

Marketing Management

IMT-40

Multiple Choice Questions

PART-1

1. The holistic marketing framework is designed to address three key management questions. Which of the following is one of those questions?
- Value Proposition - how can value propositions be made profitable?
 - Value chain - are there weak links in the company's value chain?
 - Value network - how can a company effectively network?
 - Value exploration - how can a company identify new value opportunities?

ans. (d)

2. The marketing environment is the actors and forces outside marketing that affect marketing management's ability to:
- Ward off government intervention.
 - Develop and maintain successful transactions with its target customers.
 - Make money.
 - Increase shareholder wealth.

ans. (b)

3. Which of the following is central to any definition of marketing?
- Demand management
 - Making a Profit
 - Customer relationships
 - Making a sale

ans. (c)

4. The four Ps represent the sellers' view of the marketing tools available for influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. Robert Lauterborn suggested that the sellers' four Ps correspond to the customers' four Cs. The four Cs are -----.

- customer focus, cost, convenience, and communication
- customer solution, customer cost, convenience, and communication
- convenience, control, competition, and cost
- competition, cost, convenience, and communication

ans. (b)

5. According to the simple five-step model of the marketing process, a company needs to-----before designing a customer-driven marketing strategy.

- Build profitable relationships with customers
- Use customer relationship management to create full partnerships with key customers

- c. Construct key components of a marketing program
- d. Understand the marketplace and customer needs and wants

ans. (d)

6. Which of the following represents the most dramatic force shaping a modern marketer's destiny?

- a. Political environment
- b. Technological environment
- c. Natural environment
- d. Partnership marketing

ans. (b)

7. When backed by buying power, wants become -----.

- a. Demands
- b. Social Needs
- c. Exchanges
- d. Self-Esteem needs

ans. (a)

8. If a product has an inelastic demand and the manufacturer raises its prices, -----.

- a. Total revenue will increase
- b. Quantity demanded will increase
- c. The demand schedule will shift
- d. The demand will become more inelastic

ans. (a)

9. When marketers set low expectations for a market offering, they run the risk of-----.

- a. Incorrectly identifying a target market
- b. Decreasing customer satisfaction
- c. Failing to understand their customers' needs
- d. Failing to attract enough customers

ans. (d)

10. All of the following would be forces that might be contained in a company's microenvironment EXCEPT:

- a. Economic forces.
- b. The company itself.
- c. Marketing channel firms.
- d. Suppliers.

Ans. (a)

11. According to Theodore Levitt, who drew a perceptive contrast between the selling and marketing concepts, ----- is preoccupied with the need to convert products into cash.

- a. Marketing
- b. Selling
- c. Direct Marketing

- d. Holistic Marketing
- ans. (b)

12. A trend is-----.
- a. Predictable, short-lived, and without social, economic and political significance
 - b. Unpredictable, short-lived, and without social, economic and political significance
 - c. A direction or sequence of events that has some momentum and durability
 - d. A Direction or sequence of events that has no momentum and durability
- Ans. (c)
13. In the case of excess demand,----- may be required to reduce the number of customers or to shift demand temporarily or permanently
- a. Surplusing
 - b. Demarketing
 - c. Marketing
 - d. Negotiating
- Ans. (b)
14. Minimizing pollution form production and all environmental impacts throughout the full product life cycle is called-----.
- a. Design for environment (DFE)
 - b. Green Marketing
 - c. Environmental Sustainability
 - d. Product Stewardship
- Ans. (b)
15. ----- is the set of benefits a company promises to deliver its consumers to satisfy their needs.
- a. A money-back guarantee
 - b. An attribute
 - c. A value proposition
 - d. Good customer service
- Ans. (c)
16. Which of the following would be considered to be external to a company's internal environment?
- a. Marketing
 - b. Intermediaries
 - c. Manufacturing
 - d. Accounting
- Ans. (d)
17. Which of the following marketing management concepts is most likely to lead to marketing myopia?
- a. Customer-driving marketing
 - b. Selling
 - c. Societal marketing
 - d. Production
- Ans. (d)
18. Which of the following is a disadvantage of primary market research?
- a. Up to date

- b. Expensive to collect
- c. Focused
- d. Exclusive

Ans. (b)

19. The product concept says that a company should-----.

- a. Devote its energy to making continuous product improvements
- b. Make promoting products the top priority
- c. Market only those products with high customer appeal
- d. Focus on the target market and make products that meet those customers' demands

Ans. (a)

20. Marketing research firms, advertising agencies, and media firms would all be examples of which of the following marketing intermediaries?

- a. Financial intermediaries.
- b. Physical distribution firms.
- c. Marketing service agencies.
- d. Resellers.

Ans. (c)

21. The -----concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfaction better than competitors do.

- a. Production
- b. Product
- c. Marketing
- d. Selling

Ans. (c)

22. One of the most common problems with using internal database information is that :

- a. Since it was probably collected for some other purpose, it may be incomplete or wrong.
- b. It is usually expensive to retrieve.
- c. Top executives are usually unwilling to relinquish data, therefore the data has limits.
- d. The data is almost always unsecured and, therefore, suspect as to reliability.

Ans. (a)

23. Which of the following reflects the marketing concept philosophy?

- a. "We build them so you can buy them."
- b. "We're in the business of making and selling superior products."
- c. "You won't find a better deal anywhere."
- d. "We don't have a marketing department, we have a customer department."

Ans. (d)

24. Which of the following publics would MOST LIKELY include managers, volunteers, and the board of directors?

- a. Financial public
- b. Internal public
- c. General public
- d. Local public.

Ans. (b)

25. The ----- concept holds that firms must strive to deliver value to customers in a

way that maintains or improves both the consumer's and society's well being.

- a. Societal marketing
- b. Product
- c. Marketing
- d. Selling

Ans. (a)

26. ----- is a philosophy holding that a company's marketing should support the best long-run performance of the marketing system.

- a. Enlightened marketing
- b. Myopic marketing
- c. Fundamental marketing
- d. Conceptual marketing

Ans. (b)

27. Relationship marketing is focused upon the development of robust links between the company and its customers. Which of the following are value building approaches to customer relationship marketing?

- a. Structural, political and economic benefits
- b. Social, political and financial benefits
- c. Financial, political and economic benefits.
- d. Financial, social and structural benefits.

Ans. (d)

28. Customers buy from stores and firms that offer the highest-----.

- a. Customer perceived value
- b. Concern from society's interests
- c. Company image
- d. Level of customer satisfaction

Ans. (a)

29. Which of the following environments is primary in its effect on consumer buying power and spending patterns?

- a. Technological environment.
- b. Demographic environment.
- c. Economic environment.
- d. Cultural environment.

Ans. (c)

30. Through-----, many companies today are strengthening their connections to all partners, from providers of raw materials to components to final products that are carried to final buyers.

- a. Partnership relationship marketing
- b. Customized marketing
- c. Direct marketing
- d. Deviated marketing

Ans. (b)

31. In 1985, the Coca-Cola Company made a classic marketing blunder with its deletion of its popular Coca-Cola product and introduction of what it called New Coke. Analysts now believe that most of the company's problems resulted from poor marketing research. As the public demanded their "old Coke" back, the company relented and reintroduced Coca-Cola Classic (which has regained and surpassed its former position) while New Coke owns only 0.1 percent of the market. Which of the following marketing

research mistakes did Coca-Cola make?

- a. They did not investigate pricing correctly and priced and product too high.
- b. They did not investigate dealer reaction and had inadequate distribution.
- c. They defined their marketing research problem too narrowly.
- d. They failed to account for the Pepsi Challenge taste test in their marketing efforts.

Ans. (c)

32. When an airline goes after a "share of travel" from its customers, it is attempting to increase -----.

- a. Customer ownership
- b. Total customer spending
- c. Customer lifetime value
- d. Share of customer

Ans. (d)

33. Which of the following is not part of an organization's macro-environment?

- a. Political environment
- b. Social environment
- c. Internal environment
- d. Physical environment

Ans. (d)

34. In a market where demand from customers is strong, but the organization faces acute shortages of staff, which element of its marketing environment is likely to be most important in corporate planning?

- a. Internal environment
- b. Regulatory environment
- c. Micro-economic environment
- d. Physical environment

Ans. (a)

35. Marketing seeks to create and manage profitable customer relationships by delivering-----to customers.

- a. Competitive prices
- b. Superior value
- c. Superior service
- d. Superior promotion

Ans. (b)

36. Which of the following environments examines institutions and other forces that affect society's basic values, perceptions, preferences, and behaviors?

- a. Legal environment
- b. Cultural environment.
- c. Psychological environment.
- d. Demographic environment.

Ans. (b)

37. Railroads were once operated based on the thinking that users wanted trains rather than transportation, overlooking the challenge of other modes of transportation. This reflects the -----.

- a. Production concept
- b. Marketing concept

- c. Product concept
- d. Societal marketing concept

Ans. (c)

38. You have just taken a new position in an organization and you're learning about the job functions of your new colleagues. You observe that your marketing manager is heavily involved in the process of building and maintaining profitable customer relationships. Your marketing manager frequently speaks about the need to deliver superior customer value and satisfaction. Your marketing is concerned with which one of the following?

- a. Customer relationship management
- b. Societal marketing concept
- c. Web site hits
- d. Donor marketing

Ans. (a)

39. At work, customers decide to satisfy needs and wants through exchange. What occurs at this point?

- a. Selling
- b. Customer service
- c. Marketing
- d. Transaction marketing

Ans. (d)

40. Which of the following is not part of an organization's intermediate-environment?

- a. Channel Intermediaries
- b. Customers
- c. Statute legislation
- d. Suppliers

Ans. (c)

41. One of the following is the call of the Information Age where the customer asks:

- a. "This is what I want, will you make it safer?"
- b. "This is what I want, won't you please make it?"
- c. "Can you make it safer and sell it cheaper?"
- d. "This is what I want, can you provide more option?"

Ans. (b)

42. A tremendous advantage of modern communication and advertising tools is that marketers can zero in on selected customers with carefully-----.

- a. Selected customer profiles
- b. Customized products
- c. Flexible pricing ranges
- d. Selected targeted messages

Ans. (d)

43. Disney has been successful in selecting an overall company strategy for long-run survival and growth called-----.

- a. Tactical planning
- b. Strategic planning
- c. Futuristic planning
- d. Relationship marketing

Ans. (b)

44. Which of the following is not true of changes in a firm's technological environment?

- a. New technology allows for new ways of communicating with a firm's customers.
- b. New technology always leads to benefits for firms.
- c. New technology can allow new goods and services to be developed.
- d. New technology lowers the production learning curve.

Ans. (b)

45. Local community groups, road safety campaigning organizations and government agencies are necessarily-----a car manufacturer.

- a. Pressure groups on
- b. Regulators of
- c. Intermediaries for
- d. Shareholders of

Ans. (a)

46. Paul Pierce is busy working with other managers evaluating the products and businesses making up their company. Paul is engaged in-----.

- a. Strategic business unit analysis
- b. Preparing a business portfolio
- c. Portfolio analysis
- d. Marketing planning

Ans. (a)

47. The most commercially influential demographic group in history is-----.

- a. Generation X
- b. Baby boomers
- c. Generation Y
- d. Seniors

Ans. (b)

48. A company's marketing environment includes various-----, which consists of any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives.

- a. Teams
- b. Audiences
- c. Markets
- d. Publics

Ans. (d)

49. Firms that take an environmental management perspective will hire ----- to influence legislation affecting their industries to their advantage.

- a. Mediators
- b. Lobbyists
- c. Negotiators
- d. Politicians

Ans. (a)

50. What went wrong with Coke in 1985?

- a. Management defined its marketing research problem too narrowly.
- b. The research looked only at taste and not feeling about dropping the old Coke.
- c. No account of intangibles was taken.
- d. All of the above

ans. (d)

51. Patti Lovelace is making presentation to the owners of her company. She is rying to

convince them to conduct some current marketing research. Which of the following would she not emphasize as a benefit or selling point?

