1) Marketing is best defined as:
A) matching a product with its market.
B) promoting and selling products.
C) facilitating satisfying exchange relationships.
D) distributing products at the right price to stores.

2) The expansion of the definition of marketing to include nonbusiness activities adds which one of these examples to the field of marketing?
A) Proctor and Gamble selling toothpaste.
B) St. Pauls Church attracting new members.
C) PepsiCo selling soft drinks.

3) Tom goes to a vending machine, deposits 50 pence, and receives a Cola. Which one of the following aspects of the definition of marketing is focused on here?
A) Production concept.
B) Satisfaction of organisational goals.
C) Product pricing and distribution.
D) Exchange.

4) The marketing environment is BEST described as being:
A) composed of controllable variables.
B) composed of variables independent of one another.
C) an indirect influence on marketing activity.
D) dynamic and changing.

5) A physical, concrete product you can touch is:
A) a service
B) a good
C) an idea
D) a concept
E) a philosophy

6) Chimney Sweeps employs people to clean fireplaces and chimneys in homes and apartments. The firm is primarily the marketer of:
A) a service
B) a good
C) an idea
D) an image
E) a physical entity
7) Which one of the following statements by a company chairman best reflects the marketing concept?
A) We have organised our business to make certain that we satisfy customer needs.
B) We believe that the marketing department must organise to sell what we produce.
C) We try to produce only high quality, technically efficient products.
D) We try to encourage company growth.

8) The marketing concept is a way of thinking or a management philosophy that affects:
A) only marketing activities
B) most efforts of the organisation
C) mainly the efforts of sales personnel
D) mainly customer relations
E) only business organisations

9) If VonAir, a hairdryer manufacturer, is focusing on customer satisfaction, it will find that what consumers really want is:
A) More watts
B) More speed
C) Higher heat settings
D) Attractive hair
E) More hair

10) The XKL company wants to adopt the marketing concept. To be consistent with this move, it should adopt which of the following philosophies?
A) The customer is always right
B) Making money is our business
C) Sell, sell, sell
D) Keep prices low
E) Focus on today

11) Boldnew, the maker of a highly innovative light bulb, finds that it has excess stocks. The firm increases its advertising budget by 50 per cent and doubles its sales staff. This company is operating as if it were operating which of the
A) production
B) sales
C) marketing
D) social

12) Chrysler's Chief Executive Officer is the company's spokesperson. His message has focused on concern for customers and product quality. Which aspect of implementing the marketing concept does this represent?
A) Focusing on general conditions
B) Stressing the short run
C) Endorsement of the marketing concept by top management
13) Which of the following is an example of a problem that may arise in the implementation of the marketing concept?
A) By satisfying one segment in society, a firm contributes to the dissatisfaction of other segments.
B) Consumers do not understand what the marketing concept is.
C) Dealers do not support the marketing concept.
D) A product may fit the needs of too many segments.

14) Most specifically, marketing strategy:
A) is concerned with key decisions required to reach an objective
B) encompasses selecting and analysing a target market and creating and maintaining an appropriate marketing mix
C) expands geographic boundaries of markets to serve larger geographic areas
D) involves determining the direction and objectives of marketing management

15) All of the following are marketing management tasks EXCEPT:
A) marketing planning.
B) organising marketing activities.
C) co-ordinating marketing activities.
D) project development and analysis.
E) marketing control.

16) If Erin Farm Insurance saw a sudden increase in the number of farmers seeking flood insurance in Ireland due to major floods in Britain, the floods would be presenting the company with a marketing:
A) opportunity
B) strategy
C) concept
D) mix
E) target

17) A change in the minimum drinking age in the United Kingdom presents a change in which of the following for Bass Brewery?
A) Marketing mix
B) Marketing environment
C) Marketing concept
D) Marketing task
E) Product strategy

18) If Good Invest was to perceive that consumers within a particular group were becoming more conservative in their investing, and thus developed more products with lower risk, it would be:
A) responding to the marketing environment
B) changing its target market  
C) developing a sales orientation  
D) changing its organisation structure  
E) responding to changes in technology  

19) Capri is a brand of cigarette that is low tar and slim in design to appeal to women. In this instance, women comprise Capri’s:  
A) marketing mix  
B) target market  
C) target audience  
D) marketing strategy  
E) marketing opportunity  

20) When DuPont develops new carpets that are highly stain resistant and durable, it must educate consumers about the product's benefits. This calls for activity in which of the following marketing mix variables?  
A) Price  
B) Promotion  
C) Distribution  
D) Product  
E) Packaging  

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An Overview of Strategic Marketing  
Section B  

1) Marketing efforts are specifically aimed at:  

A) distributing "something of value" to buyers and sellers.  
B) facilitating satisfying exchange relationships.  
C) developing new products for target markets.  
D) understanding buyer behaviour to meet buyer needs.  

2) Premier, a smokeless cigarette, failed because it could not be easily lit with a match. This failure was due to:  

A) poor distribution.  
B) high prices.  
C) lack of customer satisfaction.  
D) poor promotion.  
E) poor packaging.  

3) The type of product that results from applying human and mechanical efforts to people or objects is:  

A) a service  
B) a good
4) Parents Against Drunk Drivers is a group that acts to change attitudes and laws about driving under the influence of alcohol. This group primarily markets

A) goods  
B) ideas  
C) services  
D) political messages

5) When Campbell's introduced its line of low-sodium soups in response to consumer demand, it was following which one of the following philosophies?

A) Selling concept  
B) Production concept  
C) Customer concept  
D) Marketing concept

6) The marketing concept is a philosophy that states that an organisation should try to satisfy customers' needs and at the same time:

A) increase market share.  
B) increase sales.  
C) achieve the organisation's goals.  
D) always produce high quality products.  
E) increase sales.

7) Volvo places steel beams in the doors of its cars to:

A) reduce the possibility of accidents  
B) increase short run customer satisfaction  
C) increase long run customer satisfaction  
D) add style to its cars

8) If Nissan finds that it can engineer its Micra to go faster and, regardless of whether or not customers are interested in more speed, decides to make this faster model, Nissan has characteristics associated with the ________ concept.

A) production  
B) sales  
C) marketing  
D) social
9) American Express implements a programme of calling its current cardholders to find out what, if any, changes they would like to see in the services provided. The firm is exhibiting characteristics associated with which of the following

A) production  
B) sales  
C) marketing  
D) social

10) First National Bank launches an innovative in-home banking system tied to personal computers. The product is not widely accepted because bank customers don't see the need for such a service. This situation represents a failure in which

A) Establishment of a customer information system  
B) Organisation structure  
C) Top management commitment  
D) Technological advance  
E) Scanning corporate capabilities

11) The two components of a marketing strategy are:

A) marketing objectives and promotion  
B) marketing mix and marketing objectives  
C) target market and marketing mix  
D) target markets and promotions

12) Kelly is a marketing manager for a large consumer foods company. She is studying distribution, promotion, and price of the company's product. Kelly is studying the company's

A) marketing strategy  
B) marketing mix  
C) market offering  
D) product offering  
E) marketing plan

13) Evaluating marketing performance by comparing it to established standards is part of:

A) marketing planning  
B) organising marketing activities  
C) coordinating marketing activities  
D) marketing control

14) A marketing manager for a small computer manufacturer is analysing the potential effects of political, legal, social, and economic forces on the firm's operations. The marketing manager is examining the ________ that influence(s) the firm's strategy.
15) Polaroid is aiming its Cool Cam camera at teenagers. Teenagers are Polaroid's:

A) audience  
B) target audience  
C) segmentation  
D) target market  
E) focus group

16) McDonald's runs advertisements featuring children, senior citizens, and minority groups. These ads indicate that the company:

A) is production oriented.  
B) considers only environmental factors.  
C) has several target markets.  
D) lacks focus.

17) The two steps of developing a marketing strategy include selecting and analysing a target market and:

A) selecting a group of persons towards which the firm should direct its marketing efforts.  
B) developing marketing objectives to meet organisation goals.  
C) deciding how to organise the marketing department to meet customer needs.  
D) developing a marketing mix that precisely meets the needs of individuals in the target market.

18) The marketing mixes of organisations that market services include product, price, promotion, place and:

A) Packaging  
B) Premiums  
C) People  
D) Purchasing

19) The costs of marketing activities account typically for what proportion of consumer spending on goods and services?

A) one half  
B) one third  
C) one fourth  
D) one fifth
20) If Burger King was to offer Whoppers at 99 pence to increase sales, it is altering the _____element of the marketing mix.

A) promotion  
B) price  
C) product  
D) place  
E) people

The Marketing Environment
Section A

1) If IBM was concerned about the interest rate it must pay in the next quarter to acquire needed financial resources, this concern would involve which one of the following

A) A marketing environment input  
B) Its marketing mix  
C) Its marketing approach  
D) A marketing environment output

2) To effectively monitor changes in the marketing environment, marketers must engage in:

A) use of the marketing concept  
B) environmental scanning and analysis  
C) information collection  
D) marketing research  
E) environmental management

3) If Cadbury's found a magazine article which provided key information on the television viewing habits of heavy buyers of chocolate, this would be an example of information obtained through environmental:

A) scanning  
B) forces  
C) analysis  
D) management

4) Jenkins is a small retail chain in South Wales. When considering changes in its marketing strategy, the firm's management looks only at changes in shopper attitudes and spending patterns. With regard to responding to environmental forces Smith's approach can best be described as?

A) passive and proactive  
B) aggressive and proactive
C) dominant and proactive  
D) passive and reactive

5) Many marketers view political forces as:

A) easily ignored  
B) easily influenced  
C) simple to recognise  
D) beyond their control

6) Which one of the following statements about self-regulatory programmes is FALSE?

A) they are usually less expensive than governmental ones  
B) their guidelines are generally more realistic and operational  
C) nongovernmental ones have neither the tools nor the authority to enforce guidelines  
D) the guidelines are generally stricter than governmental ones

7) Why is a high material standard of living simply not enough in society today?

