cut into sales of a firm’s existing products.

|  |  |
| --- | --- |
| a. | cannibalization |
| b. | synergy |
| c. | positioning |
| d. | demarketing |
| e. | inelastic demand |

\_\_\_\_ 138. When Procter & Gamble (P&G) introduced Liquid Tide to a new segment, consumers in the traditional powdered detergent segment switched to the liquid product. Rather than real sales growth, P&G simply experienced the shifting of existing customers to a new product. This exemplifies a drawback of multisegment targeting strategy called:

|  |  |
| --- | --- |
| a. | demarketing |
| b. | selective perception |
| c. | undifferentiation |
| d. | cannibalization |
| e. | market repositioning |

\_\_\_\_ 139. Product positioning is the process of:

|  |  |
| --- | --- |
| a. | finding the correct location for retail outlets to sell a product category. |
| b. | finding the right channel of distribution for a product. |
| c. | creating the desired image of the firm’s product. |
| d. | competing with competitors’ products in the retailers’ stores for the best position on the shelf. |
| e. | pricing the product to be at a competitive level with other brands on the market. |

\_\_\_\_ 140. 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 |

\_\_\_\_ 141. Which of the following is a means of displaying or graphing, in two or more dimensions, the location of products, brands, or groups of products in customers’ minds?

|  |  |
| --- | --- |
| a. | Perceptual mapping |
| b. | Product positioning |
| c. | Market segmentation |
| d. | Product tracing |
| e. | Laddering |

\_\_\_\_ 142. Changing consumers’ perceptions of a brand in relation to competing brands is known as:

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

\_\_\_\_ 143. The Southern Company is the largest provider of utilities in the southeastern United States. It has also been accused of being the biggest source of industrial air pollution in the area. Southern is trying to change consumers’ perceptions of the company by sponsoring a series of television programs on how to preserve our environment. The Southern Company is hoping the programming will lead to:

|  |  |
| --- | --- |
| a. | repositioning |
| b. | reengineering |
| c. | demarketing |
| d. | undifferentiated targeting |
| e. | one-to-one marketing |

**review for midterm spring 2015**

**Answer Section**

**MULTIPLE CHOICE**

1. ANS: D

Marketing has two facets. First, it is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction. Second, marketing is an organization function and a set of processes used to implement this philosophy.

OBJ: 01-1 BNK: Chapter 1—An Overview of Marketing

2. 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.

OBJ: 01-1 BNK: Chapter 1—An Overview of Marketing

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.

OBJ: 01-2 BNK: Chapter 1—An Overview of Marketing

4. ANS: B

The sales orientation assumes aggressive selling is what is needed to increase demand.

OBJ: 01-2 BNK: Chapter 1—An Overview of Marketing

5. ANS: D

A market orientation is based on the marketing concept, which is the idea that the social and economic justification for an organization’s existence is the satisfaction of customer wants and needs while meeting organizational objectives.

OBJ: 01-2 BNK: Chapter 1—An Overview of Marketing

6. ANS: E

The strategy that entails forging long-term partnerships with customers is called relationship marketing.

OBJ: 01-3 BNK: Chapter 1—An Overview of Marketing

7. ANS: E OBJ: 02-3

BNK: Chapter 2—Strategic Planning for Competitive Advantage

8. ANS: D

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

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

9. ANS: B

This is the definition of a market development.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

10. ANS: B

Market development refers to the attracting of new markets (in this case, U.S. consumers) to existing products.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

11. ANS: C

This is the definition of product development.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

12. ANS: C

A product development strategy entails the creation of a new product for existing markets.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

13. ANS: B

Product development is the introduction of new products to existing customers.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

14. ANS: E

This is the definition of a diversification strategy.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

15. ANS: C

Diversification is defined as selling a new product to a new market.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

16. ANS: E

Diversification is a strategy of increasing sales by introducing new products into new markets.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

17. ANS: B

Diversification is defined as strategy of increasing sales by selling new products to a new market.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

18. ANS: A

A star is a fast-growing market leader.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

19. ANS: B

A cash cow is in a low-growth market, but the product has a dominant market share, so it generates more cash than it needs to maintain its market share.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

20. ANS: C

This is the definition of a problem child, also called a question mark.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

21. ANS: D

This is the definition of a dog in the portfolio matrix.