- a. Assess market potential and market share
- b. Understand customer satisfaction and purchase behavior
- c. Measure the effectiveness of pricing the accounting
- d. Measure the effectiveness of distribution and promotion activities

Ans. (a)

52. Survey research, called the backbone of primary research, is the most widely used method for primary data collection and is best suited for gathering----- information.

- a. Personal
- b. Preference
- c. Attitude
- d. Descriptive

Ans. (d)

53. Small organization can obtain most of this type of data available to large businesses with minimal effort. What type is it?

- a. Census
- b. Internet
- c. Secondary
- d. Primary

Ans. (c)

54. Recognizing that surveys can be abused, several research associations have developed -----and-----.

- a. Research conduct; standards of ethics
- b. Research ethics; standards of conduct
- c. Safeguards; public policy
- d. Research ethics; safeguards

Ans.(b)

55. Which of the following element of marketing mix customer analyzes at the last, Taking a decision of buying a particular product?

- a. Promotion
- b. Place
- c. Price
- d. Product

Ans.(a)

56. Which of the following statements is correct?

- a. Marketing is the term used to refer only to the sales function within a firm
- b. Marketing managers usually don't get involved in production or distribution decisions
- c. Marketing is an activity that considers only the needs of the organization, not the needs of society as a whole
- d. Marketing is the activity, set of institution, and processes for creating, communicating delivering, and exchanging offerings that have value of customers, clients, partners, and society at large

Ans. (d)

57. A marketing philosophy summarized by the phrase "a good product will sell itself" is characteristic of the----- period

- a. Production
- b. Sales
- c. Marketing
- d. Relationship

Ans.(c)

58. Within the micro-environment a channel of distribution can BEST be described as:

- a. All of the retailers in a country who stock a particular type of product.
- b. All of those people and organizations involved in the process of transferring a product form the producer to the consumer
- c. A route plan for as company's fleet of delivery trucks, designed to minimize the cost per delivery.
- d. A route plan for as company's fleet of delivery trucks, designed to maximize the speed of delivery.

Ans.(b)

59. The term marketing refers to:

- a. New product concepts and improvements
- b. Advertising and promotion activities
- c. A philosophy that stresses customer value and satisfaction
- d. Planning sales campaigns

Ans. (c)

60. Which of the following factors contributed to the transition from the production period to the sales period?

- a. Increased consumer demand
- b. More sophisticated production techniques
- c. Increase in urbanization
- d. The Great Depression

Ans.(b)

61. Which of the following is not a benefit for conducting environmental analysis?

- a. An increase in an organization's exposure to politically unstable markets
- b. Aid to decision making
- c. Choice of market and marketing mix
- d. Prioritize and manage risk factors

Ans. (a)

62. The ultimate aim of customer relationship management is to produce-----.

- a. Sales volume
- b. Customer equity
- c. A reliable database
- d. Profits

Ans.(b)

63. Which of the following information forms available to the marketing manager can usually be accessed more quickly and cheaply than other information sources?

- a. Marketing intelligence
- b. Marketing research
- c. Customer profiles
- d. Internal databases

Ans. (d)

64. All of the following are considered to be drawbacks of local marketing except:
- It can drive up manufacturing and marketing costs by reducing economies of scale.
 - It can create logistical problems when the company tries to meet varied requirements
 - It can attract unwanted competition
 - It can dilute the brand's overall image.

Ans. (c)

65. The company that overlooks new and better ways to do things will eventually lose customers to another company that has found a better way of serving customer needs is a major tenet of:

- Innovative marketing.
- Consumer-oriented marketing.
- Value marketing.
- Sense-of-mission marketing.

Ans. (a)

66. A (n) ----- are computerized collections of information obtained from data sources within the company.

- Retrieval systems
- Marketing research reports
- Flow diagrams and PERT charts
- Internal databases

Ans. (d)

67. When Michal Jordan and Tiger Woods use marketing to promote their careers and improve their impact and incomes, they are using:

- Cause-Related Marketing
- Idea Marketing
- Nonprofit Marketing
- Person Marketing

Ans. (d)

68. According to the text, the most dramatic of the environments that affect marketing and appears to be now shaping our world is the -----environment.

- Natural
- Demographic
- Economic
- Technological

Ans. (d)

69. In an example discussed in your text, Johnson & Johnson's recall of their Tylenol product following the discovery that several bottles of Tylenol had been laced with which business philosophy?

- The marketing concept.
- The product concept
- The selling concept

d. The societal marketing concept.

Ans. (d)

70. All of the following are criticisms leveled against marketing by critics except :

- a. Harming consumers through high prices
- b. Harming consumers through deceptive practices.
- c. Harming consumers through high-pressure selling.
- d. Harming consumers through too many product choices.

Ans. (d)

71. The major advantage of survey research is its :

- a. Simplicity
- b. Structure
- c. Organization
- d. Flexibility.

Ans. (d)

72. When personal interviewing involves inviting six to ten people to gather for a few hours with a trained interviewer to talk about a product, service, or organization, the method is called :

- a. Selective sponsorship
- b. Probing
- c. Focus group interviewing
- d. Delphi method

Ans. (c)

73. The -----holds that consumers will favor products that are available and highly affordable (therefore, work on improving production and distribution efficiency).

- a. Product Concept
- b. Production Concept
- c. Production Cost Expansion Concept
- d. Marketing Concept

Ans. (b)

74. One common misuse of marketing research findings in contemporary business is the tendency for marketing research to:

- a. Become a vehicle for pitching the sponsor's products.
- b. Become a vehicle for discriminating in the marketplace
- c. Become a means for raising prices
- d. Become a means for unfair competition

Ans. (a)

75. Good marketing is no accident, but a result of careful planning and-----.

- a. Execution
- b. Selling
- c. Strategies
- d. Tactics

Ans. (a)

76. Marketing is both an "art" and a "science"---there is constant tension between the formulated side of marketing and the -----side.

- a. Creative
- b. Selling
- c. Management

d. forecasting

Ans. (a)

77. The most formal definition of marketing is -----.

- a. Meeting needs profitably
- b. Identifying and meeting human and social needs
- c. The 4Ps (Product, Price, Place, Promotion)
- d. An organizational function and a set of processes for creating, communicating, and delivering, value to customers, and for managing customer relationships in ways that benefit the organization and its stake holders.

Ans. (d)

78. Marketing management is-----

- a. Managing the marketing process
- b. Monitoring the profitability of the company's products and services
- c. Developing marketing strategies to move the company forward
- d. The art and science of choosing target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value

Ans. (d)

79. A transaction involves-----.

- a. At least two parties
- b. Each party has something that might be of value to the other party
- c. Each party is capable of communication and delivery
- d. All of the above

Ans. (d)

80. ----- goods constitute the bulk of most countries production and marketing efforts.

- a. Durable
- b. Impulse
- c. Physical
- d. Service

Ans. (c)

81. ----- can be produced and marketed as a product.

- a. Information
- b. Celebrities
- c. Durable goods
- d. Organizations

Ans. (a)

82. A-----is someone seeking a response (attention, a purchase, a vote, a donation) from another party, called the -----.

- a. Salesperson, customer
- b. Fund raiser, contributor
- c. Politician, voter
- d. Marketer, prospect

Ans. (d)

83. In----- consumers may share a strong need that cannot be satisfied by an existing product.

- a. Negative demand
- b. Latent demand

- c. Declining demand
 - d. Irregular demand
- Ans. (b)
84. Marketers often use the term-----to cover various groupings of customers.
- a. People
 - b. Buying power
 - c. Demographic segment
 - d. Market
- Ans. (d)
85. In -----more customers would like to buy the product than can be satisfied.
- a. Latent demand
 - b. Irregular demand
 - c. Overfull demand
 - d. Excessive
 - e. Negative demand
- Ans. (c)
86. Companies selling mass consumer goods and services such as soft drinks, cosmetics, air travel, and athletic shoes and equipment spend a great deal of time trying to establish a superior brand image in markets called-----.
- a. Business markets
 - b. Global markets
 - c. Consumer markets
 - d. Nonprofit and governmental markets
- Ans. (c)
87. In business markets, advertising can play a role, but a stronger role may be played by the sales force, -----, and the company's reputation for reliability and quality.
- a. Brand image
 - b. Distribution
 - c. Promotion
 - d. Price
- Ans. (d)
88. Mohan Sawhney has proposed the concept of ----- to describe a cluster of complementary products and services that are closely related in the minds of consumers but are spread across a diverse set of industries.
- a. Metamarket
 - b. Vertical integration
 - c. Horizontal integration
 - d. Betamarket
- Ans. (a)
89. Many countries have-----industries to create greater competition and growth opportunities.
- a. Open-market
 - b. Deregulated
 - c. Regulated
 - d. Scientifically segmented
- Ans. (b)
90. Customers are showing greater price sensitivity in their search for-----.
- a. The right product

- b. The right service
- c. The right store
- d. Value

Ans. (d)

91. Industry boundaries are blurring at an incredible rate as companies are recognizing that new opportunities lie at the intersection of two or more industries this is called-----.

- a. Globalization
- b. Customization
- c. Industry convergence
- d. Heightened competition

Ans. (c)

92. The -----is practiced most aggressively with unsought goods, goods that buyers normally do not think of buying, such as insurance, encyclopedias, and funeral plots.

- a. Marketing concept
- b. Selling concept
- c. Production concept
- d. Product concept

Ans. (b)

93. The -----concept holds that consumers will favor those products that offer the most quality, performance, or innovative features.

- a. Product
- b. Marketing
- c. Production
- d. Selling

Ans. (b)

94. The ----- concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products.

- a. Production
- b. Selling
- c. Marketing
- d. Product

Ans. (b)

95. Several scholars have found that companies who embrace the marketing concept achieve superior performance. This was first demonstrated for companies practicing a-----understanding and meeting customers' expressed needs.

- a. Reactive market orientation
- b. Proactive marketing orientation
- c. Total market orientation
- d. Impulsive market orientation

Ans. (a)

96. In the course of converting to a marketing orientation, a company faces three hurdles-----.

- a. Organized resistance, slow learning, and fast forgetting
- b. Management, customer reaction, competitive response
- c. Decreased profits, increased R&D, additional distribution
- d. Customer focus, profitability, slow learning

Ans. (a)

97. Companies that practice both a reactive and proactive marketing orientation are implementing a -----and are likely to be the most successful.

- a. Total market orientation
- b. External focus
- c. Customer focus
- d. Competitive, customer focus

Ans. (a)

98. Marketers argue for a ----- in which all functions work together to respond to, serve, and satisfy the customer.

- a. Cross-functional team orientation
- b. Collaboration model
- c. Customer focus
- d. Competitive, customer focus

Ans. (c)

99.-----can be seen as the development, design, and implementation of marketing programs processes, and activities that recognizes the breadth and interdependencies of their effects.

- a. Niche marketing
- b. Holistic marketing
- c. Relationship marketing
- d. Supply-chain marketing

Ans. (b)

100. -----marketing has the aim of building mutually satisfying long-term relations with key parties such as customers, suppliers, distributors, and other marketing partners in order to earn and retain their business

- a. Holistic
- b. Demand-based
- c. Direct
- d. Relationship

Ans. (d)

101. Companies who form ----- collect information on each customer's past transactions, demographics, psychographics, and media and distribution preferences.

- a. Sales network
- b. Holistic union
- c. Marketing network
- d. Supply-chain network

Ans. (c)

102. The ability of a company to deal with customers one at a time has become practical as a result of advances in-----, computers, the Internet, and database marketing software.

- a. Improved communication flow
- b. Information technology
- c. Just-in-time manufacturing
- d. Factory customization

Ans. (d)

103. One traditional depiction of marketing activities is in terms of the marketing mix or four Ps. The four Ps are characterized as being-----.

- a. Product, positioning, place, and price

- b. Product, production, price, and place
- c. Promotion, place, positioning, and price
- d. Product, price, promotion, and place

Ans. (d)

104. The four Ps represent the sellers' view of the marketing tools available for influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. Robert Lauterborn suggested that the sellers' four Ps correspond to the customers' four Cs. The four Cs are -----.