A) people desire a variety of intangible benefits from products  
B) human beings never totally satisfy their desires  
C) material goods are not for the purpose of happiness  
D) people also desire a high degree of quality in their lives

8) Marketing strategy during a recession should include:

A) a reduction in the number of sales personnel  
B) a reduction in the expenditures for new product development  
C) a reduction in advertising  
D) promotional efforts that promote value and utility  
E) increases in expenditures for marketing operations

9) If the Kellogg Company decides to build a new cereal plant because it anticipates the next five years will bring low unemployment and increases in buying power, it is forecasting a period of:

A) depression  
B) prosperity  
C) recovery  
D) austerity  
E) recession

10) In a period of recovery, the best marketing strategy for Electrolux would be characterised by which of the following?

A) flexibility
B) aggressiveness  
C) austerity  
D) retrenchment  
E) boldness  

11) Why are marketers interested in the level of disposable income? 
A) it accurately represents future buying power  
B) it increases current buying power  
C) it is what is left after taxes to buy luxuries with  
D) it is a ready source of buying power  
E) it is essential for forecasting future business trends  

12) Which of the following companies would probably be most interested in tracking discretionary income levels?  
A) Asda Supermarkets  
B) BMW automobiles  
C) The Post Office  
D) Kraft General Foods  
E) Marks and Spencer  

13) What type of competitive structure exists when a firm produces a product that has no close substitutes?  
A) Monopoly  
B) Oligopoly  
C) Monopolistic Competition  
D) Perfect Competition  
E) Mixed Competition  

14) In the beer industry, a few large brewers supply the majority of the market. The brewing industry is an example of which of the following competitive structures?  
A) Monopoly  
B) Oligopoly  
C) Monopolistic Competition  
D) Perfect Competition  
E) Monopsony  

15) Which of the following firms would most likely have a monopoly for its competitive environment?  
A) Sunset Cablevision  
B) Montgomery Transport  
C) Post Office Parcel Services
16) Essex Office Products has decided to use a particular competitive tool that it feels will have a major impact. Its consultant, Dr. Bell, contends that this particular approach is the one most easily copied by the firm's competitors. The tool in question is:

A) price
B) market segmentation
C) distribution
D) promotion
E) product innovation

17) A small hardware store whose only competitor is a huge discount store would be least likely to use which competitive tool?

A) services
B) price
C) product offering
D) distribution
E) promotion

18) Technology assessment is:

A) assessing how much technology has been incorporated into an organisation
B) trying to foresee the effects of new products and processes on a firm's operation and on society in general
C) assessing how much technology one wants to put into a company in the future
D) assessing the cost of new technology to determine whether a firm can afford to use it

19) When Bell Laboratories attempts to anticipate the effect of new products and processes on its own innovations, other business organisations, and society in general, it is engaging in:

A) product differentiation
B) monopolistic competition
C) technology assessment
D) innovative marketing

20) If RCA developed a new technology that made 3-D imagery possible through the use of videotape played on an advanced television set, it would be more likely to market this innovation if it could obtain a:

A) competitive advancement
B) patent
C) low price advantage
The Marketing Environment  
Section B

1) Which of the following represents an output from the marketing environment?

A) Money borrowed by Liverpool F.C. to help finance its operations  
B) Nike's television advertising campaign featuring a leading sports personality  
C) Information on shoppers' attitudes purchased by Debenhams Department Stores  
D) Steel purchased by Volvo to be used in producing cars

2) Compaq Computers collects information about political, legal, regulatory, societal, economic, competitive and technological forces that may affect its marketing activities. This process is called:

A) environmental scanning  
B) survey of environment  
C) marketing information analysis  
D) environmental analysis

3) When Pepsi Co takes the information collected through research and attempts to assess and interpret what it means for its soft drink marketing efforts, Pepsi Co is involved in environmental:

A) scanning  
B) forces  
C) management  
D) planning  
E) analysis

4) After Compaq Computers gathers information related to its marketing environment, it attempts to define current environmental changes and predict future changes, allowing it to determine possible opportunities and threats facing the company. This process is called:

A) environmental scanning  
B) survey of environment  
C) marketing planning  
D) environmental analysis  
E) marketing information processing

5) If cigarette manufacturers were to lobby Parliament to get restrictions on cigarette advertising eased, their environmental response would best be described as:

A) passive  
B) reactive
C) proactive
D) conservative
E) dominant

6) There are two major categories of laws that directly affect marketing practices: procompetitive legislation and:

A) consumer protection legislation
B) unfair trade practices laws
C) trading standards legislation
D) consumer price discrimination legislation

7) If the National Association of Hosiery Manufacturers sets guidelines for its member firms to follow regarding the use of unethical practices, it is engaging in:

A) legislation
B) lobbying
C) self-regulation
D) environmental scanning
E) trade restraint

8) The consumer movement is:

A) against foreign imports that are much cheaper than products produced in the home market
B) a movement that is trying to improve consumer satisfaction
C) a social movement that is able to challenge big business practices
D) a diverse group of individuals, groups and organisations attempting to protect the rights of consumers

9) Lynx has demonstrated against the sale of coats made of animal furs. This group's efforts to change shoppers' attitudes represents ________ for fur retailers.

A) an opportunity
B) self-regulation
C) a societal force
D) an economic force
E) a technological force

10) The period in the business cycle in which there is extremely high unemployment, low wages, minimum total disposable income, and a lack of confidence in the economy by consumers is:

A) recovery
B) prosperity
C) depression
11) In a period of recession, which of the following products would probably see the smallest negative impact on sales?

A) Nike sportswear
B) Sunmed holidays
C) Sony televisions
D) HP baked beans
E) Kraft General Foods microwave popcorn

12) In terms of consumer demand and spending behaviour, marketers are most interested in:

A) wealth
B) consumer credit
C) disposable income
D) pretax income
E) high incomes

13) Income left over after an individual pays taxes and purchases the basic necessities of food, clothing and shelter is called:

A) disposable income
B) taxable income
C) accounting income
D) discretionary income
E) credit

14) By offering credit through its shops, Allied, the furniture and carpet retailer, is trying to get consumers to:

A) decrease both disposable and discretionary income
B) expand disposable income at the expense of discretionary income
C) expand current buying power at the expense of future buying power
D) expand both disposable income and wealth

15) Mixed concrete cannot be shipped further than 25 miles because the concrete might harden in the truck. Antrim County Concrete Company is the only supplier of mixed concrete within a 30 mile radius. Antrim County Concrete Company is an example of which of the following competitive structures:

A) Monopoly
B) Oligopoly
C) Monopolistic Competition
D) Perfect Competition
E) Monopsony

16) A comprehensive spending pattern:

A) shows the percentages of annual family expenditures allotted to general classes of goods and services
B) indicates the annual amounts spent by families for specific products within a general product class
C) shows the annual discretionary income of consumers
D) is used to determine the precise buying power of individuals

17) A spending pattern that indicates the annual amounts households spend for particular products within a general product class is called:

A) a consumer spending pattern
B) a product specific spending pattern
C) a behavioural spending pattern
D) a comprehensive spending pattern
E) an average spending pattern

18) What type of competitive structure exists when a few sellers control a large portion of the supply of a product?

A) Monopoly
B) Oligopoly
C) Monopolistic Competition
D) Mixed Competition
E) Perfect Competition

19) The type of competitive structure that exists when a firm with many potential competitors attempts to develop a differential marketing strategy to establish its own market share is:

A) Monopoly
B) Oligopoly
C) Monopolistic Competition
D) Perfect Competition

20) What is the name of the procedure used to predict the effects of new products and processes on a firm or on society in general?

A) Technology Assessment
B) Environmental Scanning
C) Societal Estimation
D) Environmental Assessment
Marketing in International Markets
Section A

1) Which of these statements BEST describes international marketing?

A) developing and performing marketing activities across national boundaries.
B) the exporting of goods and services.
C) the creation of value and the exchange of value between countries.
D) having firms with operations or subsidiaries located in many countries.

2) When a firm's products are marketed outside its home market and home production is used to supply these markets, the firm is engaging in

A) international marketing.
B) global marketing.
C) exporting.
D) domestic marketing.
E) unplanned exporting.

3) Standardised Nike and Adidas shoes worldwide is an example of

A) globalisation.
B) customisation.
C) culturalisation.
D) internationalisation.

4) Levi Strauss markets its blue jeans in many countries, developing its marketing strategy as if the world is a single entity. This approach to selling a standardised product in many national markets represents which level of international marketing?

A) Exporting
B) Accidental exporting
C) International exporting
D) Global marketing

5) Swiss-based Nestlé takes a global approach to marketing its chocolate products, it probably finds that which of the following is MOST easily standardised?

A) Product
B) Promotion
C) Distribution
D) Advertising
E) Price

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6) Cultural differences have implications for the development of a marketing mix. Culture includes

A)a country's political system and national laws.
B)the concepts, values, and tangible items that make up a particular society.
C)a measure of a nation's economic standing.
D)quotas on imports and stringent health and safety requirements.
E)the stability of the government.

7) Taxes levied by a nation on goods bought outside its borders and brought in are called

A)import duties.
B)export duties.
C)export tariffs.
D)quotas.
E)import tariffs.

8) Taxes levied on imports into a country are called:

A)tarrifs
B)quotas
C)duties
D)barriers

9) When a glove manufacturer is allowed to sell only a certain number of plastic gloves in a particular country, the firm is facing

A)a tariff.
B)an embargo.
C)a restrictive product standard.
D)a quota.
E)a balance of trade restriction.

10) The gross domestic product is

A)a measure of the profit made by all firms in the nation.
B)the average annual earnings per person in the nation.
C)a measure of the types of products produced by a nation.
D)an overall measure of a nation's economic standing.

11) Select the TRUE statement.