OBJ: 02-3 BNK: Chapter 2—Strategic Planning for Competitive Advantage

22. ANS: C

This is the definition of a mission statement, which answers the question, “What business are we in?”

OBJ: 02-4 BNK: Chapter 2—Strategic Planning for Competitive Advantage

23. ANS: E

Publishing books focuses on one product rather than a broad range of opportunities as found in “empowering imaginations.”

OBJ: 02-4 BNK: Chapter 2—Strategic Planning for Competitive Advantage

24. ANS: C

SWOT stands for strengths, weaknesses, opportunities, and threats.

OBJ: 02-5 BNK: Chapter 2—Strategic Planning for Competitive Advantage

25. ANS: C

This is the definition of competitive advantage.

OBJ: 02-6 BNK: Chapter 2—Strategic Planning for Competitive Advantage

26. ANS: B

A competitive advantage is set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition.

OBJ: 02-6 BNK: Chapter 2—Strategic Planning for Competitive Advantage

27. ANS: C

Having a cost competitive advantage means being the low-cost competitor in an industry while maintaining satisfactory profit margins.

OBJ: 02-6 BNK: Chapter 2—Strategic Planning for Competitive Advantage

28. ANS: E

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

OBJ: 02-6 BNK: Chapter 2—Strategic Planning for Competitive Advantage

29. ANS: A

This is the definition of a sustainable competitive advantage.

OBJ: 02-6 BNK: Chapter 2—Strategic Planning for Competitive Advantage

30. ANS: B

This is the definition of a marketing mix.

REF: 25 OBJ: 02-9

BNK: Chapter 2—Strategic Planning for Competitive Advantage

31. ANS: E

Distribution strategies make products available when and where customers want them.

OBJ: 02-9 BNK: Chapter 2—Strategic Planning for Competitive Advantage

32. ANS: E

Ethics refers to the moral principles or values that generally govern the conduct of an individual or a group. Ethics also can be viewed as the standard of behavior by which conduct is judged.

OBJ: 03-1 BNK: Chapter 3—Ethics and Social Responsibility

33. ANS: A

The three levels morality are preconventional (the most basic), conventional, and postconventional.

OBJ: 03-2 BNK: Chapter 3—Ethics and Social Responsibility

34. ANS: A

Preconventional morality is the most basic level of morality.

OBJ: 03-2 BNK: Chapter 3—Ethics and Social Responsibility

35. ANS: B

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

OBJ: 03-3 BNK: Chapter 3—Ethics and Social Responsibility

36. ANS: D

This is the definition of corporate social responsibility.

OBJ: 03-3 BNK: Chapter 3—Ethics and Social Responsibility

37. ANS: B

Sustainability is the idea that socially responsible companies will outperform their peers by focusing on the world’s social problems and viewing them as opportunities to build profit and help the world at the same time.

OBJ: 03-3 BNK: Chapter 3—Ethics and Social Responsibility

38. ANS: B

This is the definition of green marketing.

OBJ: 03-3 BNK: Chapter 3—Ethics and Social Responsibility

39. ANS: A

This is the definition of a target market.

OBJ: 04-1 BNK: Chapter 4—The Marketing Environment

40. ANS: E

Social factors include our attitudes, values, and lifestyles.

OBJ: 04-2 BNK: Chapter 4—The Marketing Environment

41. ANS: E

Social media allows the creation and exchange of user-generated content, which facilitates greater exchange of information among consumers.

OBJ: 04-2 BNK: Chapter 4—The Marketing Environment

42. ANS: E

This is the definition of demography.

OBJ: 04-3 BNK: Chapter 4—The Marketing Environment

43. ANS: C

Values are a social factor.

OBJ: 04-3 BNK: Chapter 4—The Marketing Environment

44. ANS: B

Only 1 percent of those with a high school education earn over $100,000 annually; by comparison, 13 percent of college-educated workers earn six figures or more.

OBJ: 04-5 BNK: Chapter 4—The Marketing Environment

45. ANS: B

This is the definition of purchasing power. Another way to think of purchasing power is income minus the cost of living (i.e., expenses).