- a. Customer focus, cost, convenience, and communication
- b. Customer solution, customer cost, convenience, and communication
- c. Convenience, control, competition, and cost
- d. Competition, cost, convenience, and communication

Ans. (b)

105. Holistic marketing incorporates -----, ensuring that everyone in the organization embraces appropriate marketing principles, especially senior management.

- a. Profit objectives
- b. Share of customer
- c. Internal marketing
- d. The marketing mix

Ans. (c)

106. Marketing is not a department so much as a -----.

- a. Company orientation
- b. Philosophy
- c. Function
- d. Branch of management

Ans. (a)

107. Holistic marketing incorporates----- and understanding broader concerns and the ethical, environmental, legal, and social context of marketing activities and programs.

- a. Safe product design
- b. Cultural marketing
- c. Social responsibility marketing
- d. Cross-functional teams

Ans. (c)

108. The -----holds that the organization's task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well-being.

- a. Customer-centered business
- b. Focused business model
- c. Societal marketing concept
- d. Ethically responsible marketing manager

Ans. (c)

109. Companies see-----as an opportunity to enhance their corporate reputation, raise brand awareness, increase customer loyalty, build sales, and increase press coverage.

- a. Cause-related marketing

- b. Brand marketing
- c. Equity marketing
- d. Direct marketing

Ans. (a)

110. When a customer has a(n) -----need he/she wants a car whose operating cost, not its initial price, is low

- a. Stated
- b. Real
- c. Unstated
- d. Delight

Ans. (b)

111. When a customer has a(n) need the customer wants to be seen by friends as a savvy consumer.

- a. Real
- b. Unstated
- c. Delight
- d. Secret

Ans. (d)

112. -----reflects the perceived tangible and intangible benefits and costs to customers.

- a. Loyalty
- b. Satisfaction
- c. Value
- d. Expectations

Ans. (c)

113. -----includes all the actual and potential rival offerings and substitutes that a buyer might consider.

- a. Competition
- b. The product offering
- c. A value proposition
- d. The supply chain

Ans. (a)

114. The-----includes the immediate actors involved in producing, distributing, and promoting the offering. The main actors are the company, suppliers, distributors, dealers, and the target customers.

- a. Operations environment
- b. Management environment
- c. Strategic environment
- d. Task environment

Ans. (d)

115. The-----process consists of analyzing marketing opportunities: selecting target markets; designing marketing strategies: developing marketing programs; and managing the marketing effort.

- a. Marketing planning
- b. Strategic planning
- c. Market research
- d. Opportunity analysis

Ans. (a)

116. Some companies are now switching from being solely product-centered (with product managers and product divisions to manage them) to being more----- centered.

- a. Competency
- b. Strategy
- c. Marketing
- d. Customer-segment

Ans. (d)

117. Companies are recognizing that much of their market value comes form-----, particularly their brands, customer base, employees, distributor and supplier relations, and intellectual capital.

- a. Variable assets
- b. The value proposition
- c. Intangible assets
- d. Tangible assets

Ans. (c)

118. Top management is going beyond sales revenue alone to examine the marketing scorecard to interpret what is happening to-----.

- a. Market share
- b. Customer satisfaction
- c. Product quality
- d. All of the above

Ans. (d)

119. A key ingredient of the marketing management process is insightful, ----- marketing strategies and plans that can guide marketing activities.

- a. Creative
- b. Measurable
- c. Macro
- d. Micro

Ans. (a)

120. The task of any business is to deliver ----- at a profit.

- a. Customer needs
- b. Products
- c. Customer value
- d. Products and services

Ans. (c)

121. The traditional view of marketing is that the firm makes something and then-----it.

- a. Markets
- b. Sells
- c. Distributes
- d. Prices

Ans. (b)

122. Today, the "mass-marker" is actually splintering into numerous-----, each with its own wants, perceptions, preference, and buying criteria.

- a. Micro markets
- b. Market targets

- c. Macro markets
 - d. Customer cliques
- Ans. (a)
123. The first phase of the value creation and delivery sequence is-----that represents the “homework” marketing must do before any product exists.
- a. Choosing the value
 - b. Market research
 - c. Target marketing
 - d. Service consideration
- Ans. (a)
124. The last step in the value creation and delivery sequence is-----the value where the sales force, sales promotion, advertising, and other communication tools announce and promote the product.
- a. Developing
 - b. Distributing
 - c. Communicating
 - d. Reversing
- Ans. (c)
125. The Japanese have refined the value delivery process to include a component that emphasizes -----.
- a. Zero servicing
 - b. Zero customer feedback time
 - c. Zero promotion
 - d. Zero dependency on intermediaries
- Ans. (b)
126. The -----is a tool for identifying ways to create more customer value.
- a. Value chain
 - b. Customer survey
 - c. Brand loyalty index
 - d. Promotion channel
- Ans. (a)
127. The-----identifies nine strategically relevant activities that crate value and cost in a specific business.
- a. Value proposition
 - b. Value chain
 - c. Mission statement
 - d. Annual report
- Ans. (b)
128. The-----in the value chain cover the sequence of bringing materials into the business (inbound logistics), converting them into final products (operation), shipping out final products (outbound logistics), marketing them (marketing and sales), and servicing them(service).
- a. Operations process
 - b. Manufacturing process
 - c. Primary activities
 - d. Secondary activities
- Ans. (c)
129. Procurement, technology development, human resource management, and firm

infrastructure are handled in certain specialized departments and are called-----.

- a. Materials handling
- b. Support activities
- c. Inventory activities
- d. Primary activities

Ans. (b)

130. The firm should estimate its competitors' costs and performances as----- against which to compare its own costs and performance.

- a. Competition
- b. Standards
- c. Challenges
- d. Benchmarks

Ans. (d)

131. The firm's success depends not only on how well each department performs its work, but also on how well the various departmental activities are coordinated to conduct-----.

- a. Core strategies
- b. Satellite businesses
- c. Core values
- d. Core business processes

Ans. (d)

132. With respect to core business processes, all the activities involved in gathering market intelligence, disseminating it within the organization, and acting on the information is referred to as the -----.

- a. Market sensing process
- b. Market research process
- c. Target marketing process
- d. Market pulse process

Ans. (a)

133. A good way to describe the -----would be discussing all the activities involved in building deeper understanding, relationships, and offerings to individual customers.

- a. Customer acquisition process
- b. Customer relationship management process
- c. Customer prospecting process
- d. Customer fulfillment management process

Ans. (b)

134. Another way to describe a value delivery network (partnering with specific suppliers and distributors) is to call it a-----.

- a. Teamwork group
- b. Cabal
- c. Domestic power center
- d. Supply chain

Ans. (d)

135. One conception of holistic marketing views it as "integrating the value exploration, ----- And value delivery activities with the purpose of building long-term, mutually satisfying relationships and co-prosperity among key stakeholders."

- a. Value creation

- b. Value proposition
 - c. Value management
 - d. Value research
- Ans. (a)
136. Holistic marketers achieve profitable growth by expanding customer share, -----, and capturing customer lifetime value.
- a. Undermining competitive competencies
 - b. Building customer loyalty
 - c. Milking the market for product desires
 - d. Renewing a customer base
- Ans. (b)
137. The customer's-----reflects existing and latent needs and includes dimensions such as the need for participation, stability, freedom, and change.
- a. Competence space
 - b. Resource space
 - c. Emotional space
 - d. Cognitive space
- Ans. (d)
138. -----allows the company to discover who its customers are, how they behave, and what they need or want. It also enables the company to respond appropriately, coherently, and quickly to different customer opportunities.
- a. Network management
 - b. Strategic management
 - c. Marketing management
 - d. Customer relationship management
- Ans. (d)
139. To respond effectively and provide value delivery, the company requires----- to integrate major business processes (e.g., order processing, general ledger, payroll, and production) within a single family of software modules.
- a. Human resource management
 - b. Internal auditing management
 - c. Internal resource management
 - d. Strategic management
- Ans. (c)
140. With respect to value delivery, -----allows the company to handle complex relationships with its trading partners to source, process, and deliver products.
- a. A value matrix
 - b. A global distribution policy
 - c. A business development strategy
 - d. Business partnership management
- Ans. (d)
141. Successful marketing requires having capabilities such as understanding-----, creating customer value, delivering customer value, capturing customer value, and sustaining customer value.
- a. Customer loyalty
 - b. Customer perks
 - c. Customer retention
 - d. Customer value

Ans. (d)

142. According to a Mc Kinsey research study, which of the following is one of the main challenges that marketing must face in the twenty-first century?

- a. The threat of ethics-based lawsuits.
- b. Doing more with less.
- c. Hostile takeover attempts.
- d. Increasing control by big governments

Ans. (b)

143. Most large companies consist of four organizational levels: the-----, the division level, the business unit level, and the product level.

- a. Board of director level
- b. Major stakeholder level
- c. Management team level
- d. Corporate level

Ans. (d)

144. -----is the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.

- a. Marketing intelligence
- b. MIS (marketing information system)
- c. Marketing research
- d. Demographics

Ans. (c)

145. The marketing manager needs to know the cost of the research project before approving it. During which of the following stages of the marketing research process would such a consideration most likely take place?

- a. Step 1- defining the problems.
- b. Step1- creating decision alternatives.
- c. Step1- drafting the research objectives.
- d. Step2- develop the research plan

Ans. (d)

146. Designing a research plan calls for decision on all of the following EXCEPT-----.

- a. Drafting research objectives
- b. Data source
- c. Research approaches
- d. Research instruments
- e. Sampling plans

Ans. (a)

147. -----are data that were collected for another purpose and already exist somewhere.

- a. Primary data
- b. Secondary data
- c. Tertiary data
- d. Inordinate
- e. Ordinate

Ans. (b)

148. Primary data can be collected in several ways. Which of the following primary data collections methods would be exemplified by constructing see- through mirrors in

a retail store whereby consumers' actions could be recorded?

- a. Focus groups
- b. Surveys
- c. Observation
- d. Behavioral data

Ans. (c)

149. A -----is a gathering of six to ten people who are carefully selected based on certain demographic, psychographic, or other considerations and brought together to discuss at length various topics of interest.

- a. Market maven
- b. Virtual research market
- c. Consumer dyad
- d. Focus group

Ans. (d)

150. -----consists of measuring and evaluating actual sales in relation to goals.

- a. ROI analysis
- b. Demand
- c. Sales analysis
- d. Performance reviews

Ans. (c)

151. A-----can be used to track period-to-period fluctuations in each ratio (e.g., marketing expense-to-sales ratio) used assist in annual plan control.

Ans. (c)

PART-2

1. When a company identifies the parts of the market it can serve best and most profitable, it is practicing-----.

- a. Concentrated marketing
- b. Mass marketing
- c. Targeted marketing
- d. Segmenting

Ans. (d)

2. Which one of the listed choices of positioning tasks is incorrect?

- a. Identify a set of possible competitive advantages to build a position.
- b. Survey frequent uses of the product.
- c. Select an overall positioning strategy.
- d. Effectively communicate and deliver the chosen position to the market.

Ans. (b)

3. A company or store gains a(n)-----by understanding customer needs better than competitors do and delivering more value.