A)Legislation regulating marketing in many foreign countries is being eased.
B)A government’s attitude toward cooperation with importers has little impact on marketing to that country.
C) Refusing to give payoffs and bribes in some foreign countries may put the marketer at a competitive disadvantage.
D) Bribes and payoffs are considered unethical in all countries and cultures.

12) Wal-Mart, a USA retailer, is currently expanding its stores into Canada and Mexico. This expansion is being facilitated by

A) the European Union.
B) the North American Free Trade Agreement.
C) the Pacific Rim Unification Act.
D) the Latin American Free Trade Association.

13) Which of the following countries has made the greatest inroads into world markets?

A) Indonesia
B) Philippines
C) Malaysia
D) Japan
E) China

14) Henderson Synthetics' management believes that several of the firm's products could have sizeable markets in other countries. In an attempt to maintain a low level of commitment with minimum effort and cost, Henderson would engage in international marketing through

A) contracting.
B) exporting.
C) joint ventures.
D) licensing.
E) subsidiaries.

15) The Grummond Group buys computer peripherals in industrialised countries and sells them to developing countries. Grummond would most likely be classified as a

A) trading company.
B) strategic alliance.
C) joint venture.
D) licensee.
E) subsidiary.

16) What level of commitment in international marketing is most attractive when the political and economic stability of a foreign country is questionable?

A) Joint ventures
B) Direct ownership
C) Exporting
17) A partnership between a domestic firm and a foreign firm is known as

A) a joint venture.
B) an international partnership.
C) a multinational enterprise
D) licensing.
E) exporting

18) Techno Ltd. buys goods in one country and sells these to buyers in another country. Techno Ltd. is

A) an exporter
B) a licensing company
C) a trading company
D) a multinational company

19) Franchising is a common route to internationalisation used by

A) manufacturing industries
B) small firms
C) service industries
D) industrial conglomerates

20) When two companies, who are usually rivals, come together to do business on a worldwide basis, this partnership is known as a

A) joint venture
B) strategic alliance
C) multinational venture
D) joint licensing

Marketing in International Markets
Section B

1) Global marketing is

A) the development of marketing strategies for the entire world or major regions of the world.
B) performing marketing activities across national boundaries.
C) the creation of value and the exchange of value between countries.
D) having firms with operations or subsidiaries located in many countries.
2) The Chairman of Unilever states that the world is just one big market. He feels anyone not taking this stance is systematically passing up profitable business. His approach MOST closely resembles

A) exporting.
B) global marketing.
C) export marketing.
D) full-scale international marketing.
E) export agenting.

3) McDonald's and KFC satisfy hungry consumers in every hemisphere. This is an example of

A) globalisation.
B) customisation.
C) internationalisation.
D) regionalisation.

4) Global marketing involves developing marketing strategies as if the world is one market. Which one of the following marketing mix variables is MOST difficult to standardise for global marketing?

A) Brand name
B) Package
C) Media allocation
D) Labels
E) Product characteristics

5) When Graphic Products decided to go international with its marketing effort, it adopted a totally global approach. Which one of the following factors did GP MOST likely experience difficulty with as the firm applied a global strategy for marketing?

A) Branding
B) Product characteristics
C) Packaging
D) Labeling
E) Advertising

6) When products are introduced into one nation from another, acceptance is far more likely

A) if prices are set very low.
B) when bribes are paid to local officials to aid distribution.
C) if there are similarities between the two cultures.
D) if packaging is adjusted to match local customs.
7) Which of the following is often used to raise revenue for a country and/or to protect domestic products?
   A) A quota
   B) A warning label
   C) An embargo
   D) An import tariff
   E) An exchange control

8) The ________ is the difference in value between a nation's exports and its imports.
   A) balance of payments
   B) export/import ratio
   C) gross domestic product
   D) net trade value
   E) balance of trade

9) JCB would look to which of the following factors to determine how trade barriers would affect its ability to market its earth-moving equipment in various countries?
   A) Political and legal forces
   B) Interpersonal forces
   C) Social forces
   D) Technological forces
   E) Industrial forces

10) Which of the following statements about technological forces in international marketing is TRUE?
    A) Television advertising can be used universally throughout the world.
    B) Much of the technology used in industrialised regions of the world may be ill-suited for developing countries.
    C) Because all countries have up-to-date postal services, direct mail advertising is always a viable option.
    D) Technology is generally not a problem in international marketing.

11) USA Chemicals' president is very excited about the possibility of the firm's British subsidiary having access to all of the EU. He realises that it will be some time before this area truly becomes one market, primarily because of differences in which one of the following factors?
    A) Available advertising media
    B) Culture
    C) Law
    D) Technology
12) Countries in the Pacific Rim encompass ---- of the world's population.

A) 40%
B) 50%
C) 60%
D) 70%

13) The lowest level of commitment to international marketing, and also the most flexible approach, is

A) a joint venture.
B) direct ownership.
C) exporting.
D) licensing.
E) a trading company.

14) Export agents

A) bring buyers and sellers from different countries together and collect a commission for arranging sales.
B) purchase products from different companies and sell them to foreign countries.
C) are specialists at understanding the needs of customers in foreign countries.
D) arrange for licensing agreements between domestic and foreign countries.

15) Cuisinart Corporation owns the Spalding name but does not produce a single golf club or tennis ball. This arrangement could indicate what type of organisational structure for international marketing?

A) exporting
B) trading
C) joint venture
D) strategic alliance
E) licensing

16) Nuhitzu believes it has the technological expertise to produce communication systems that will be the leaders around the globe. Boston Electronics is widely regarded as having excellent management systems and superior marketing programme The two might form ________ to work together on a worldwide basis.

A) a licensing agreement
B) an export trading company
C) a joint agreement
D) a strategic alliance
E) a multinational enterprise
17) Once a company makes a long-term commitment to a foreign market that has a promising political and economic environment, what becomes a possibility?

A) Exporting  
B) Joint venture  
C) Limited exporting  
D) Direct ownership  
E) Licensing

18) ICI has subsidiaries in many countries. ICI is

A) an exporter  
B) a licensing company  
C) a trading company  
D) a multinational company

19) Body Shop and benetton are examples of companies who have employed -------- as a market entry strategy.

A) franchising  
B) exporting  
C) joint ventures  
D) licensing

20) Which approach to international marketing involves least risk and minimum effort?

A) licensing  
B) exporting  
C) franchising  
D) joint venturing

Consumer Buying Behaviour
Section A

1) Which product is MOST likely be purchased through routine decision making?

A) Car  
B) Desk  
C) Shirt  
D) Soft drink
2) Alice plans to buy a new swimsuit for her spring break cruise. She has not seen this year's styles and will do some shopping around before making a purchase decision. Alice is engaging in _______.

A) routine response behaviour  
B) extensive decision making  
C) limited decision making  
D) extensive response behaviour

3) Susan has left her parents home and moved into a new flat. She is spending considerable time and effort comparing the ranges of furniture in different retail stores. Which type of decision-making process is she using?

A) Selective  
B) Intensive  
C) Extensive  
D) Shopping  
E) Routine

4) If Kwik-Fit runs an ad asking customers to check windscreen wiper blades for wear, the firm is attempting to stimulate which of the following?

A) Information Search  
B) Evoked set formation  
C) Evaluation of alternatives  
D) Problem recognition

5) As Bob runs out of shaving cream, he tries to remember what he did the last time this happened. He is engaging in:

A) external search  
B) evoked set development
C) internal search

D) cognitive dissonance

E) alternative evaluation

6) The major factors used to divide markets into consumer markets or organisational markets are the

A) buyer characteristics and size of purchases.

B) product prices and buyer characteristics

C) buyer characteristics and the purposes for which they buy products.

D) buyer characteristics and product characteristics.

E) buyers characteristics and the frequency of purchases.

7) Linda and George are caught up in the fitness craze and are looking for a health club to join. This purchase is likely to be affected by ________ involvement.

A) low

B) internal

C) enduring

D) evoked

E) perceived

8) The three major categories of influences that are believed to influence the consumer buying decision process are personal, psychological, and:

A) person-specific

B) social

C) demographic

D) situational

E) cultural
9) Which one of the following is considered a situational factor influencing the consumer buying decision process?

A) Family
B) Culture
C) A raise in pay
D) Personality
E) Social class

10) Shopping in her local Spar, Jim sees a new diet cola. He picks up a six-pack to take home and try. This purchase is indicative of decision making:

A) low-involvement
B) extensive
C) internal set
D) situational

11) Personality characteristics, perception, motives, ability, knowledge and attitudes:

A) operate independently of environmental influences
B) can be measured accurately by marketers
C) are psychological forces that may influence consumers' behaviour
D) are external forces that affect consumers' behaviour

12) Perception is a three-step process that involves

A) motivation, personality, and attitudes.
B) collecting, eliminating, and organising information inputs.
C) selecting, organising, and interpreting information inputs.
D) anticipating, classifying, and discarding information inputs.
13) Reading through a copy of Loaded containing advertisements for sweaters from Ralph Lauren, Levi Strauss jeans and tennis shoes from Adidas, Martin remembers only the shoe ad, thanks to the recent tear in his Reeboks. Martin has engaged in selective:

A) distortion.
B) decision making.
C) analysis.
D) retention.
E) reading.

14) A change in an individual's behaviour prompted by information and experience is called:

A) learning.
B) role selection.
C) perception.
D) inculturation.
E) motivation.

15) If a market researcher for Pot Noodles studies consumer motives by having subjects complete bubble cartoons, the researcher is probably employing which motivation research method?

A) Depth interview
B) Group interview
C) Projective technique
D) Patronage motivation technique
E) Attitude scale

16) Attitude refers to

A) the internal traits and behaviours that make a person unique.
B) a set of actions that a person in a particular position is supposed to perform.
C) competence and efficiency in performing activities.

D) a person's behaviour caused by information and experience.

E) one's evaluation, feelings, and behavioural tendencies toward an object or idea.

17) An attitude scale measures the:

A) strength of a buyer's need for a product.