OBJ: 04-5 BNK: Chapter 4—The Marketing Environment

46. ANS: A

This is the definition of inflation.

OBJ: 04-5 BNK: Chapter 4—The Marketing Environment

47. ANS: C

This is the definition of a recession.

OBJ: 04-5 BNK: Chapter 4—The Marketing Environment

48. ANS: B

Recession is a period of economic activity characterized by negative growth.

OBJ: 04-5 BNK: Chapter 4—The Marketing Environment

49. ANS: D

Management has little control over the competitive environment confronting a firm.

OBJ: 04-8 BNK: Chapter 4—The Marketing Environment

50. ANS: E

Global marketing targets markets throughout the world.

OBJ: 05-1 BNK: Chapter 5—Developing a Global Vision

51. ANS: E

Global marketing targets markets throughout the world.

OBJ: 05-1 BNK: Chapter 5—Developing a Global Vision

52. 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.

OBJ: 05-1 BNK: Chapter 5—Developing a Global Vision

53. ANS: A

Job outsourcing is sending U.S. jobs abroad.

OBJ: 05-1 BNK: Chapter 5—Developing a Global Vision

54. ANS: B

Globalization expands economic freedom, spurs competition, and raises the productivity and living standards of people in countries that open themselves up to the global marketplace.

OBJ: 05-1 BNK: Chapter 5—Developing a Global Vision

55. ANS: C

Otis Elevators is heavily engaged in international trade beyond exporting and importing.

OBJ: 05-2 BNK: Chapter 5—Developing a Global Vision

56. ANS: B

Global marketing standardization is the production of uniform products that can be sold the same way all over the world.

OBJ: 05-2 BNK: Chapter 5—Developing a Global Vision

57. ANS: B

This is the definition of culture.

OBJ: 05-3 BNK: Chapter 5—Developing a Global Vision

58. ANS: E

This is the definition of a tariff.

OBJ: 05-3 BNK: Chapter 5—Developing a Global Vision

59. ANS: A

See Exhibit 5.3.

OBJ: 05-4 BNK: Chapter 5—Developing a Global Vision

60. ANS: B

See Exhibit 5.3.

OBJ: 05-4 BNK: Chapter 5—Developing a Global Vision

61. ANS: A

Exporting, licensing and franchising, contract manufacturing, joint venture, and direct investment are methods of entering the global marketplace in order of risk.

OBJ: 05-4 BNK: Chapter 5—Developing a Global Vision

62. ANS: C

This is the definition of licensing.

OBJ: 05-4 BNK: Chapter 5—Developing a Global Vision

63. 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.

OBJ: 05-4 BNK: Chapter 5—Developing a Global Vision

64. 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.

OBJ: 05-5 BNK: Chapter 5—Developing a Global Vision

65. ANS: E

Product adaptation is the slight alteration of the basic product (in this case, making it smaller.)

OBJ: 05-5 BNK: Chapter 5—Developing a Global Vision

66. ANS: E

In domestic pricing decisions, tariffs and exchange rates are not considered. Local government regulations are more likely to be known and understood. These are just some of the issues that make global pricing difficult.

REF: 79-80 OBJ: 05-5 BNK: Chapter 5—Developing a Global Vision

67. ANS: A

Consumer behavior describes how consumers make purchase decisions.

OBJ: 06-1 BNK: Chapter 6—Consumer Decision Making

68. ANS: D

Need recognition is the result of an imbalance between actual and desired states.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

69. ANS: B

After recognizing a need or want, consumers search for information about the various alternatives available to satisfy it.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

70. ANS: E

See Exhibit 6.1.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

71. ANS: B

If a consumer perceives a purchase to involve high risk (financial, social, etc.), an external search will lower the risk by providing more information.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

72. ANS: A

A buyer’s evoked set is the set of alternatives from which a buyer can choose; also called consideration set.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

73. ANS: C

Cutoffs are either minimum or maximum levels of an attribute that an alternative must pass to be considered.

OBJ: 06-2 BNK: Chapter 6—Consumer Decision Making

74. ANS: A

This is the definition of cognitive dissonance.