- a. Competitive advantage
 - b. Positioning advantage
 - c. Cost advantage
 - d. Efficiency advantage
- Ans. (a)
4. Which of the following could be said to be targeting a “niche” market segment?
- a. Renault Clio
 - b. Vauxhall Astra
 - c. Ford Mondeo
 - d. Lotus Esprit
- Ans. (d)
5. Which of the following products is the best example of product of be sold to “mass market” segment?
- a. Mercedes S Class Saloon
 - b. Andrex Toilet Tissue
 - c. Cartier Watch
 - d. Organix (Organic) Baby Food
- Ans. (b)
6. The set of consumers who are buying the company’s product is the -----.
- a. Available market
 - b. Target market
 - c. Penetrated market
 - d. Total market
- Ans. (c)
7. Mr. Azad and his staff have decided to use target marketing to reach their sales goals. Which are their three steps (in order) to target marketing?
- a. Market segmentation, market positioning, and target marketing.
 - b. Target market, market positioning, and market segmentation.
 - c. Market segmentation, target marketing, and market positioning.
 - d. Market alignment, market segmentation, and market positioning.
- Ans. (c)
8. “We are what we have” would be associated with which of the following concepts?
- a. A person’s self-concept
 - b. Personality.
 - c. Attitudes.
 - d. Beliefs
- Ans. (d)
9. Even though several options are available at any one time, there is ----- to segment a market.
- a. One single best way
 - b. No single way
 - c. The most effective way
 - d. The least-cost way
- Ans. (b)
10. The-----is a useful tool which allows you to take advantage of the buyer’s comparisons, while avoiding danger involved in ‘knocking’ the competition.
- a. Comparison statement
 - b. Potential benefit

- c. Confirmed benefit
 - d. Feature
- Ans. (a)
11. Which of the following would correctly be labelled as a cultural factor that would influence consumer behaviour?
- a. Family
 - b. Social class
 - c. Lifestyle
 - d. Reference group
- Ans. (b)
12. Your firm has decided to localize its products and services to meet local market demands. A good approach to use would be-----segmentation.
- a. Geographic
 - b. benefit
 - c. end-use
 - d. customer
- Ans. (a)
13. Pendergraff Pet Supplies divides the pet market according to the owners' race, occupation, income, and family life cycle. What type of segmentation does Pendergraff use?
- a. VALS
 - b. Benefit
 - c. End-use
 - d. Demographic
- Ans. (d)
14. Which of the following is not a useful base for segmenting organizational characteristics?
- a. By turnover.
 - b. By geographical location.
 - c. By organizational size
 - d. By industry type
- Ans. (c)
15. Mattel's Barbie is an example of an age-defying product. Barbie, simultaneously timeless and trendy, is in the -----stage of the PLC.
- a. Decline
 - b. Adoption
 - c. Maturity
 - d. Growth
- Ans. (c)
16. When Burger King targets different groups from children and teens to adults and seniors-with different ads and media, it is practicing-----segmentation.
- a. Demographic
 - b. Age and life cycle
 - c. Psychographic
 - d. Behavioral
- Ans. (b)
17. The practice of going after a large share of a smaller market or subsets of a few markets is called:

- a. Undifferentiated marketing.
- b. Differentiated marketing.
- c. Concentrated marketing.
- d. Turbo marketing

Ans. (c)

18. When Positive Image, Inc., caters to clothing, cosmetics, and toiletries markets, it is probably using this type of segmentation. Which type of segmentation is it?

- a. Age and life cycle
- b. Gender
- c. Behavior
- d. Psychographic.

Ans. (b)

19. Cognitive dissonance occurs in which stage of the buyer decision process model?

- a. Need recognition
- b. Information search
- c. Evaluation of alternatives
- d. Postpurchase behavior

Ans. (d)

20. All of following would be ways to segment within the category of psychographic segmentation EXCEPT;

- a. Social class
- b. Occupation
- c. Lifestyle
- d. Personality.

Ans. (b)

21. Consumers can show their allegiance to brands, stores, or companies. Marketers can use this information to segment consumers by-----.

- a. User status
- b. Loyalty
- c. Store type
- d. Brand preference

Ans. (b)

22. The -----is a person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others.

- a. Facilitator
- b. Referent actor
- c. Opinion leader
- d. Social role player

Ans. (c)

23. -----describes changes in an individual's behavior arising from experience.

- a. Modeling
- b. Motivation
- c. Perception
- d. Learning

Ans. (d)

24. Firms gain this type of advantage through the way they design their distribution coverage, expertise, and performance. Which differentiation is it?

- a. Services differentiation.

- b. Channel differentiation.
- c. People differentiation.
- d. Product differentiation.

Ans. (c)

25. When firms use symbols, colors, or characters to convey their personalities, they are using-----differentiation.

- a. Image
- b. People
- c. Company
- d. Reputation

Ans. (a)

26. The orange juice manufacturers know that orange juice is most often consumed in the mornings. However, they would like to change this and make the drink acceptable during other time periods during the day. Which form of segmentation would they need to work with and establish strategy reflective of their desires?

- a. Gender segmentation
- b. Benefit segmentation
- c. Occasion segmentation
- d. Age and life-cycle segmentation

Ans. (c)

27. -----consists of dividing a market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes.

- a. Product differentiation
- b. Market segmentation
- c. Market targeting
- d. Market positioning

Ans. (b)

28. Consumer and business marketers use many of the same variables to segment markets. In addition, business marketers use all of the following except one. Which one?

- a. Operating characteristics.
- b. Purchasing deadlines.
- c. Situational factors.
- d. Personal characteristics.

Ans. (b)

29. In terms of special product life cycles, a-----is a basic and distinctive mode of expression.

- a. Genre
- b. Style
- c. Fashion
- d. Fad

Ans. (b)

30. -----is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

- a. Mass marketing
- b. Market segmentation
- c. Market targeting

- d. Market positioning
Ans. (c)
31. The stage is the product life cycle that focuses on expanding market and creating product awareness and trial is the:
- Decline stage
 - Introduction stage
 - Growth stage
 - Maturity stage.
- Ans. (b)
32. -----factors are the most popular bases for segmenting customer groups
- Geographic
 - Demographic
 - Psychographic
 - Behavioral
- Ans. (b)
33. It is now time to evaluate the different market segments your company is serving. You would look at all of those factors except one. Which one?
- Segment size.
 - Segment growth
 - Structural attractiveness
 - Company values and mission
- Ans. (d)
34. Even though buying roles in the family change constantly, the -----has traditionally been the main purchasing agent for the family.
- Wife
 - Husband
 - Teenage children
 - Grandparent
- Ans. (a)
35. When competitors cannot easily copy this difference to promote, we say we have a(n) -----difference.
- Distinctive
 - Profitable
 - Preemptive
 - Superior
- Ans. (c)
36. You have just created the "perfect" ad It communicates the full mix of benefits upon which the brand is positioned. This full positioning is called-----.
- Value proposition
 - AIDA
 - Capturing the consumers' attention
 - Value profiling
- Ans. (a)
37. Which of the following is NOT one of the five stage of the buyer decision process?
- Need recognition
 - Brand identification
 - Information search
 - Purchase decision

Ans. (b)

38. Developing a stronger position within several segments creates more total sales than-----marketing across all segments.

- a. Undifferentiated
- b. Differentiated
- c. Mass
- d. Target

Ans. (a)

39. A-----is a need that is sufficiently pressing to direct the person to seek satisfaction.

- a. Motive
- b. Want
- c. Demand
- d. Requirement

Ans. (a)

40. A company is practicing-----if it focuses on sub segments with distinctive traits that may seek a special combination of benefits.

- a. Micromarketing
- b. Niche marketing
- c. Mass marketing
- d. Segment marketing

Ans. (b)

41. If a consumer describes a car as being the “most economical car on the market, ”then this descriptor is a:

- a. Rule
- b. Attitude
- c. Belief
- d. Cue.

Ans. (c)

42. Once it has chosen a position, a company must take strong steps to deliver and communicate the desired position to target consumers. Which step is not correct?

- a. The company’s marketing mix efforts must support the positioning strategy.
- b. Positioning the company calls for concrete action, not just talk.
- c. Designing the marketing mix involves working out the strategic details of the positioning strategy.
- d. Its service personnel, retailers, and advertising messages must match correctly.

Ans. (d)

43. Technological advances, shifts in consumer tastes, and increased competition, all of which reduce demand for a product are typical of which stage in the PLC?

- a. Decline stage
- b. Introduction stage
- c. Growth stage
- d. Maturity stage

Ans. (a)

44. -----is the narrowest marketing strategy.

- a. Segmented strategy
- b. Local marketing
- c. Differentiated marketing

- d. Mass marketing
Ans. (b)
45. As You Like It, Inc., customizes its offers to each individual consumer. This practice of tailoring Products and marketing programs to suit the tastes of specific individuals and locations is referred to as-----marketing.
- Niche
 - Micro
 - Differentiated
 - Mass
- Ans. (b)
46. All of the following factors can affect the attractiveness of a market segment EXCEPT:
- The presence of many strong and aggressive competitors.
 - The likelihood of government monitoring.
 - Actual or potential substitute products.
 - The power of buyers in the segment.
- Ans. (b)
47. -----is a person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.
- Psychographics
 - Personality
 - Demographics
 - Lifestyle
- Ans. (b)
48. The course of a product's sales and profits over its lifetime is called:
- The sales chart.
 - The dynamic growth curve
 - The adoption cycle
 - The product life cycle
- Ans. (d)
49. When competitor's use differentiated or concentrated marketing, ----- can be suicidal.
- Differentiated
 - Undifferentiated
 - Concentrated
 - Customized
- Ans. (b)
50. As marketing manager of Swiss Chalets, a mountain and lakeside resort, you discover that consumers position products and services-----.
- After marketers put marketing mixes in place
 - Generally after consulting friends who use
 - With or without the help of marketers
 - Rather reluctantly
- Ans. (c)
51. A product's position is based on important attributes as perceived by-----.
- Suppliers
 - Competitors
 - Market conditions

d. Consumers

Ans. (d)

52. With concentrated marketing, the marketer goes after a-----share of -----.

- a. Small; a small market
- b. Small; a large market
- c. Large; one or a few niches
- d. Large; the mass market

Ans. (c)

53. The marketer wants to understand how the stimuli are changed into responses inside the consumer's-----, which has two parts. First, the buyer's characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behavior:

- a. Culture
- b. Black box
- c. Belief
- d. Lifestyle

Ans. (b)

54.-----is (are) the most basic cause of a person's wants and behavior.

- a. Culture
- b. Brand personality
- c. Cognitive dissonance
- d. New product

Ans. (a)

55. Ad man Rosser Reeves believes that firms should develop a USP for each brand and stick to it. What does USP stand?

- a. Unique selling product
- b. Unique services practices
- c. Unique sales pitch
- d. Unique selling proposition

Ans. (d)

56. Marketers are always trying to spot-----in order to discover new products that might be wanted.

- a. Lifestyles
- b. Cultural shifts
- c. Groups
- d. Dissonance

Ans. (b)

57. Cigarette, beer, and fast-food marketers have generated much controversy on recent years by their attempts to target-----.

- a. Teens
- b. The poor
- c. Inner-city minorities
- d. The poor in foreign markets

Ans. (c)

58. You have discovered that effective programs can be designed for attracting and serving your chosen segments. This segmenting requirement is called-----.

- a. Alternative evaluations

- b. Cognitive dissonances
- c. Subcultures
- d. Motives

Ans. (c)

59. Considering a product from the time it is conceived to the time it is abandoned, the -----phase is characterized by zero sales and a place where the company's investment costs amount.

- a. Introduction
- b. Maturity
- c. Decline
- d. Product development

Ans. (d)

Part-3

1. Which of the following is not a component of the visual expression of a brand?

- a. Typography
- b. Tone of Voice
- C. Design element
- d. Logo

Ans. (b)

2. Introducing new products to existing markets is an example of :

- a. Vertical diversification
- b. Conglomerate diversification
- C. Concentric diversification
- d. Horizontal diversification

Ans. (d)

3. If a marketer decides to use ware house, transportation companies, banks and insurance companies to facilitate transactions with potential buyers, the marketer is using what is called a -----.

- a. Service channel
- b. Distribution channel
- C. Relationship channel
- d. Intermediary channel

Ans. (a)

4. If planters is concerned that acquiring a taste for its new product, honey-roasted macadamia nuts, takes time, it should use -----packaging.