B) buyer's level of information about a product.

C) amount of experience the buyer has had with the product.

D) intensity of a buyer's feelings toward a certain object.

E) intensity of a buyer's desire for the product.

18) The set of actions and activities associated with each position one holds within a group, organisation, or institution constitutes

A) personality.

B) a role.

C) a motive.

D) perception.

E) an attitude.

19) A culture can be divided into subcultures according to

A) personality characteristics.

B) the motives that people have for their behaviour.

C) geographic regions or human characteristics, such as age or ethnic background.

D) geographic regions and income levels.

E) the information to which consumers allow themselves to be exposed.

20) Shortly after purchasing a product, the postpurchase evaluation may result in cognitive dissonance. Cognitive dissonance is best defined as
A) the congruence between external and internal searches for product information.
B) satisfaction with the purchase.
C) the establishment of criteria for comparing products.
D) doubts that occur because the buyer questions whether the decision to purchase the product was right.

Consumer Marketing Behaviour
Section B

1) Which one of the following buying situations is MOST consistent with routine response behaviour?

A) John buying his first pair of basketball shoes
B) Mary buying a new set of tyres for her car
C) Henry buying a new fishing rod and reel
D) Sally buying a quarter pounder at McDonalds
E) Bill buying a new software programme

2) Maria is shopping for a designer suit to wear to an important interview. She really wants to impress her prospective employer. Maria will most likely use which type of consumer decision making?

A) Routine response
B) Limited
C) Extensive
D) Intensive

3) Which of the following is MOST likely require a consumer to use extended problem solving?

A) Stereo equipment
B) Shaving cream
C) Cereal
D) Kitchen utensils

E) Gasoline

4) Before hosting a dinner party, Mike notices that he does not have enough dishes and decides to look for another set. Mike has just gone through which stage of the consumer decision-making process?

A) Problem recognition

B) Information search

C) Evaluation of alternatives

D) Evoked set formation

5) Stirling Hotels places an advertisement with a coupon in the travel section of the Sunday Times. This ad is intended to help consumers in which phase of the decision-making process?

A) Internal search

B) Cognitive dissonance

C) Purchase

D) External search

E) Framing

6) When shopping for detergent, Jane looks at Tide, Daz, Surf and Ariel and chooses the one that is on promotional offer. These brands make up her

A) alternative set

B) purchase set

C) evoked set

D) problem set

7) After purchasing a new Micra, George sees a Fiesta pass him on the street and begins to wonder if he made the right choice. George is affected by

A) problem recognition
B)cognitive dissonance

C)internal search

D)alternative evaluation

E)framing

8) The Kellys are on a family outing. As they approach Bellvue Zoo, a tyre on their car is punctured by a metal object on the road. Using the spare, they drive to the next petrol station, where they buy a new tyre. Here the buying process was affected by:

A)cognitive dissonance

B)a situational factor

C)an internal search factor

D)framing

E)a cognitive factor

9) Tom is trying to close a major sale with a customer who is a trout fishing enthusiast. Tom starts reading fishing catalogues and going to sports goods shops to learn as much as he can about fly rods etc. His interest in such products would be best classified as

A)low

B)high

C)enduring

D)situational

E)perceived

9) Tom is trying to close a major sale with a customer who is a trout fishing enthusiast. Tom starts reading fishing catalogues and going to sports goods shops to learn as much as he can about fly rods etc. His interest in such products would be best classified as

A)low

B)high

C)enduring

D)situational

E)perceived

10) The consumer is MOST likely to use limited problem solving for :

A)Laundry detergent

B)Toothpaste

C)A new car
11) The three major personal influences believed to affect the consumer buying decision process are:

A) perception, motives, and attitudes.
B) personality, learning, and perception.
C) demographic, situational, and attitudes.
D) situational, lifestyle, and demographic.
E) situational, perception, and motives.

12) The purchase of ________ is least likely to be affected by demographic factors.

A) a car
B) table salt
C) a computer for home use
D) fast food
E) low fat cheese

13) Buyers tend to remember information inputs that support their beliefs and forget inputs that do not. This is known as selective ________.

A) exposure.
B) distortion.
C) retention.
D) information.
E) organisation.

14) If a consumer receives information that is inconsistent with her or his feelings or beliefs, the consumer may alter this information. This is known as selective:

A) exposure.
B) distortion.
C) retention.
D) information.
E) organisation.

15) Psychological forces that influence where a person purchases products on a regular basis are called:

A) convenience responses.
B) patronage motives.
C) shopping motives.
D) pattern responses.
E) routine decisions.

16) A depth interview is MOST likely to be used to:

A) alter a buyer's attitudes toward a product.
B) influence a buyer's perceptions of a product.
C) discover a buyer's motives.
D) increase a buyer's knowledge of a product.
E) identify a buyer's personality.

17) Having used both Mum and Sure deodorants, Ann feels that Sure is a good product and the one that best meets her needs. She has formed _________ about Sure.

A) a motive
B) an evoked set
C) a cognition
D) an attitude
E) a self-concept
18) A consumer's buying decisions are affected in part by the people around him or her. These people and the forces they exert on a buyer are called

A) motivational influences.
B) social factors.
C) roles.
D) personality influences.
E) cultural influences.

19) Damien is torn between buying a new swing set for his children and buying a new set of Wilson golf clubs for himself. He is experiencing:

A) attitude formation.
B) belief assessment.
C) role inconsistency.
D) cognitive dissonance.
E) personality.

20) Which one of the following is MOST likely to be a product for which both the purchasing decision and the brand decision are strongly influenced by reference groups?

A) Canned peaches
B) Instant coffee
C) Jeans
D) Bed linen
E) Soap

Organisational Markets and Buying Behaviour
Section A

1) Individuals and business organisations that purchase products for the purpose of making profit either by using the products to produce other products or by using them in their operations are classified as:
A) reseller markets
B) institutional markets
C) producer markets
D) government markets

2) Tools Inc. buys hammers, bolts and other hardware items and sells them to hardware shops at a price that includes a profit. Tools Inc. would be part of what kind of market?

A) reseller
B) producer
C) institutional
D) government

3) Tom Graham works for an organisation in which his purchases must be accountable to the public. His buying procedures are extremely complex. Based on this description, Tom works for an organisation in which market type?

A) reseller
B) producer
C) government
D) supplier

4) A practice unique to organisational sales in which two organisations agree to buy from each other is:

A) a source loyal purchase
B) a straight rebuy
C) a modified rebuy purchase
D) a reciprocity arrangement

5) When the purchasing manager for ABBA seat covers buys material and thread, he considers a variety of factors. Which one of the following is LEAST likely to concern the buyer in the purchase decision?
A) does the quality of the goods meet company specifications

B) does the supplier consistently deliver on time

C) does the supplier also sell to my competitors

D) does the price meet the company budget requirements

6) Which of the following products is most likely to be purchased on the basis of contract negotiation?

A) Eggs

B) Office supplies

C) Used cars

D) A custom-made bulldozer

E) Wheat

7) Inelastic demand in industrial markets refers to a situation where

A) demand for a given product fluctuates very little over time.

B) price increases or decreases will not significantly alter demand for a given product.

C) demand for a given product fluctuates wildly over time.

D) the demand for one product depends heavily on the demand for another product.

E) supply for a given product cannot keep up with the demand for it.

8) The fact that organisational customers purchase products to be used directly or indirectly in the production of goods and services to satisfy customers' needs means that demand for industrial products is:

A) joint

B) economically stable

C) derived

D) inelastic

E) more fluctuating
9) Which method of organisational buying is appropriate when the product is highly homogeneous and examination of each item is not feasible?

A) Negotiation
B) Sampling
C) Description
D) Inspection
E) Homogeneous selection

10) A grocery shop wants to order several dozen large grade 1 eggs from its local supplier. The shop’s buyer will most likely use which purchase method:

A) description
B) sampling
C) negotiation
D) inspection

11) A transaction in which the organisation is making an initial purchase of an item to be used to perform a new job is called a

A) straight rebuy purchase.
B) reciprocal purchase.
C) delayed purchase.
D) new-task purchase.
E) modified rebuy purchase.

12) A representative from Coca-Cola automatically stops by a local fast-food outlet once a month to determine how much soft-drink syrup the store will need. This is an example of which type of organisational purchase:

A) new-task
B) modified rebuy
13) As Topnotch Supply's sales force continues to expand, the firm plans to add a fleet of company cars to its sales compensation package. For Topnotch, this would represent a _______ purchase.

A) new-task
B) modified rebuy
C) straight rebuy
D) repetitive

14) Most organisational purchase decisions are made by

A) one person.
B) a team of purchasing agents.
C) a firm's buying centre.
D) inventory control personnel.
E) the sales force.

15) In the process of buying routinely purchased items, buyers are sometimes also the

A) deciders.
B) gatekeepers.
C) users.
D) influencers.
E) informers.

16) The receptionist at a doctor's office throws away certain product circulars mailed by pharmaceutical companies and keeps the ones on products she believes are useful. The receptionist is performing which role in the buying centre?

A) user
B) influencer

C) buyer

D) decider

E) gatekeeper

17) In its purchase of a small business computer, Albertson's asked that potential suppliers provide information only on units with 1Mb of memory. As Albertson's management evaluates the purchase, it finds that 1Mb is inadequate for many of the software programmes they use. In this instance, the firm would need to modify which aspect of the purchase process?

A) searching

B) specification development

C) alternative evaluation

D) selection

E) performance evaluation

18) After deciding to order replacement parts for ageing machinery, the buyer for a construction company examines catalogues and trade publications. The buyer is probably at which stage of the organisational buying decision process?

A) problem recognition

B) product specification

C) product-supplier search

D) product selection

E) product evaluation

19) After deciding to order replacement parts for aging machinery, the buyer for a construction company examines catalogues and trade publications. The buyer is probably at which stage of the organisational buying decision process?