OBJ: 06-3 BNK: Chapter 6—Consumer Decision Making

75. ANS: A

Cognitive dissonance is an inner tension that a consumer experiences after recognizing an inconsistency between behavior and values or opinions, and marketers can reduce it by sending a postpurchase thank you or letter, displaying product superiority in ads, or offering guarantees.

OBJ: 06-3 BNK: Chapter 6—Consumer Decision Making

76. ANS: A

Routine response behavior is the type of decision making exhibited by consumers buying frequently purchased, low-cost goods and services.

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

77. ANS: D

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

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

78. ANS: B

This is the definition of limited decision making.

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

79. ANS: A

This is the definition of extensive decision making.

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

80. ANS: C

Customers practice extensive decision making when purchasing an unfamiliar and expensive or infrequently used product.

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

81. ANS: B

The circumstances of the purchase (birthday card for a new boyfriend) turned a typically low involvement purchase into a high-involvement purchase.

OBJ: 06-4 BNK: Chapter 6—Consumer Decision Making

82. ANS: A

This is the definition of reference group.

OBJ: 06-6 BNK: Chapter 6—Consumer Decision Making

83. ANS: E

The endorsements use the sanctioning or referral power of sources possessing high credibility.

OBJ: 06-6 BNK: Chapter 6—Consumer Decision Making

84. ANS: D

Opinion leaders are individuals who influence the opinions of others.

OBJ: 06-6 BNK: Chapter 6—Consumer Decision Making

85. ANS: A

This is the definition of selective distortion.

OBJ: 06-8 BNK: Chapter 6—Consumer Decision Making

86. ANS: E

Selective retention is the process whereby a consumer remembers only information that supports personal feelings or beliefs.

OBJ: 06-8 BNK: Chapter 6—Consumer Decision Making

87. ANS: D

See Exhibit 6.6.

OBJ: 06-8 BNK: Chapter 6—Consumer Decision Making

88. ANS: A

The key characteristic distinguishing business products from consumer products is intended use, not physical characteristics.

OBJ: 07-1 BNK: Chapter 7—Business Marketing

89. ANS: E

By measuring the stickiness factor of a Web site before and after a design or function change, the marketer can quickly determine whether visitors embraced the change.

OBJ: 07-2 BNK: Chapter 7—Business Marketing

90. ANS: C

This is the definition of a strategic alliance.

OBJ: 07-3 BNK: Chapter 7—Business Marketing

91. ANS: D

This describes the producer segment of business customers.

OBJ: 07-4 BNK: Chapter 7—Business Marketing

92. ANS: C

Original equipment manufacturers, or OEMs, include all individuals and businesses that buy business goods and incorporate them into the products they produce for eventual sale to other producers or to consumers.

OBJ: 07-4 BNK: Chapter 7—Business Marketing

93. ANS: D

The reseller market includes retail and wholesale businesses that buy finished goods and resell them for a profit.

OBJ: 07-4 BNK: Chapter 7—Business Marketing

94. ANS: D

NAICS codes enhance a company’s marketing efforts.

OBJ: 07-5 BNK: Chapter 7—Business Marketing

95. ANS: D

The demand for business products is called derived demand because organizations buy products to be used in producing their customers’ products.

OBJ: 07-6 BNK: Chapter 7—Business Marketing

96. ANS: E

The demand for VHS tapes is driven by the consumer demand for VCR players; therefore, the tapes have a derived demand.

OBJ: 07-6 BNK: Chapter 7—Business Marketing

97. ANS: C

This is the definition of inelastic demand.

OBJ: 07-6 BNK: Chapter 7—Business Marketing

98. ANS: A

Negotiating is common in business marketing.

OBJ: 07-6 BNK: Chapter 7—Business Marketing

99. ANS: C

Reciprocity is the normal business practice of using customers as suppliers of goods or services.

OBJ: 07-6 BNK: Chapter 7—Business Marketing

100. ANS: A

This describes major equipment, which is also called installations.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

101. ANS: A

This is the definition of accessory equipment.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

102. ANS: E

Raw materials are unprocessed extractive or agricultural products.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

103. ANS: E

This is the definition of component parts.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

104. ANS: C

This describes processed materials.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

105. ANS: B

This is the definition of supplies.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

106. ANS: C

Business services are functions performed by outside providers.