- a. Family
- b. Multiple
- C. Tamper-resistant
- d. Unlabeled

Ans. (b)

5. A sales representative for Coca-Cola travels to various shops and restaurants to determine how much bottles the customer needs for the coming period. The sales representative would be classified as which one of the following types of sales

- a. Order getter
- b. Inside order taker
- C. Field order taker
- d. Trade salesperson

Ans. (c)

6. A carton of orange juice has no brand name on the package, only the name of the product 'orange juice'. This is an example of-

- a. A manufacturer's brand
- b. An own label brand
- C. A no-frills brand
- d. A generic brand

Ans. (d)

7. Businesses that set their prices at around the normal market level(i.e. the same as most competitors) are said to be:

- a. Price takers
- b. Mee-too-Brands
- C. Price Copiers
- d. Discount merchants

Ans. (a)

8. Products that are inventions are known as -----.

- a. New category entry

- b. An addition to product line
- C. New-to-the-world products
- d. A product improvement

Ans. (d)

9. A growth direction through the increase in market share for present product markets denotes which of the following?

- a. Market penetration
- b. Marketing mix
- C. Market development
- d. Product development

Ans. (b)

10. Companies should state their channel objectives in terms of targeted levels of-----.

- a. Co-op advertising
- b. Fair prices
- C. Efficiency and reduced conflict
- d. Customer service

Ans. (d)

11. The goal of the marketing logistics system should be to provide:

- a. A targeted level of promotional support.
- b. A targeted level of customer services at the least cost
- C. A targeted level of transportation expense ratio.
- d. A targeted level of field support

Ans. (b)

12. When Coca-Cola and Nestle formed a joint venture to market a ready-to0drink coffee and tea worldwide, the type of marketing system that was formed would best be described as being:

- a. Vertical marketing system
- b. Parallel marketing system
- C. Diversified marketing system
- d. Horizontal marketing system

Ans. (d)

13. If Toyota described one of its cars of the future as being "a moderately priced subcompact designed as a second family car to be used around town" the car is ideal for running errands and visiting friends," then the company has just stated a potential new product in terms of a(n):
- a. Product idea
 - b. Product image
 - C. Product concept
 - d. Product feature

Ans. (c)

14. If Honda uses its company name to cover such different products as its automobiles, lawn mowers, and motorcycles, it is practicing which of the following strategies?
- a. New brand strategy
 - b. Line extension strategy
 - C. Multibrand strategy
 - d. Brand extension strategy

Ans. (d)

15. One approach to branding is to use the same brand name for everything a company produces. However there are several drawbacks to this approach. Which of the following is not an identified drawback to this approach?
- a. It is more expensive as the company has to spend money promoting all its product and also itself.
 - b. It can confuse the values of the brand where products within the branded range are too diverse.
 - C. One poorly performing product can tarnish all products carrying the name.
 - d. It can make it difficult for a company to dispose of a division or product line as the main value of a product is often the brand name.

Ans. (a)

16. The major disadvantage of a multichannel system is that it is harder to control and it can generate-----.
- a. Fewer domestic sales
 - b. Less net profit

- C. Inefficiency
- d. Greater conflict

Ans. (d)

17. Which of the following descriptions best describe the role of a supply chain?

- a. The logistics of an organization's distribution strategy.
- b. Physical distribution and payment collection.
- C. The role varies base on the nature of the environment, but can include physical ownership, payment collection, and the inclusion of after-sales service, but never involves risk or responsibility for the product.
- d. The role varies based on the nature of the environment, but can include sourcing production, marketing, sales, after-sales service, and the acceptance of risk and responsibility for the product.

Ans. (c)

18. Many organizations new to exporting will use -----method which is based on adding up all the costs of production and marketing (direct and indirect costs) and includes shipping and nay other charges plus a profit percentage.

- a. Marginal cost pricing
- b. Cost plus pricing
- C. Competitive pricing
- d. Market oriented pricing

Ans. (b)

19. Transfer pricing is due to:

- a. The operations of parallel or 'grey' marketers.
- b. Countertrading by countries.
- C. A way for International marketers to avoid paying tax.
- d. International marketers transferring goods and services in their organization between different countries.

Ans. (d)

20. Which of the following costs is most likely associated with the commercialization stage of new product development?

- a. Paying groups of target consumers for product feedback
- b. Building or renting a manufacturing facility

- C. Determining the product's planned price distribution, and marketing budget
- d. Developing a prototype of the product

Ans. (b)

21. The goal of the marketing logistics system should be to provide:

- a. A Targeted level of promotional support.
- b. A targeted level of transportation expense ratio.
- C. A targeted level of field support.

Ans. (b)

22. According to the price/quality strategy matrix, when a company overprices its product in relation to its quality it is considered to be using which type of strategy?

- a. Good-value strategy.
- b. Premium strategy.
- C. Overcharging strategy.
- d. Snob strategy.

Ans. (c)

23. -----is a good offered either free or at low cost as an incentive to buy a product.

- a. Patronage reward
- b. Spiff
- C. Price pack
- d. Premium

Ans. (d)

24. Pricing to cover variable costs and some fixed costs, as in the case of some automobile distributorships that sell below total costs, is typical of which of the following pricing objectives?

- a. Current profit maximization
- b. Product quality leadership
- C. Market share leadership
- d. Survival

Ans. (d)

25. -----are [products bought by individuals and organizations for further processing or for use in conducting a business.

- a. Consumer products
- b. Services
- C. Industrial products
- d. Specialty products

Ans. (c)

26. -----have contractual authority to sell a manufacturer's entire output.

- a. Selling agents
- b. Rack jobbers
- C. Manufacturer's agents
- d. Purchasing agents

Ans. (a)

27. The typical method of retail operation used by supermarkets and catalog showrooms is called:

- a. Self-service retailing.
- b. Limited-service retailing
- C. Full service retailing
- d. Service merchandiser

Ans. (a)

28. The total number of items that the company carries within its product lines refers to the -----of the product mix.

- a. Width
- b. Depth
- C. Length
- d. Consistency

Ans. (c)

29. The use of price points for reference to different levels of quality for a company's related products is typical of which product-mix pricing strategy?

- a. Optional-product pricing
- b. Captive-product pricing

- C. By-product pricing
- d. Product line pricing

Ans. (d)

30. Using a successful brand name to introduce additional items in a given product category under the same brand name (such as new flavors, forms, colors, added ingredients, or package sizes) is called a(n):

- a. Line extension
- b. Brand extension
- C. Multibranding
- d. New brands

Ans. (a)

31. Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need is called a(n):

- a. Idea
- b. Demand
- C. Product
- d. Service

Ans. (c)

32. Wal-Mart owned Sam's club is an example of a retail form called a(n):

- a. Factory outlet.
- b. Super specialty store.
- c. Seconds store.
- d. Warehouse club.

Ans. (d)

33. When a company enters a new product category for which its current brand names are not appropriate, it will likely follow which of the following brand strategies?

- a. Product extensions
- b. Line extensions
- c. Brand extensions
- d. New brands

Ans. (d)

34. A manufacturer has four sponsorship options. A -----is a brand created and owned by a reseller of product or service.

- a. Licensed brand

- b. Manufacturer's brand
 - c. Private brand
 - d. Co-brand
- Ans. (c)

35. -----is setting the price steps between various products in a product line based on cost differences between the products, customer evaluations of different features, and competitors prices.

- a. Optional-product pricing
 - b. Captive-product pricing
 - c. Product line pricing
 - d. By-product pricing
- Ans. (c)

36. Rolls Royce uses which of the followings distribution formats?

- a. Intensive distribution
 - b. Exclusive distribution
 - c. Selective distribution
 - d. Open distribution
- Ans. (b)

37. Drop shippers perform which of the followings functions?

- a. Assumes title and ships coal lumber or heavy equipment to a buyer.
 - b. Stocks the bread rack in a grocery store.
 - c. Maintains, owns and stocks a Cd display in a grocery store.
 - d. Sells jewelry out of a catalog.
- Ans. (a)

38. A set of interdependent organizations involved in the process of making a product or service available for use or consumption by the consumer or business user is called a(n):

- a. Retailer.
 - b. Wholesaler.
 - c. Distribution channel
 - d. Logistics.
- Ans. (c)

39. According to the price/quality strategy matrix, when a company overprices its product in relation to its quality it is considered to be using which type of strategy?

- a. Good-value strategy
 - b. Premium strategy
 - c. Overcharging strategy
 - d. Snob strategy
- Ans. (c)

40. Consumer goods with unique characteristics or brand identification often requiring a special purchase effort are called;

- a. Custom products
- b. Specialty products
- c. Convenience products
- d. Shopping products

Ans. (b)

41. A (n) -----is a retail store that carries a narrow product line with a deep assortment within that line.

- a. Shopping goods store
- b. Convenience store
- c. Specialty store
- d. Department store

Ans. (c)

42. A price reduction to buyers who buy in large volumes is called a(n):

- a. Quantity discount.
- b. Cash discount
- c. Seasonal discount
- d. Trade discount

Ans. (a)

43. R&D and engineering first produce the product concept into a physical product during which of the following stages of the new product development process?

- a. Concept development and testing
- b. Marketing strategy
- c. Business analysis
- d. Product development

Ans. (d)

44. Conflicts between different levels of the same channel of distribution are referred to as;

- a. Horizontal conflicts.
- b. Vertical conflicts
- c. Layer-based conflicts
- d. Parallel conflicts

Ans. (b)

45. Costs that do not vary with production or sales levels are called:

- a. Fixed costs
- b. Variable costs
- c. Standard costs
- d. Independent costs

Ans. (a)

46. All of the following the thought to be sources of new product ideas EXCEPT:

- a. Internal sources.
- b. Customers
- c. Competitors
- d. The local library

Ans. (d)

47. If a company (considering its options on the product/market expansion grid) chooses to move into different unrelated fields (from what it has ever done before) with new products as a means to stimulate growth, the company would be following which of the following general strategies?

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

Ans. (d)

48. -----is screening new-product ideas in order to spot good ideas and drop poor ones as soon as possible.

- a. Idea generation
- b. Concept development and testing
- c. Idea screening
- d. Brainstorming

Ans. (c)

49. The choice between high markups and high volume is part of which of the following retailer marketing decision?

- a. Target ,market decisions
- b. Product assortment and services decisions pricing decisions
- c. Pricing decisions
- d. Promotion decisions

Ans. (c)

50. When producers, wholesalers, and retailers act as a unified system, they comprise a:

- a. Conventional marketing system
- b. Power based marketing system
- c. Horizontal marketing system
- d. Vertical marketing system

Ans. (d)

51. The type of trade- promotion discount in which manufactures agree to reduce the price to the retailer in exchange for the retailer's agreement to feature the manufacturer's products in some way is called a(n)

- a. Discount
- b. Allowance

- c. Premium
 - d. Rebate.
- Ans. (b)

52. The American Marketing Association suggests a list of code of ethics. All of the following are ethics suggested in the area of distribution EXCEPT:

- a. Not manipulating the availability of a product for purpose of exploitation.
- b. Not using coercion in the marketing channel.
- c. Using gray marketers whenever possible to save the consumer money.
- d. Not exerting undue influence over the reseller's choice to handle a product.

Ans. (c)

53. A-----is the way consumers perceive an actual or potential product.

- a. Product idea
- b. Product image
- c. Product concept
- d. Product feature

Ans. (b)

54. When a company reviews sales, costs, and profit projections for a new product to find out whether these factors satisfy the company's objectives, they are in which of the following new process development stages?

- a. Concept development and testing
- b. Commercialization
- c. Business analysis
- d. Marketing strategy development

Ans. (c)

55. Why does Procter& Gamble offer products that compete with one another on the same supermarket shelves?

- a. Different people want a greater selection
- b. Different people want different mixes of benefits from the products they buy.
- c. Procter & gamble has little competition
- d. Retailers request it

Ans. (b)

56. If Mark Mars pays Hershey Foods Corporation for the right to use their name on his line of T-shirts, then Mr. Mars is using which type of branding?

- a. Licensed brand
- b. Manufacture's brand
- c. Private brand
- d. Co-brand

Ans. (a)

57. A (n) -----is a name, term, sign, symbol, or design, or a combination of these that identifies the maker or seller of a product or service.