A) problem recognition

B) product specification
C) product-supplier search

D) product selection

E) product evaluation

20) A buyer for Debenhams Department Store orders handbags from a certain supplier because the supplier allows the buyer to maintain the store's policy of thirty-day advance purchase notice. This is an example of ______ influence on the organisational buying decision process.

A) environmental

B) organisational

C) interpersonal

D) individual

E) demographic

Organisational Markets and Buying Behaviour

Section B

1) Individuals and business organisations that buy finished goods and resell them to make a profit without changing the physical characteristics of the product as classified as:

A) reseller markets

B) institutional markets

C) producer markets

D) government markets

2) The Students Union is buying office equipment. For a supplier, the Students Union is an example of:

A) a producer market

B) a consumer

C) a reseller market

D) an institutional market
E) a government market

3) Abbott’s Office Supplies buys furniture and filing cabinets from Craine Furniture and Craine buys paper, pens, and folders from Abbott’s, the two firms are engaged in

A) cross-selling.
B) tying agreements.
C) producer marketing.
D) reciprocity.
E) competitive bidding.

4) One of the disadvantages of reciprocity is that it can lead to:

A) a price war
B) higher promotional costs
C) more competitive firms entering the industry
D) less than optimal purchases for the buyer
E) longer periods of negotiation

5) Specifications of a product relate to the:

A) physical characteristics and level of quality
B) types of service that are provided along with the product
C) financing available with the product
D) types of competitors offering a similar product

6) United Biscuits buys shortening from suppliers in the European Community. The buyer for the firm is MOST likely use which method of organisational buying?

A) Description
B) Inspection
C) Sampling
D) Negotiation
E) Blind

7) The demand for many industrial products for which a price increase or decrease will not significantly affect the demand is:

A) elastic
B) inelastic
C) derived
D) joint

8) As it places its order for truck tyres with Michelin, South Side Industrial Supply realises that it must also place an order for valve stems and balancing weights for the truck tyres. Here industrial products are characterised as having ____ demand.

A) fluctuating
B) inelastic
C) derived
D) joint

9) Bob Roberts of Roberts Construction is planning to buy a piece of earth-moving equipment. He would most likely base his purchase decision on ______ of the alternative machines:

A) description
B) sampling
C) inspection
D) reputation

10) When the requirements associated with a new-task purchase are changed the second or third time, this is called a:

A) modified rebuy purchase
B) contractual purchase
C) straight rebuy purchase

D) negotiated rebuy purchase

11) Anderson Distribution Company management has purchased fifteen fork-lifts in three orders over the past two years. As it plans to place its next order for another five machines, management wonders if additional features may be needed due to expansion in the product lines it carries. For Anderson, this represents a _______ purchase.

A) new-task

B) modified rebuy

C) straight rebuy

D) repetitive purchase

12) The group of people within an organisation who are involved in making organisational purchase decisions is referred to as

A) the new-task team.

B) negotiators.

C) purchasing agents.

D) deciders.

E) the buying centre.

13) Technical personnel who help develop the specifications and evaluate alternative products for possible use are called:

A) users

B) influencers

C) buyers

D) deciders

E) gatekeepers

14) A production operative at a cheese factory discovered that the slicing process could be speeded up if the machine had a certain type of arm attached. He consulted the supervisor about purchasing one. The operative would be considered the
15) For routinely purchased items, buyers are frequently the:
A) users
B) influencers
C) deciders
D) gatekeepers

16) A sales representative from a software company shows an accounting firm that a new software package can perform bookkeeping tasks that the firm's present package cannot. The accounting firm is most likely in which stage of the organisational buying decision process?
A) problem recognition
B) product specification
C) product supplier search
D) product selection
E) product purchase

17) After deciding to order replacement parts for aging machinery, the buyer for a construction company examines catalogues and trade publications. The buyer is probably at which stage of the organisational buying decision process?
A) problem recognition
B) product specification
C) product-supplier search
D) product selection
E) product evaluation

18) The four main categories of factors that influence organisational buying decisions are organisational, interpersonal, environmental, and:

A) technological
B) economic
C) power relationships
D) individual
E) purchasing policies

19) What are the four main categories of factors that influence organisational buying decisions?

A) environmental, organisational, interpersonal and individual
B) environmental, organisational, psychological and individual
C) environmental, psychological, individual and technological
D) technological, organisational, environmental and interpersonal
E) environmental, organisational, technological and individual

20) Input-output analysis is most likely to yield what type of information?

A) The number of employees that a firm has
B) The industries that purchase the major portion of an industry's output
C) The kinds of returns a firm is getting on its equipment investments
D) The type of inventory turnover that is characteristic of a firm

**Marketing Research and Information Systems**
**Section A**

1) Which one of the following statements BEST characterises marketing research?

A) research is a continuous process, providing a constant flow of information
B) research is conducted on a special-project basis

C) research is performed when routine information is required

D) research is the basis for making recurring marketing decisions

2) In the previous three years, four studies have been conducted on the characteristics of Tyrone Brick's clients. As the firm seeks to put together a report showing trends in this area, it has a hard time locating the information contained in these study reports. This firm seems to need:

A) a marketing research manager

B) a marketing databank

C) survey research

D) primary data

3) An intuitive manager could best be described as one who:

A) uses scientific problem solving

B) eliminates uncertainty in decision making

C) searches out facts and data systematically

D) uses an orderly approach to gathering information

E) uses personal knowledge and experience to make decisions

4) If Master Foods Ltd knows that its market share in Ireland has dropped 13 percent in the first quarter of the year but does not know what might have contributed to this decline, it is in which stage of the marketing research process?

A) hypothesis development

B) symptom identification

C) problem identification

D) data interpretation
5) Suppose marketers at Lever Brothers are trying to determine whether the use of money off coupons for detergent was the reason for a sales increase in a particular store. The type of study conducted to answer this question would be:

A) exploratory  
B) descriptive  
C) casual  
D) qualitative

6) Marks and Spencer wants to learn about consumer attitudes toward mail order purchases and conducts a study to acquire this information, this study would best be classified as collecting __________ data.

A) casual  
B) experimental  
C) primary  
D) secondary

7) When working on a job placement for a local retailer, Joan Halverson was sent to the library to look up data on population forecasts for Scotland. The population information she found would be considered ________ data:

A) primary  
B) secondary  
C) syndicated research  
D) exploratory

8) Primary data are BEST described as the:

A) first batch of data collected for a specific study  
B) data that are observed, recorded, or collected from respondents  
C) data that were compiled for some purpose other than the study current study  
D) data that are collected from a computerised data base
9) Data compiled inside or outside the organisation for some purpose other than the current research investigation are termed ______ data:

A) organisational
B) primary
C) secondary
D) exploratory
E) descriptive

10) A valid study:

A) portrays the population being studied
B) establishes a casual relationship between variables
C) uses random sampling
D) verifies expected results
E) measures what it is supposed to

11) Marketing researchers at Cumbria Ltd. repeated an experiment several times and discovered that the results produced each time were identical. This would suggest that the results were:

A) reliable
B) valid
C) usable
D) predictable
E) compatible

12) To set the price of a new dictionary, Houghton Mifflin needs to know how many dictionaries can be sold at different prices. The dependent variable in this example would be:

A) competition
B) book publishers
13) Nestle develops a scale to measure young adults' attitudes toward snacking. There is concern that if the questions were given to the same person several times they would produce different answers, Nestle is concerned about the scale's

A) validity
B) capacity
C) dependability
D) reliability

14) The University Book Shop selects 200 of its more than 8,000 customers to participate in a study on service quality in the shop. The Book Shop has established a ________ for use in its research:

A) population
B) field setting
C) dependent grouping
D) sample
E) experiment

15) Pat Robertson is running for Parliament in the General Election. She needs to know the intended choices of the voters and will undertake a survey. All the voters on the Electoral Register in her constituency would be the study's:

A) sample
B) dependent variable
C) population
D) independent variable
16) In what type of sampling design is the final choice of respondents left up to the interviewer?

A) stratified sampling
B) random sampling
C) cluster sampling
D) area sampling
E) quota sampling

17) Wessex Motors needs to assess the company's image relative to a new competitor. The time schedule is flexible, the research budget is very limited and a low response rate will not be a major problem. Wessex Motors will probably use _____ survey.

A) mail
B) telephone
C) random
D) personal interview
E) population

18) If Adidas needs to survey retailers attitudes on the availability of product literature in athletic shoe shops and needs the results within four working days, Adidas will probably use _______ survey.

A) a mail
B) a telephone
C) a mall intercept
D) a personal interview
E) an in-home survey

19) An item on the University Book Shop's survey asks respondents to tell the shop, in their own words, what they like least about textbook shopping. This item would be an example of ________ question.