OBJ: 07-7 BNK: Chapter 7—Business Marketing

107. ANS: A

This is the definition of a buying center.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

108. ANS: B

Quality is the most important criterion, followed by service and price.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

109. ANS: B

The three criteria, in order of importance, are quality, service, and price.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

110. ANS: D

A new buy is a situation requiring the purchase of a product for the first time.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

111. ANS: B

When a previously purchased item needs to be reordered, but with changes or additions, it is considered a modified rebuy.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

112. ANS: D

This is the definition of straight rebuy.

OBJ: 07-8 BNK: Chapter 7—Business Marketing

113. ANS: C

A market is defined as having four imperative characteristics: people or organizations, needs and wants, ability to buy, and willingness to buy.

OBJ: 08-1 BNK: Chapter 8—Segmenting and Targeting Markets

114. ANS: E

This is the definition of market segmentation.

OBJ: 08-1 BNK: Chapter 8—Segmenting and Targeting Markets

115. ANS: E

The purpose of segmentation is to group similar consumers and to serve their needs with a specialized marketing mix.

OBJ: 08-1 BNK: Chapter 8—Segmenting and Targeting Markets

116. ANS: C

Useful segments should be substantial, identifiable and measurable, accessible, and responsive to different marketing mixes.

OBJ: 08-3 BNK: Chapter 8—Segmenting and Targeting Markets

117. ANS: B

This is the definition of geographic segmentation.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

118. ANS: C

These are demographic characteristics of consumers.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

119. ANS: A

Thirty-something women indicate demographic segmentation. The juggling act describes her lifestyle, which would represent psychographic segmentation.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

120. ANS: B

Benefit desired, personality, and lifestyle are not demographic variables.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

121. ANS: B

This describes the family life cycle.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

122. ANS: A

Personality, motives, and lifestyles are bases of psychographic segmentation.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

123. ANS: A

This is the definition of geodemographic segmentation.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

124. ANS: D

Benefit segmentation groups customers into market segments according to the benefits they seek from the product.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

125. ANS: C

This is the definition of usage-rate segmentation.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

126. ANS: C

Usage-rate segmentation divides a market by consumption so that firms can target their heavy users.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

127. ANS: D

The 80/20 principle proposes that a minority of a firm’s customers purchase a majority of the volume of the product.

OBJ: 08-4 BNK: Chapter 8—Segmenting and Targeting Markets

128. ANS: A

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

OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets

129. ANS: D

This is the definition of satisficers.

OBJ: 08-5 BNK: Chapter 8—Segmenting and Targeting Markets

130. ANS: C

This is the definition of optimizers.

OBJ: 08-5 BNK: Chapter 8—Segmenting and Targeting Markets

131. ANS: B

This is the definition of a target market.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

132. ANS: B

Too often, an undifferentiated strategy emerges by default rather than design. The result is often sterile, unimaginative product offerings that have little appeal to anyone. See Exhibit 8.2.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

133. ANS: E

A concentrated targeting strategy focuses on one segment of a market.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

134. ANS: A

A firm using an undifferentiated targeting strategy essentially adopts a mass-market philosophy, viewing the market as one big market with no individual segments.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

135. ANS: C

Concentrated targeting strategy selects one segment of a market for targeting marketing efforts.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

136. ANS: D

A firm that chooses to serve two or more well-defined market segments and develops a distinct marketing mix for each has a multisegment targeting strategy.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

137. ANS: A

Cannibalization is a situation that occurs when sales of a new product cut into sales of a firm’s existing products.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

138. ANS: D

Cannibalization occurs when sales of a new product cut into sales of a firm’s existing products.

OBJ: 08-7 BNK: Chapter 8—Segmenting and Targeting Markets

139. ANS: C

Positioning is developing a specific marketing mix to influence potential customers’ overall perception of a brand, product line, or organization in general.

OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets

140. ANS: E

This is the definition of a product’s position.

REF: 143 OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets

141. ANS: A

This is the definition of perceptual mapping.

REF: 143 OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets

142. ANS: B

This is the definition of repositioning.

OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets

143. ANS: A

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

OBJ: 08-9 BNK: Chapter 8—Segmenting and Targeting Markets