- a. Product feature
- b. Sponsorship
- c. Brand
- d. Logo

Ans. (c)

58. ----- is a strategy of using a successful brand name to launch a new or modified product in a new category.

- a. Duobranding
- b. Line extension
- c. Brand extension
- d. Multibranding

Ans. (c)

59. One source estimates that 80 percent of new consumer packaged goods products fail. Which of the following categories accounts for most of those failures?

- a. Positioning or repositioning of new products.
- b. Line extensions
- c. Cost reductions
- d. Brand extensions

Ans. (b)

60. The first step in the new-product development process is thought to be:

- a. Idea screening
- b. Idea generation
- c. Concept development and testing
- d. Product development

Ans. (b)

61. Major sources of new-product ideas include all of the following EXCEPT:

- a. Internal sources
- b. Customers
- c. Competitors
- d. Government

Ans. (b)

62. The way consumers perceive an actual or potential product is called the:

- a. Product idea.
- b. Product form
- c. Product concept
- d. Product images

Ans. (d)

63. Which of the following would be considered to be among the issues that would be covered in the first part of a marketing strategy statement?

- a. Packaging strategy
- b. Target market strategy or description
- c. dealer strategy
- d. Advertising strategy

Ans. (b)

64. A consumer takes a tour of a new proposed store via his or her computer screen. The consumer can make suggestions as to design themes that would be attractive and he or she can also suggest merchandise options from a list provided by the Web site. Which of the following would be the form of testing that has just been described?

- a. Store-based testing.
- b. Producer sponsored testing
- c. Virtual reality test marketing
- d. Focal test marketing

Ans. (c)

65. Which of the following factors is spurring a new movement in pricing toward dynamic pricing?

- a. The federal government
- b. Strong retailers
- c. The internet
- d. Strong wholesalers

Ans. (b)

66. The four key logistics costs in a supply chain include transportation, warehousing and materials handling, inventory management and:

- a. Order processing
- b. Communication between buyer and seller.
- c. Order cycle time.
- d. Effective handling of problems.

Ans. (a)

67. -----is the practice of charging different prices depending on individual customers and situations.

- a. Fixed-pricing
- b. Standard-pricing
- c. Barter-pricing
- d. Dynamic pricing

Ans. (d)

68. All of the following are among the internal factors that affect pricing EXCEPT (Pick the LEAST LIKELY.)

- a. Globalization
- b. The company's marketing objectives.

- c. Marketing mix strategy.
- d. The organization.

Ans. (a)

69. The objectives of logistics management in a supply chain are to deliver maximum customer service and to:

- a. Minimize relevant logistics costs
- b. Minimize employee productivity
- c. Minimize shareholder's return on investment
- d. Minimize employee layoffs.

Ans. (a)

70. Before setting price, the company must decide on its strategy for:

- a. Distribution
- b. Promotion
- c. The environment
- d. The product

Ans. (d)

71. Conflict occurring between intermediaries at the same level in a marketing channel, such as between two or more retailers that handle the same manufacturer's brands is called-----conflict.

- a. Corporate
- b. Horizontal
- c. Vertical
- d. Administered

Ans. (b)

72. The type of market that consists of a few sellers who are highly sensitive to each other's pricing and marketing strategies is called:

- a. Pure competition
- b. Monopolistic competition
- c. Oligopolistic competition
- d. Pure monopoly
- e. Pure monopoly

Ans. (c)

73. The -----is a curve that shows the number of units the market will buy in a given time period, at different prices that might be charged.

- a. Price curve
- b. Cost curve
- c. Supply curve
- d. Demand curve

Ans. (d)

74. If demand is elastic rather than inelastic, sellers will consider:

- a. Lowering their price
- b. Raising their price
- c. Acquiring competitors as a means of avoiding price competition
- d. Maintaining the status quo

Ans. (a)

75. Which of the following types of vertical marketing systems is likely to experience the least channel conflict?

- a. Corporate vertical marketing system
- b. Wholesaler-sponsored voluntary chain
- c. Retailer-sponsored cooperative
- d. Franchise system

Ans. (a)

76. Setting prices to break even on the costs of making and marketing a product or make the target profit it is seeking is called:

- a. Cost-plus pricing
- b. Perceived value pricing
- c. Break even pricing
- d. Going rate pricing

Ans. (c)

77. Which type of market coverage is usually associated with shopping goods?

- a. Intensive distribution
- b. Extensive distribution
- c. selective distribution
- d. Exclusive distribution

Ans. (c)

78. Which of the following would be considered to be one of the major faults of break-even analysis and target profit pricing?

- a. They do not take into account the price-demand relationship
- b. They are very complicated to calculate.
- c. There are serious time lags in the calculation
- d. Most managers do not have confidence in the methods.

Ans. (a)

79. Which of the following pricing methods uses the idea that pricing begins with analyzing consumer needs and value perceptions, and price is set to match consumer's perceived value?

- a. Cost-based pricing
- b. Service-based pricing
- c. Psychology-based pricing
- d. Value-based pricing

Ans. (d)

80. Companies bringing out a new product face the challenge of setting prices for the first time. They can choose between two broad strategies what are these two broad strategies?

- a. Product mix strategies and pricing mix strategies
- b. Product line pricing and captive-product pricing
- c. Market-skimming pricing and market-penetration pricing
- d. Market- expansion pricing and market harvesting pricing

Ans. (c)

81. The process of setting a high price for a new product to gain maximum revenues layer by layer from the segments willing to pay the high price is called:

- a. Market – penetration pricing
- b. Market – layer pricing
- c. Market – skimming pricing
- d. Market – saturation pricing

Ans. (c)

82. When a seller selects a given city as the source from which to charge all customers freight costs from that location, they are practicing which of the following?

- a. FOB-origin pricing
- b. Uniform-delivered pricing
- c. Zone pricing
- d. Basing-point pricing

Ans. (d)

83. A contractual arrangement between a parent company and an individual or firm that allows the individual or firm to operate a certain type of business under an established name and according to specific rules is called:

- a. A corporate vertical marketing system.
- b. A wholesaler sponsored voluntary chain
- c. A retailer sponsored cooperative
- d. Franchising

Ans. (d)

84. A functional discount is also called a-----discount.

- a. Segmented
- b. Quantity
- c. Trade
- d. Service

Ans. (c)

85. A (n) -----is any intermediary who sells to other intermediaries. Usually to retailers, and usually in consumer markets.

- a. Dealer

- b. Agent or broker
 - c. Retailer
 - d. Wholesaler
- Ans. (d)

86. Intermediaries performing a transactional function in distribution are engaged in buying, selling, and:

- a. Channeling strategizing
- b. Liaising
- c. Strategizing
- d. Risk taking

Ans. (d)

87. Transactional function activities involve:

- a. Buying, selling, and risk taking
- b. Assorting sorting and storing
- c. Financing and grading
- d. Transportation

Ans. (a)

88. -----is a measure of the sensitivity of demand to changes in price

- a. price sensitivity
- b. Price comparability
- c. Price elasticity
- d. Price response

Ans. (c)

89. A company can add new products through acquisition or development. The acquisition route can take three forms. The company can buy other companies, it can acquire patents form other companies, or it can buy a-----or-----from another company.

- a. License/franchise
- b. License/receive permission
- c. Franchise/co-brand
- d. Franchise/acquire rights

Ans. (a)

90. The development route for new products takes two forms. These two forms are -----or it can-----.

- a. New products in its own labs/contract with
- b. New products in its own labs/acquire new products from existing companies
- c. Contract out for new products/acquire new products from existing companies
- d. New products in its own labs/introduce existing products as "new"

Ans. (a)

91. New-to-the- world products are -----.
- New products that create an entirely new market
 - New products that allow a company to enter an established market for the first time
 - New products that supplement established product lines(package sizes, flavors, and so on)
 - New products that provide improved performance or greater perceived value and replace existing products
- Ans. (a)

92. New product lines are-----.
- New products that create an entirely new market
 - New products that allow a company to enter an established market for the first time
 - New products that supplement established product lines (package sizes, flavors, and so on).
 - New products that provide improved performance or greater perceived value and replace existing products
- Ans. (b)

93. Additions to existing product lines are -----.
- New products that create an entirely new market
 - New products that allow a company to enter an established market for the first time
 - New products that supplement established product lines (package sizes, flavors, and so on)
 - New products that provide improved performance or greater perceived value and replace existing products
- Ans. (c)

94. Improvements and revisions of existing products are-----.
- New products that create an entirely new market
 - New products that allow a company to enter an established market for the first time
 - New products that supplement established product lines (package sizes, flavors, and so on)
 - New products that provide improved performance or greater perceived value and replace existing products
- Ans. (d)

95. Repositioning are -----.
- New products that create an entirely new market
 - New products that allow a company to enter an established market for the first time
 - New products that supplement established product lines (packages sizes, flavors, and so on)
 - Existing products that are targeted to new markets or market segments
- Ans. (d)

96. Cost reductions are-----.
- New products that create an entirely new market
 - New products that provide similar performance at lower costs
 - New products that supplement established product lines (package sizes, flavors, and so on)
 - New products that provide improved performance or greater perceived value and replace existing products
- Ans. (b)
97. Less than -----of all new products are truly innovative and new to the world.
- 15 percent
 - 20 percent
 - 10percent
 - 25 percent
 - 40percent
- Ans. (c)
98. Most new-product activity si devoted to -----existing products.
- Improving
 - Coordinating
 - Distributing
 - Pricing
- Ans. (a)
99. In an economy of rapid change, continuous innovation is necessary. Most companies -----, innovate some innovate occasionally, and few innovate, continuously.
- Rarely
 - Often
 - As needed
 - When competition introduces a new improved product
- Ans. (a)
100. Most established companies focus on-----when it comes to innovation.
- Incremental innovation
 - Continuous innovation
 - Everyday innovation
 - Demand innovation
- Ans. (a)
101. New companies create -----that are cheaper and more likely to alter the competitive space. Established companies can be slow to react or invest in these technologies because they threaten their investment.
- New products

- b. Newer markets
 - c. Newer channels of distribution
 - d. Disruptive technologies
- Ans. (d)

102. New products continue to fail at a disturbing rate. Recent studies put the rate at -----in the United States.

- a. 105 percent
- b. 95percent
- c. 85percent
- d. 90percent

Ans. (b)

103. One of the reasons new products can fail is-----.

- a. Lack of marketing expertise
- b. Government regulations
- c. Poor packaging
- d. Ignoring or misinterpreting market research

Ans. (d)

104. Besides the lack of marketing expertise, another reason why new products fail is due to -----.

- a. Lack of marketing expertise
- b. High development costs
- c. Poor packaging
- d. Government regulations

Ans. (b)

105. Another reason why new products fail at such a high rate is-----

- a. Incorrect positioning
- b. Lack of marketing expertise
- c. Poor packaging
- d. Government regulations

Ans. (a)

106. New products fail for many reasons. One to the causes of new product failure is -----.

- a. Lack of marketing expertise
- b. Ineffective advertising or wrong price
- c. Poor packaging
- d. Government regulations.

Ans. (b)

107. One of the reasons new products fail at a 95 percent rate is due to-----.

- a. Lack of marketing expertise

- b. Poor packaging
- c. Insufficient distribution support
- d. Government regulations.

Ans. (c)

108. Several factors hinder new-product development include -----.

- a. Cost of development
- b. Fragmented markets
- c. Shortage of important ideas in certain areas
- d. All of the above

Ans. (d)

109. Two factors that contribute to a successful new product are -----and-----.

- a. A unique superior product/well-defined product concept
- b. Marketing departments that have expertise in new products/well-defined product concept
- c. A firm with “deep pockets” /average product
- d. A firm with “deep pockets”/strong marketing term

Ans. (a)

110. Once a company has carefully segmented the market, chosen its target customers, identified their needs, and determined its market positioning it is better able to develop new products. Many companies today use-----to design new products.