A) an open-ended
B) a dichotomous
C) a forced-sum choice
D) a multiple choice
E) a scale

20) If Proctor and Gamble, the makers of Ariel, need to know what percentage of customers examine product labels before making a product selection in the supermarket, this could best be accomplished through:
A) focus groups
B) mail surveys
C) personal interviews
D) observation
E) mail-intercepts

Marketing Research and Information Systems
Section B

1) Bart's Appliance Centre owner Ron Bart has access to a great deal of information generated both inside and outside the firm but much of this information is presently going to waste. Apparently Bart needs to develop a:
A) marketing research focus
B) marketing knowledge bank
C) marketing information system
D) data-gathering system

2) The real value of marketing research to the organisation can best be understood by:
A) its immediate impact on profits
B) the amount of time spent
C) how much it costs
D) improvements in the ability to make decisions
E) the increase in sales volume or market share

3) The first step in planning a marketing research project is:
A) conducting a cost/benefit analysis
B) searching the environment
C) defining and locating problems
D) assessing organisation resources
E) defining goals and objectives

4) Mama Pasta's marketing manager believes that the firm's recent 40% increase in consumer sales is due to changes in customer perceptions regarding the nutritional value of pasta. Which stage of the marketing research process has been completed?
A) data interpretation
B) data analysis
C) hypothesis development
D) problem expansion

5) When more information is needed about the problem and the tentative hypothesis needs to be made more specific, marketers usually conduct ______ research:
A) descriptive studies
B) casual investigations
C) exploratory studies
D) statistical studies
E) syndicated research

6) If Wimpey seeks information about trends in housing starts around the country and uses Department of Environment reports to get this information, it is using ______ data.
A) casual
B) exploratory
C) primary
D) secondary

7) Secondary data CANNOT be obtained from:
A) trade journals
B) government reports
C) Yellow Pages
D) surveys
E) computerised data bases

8) Baxters purchases information regarding soup sales from a firm that tracks the information for a fee, it is using:
A) syndicated data services
B) primary data generation
C) field experiments
D) laboratory experiments

9) Select the FALSE statement:
A) Primary data are observed and recorded directly from respondents
B) An example of secondary data is a syndicated report on consumer purchasing
C) The nature and type of the hypothesis to be tested determines which general data-gathering approach to use
D) Secondary data are not readily available to most organisations

10) If Heinz tests the effect of package labelling on ketchup purchases in an environment where advertising, couponing, shelf position, and pricing are controlled, Heinz is using:
A) experimentation
B) secondary data
C) exploratory research
D) survey research
E) dependent research

11) Designing research procedures that produce reliable marketing data means that:

A) others using the same procedure will get almost identical data
B) the procedure gives results that support the hypothesis
C) the procedure gives results that contradict other research studies
D) sampling must be done in a completely random manner

12) Marketers at Premier Brands want to determine the effects of a price increase on sales of Gourmet Dinners. In setting up an experiment, the dependent variable would be:

A) production costs
B) price
C) advertising costs
D) sales
E) wholesale purchases

13) Suppose marketers at Renault need to determine the effects of an increase in the advertising budget on sales of the Clio. In setting up an experiment, the independent variable would be:

A) sales
B) price
C) advertising expense
D) production cost
E) wholesale purchases
14) Carrying out experiments in a laboratory setting allows for control of independent variables that might influence the outcome of an experiment. A DISADVANTAGE of the laboratory setting is:

A) difficulty in observing subjects and measuring their reactions
B) failure to duplicate all the conditions that affect choices in the marketplace
C) difficulty gaining the interest and attention of subjects
D) its high cost in comparison with field experimentation

15) Which sampling design gives every member of the population an equal chance of appearing in the sample?

A) area sampling
B) random sampling
C) quota sampling
D) stratified sampling
E) total population sampling

16) When a population is divided into distinct groups based on some particular characteristic and a probability sample is taken from each group, this exemplifies:

A) area sampling
B) quota sampling
C) stratified sampling
D) cluster sampling
E) simple random sampling

17) Greg Beck of Quality Market Research tells placement student John to go out and select for personal interview ten men and ten women. Greg is using ________ sampling for this phase of the research:

A) random
B) stratified
18) The major DISADVANTAGE of a mail survey versus a telephone or personal interview survey is:

A) having to offer incentives

B) the low response rate

C) the elimination of interview bias

D) the lack of open-ended questions

E) the cost

19) Leesport plans to get together a small group of department store buyers to talk about their buying patterns and interests. Leesport is planning:

A) an experiment

B) a mall intercept survey

C) personal interviews

D) a questionnaire

E) a focus group

20) Which one of the following is a dichotomous question?

A) What is your opinion of the new Bic Shaver?

B) Rate the new Bic Shaver on a scale of 1 to 5

C) How often do you shave?

D) Do you use a shaver? Yes ___ No ___

E) How you rate disposable shavers? Good ___ Fair ___ Bad ___
1) If marketing research shows that an aggregate of people do not desire a particular product, the people in that aggregate:

A) are a market for the product
B) do not have the ability to purchase the product
C) do not have the authority to purchase the product
D) are not a market for the product
E) are a market but will not purchase the product

2) Which one of the following is an example of a customer in an organisational market?

A) a homemaker who buys detergent
B) a consumer who hires a solicitor
C) a shop owner who buys pencils for use in his shop
D) a plant manager who buys petrol for her personal car

3) The two approaches to identifying a target market are the:

A) total market and undifferentiated approaches
B) product differentiation and customer differentiation approaches
C) multisegment and concentration approaches
D) total market and market segmentation approaches

4) Ford knows that some people want sports cars, others want vans, estate cars, or economy cars. In this case Ford has found its markets to be:

A) heterogeneous
B) undifferentiated
C) focused
D) homogeneous
E) focused
5) If marketers at Tate & Lyle considered that potential customers for sugar have similar product needs, the company would most likely use a _______ approach in defining its target market.

A) total market  
B) differentiated  
C) concentrated  
D) heterogeneous

6) The process of dividing a total market into market groups so that persons within each group have relatively similar product needs is called:

A) segmenting  
B) differentiating  
C) target marketing  
D) concentrating

7) Which one of the following products is likely to be aimed at a consumer market for which concentration is a likely targeting strategy:

A) Mr Muscle cleaning products  
B) Bic pens  
C) Rolls Royce cars  
D) St. Michael pantyhose  
E) Bass beers

8) A primary advantage of the concentration targeting strategy is that:

A) it requires less market research and information  
B) it requires less intensive analysis of customers needs  
C) it maintains the firm's flexibility in moving into other market segments  
D) it permits development of a special marketing mix for a single market segment
9) If Jaguar cars focused all of its marketing efforts on professionals with over £75,000 gross earnings, it would be using a _____ targeting strategy.

A) homogeneous
B) undifferentiated
C) multisegment
D) concentration
E) segmentation

10) British Steel provides steel to various manufacturers in Britain. British Steel would most likely segment markets based on which one of the following variables:

A) Demographic
B) Psychographic
C) Type of organisation
D) Socio-economic
E) Market density

11) Gillette was the first marketer of disposable razors to offer a product specifically designed for women. This is an example of segmentation using ______ variables:

A) Demographic
B) Psychographic
C) Geographic
D) Family life cycle
E) Product use

12) Which one of the following products is LEAST likely to be segmented according to stages in the family life cycle?

A) Single person housing
B) Ford cars
C) Holidays to Greece

D) Diet Coke

E) Hotpoint refrigerators

13) The three psychographic dimensions most commonly used in market segmentation are:

A) personality, perception and learning

B) personality, perception and behaviour

C) motives attitudes and lifestyles

D) personality, motives and lifestyles

14) Burger King would likely find which one of the following lifestyle segments to be MOST attracted to its products?

A) avid shoppers

B) kitchen birds

C) kitchen strangers

D) constrained shoppers

E) hurried shoppers

15) By offering Crest for Kids (attractive taste for children), Regular Crest for cavity control, and Tartar Control Crest toothpastes, Procter & Gamble is segmenting the market based on:

A) benefits

B) psychographics

C) lifestyle

D) demographics

E) attitudes

16) Which of the following is the MAIN advantage of multivariable segmentation:
A) provides more information about the individuals in each segment

B) allows the company to develop a marketing mix that will satisfy customers in a segment more precisely

C) allows the company to develop a larger number of segments

D) allows more than one variable to be used to segment markets

17) To ensure the effectiveness of segmentation, the segments should be measurable, substantial, accessible, and:

A) precise

B) stable

C) economic

D) reachable

18) Sunshine Conservatories has launched a series of ads in which it attempts to demonstrate its' products superiority on selected attributes relative to competitive brands. It is attempting to ______ its product.

A) segment

B) profile

C) promote

D) position

19) Soft Shave is a shaving cream aimed particularly at women. The activities and decisions involved in developing and maintaining the product concept in buyers minds is called:

A) the promotion mix

B) the product mix

C) product positioning

D) product promotion

E) product development
20) An attribute of a product that is desired by customers in a target market and which competing products cannot match is termed __________

A) a strength

B) a differential advantage

C) a selling point

D) a benefit

Segmenting Markets, Targeting and Positioning
Section B

1) An aggregate of people who, as individuals, have needs for products in a product class and have the ability, willingness and authority to purchase such products is called a:

A) market segment

B) target market

C) customer group

D) market

2) If RCA Records saw all compact disc customers as pretty much alike and thus offered only one marketing mix, it would be using the ________ approach:

A) heterogeneous

B) undifferentiated

C) segmented

D) differentiated

E) concentrated

3) The total market approach to finding a target market will probably be UNSUCCESSFUL when:

A) product differentiation is used

B) the firm defines the total market as its target market

C) people within the market have heterogeneous needs
4) If Mattel saw the toy market as composed of four age category groupings, each with different needs and desires, each grouping would be called:

A) a total market
B) a market category
C) a market segment
D) a subsidiary market

5) The purpose of market segmentation is to:

A) differentiate among similar products
B) divide the total market to allow the marketer to develop a more precise marketing mix
C) reduce the overall cost of marketing activities
D) identify a single marketing mix that will be satisfy market segments
E) meet the needs of homogeneous markets

6) A firm with limited resources can compete with much larger organisations by:

A) concentrating its efforts on a single segment
B) using a multi-segment targeting strategy
C) using a geographical segmentation variable
D) using multivariable segmentation
E) concentrating its efforts on the total population

7) Consequences that are commonly associated with the multisegment targeting strategy are:

A) an increase in sales and a decrease in total marketing costs
B) the use of excess production capacity and a decrease in total marketing costs
C) an increase in sales and the use of excess production capacity
D) a decrease in production costs and a decrease in total marketing costs

8) Kellogg's Frosties are targeted at children and All Bran to the health conscious. Therefore, Kellogg's uses a ______ targeting strategy for breakfast cereals.

A) concentrated
B) multisegment
C) total market
D) undifferentiated

9) Vauxhall Motors is producing a new van with four-wheel drive. Which one of the following would be a likely variable for segmenting the market for this new model?