- a. Customer-driven engineering
- b. Reverse engineering
- c. Corporate-competency engineering
- d. Trial and error

Ans. (a)

111. Many companies assign responsibility for new- product ideas to-----.

- a. Vice presidents
- b. Product managers
- c. Functional experts
- d. R&D personnel

Ans. (b)

112. -----is (are) a cross-functional group charged with developing a specific product or business.

- a. Contract manufacturing
- b. A venture team
- c. New product managers
- d. Product managers

Ans. (b)

- 113.** To bring new products to market, some companies have assigned responsibility to new- product managers, new-product departments, and high-level management committees. These would all be examples of -----.
- a. Product organizations within firms
 - b. Marketing organizations
 - c. Existing-product marketing organizations
 - d. New-product development organizations within firms
- Ans. (d)

- 114.** 3M, Hewlett-Packard, Lego, and other companies use the ----- to manage the innovation process.
- a. Stage-gate system
 - b. Joint-venture system
 - c. new product "team"
 - d. Venture team
- Ans. (a)

- 115.** The new-product development process starts with the search for -----.
- a. New concepts
 - b. Products that can be improved upon
 - c. Overseas products
 - d. Ideas
- Ans. (d)

- 116.** New product ideas can come from interacting with various groups and from using-----.
- a. Marketing resources
 - b. Financial resources
 - c. Groups
 - d. Creativity-generating techniques
- Ans. (d)

- 117.** Ideas for new products can come from many sources, such as customers, scientists, competitors, employees, channel members, and -----.
- a. Consumers
 - b. Brand management
 - c. Top management
 - d. Current users of the company's products
- Ans. (c)

- 118.** One-on-one interviews and-----discussions can explore product needs and reactions.
- a. Focus group
 - b. Strategic group
 - c. Customer relationship group

- d. Management
- Ans. (a)

- 119.** Technical companies can learn a great deal by studying customers how make the most advanced use of the company's products and who recognize the need for-----before other customers do.
- a. Changes
 - b. Improvements
 - c. Deletions
 - d. Management interaction
- Ans. (b)

- 120.** Employees can be a source of ideas for improving-----, products and services. Toyota claims its employees submit 2 million ideas annually over 85 percent of which are implemented.
- a. Production
 - b. Marketing
 - c. Advertising
 - d. Revenue
- Ans. (a)

- 121.** Company-----and intermediaries are a particular good source of ideas. These groups have firsthand exposures to customers and area often the first to learn about competitive developments.
- a. Marketing departments
 - b. Competitors
 - c. Sales representatives
 - d. Top management
- Ans. (c)

- 122.** A company should motivate its employees to submit new ideas to a(n)----- whose name and phone number are widely circulated.
- a. Idea manager
 - b. Senior product manager
 - c. Creative manager
 - d. Advertising manager
- Ans. (a)

- 123.** A-----occurs when the company dismisses an otherwise good idea.
- a. Product failure
 - b. Brand failure
 - c. Dual error
 - d. DROP-error
- Ans. (d)

124. A-----occurs when the company permits a poor idea to move into development and commercialization.
- Dual error
 - Brand failure
 - GO-error
 - DROP-error
- Ans. (c)
125. A (n) -----failure loses money when its sales do not cover variable costs.
- Strategic product
 - Market product
 - Absolute product
 - Relative product
- Ans. (c)
126. A-----loses money, but its sales cover all its variable costs and some of the fixed costs.
- Strategic product failure
 - Market product failure
 - Partial product failure
 - Relative product failure
- Ans. (c)
127. A-----yields a profit that is less than the company's target rate of return.
- Strategic product failure
 - Market product failure
 - Absolute product failure
 - Relative product failure
- Ans. (d)
128. Attractive ideas must be refined into testable product concepts. A -----is a possible product the company might offer to the market.
- Test brand
 - "alpha" product
 - "beta" version
 - Product idea
- Ans. (d)
129. A-----is an elaborated version of the idea expressed in consumer terms.
- Test brand
 - "alpha" product
 - "beta" version
 - Product concept
- Ans. (d)

- 130.** Consumer preferences for alternative product concepts can be measured through -----, a method for deriving the utility values that consumers attach to varying levels of a product's attributes.
- Marketing strategy
 - Marketing research
 - Gap level
 - Conjoint analysis
- Ans. (d)
- 131.** In the past, creating physical prototypes was costly and time-consuming, but computer-aided design and manufacturing programs have changed that. Today firms can use -----to design products on a computer, and then produce plastic models of each.
- Computer aided design
 - Rapid prototyping
 - Model making
 - Perceived reality
 - None of the above
- Ans. (b)
- 132.** Total estimated sales are the sum of estimated first-time sales, replacement sales, and -----for the new product.
- Repeat sales
 - One-time purchases
 - Infrequently purchased items
 - Consumer products
- Ans. (a)
- 133.** In estimating sales, the manager's first task is to estimate first-time purchases of the new product in each period. To estimate replacement sales, management has to research the product's-----that is, the number of units that fail in year one, two, three, and so on. The low end of the distribution indicates when the first replacement sales will take place.
- Survival-age distribution
 - Distribution
 - Obsolescence
 - Product failure
- Ans. (a)
- 134.** Companies use financial measures to evaluate the merit of a new-product proposal. The simplest to use is called-----, in which management estimates how many units of the product the company would have to sell to break even with the given price and cost structure.
- Conjoint analysis
 - Risk analysis
 - Regression analysis

d. Breakeven analysis

Ans. (d)

135. The job of translating target customer requirements into a working prototype is helped by a set of methods known as-----.

- a. Quality function deployment (QFD)
- b. Quality control processes(QFP)
- c. R&D
- d. Marketing control

Ans. (a)

136. The methodology of quality function deployment takes the list of desired -----generated by market research and turns them into a list of -----that the engineers can use.

- a. Customer attributes/engineers can use
- b. Consumer attributes/environmental attributes
- c. Customer attributes/engineering attributes
- d. Consumer attributes/ engineering specifications

Ans. (b)

137. When prototypes are ready, they must be put through rigorous functional tests and-----.

- a. Consumer behavior
- b. Customer tests
- c. Internal tests
- d. Marketing department testing

Ans. (b)

138. The-----method asks the consumer to rank three items in order of preference.

- a. Rank-order
- b. Paired-comparisons
- c. Monadic-rating
- d. Alpha-ranking

Ans. (a)

139. The-----method calls for presenting pairs of items and asking the consumer which one is preferred in each pair. People find it easy to state their preferences between two items, and this method allows the consumer to focus on the two items, noting their differences and similarities.

- a. Rank-order
- b. Paired-comparisons
- c. Monadic-rating
- d. Alpha-ranking

Ans. (b)

140. The-----method asks the consumer to rate liking to each product on a scale. By using this method, we can derive the individual's preference order and even know the qualitative levels of the person's preference for each and the rough distance between preferences.

- a. Paired-comparison
- b. Rank-order
- c. Monadic-rating
- d. Alpha-testing

Ans. (c)

141. In consumer-goods market testing, the company seeks to estimate four variables. These four variables are; trial, first repeat, adoption, and -----.

- a. Money back guarantee
- b. Price
- c. Purchase frequency
- d. Usage

Ans. (c)

142. A (n) -----is any good, service, or idea that is perceived by someone as new. The idea may have a long history, but it is new to the person who sees it as such.

- a. Product
- b. Innovation
- c. New idea
- d. Creative product

Ans. (b)

143. A dopters of new products move through five stages. These stages begin with stage one -----, and follow with interest, evaluation, trial, and adoption.

- a. Awareness
- b. Adoption
- c. Innovation
- d. Diffusion process

Ans. (a)

144. The innovation diffusion process has been defined by Rogers as" the spread of a new idea from its source of invention or creation to its ultimate. Users or adopters." The consumer -adoption process focuses on the -----process through which an individual passes form first hearing about an innovation to final adoption.

- a. Mental physical
- b. Evaluation
- c. Physical
- d. Critical path

Ans. (a)

145. Five characteristics that influence the rate of adoption of an innovation. The

first one is-----.

- a. Marketing expertise
- b. Relative advantage
- c. Packaging
- d. Government regulations

Ans. (b)

146. -----is the effect one person has on another's attitude or purchase probability.

- a. Effective influence
- b. Direct influence
- c. Market influence
- d. Personal influence

Ans. (d)

147. The degree to which the beneficial results of an innovations use are observable or describable to other is called-----.

- a. Divisibility
- b. Communicability
- c. Compatibility
- d. Relative advantage

Ans. (b)

148. In response to giant retailers and category killers, entrepreneurial retailers are building entertainment into stores with coffee bars, lectures, demonstrations, and performances. They are marketing a(n)-----rather than a product assortment.

- a. Experience
- b. Customer value
- c. Customer delight
- d. Total service solution

Ans. (a)

149. In response to threats from such companies as AOL, Amazon, Yahoo, eBay, E'TRADE, and dozens of others, established manufactures and retailers became "brick-and-click" oriented by adding online services to their existing offerings. This process became known as-----.

- a. Reintermediation
- b. Disintermediation
- c. E-commerce
- d. E-collaboration

Ans. (a)

150. If a marketer decides to use warehouses, transportation companies, banks and insurance companies to facilitate transactions with potential buyers, the marketer is using what is called a-----.

- a. Service channel

- b. Distribution channel
- c. Brand channel
- d. Relationship channel

Ans. (a)

151. At the heart of any marketing program is the -----the firm's tangible offering to the market.

- a. Service offer
- b. Product
- c. Sales support team
- d. Packaging

Ans. (b)

152. With respect to the core business processes, all the activities involved in researching, developing, and launching new high-quality offerings quickly and within budget are referred to as the-----.

- a. New product process
- b. New offering realization process
- c. Product development process
- d. Product launch process.

PART-4

1. Advertising appropriations are largest for which type of product:

- a. Industrial products
- b. Convenience goods
- c. High-priced product
- d. Specialty goods

Ans. (b)

2. In many instances the MOST appropriate way to cope with a negative event that may lead to negative publicity is to-----.

- a. Discourage news coverage of the event
- b. Deny that the event occurred
- c. Facilitate news coverage
- d. Hire a public relations firm

Ans. (c)

3. Charles Revson of Revlon observed: "In the factory, we make cosmetics: in the store,-----."
- a. We make profits
 - b. We challenge competitors
 - c. We sell hope
 - d. We sell quality

Ans. (c)

4. Which of the following is the most important consideration when choosing an event to sponsor?
- a. Consistency in the association between the event and the company's product
 - b. The length of the event
 - c. When the event occurs
 - d. The specific name of the event

Ans.(a)

5. Which of the following is a NOT type of sales?
- a. Direct sales
 - b. Aggressive sales
 - c. Consultative sales
 - d. Complex sales

Ans. (b)

6. A vertical marketing system in which independent firms at different levels of production and distribution join together through contracts to obtain more economies or sales impact than they could achieve alone is referred as:
- a. Corporate VMS
 - b. Conventional VMS

- c. Administerd VMS
- d. Contractual VMS

Ans. (a)

7. Minimizing pollution from production and all environmental impacts throughtout the full product life cycle is called-----.

- a. Design for environment(DFE)
- b. Green marketing
- c. Environmental sustainability
- d. Product stewardship

Ans. (b)

8. All of the following are reasons that marketers are losing confidence in television advertising except -----.

- a. Mass media cost continue to increase
- b. Many viewers are using video on demand and TiVo-like systems
- c. Younger consumers are using different media
- d. Television offers a high cost per exposure

Ans. (d)

9. -----represent honest points of difference between the customer and the salesperson.

- a. Objections
- b. Comparison statement
- c. Weaknesses
- d. Threats

Ans. (a)

10. Soaring media costs, focused target marketing strategies, and the growing array of new media have increased the importance of-----.

- a. Using humor to capture audience attention and interest
- b. Implementing branded entertainment
- c. Media planning
- d. The affordable method of setting promotion budget

Ans. (c)

11. The advantages of audience selectivity, no ad competition and personalization apply to which type of media?

- a. Newspapers
- b. Television
- c. Direct Mail
- d. Radio

Ans. (c)

12. What is an outcome of communication and co-operation between sales personnel?

- a. More productivity
- b. Successful selling
- c. More market growth
- d. Successful team selling

Ans. (d)

13. All of the following are methods by which a company can divide up its sales responsibilities EXCEPT:

- a. Territorial sales force structure,
- b. Psychographic trait sales force structure
- c. Product sales force structure
- d. Customer sales force structure

Ans. (b)

14. A “three-day cooling off period” in which buyers can cancel a contract after re-thinking it is to protect the consumer from:

- a. Creative selling’
- b. High pressure selling
- c. Detail selling
- d. Hard core selling

Ans. (b)

15. Each salesperson is assigned to an exclusive area in which he is to sell the company’s full line of products or services. Which is this type of sales force structure?

- a. Territorial sales force.
- b. Product sales force
- c. Customer sales force
- d. Hybrid sales force.

Ans. (a)

16. As an organization develops international sourcing experience, according to Monczka and Trent(1991:3-4), it typically progresses through four phases of the internationalization of the procurement process. They are:

- a. Domestic sourcing, internal sourcing international sourcing and global sourcing
- b. Internal sourcing domestic sourcing international sourcing and global sourcing
- c. Domestic sourcing basic international sourcing, international sourcing and global sourcing
- d. Internal sourcing domestic sourcing international sourcing and global sourcing

Ans. ©

17. A commercial company that explicitly takes into consideration the social consequences of its actions is most likely to be;

- a. Putting the needs of consumers before the company’s need for profit
- b. Acting philanthropically to their customers

- c. Seeking to combine social benefits with business profitability
- d. Acting like a public sector organization

Ans. ©

18. Concerns that the manufactures of harmful products such as tobacco have influence on lawmakers to the detriment of the public interest is used as evidence of which criticism of marketing?

- a. Too much advertising
- b. Too few social goods
- c. Cultural pollution
- d. Too much political power.

Ans. (d)

19. Regulations that arise to ensure that firms take responsibility for the social costs of their products or production processes stem form which reason for government legislation of business?

- a. To protect companies form each other
- b. To protect consumers from unfair business practices
- c. To protect the interests of society
- d. To protect businesses form unfair consumer demands.

Ans. ©

20. The biggest or greatest amount of involvement in a foreign market comes through which of the following?

- a. Exporting
- b. Joint venturing
- c. Licensing
- d. Direct investment

Ans. (d)

21. Setting call objectives is done during which of the following stages of the selling process?

- a. Prospecting
- b. Preapproach
- c. Approach
- d. Handling objections

Ans. (b)

22. In determining sales force size, when a company groups accounts into different size classes and then determines the number of salespeople needed to call on them the desired number of times, it is called the:

- a. Key-size approach
- b. Work-load approach
- c. Product-need approach
- d. Call service approach

Ans. (b)

23. The Internet evolved from a network created by-----during the 1960s.

- a. The commerce department
- b. The massachusetts institute of technology (MIT)
- c. Northwestern university
- d. The defense department

Ans. (d)

24. Sellers that handles their own exports are engages in:

- a. Direct exporting
- b. Indirect exporting
- c. Licensing
- d. Contract manufacturing

Ans. (a)

25. More and more salespeople are being evaluated and compensated based on different measures than in the past. All of the following are illustrations of those measures EXCEPT:

- a. Long term customer satisfaction
- b. Competitive predatory pricing performance
- c. Full customer service
- d. Retention rates.

Ans. (b)

26. -----includes practices such as over stating the product's features or performance, luring the customer to the store for a bargain that is out of stock, or running rigged contests.

- a. Deceptive promotion
- b. Deceptive packaging
- c. Deceptive pricing
- d. Deceptive cost structure

Ans. (a)

27. If a company's objective were to reach masses of buyers that were geographically dispersed at a low cost per exposure, the company would likely choose which of the following promotion forms?

- a. Advertising
- b. Personal selling
- c. Public relations
- d. Sales promotion

Ans.(a)

28. Type of sales presentation approach that requires good listening and problem-solving skills is the;

- a. canned approach

- b. Formula approach
- c. Need-satisfaction approach
- d. Critical-thinking approach

Ans. ©

29. Yahoo, Infoseek, and Excite are all called:

- a. Browsers
- b. Webcasters
- c. Search engines
- d. Software

Ans. ©

30. -----is the general term for a buying and selling process that is supported by electronic means.

- a. Internet commerce
- b. Web commerce
- c. Computer commerce
- d. Electronic commerce

Ans.(d)

31. -----are ads that appear while subscribers are surfing online services or Web sites, including banners, pop-up windows, "tickers,; and "roadblocks."

- a. Online infomercials
- b. Online ads
- c. Online broadcasts
- d. Online bullets

Ans. (b)

32. 3M runs a Pollution Prevention Pays program that has led to a substantial reduction in pollution and costs. This would be example of responding to which of the following?

- a. Nader's raiders
- b. The "green movement."
- c. Governmental regulation
- d. International competition

ans.(b)

33. When an international seller sells a plant, equipment, or technology to another country and agrees to take payment in resulting products, it called.

- a. Barter
- b. Buy back
- c. Counter purchase
- d. Like-value exchange

Ans. (b)

34. Which of the following promotional budget methods wrongly views sales as the cause of promotion rather than as the result?

- a. Affordable method
- b. Percentage-of-sales method
- c. Competitive-parity method
- d. Objective-and-task method

Ans. (b)

35. If the field sales force has been supplied with new leads (via the telephone) that have been qualified, they have probably been assisted by:

- a. Master salespersons
- b. Sales assistants
- c. Technical support persons
- d. Telemarketers.

Ans. (d)

36. In evaluating messages for advertising, telling how the product is better than the competing brands aims at making the ad:

- a. Meaningful
- b. Distinctive
- c. Believable
- d. Remembered

Ans. (b)

37. When an importing country sets limits on the amount of goods it will accept in certain product categories it is called a(n):

- a. Quota
- b. Barrier
- c. Tariff
- d. Embargo

Ans.(a)

38. -----is the practice of adopting policies and developing strategies that both sustain the environment and produce profits for the company.

- a. Environmentalism
- b. Environmental sustainability
- c. Consumerism
- d. Consumer accountability

Ans. (b)

39. A-----is a promotion strategy that calls for using the sales force and trade promotion to move the product through channels.

- a. Puch strategy

- b. Pull strategy
- c. Blocking strategy
- d. Integrated strategy

Ans. (a)

40. If a firm were to bid to do a “turnkey” operation where they would choose a building site, designing a cement factory to build the plant, hire construction crews, assemble materials and equipment to run the new factory, and turn over the finished factory ready to operate to the owners, the firm would be using which of the following?

- a. Core process products selling
- b. Design products selling
- c. Reciprocal selling
- d. Systems selling

Ans. (d)

41. -----is the step in the selling process in which the salesperson learns as much as possible about a prospective customer before making a sales call.

- a. Prospecting
- b. Preapproach
- c. Approach
- d. Handling objections

Ans. (b)

42. A company’s compensation plan should reflect its overall marketing strategy. For example, if the overall strategy is to grow rapidly and gain market share, the compensation plan should reward:

- a. Loyalty and perseverance
- b. Spot selling and old product rejuvenation
- c. High sales performance and encourage capturing new accounts
- d. High pressure situations and competitive reaction

Ans. ©

43. All of the following are commonly recognized promotion budget formats EXCEPT:

- a. The affordable method
- b. The LIFO method
- c. The percentage-of-sales method
- d. The objective-and-task method.

Ans. (b)

44. Today, advertising captures about-----percent of total promotion spending.

- a. 15
- b. 23
- c. 29
- d. 33

Ans.(b)

45. The last stage in the selling process is the -----stage.

- a. Approach
- b. Handling objections
- c. Closing
- d. Follow-up

Ans.(d)

46. The type of sales force structure in which the sales force sells along product lines is called a:

- a. Territorial sales force
- b. Product sale force
- c. Customer sales force

d. Retail sales force

Ans. (b)

47. The shrinking of distances due to technological advances such as computer and fax connections by telephone, are one characteristic of what new challenge to marketing?

- a. Rapid globalization
- b. The changing world economy
- c. The call for more socially responsible marketing
- d. The micro-chip revolution

Ans.(a)

48. Joining with foreign companies to produce or market products and services is called:

- a. Direct exporting
- b. Indirect exporting
- c. Licensing
- d. Joint venturing

Ans.(d)

49. If advertising constantly sends out messages about materialism, sex, power, and status, which of the following categories of social criticism most closely matches this problem?

- a. Too much advertising
- b. Too few social goods
- c. Cultural pollution
- d. Too much political power

Ans.(c)

50. If a government uses barriers to foreign products such as biases against a foreign company's bids, or product standards that go against a foreign company's product features, the government is using:

- a. Protectionism
- b. Exchange controls
- c. Exchange facilitators
- d. Nontariff trade barriers

Ans.(d)

51. If an advertiser wants flexibility, timeliness, goods local market coverage, broad acceptability, and high believability, the advertiser will probably choose which of the following mass media types?

- a. Newspapers
- b. Television
- c. Direct Mail
- d. Radio

Ans. (a)

52. If your company were to make light bulbs to be used in photocopiers, you would most likely be selling to a-----market.

- a. Reseller
- b. Business
- c. Government
- d. Service

Ans. (b)

53. -----has the advantage of being high in selectivity; low cost; immediacy; and interactive capabilities.

- a. Direct mail
- b. Outdoor
- c. Online
- d. Radio

Ans. ©

54. The most logical budget setting method is found in the list below. Which is it?

- a. Affordable method
- b. Percentage-of-sales method
- c. Competitive-parity method
- d. Objective-and –task method

Ans. (d)

55. A company faces several major decisions in international marketing. The first of these decisions is often:

- a. Deciding whether to go international
- b. Looking at the global marketing environment
- c. Deciding which markets to enter
- d. Deciding how to enter markets

Ans.(b)

56. -----involves targeting specific areas where potential customers are likely to be using public information lists to help identify prospective clients.

- a. Direct mail
- b. Radio
- c. Point of sales display
- d. Community directories

Ans. (a)

57. -----provide an opportunity to demonstrate the features and benefits of a product/service directly to the customers who may be in a position to make an immediate purchase.

- a. Direct mail

- b. Radio
- c. Point of sales display
- d. Community directories

Ans. ©

58. What does AIDA stand for?

- a. Advertisement, Interest, Demand, Acquire
- b. Advertisement, Interest, Desire, Attention
- c. Attention, Interest, Desire, Action
- d. Action, Interest, Demand, Attention

Ans. ©

59. -----is the material supplied to the magazine or newspaper to use in the production of the advertisement

- a. Data
- b. Artwork
- c. Copy
- d. Text

Ans. (b)

60. -----refers to all the features, behaviors and information which facilitate a customer's appreciation of the benefits and value of a particular business and its products/services.

- a. Customer relations
- b. Customer service
- c. Retailing
- d. Benefits

Ans.(b)

61. -----category comprises of individuals who have indicated that they are interested in you product/services.

- a. Suspects
- b. Prospects
- c. Customers
- d. Advocates

Ans.(b)

62. -----customers, make a point of explaining the reasons for their dissatisfaction, and perhaps even suggest possible ways in which to remedy the situation.

- a. Aggressive
- b. Passive
- c. Constructive
- d. Potential

Ans.(c)

63. -----method of setting promotional budgets is when you spend what you can afford.

- a. Competitive
- b. Percentage of sales
- c. Objective and tasks
- d. Arbitrary

Ans.(d)

64. -----refers to the screening of the potential customers identified, to determine which of these are most likely to buy.

- a. Prospecting
- b. Qualifying
- c. Approach

d. The close

Ans.(b)

65.A-----approach involves carefully listening to the buyer's needs and then clearly explaining how the product can satisfy them.

a. AIDA principle

b. Presentation

c. Need-satisfaction

d. Vanity

Ans.(c)