A) Religion
B) Geographic location
C) Income
D) Political views
E) Race

10) McDonald's uses a segmentation strategy for its sandwiches based on characteristics such as age, gender and income. It is using which group of segmentation variables?

A) Demographic
B) Psychographic
C) Geographic
D) Education
E) Product related

11) Family life cycle is most likely to be based on:

A) buying power and gender
B) geographic location and family size
C) marital status and age of children

D) occupation and marital status

12) Zerex markets its radiator liquid as a coolant in Southern Europe and as an antifreeze in Northern Europe. Which of the following segmentation variables is in use here?

A) Demographic

B) Psychographic

C) Geographic

D) Life cycle

E) Product use

13) The psychographic variable that includes numerous characteristics related to people's activities, interests and opinions is:

A) motive

B) social class

C) personality

D) family life cycle

E) lifestyle

14) Through marketing newsprint to newspaper publishers and glass manufacturers that use it in packaging, Consolidated Bathurst segments its market based on:

A) customer size

B) psychographics

C) demographics

D) use of product

E) geographic location

15) Marketers of Procter & Gamble products define markets on the basis of both volume usage of the product and annual family income. This is an example of which market segmentation approach?
A) homogeneous
B) multisegment
C) variable
D) benefit
E) multivariable

16) A product's _______ is the place it occupies in the minds of consumers relative to competing brands:

A) segment
B) position
C) attribute
D) image
E) perceptual map

17) If Pepsi and Coca-Cola were to use celebrities to challenge the taste of each others cola, this would be an example of _______ positioning.

A) direct
B) focused
C) head-on
D) avoidance
E) parallel

18) A product's position is defined by:

A) the consumer
B) the marketer
C) the industry
19) Campbell offers "Soup for One" to small households. In this instance, the firm is conducting segmentation based on:

A) income
B) ethnicity
C) taste
D) geographic considerations
E) family life cycle

20) By expanding its selection of cards for Grandparent's Day, Hallmark is responding to changes in which segmentation based on:

A) Religion
B) Family life cycle
C) Income
D) Gender
E) Ethnicity

1) According to the text, a product is

A) everything the customer receives in an exchange.
B) the physical object the customer receives in an exchange.
C) the service that is rendered to a customer.
D) the idea that the customer receives in an exchange.
E) goods and services the customer receives in an exchange.

2) A light bulb can be considered all of the following EXCEPT
A) a consumer product.
B) an business-to-business product.
C) either a consumer product or an industrial product.
D) an industrial product if it is used to light an assembly line in a factory.
E) a consumer product if it is used to light the office of the board of directors.

3) An example of a convenience consumer product is
A) stereo equipment.
B) petrol.
C) a motorcycle.
D) a bicycle.
E) athletic shoes.

4) Sue North called several airlines to compare rates and chose a flight on British Midland as it had a better reputation for service and competitive prices. The airline ticket is an example of which type of product?
A) convenience
B) shopping
C) specialty
D) unsought

5) Products that are relatively inexpensive and are purchased frequently with minimal effort can be classified as __________ products.
A) shopping
B) convenience
C) industrial
D) specialty
E) unsought
6) Industrial products are
A) purchased for personal consumption.
B) frequently purchased for both their functional aspects and their psychological rewards.
C) traditionally classified according to their characteristics and intended uses.
D) not purchased by nonbusiness organisations.

7) Large tools and machines used in a production process for a considerable length of time are classified as
A) major equipment.
B) accessory equipment.
C) component parts.
D) raw materials.
E) consumable supplies.

8) Items that are purchased routinely, do not become part of the final physical product, and are treated like expense items rather than capital goods are called
A) raw materials.
B) major equipment.
C) accessory equipment.
D) component parts.
E) process materials.

9) Products that are used directly in the production of a final product but are not easily identifiable are categorised as
A) accessory products.
B) component parts.
C) consumable supplies.
D) assembly components.

E) process materials.

10) Which one of the following is NOT an industrial product?

A) oil to be refined into fuel for homes

B) transistors used as components for portable radios

C) paper, pens, and glue used in bank branch offices

D) a marketing consultant who prepares marketing plans for clients

E) computer software to help people complete personal tax forms

11) Lever Bros. markets a number of different brands of laundry detergents including Radion, Persil Power, Persil Colour and Surf. Each of these specific versions of laundry detergents can be described as:

A) a product item

B) a product line

C) a core product

D) a mix item

12) A brand name is one of the elements of the

A) core product

B) actual product

C) augmented product.

13) Procter & Gamble makes at least eight different detergents. This illustrates:

A) product mix width

B) product mix consistency

C) product mix depth

D) market item width
E) product line depth

14) A product item can be best described as a

A) component of a marketing mix.

B) particular type of brand.

C) specific characteristics of a company's product.

D) specific version of a product.

E) unit of the marketing mix.

15) A group of closely related product items that are considered to be a unit because of marketing, technical, or end-use considerations is a product

A) category.

B) dimension.

C) extension.

D) line.

E) mix.

16) The depth of a product mix is measured by the average number of

A) convenience products as compared with the number of specialty products.

B) different product lines offered by the company.

C) different products offered in each product line.

D) specialty products as compared with the number of convenience products.

E) product features that the company offers.

17) Beatrice Company markets such diverse products as Rosarita Mexican foods and Samsonite luggage. These various offerings exhibit Beatrice's product mix

A) width.

B) depth.
18) Aggressive pricing is typical during the ________ stage of the product life cycle.

A) decline

B) growth

C) introduction

D) plateau

E) stabilisation

19) Sales usually start to decline ________ of the product life cycle.

A) at the beginning of the termination stage

B) at the end of the growth stage

C) at the beginning of the decline stage

D) during the maturity stage

20) An ad that stresses "Demand the real Lucas Wine Cooler; accept no substitutes!" is best geared for which stage of the product life cycle?

A) Introduction

B) Growth

C) Maturity

D) Decline

Product Decisions
Section B

1) Alicia, a buyer for Nestle, buys carpeting for use in an office area. What determines whether this carpeting is a consumer or an industrial product?

A) The price of the carpet
B) The type of selling organisation

C) The terms of the sale

D) The buyer's intended use of the product

E) Whether the carpet is a replacement item

2) Duracell batteries are sold in multipacks to make it more convenient for the consumer who usually needs more than one battery at a time. Duracell batteries would be classified as which type of product?

A) Convenience

B) Shopping

C) Specialty

D) Unsought

E) Industrial service

3) Ski yoghurt represents which type of product for most consumers?

A) Convenience

B) Shopping

C) Specialty

D) Unsought

4) A Car Towing Service would BEST be described as which kind of product.

A) Convenience

B) Unsought

C) Specialty

D) Durable

E) Shopping

5) Gap stores sell primarily what type of products?
6. A specialty product
   A) requires minimal effort to purchase.
   B) is purchased frequently.
   C) requires purchase planning, and the buyer will not accept substitutes.
   D) is generally less expensive than other items in the same product class.
   E) prompts the purchaser to make comparisons among alternatives.

7. As the production manager of an engineering firm, you went out and bought a metal cutting machine. What you have purchased can best be classified as
   A) raw material.
   B) a processed component.
   C) a component part.
   D) a service.
   E) an industrial product.

8. A publishing company purchases a computer to aid in stock control. This computer is an example of which type of industrial product?
   A) Raw material
   B) Major supplies
   C) Accessory equipment
   D) Component part
E) Process material

9) A set of Bose car speakers sold to Mazda for use in the production of an RX-7 would be an example of

A) a component part.

B) a specialty item.

C) accessory equipment.

D) raw material.

E) a process material.

10) A restaurant purchased two new ovens. These ovens are an example of which type of industrial product?

A) major equipment

B) accessory equipment

C) consumable supply

D) process material

11) It is less expensive for a firm to keep an existing customer than to find a new one. This is one reason why a firm's own personnel play a key role in delivering and maintaining customer satisfaction. Personnel are one of the elements in the elements in the ----- product.

A) core

B) actual

C) augmented

12) A product's packaging is considered to be part of the

A) core product

B) augmented product

C) actual product

13) A product mix is best described as:
A) all products offered by a firm

B) product, distribution, promotion, and price

C) all products of a particular type

D) a group of closely related products

14) Wilson's K-28 and Staff golf club sets would be parts of the golf product _________ for a sporting goods retailer.

A) menu

B) mix

C) line

D) life cycle

E) ensemble

15) What measure of the product mix involves the number of product lines a company offers?

A) Quality

B) Consistency

C) Depth

D) Width

E) Size

16) Hershey Foods Corp. offers a line of candy that includes Kit Kat, Mr. Goodbar, Krackel, Hershey's Kisses, New Trail, Reese's Peanut Butter Cups, Rolo, Twizzlers, and Nibs. This example best illustrates Hershey's product mix

A) width.

B) depth.

C) length.

D) volume.
17) The width of a product mix is measured by the number of product
A) dimensions in the product line.
B) features in each brand.
C) items in the product line.
D) lines a company offers.
E) specialties a company offers.

18) The rate of sales growth declines in the _____ stage of the product life cycle.
A) introduction
B) growth
C) maturity
D) decline

19) The _____ stage of the product life cycle, generates most sales revenue for the firm.
A) introduction
B) growth
C) maturity
D) decline

20) When Clorox introduced bleach in a no-drip bottle, the firm was taking action
consistent with its product being in the __________ stage of product life cycle.
A) introduction
B) growth
C) maturity
D) decline
1) Persil is the best selling laundry detergent in the UK. When Lever Bros. used the Persil brand name for its washing up liquid it was adopting ------ policy.

A) an individual branding  
B) an overall family branding  
C) a line family branding  
D) a brand extension branding

2) Firms that use ----- are less likely to damage their reputations if a new product fails.

A) individual branding  
B) overall family branding  
C) line family branding  
D) brand extension branding

3) Which of the following is NOT a desirable feature for a brand name?

A) it can facilitate the introduction of new products  
B) it can become used as the generic name for all products in the category  
C) it can make it possible for the firm to engage in non price competition  
D) it can help develop brand loyalty amongst buyers

4) Which of the following is an example of a manufacturers brand?

A) Sainsbury wines  
B) Matsui televisions  
C) Yessica dresses  
D) Flymo lawnmowers

5) Andrex toilet tissue is a _________ for Kimberly-Scott Corporation.
6) The Nike swoosh that is prominent on all of the firm's packaging, products, and advertising is a:

A) trade name  
B) trade mark  
C) brand name  
D) brand mark

7) Own label brands are initiated and owned by

A) manufacturers only. 
B) manufacturers and retailers. 
C) wholesalers only. 
D) manufacturers and wholesalers. 
E) wholesalers or retailers.

8) The major characteristic of own label brands is that

A) only retailers initiate and own the brand.  
B) manufacturers are not identified on the product.  
C) producers become involved with the marketing mix.  
D) producers are identified on the product.

9) At one time, generic brands represented about 10 percent of all retail grocery sales. Today they account for

A) considerably less.
B) considerably more
C) about the same.

10) Dakotah, a South Dakota-based producer and marketer of fine home furnishings, authorized Dan River Mills to produce and market a line of sheets under the Dakotah name. This arrangement is an example of

A) brand extension.
B) brand licensing.
C) family branding
D) individual branding.

11) A firm may decide that all packages are to be similar or include one major element of the design. This approach to promote an overall company image is called

A) family extension.
B) family packaging.
C) overall packaging.
D) package extension.

12) Marketers should view packaging as a major strategic tool, especially for

A) consumer convenience products.
B) consumer shopping products.
C) industrial products.
D) specialty products.

13) The spray bottle for Windowlene glass cleaner could be considered a secondary-use package because

A) its shape is ideal for multiple-unit packaging.
B) glass cleaner works on chrome as well as glass.
C) customers can reuse it for other purposes.
D) it has a shape similar to other glass cleaner bottles.

14) _______ packaging means that the product is packaged in line with the packaging practices associated with a particular product category.

A) Category-consistent  
B) Category-specific  
C) Innovative  
D) Multiple-category  
E) Selective  

15) Multiple packaging is

A) likely to increase demand.
B) the same as family packaging.
C) the most effective type of packaging.
D) the most expensive type of packaging.

16) Homepride Foods would probably not want to use multiple packaging for its Royal baking powder because

A) the product is used infrequently.
B) storage would be more difficult.
C) shelf space could not be maximized.
D) transport costs would increase.

17) The package design of a bag of flour would most likely be criticised for being

A) unsafe to the environment.
B) unsafe to the user.
C) deceptive.
D) functionally deficient.
E) well suited for multiple-unit packaging.

18) The label on a soft drink can reads "cool and refreshing." For what reason are these words used?

A) To provide information
B) To encourage multiple purchases
C) To promote the product
D) To satisfy legal requirements

19) Which of the following statements about labeling frozen vegetables is FALSE?

A) The label can be used to facilitate the identification of a product.
B) Labels do not have to disclose nutritional information.
C) Labeling has a descriptive function.
D) The label can play a promotional function.

20) The warning label on a pack of Silk Cut cigarettes is included most directly to

A) satisfy legal requirements.
B) promote the product.
C) encourage the proper use of the product.
D) position the product as being socially responsible.

Branding and Packaging
Section B

1) A brand is BEST defined as a

A) registered design or symbol that is displayed on the product.
B) related group of words that describe the product.
C) name, symbol, design, or combination of these that identifies a seller's products.
D) copyrighted word(s) that give the manufacturer exclusive ownership
E) name of the manufacturer of the product.

2) Houghton Mifflin Company is the ________ of the publisher of your marketing textbook.
   A) trade name
   B) brand mark
   C) trade label
   D) brand

3) One distinguishing factor between a brand name and a brand mark is that a brand name
   A) creates customer loyalty.
   B) consists of words.
   C) identifies only one item in the product mix.
   D) implies an organization's name.

4) ________ brands usually require a producer to become involved in distribution, promotion, and pricing decisions.
   A) Retailer
   B) Manufacturer
   C) Own label
   D) Wholesaler

5) St. Michael, the brand of Marks and Spencer, is an example of ________ brand.
   A) a manufacturer
   B) a generic
   C) a wholesaler
   D) an own label
6) Gallagher market several brands of cigarettes, including Berkeley, Silk Cut and Bensen & Hedges this is an example of which type of branding policy?

A) Individual branding  
B) Overall family branding  
C) Line family branding  
D) Brand-extension branding

7) When a firm uses one of its existing brand names as part of a brand name for an improved or new product, the branding is called _________.

A) Individual branding  
B) Overall family branding  
C) Line family branding  
D) Brand-extension branding

8) 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.

9) When ________ branding is used, all of a firm's products are branded with the same name or at least part of the name.

A) individual  
B) trademark  
C) family  
D) selective  
E) extension
10) Ajax is one of the brand names of Colgate-Palmolive. Ajax bathroom cleaner, kitchen cleaner and window cleaner exemplify

A) wholesaler branding.
B) product brand marks.
C) line family branding.
D) individual branding.

11) The four levels of brands are the tangible product, the basic brand, the potential brand and the ------- brand.

A) targeted
B) augmented
C) aggregated
D) positioned

12) A secondary-use package can best be defined as one that

A) can be used as a promotional tool.
B) can be reused for purposes other than its initial use.
C) facilitates transportation, storage, and handling for middlemen.
D) is recyclable and environmentally safe.

13) In packaging a new line of fabric conditioner, Proctor and Gamble would be wise to avoid the use of which color?

A) Black
B) Yellow
C) Pink
D) Green
E) Blue
14) Some of the major packaging considerations that marketers take into account include cost, consumer safety, size, shape, color, texture, graphics, consistency in package designs, environmental responsibilities, and

A) type of branding supplier.
B) competitor's packaging.
C) level of demand.
D) needs of middlemen.
E) stimulated demand.

15) Which one of the following is NOT a benefit of multiple packaging?

A) Facilitates special price offers
B) Increases demand
C) Increases consumer acceptance of the product
D) Makes handling or storage easier
E) Provides an overall image of the firm

16) 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
E) transparent

17) Labeling is important for three reasons, including promotional and legal reasons. What is the third reason?

A) Marketing
B) Branding
18) Labeling is important for informational, legal and ----- reasons.

A) marketing  
B) branding  
C) strategic  
D) promotional

19) The label on a pack of frozen peas says, 'packed within an hour of picking'. These words are used to:

A) to encourage multiple purchases  
B) to provide information  
C) to satisfy legal requirements  
D) for promotional reasons

20) The UPC is also known as the 

A) price label  
B) product code  
C) bar code  
D) product label

Developing and Managing Products  
Section A

1) A brand manager in a multiproduct firm would be considered responsible for:

A) the performance of a specific brand.  
B) all brands within a product line.  
C) branding the products of the firm.
D) all brands made by the firm.

2) The members of a venture team come from:
   A) the marketing department
   B) the research and development department
   C) the production and finance departments
   D) different functional areas of an organisation

3) All of the following are major steps in developing new products except
   A) test marketing.
   B) evaluation of competitors' efforts.
   C) screening.
   D) business analysis.
   E) idea generation.

4) Which step in developing new products involves determining whether the product idea is compatible with company objectives, needs, and resources on a general level?
   A) product development
   B) screening
   C) idea generation
   D) business analysis

5) During which stage of new product development does the firm consider profitability?
   A) Idea generation
   B) Testing
   C) Business analysis
   D) Product development
   E) Compatibility research
6) As Kathy works on the prototype of a new action-orientated computer game module, she is engaging in which phase of the new product development process?

A) idea generation  
B) commercialisation  
C) test marketing  
D) screening  
E) product development

7) When Anderson Motors offers to let qualified buyers test-drive the new Saab, the dealer is primarily trying to stimulate which stage of the product adoption process?

A) Awareness  
B) Interest  
C) Evaluation  
D) Trial  
E) Adoption

8) An individual moves into the adoption stage of the adoption process at the point when he or she

A) is self-motivated to get information about the product.  
B) begins using that specific product when the need for that general type of product arises.  
C) seriously considers whether the product will satisfy his or her needs.  
D) experiences the product for the first time.

9) Which one of the following best defines the interest stage in the product adoption process?

A) The buyer tries to find the product  
B) The buyer considers the benefits and determines whether or not to try the product  
C) The buyer tries the product to determine its usefulness
D) The buyer seeks information and is receptive to learning about the product

10) When Jif mailed out free four-ounce samples of its new lemon juice product it was focusing on moving prospective customers into the ________ stage of the product adoption process.

A) awareness
B) interest
C) evaluation
D) trial
E) adoption

11) Managing a product in the growth stage of its life cycle might include

A) lowering prices after developmental costs have been recovered.
B) raising promotion expenditures as a percentage of total sales as sales increase.
C) moving from intensive to selective product exposure.
D) reducing the number of product models in the product line.

12) A company wanting to maintain market share during the maturity stage requires moderate and sometimes large

A) advertising expenditures.
B) distribution expenditures.
C) production expenditures.
D) price increases.
E) packaging modifications.

13) Hair care, Ltd. adds an electrical component that automatically shuts off its curling tongs when they have been left on for over one hour. This improvement would best be classified as a: ------

A) quality modification
B) style modification
C) functional modification

14) Quality modifications are changes that relate to a product's
A) dependability and durability.
B) effectiveness and versatility.
C) reliability and value.
D) value and durability.

15) If Jackson Institutional Furniture Company provides standard primary school chairs in new colours to match the interiors of schools, this modification is most likely to be viewed as a modification.
A) style
B) functional
C) quality
D) feature

16) If L'Oreal management feels that the firm's new cosmetic line is in too few retail outlets and begins to seek additional speciality and department stores to carry the line, it is probably in which stage of the product's life cycle?
A) Introduction
B) Growth
C) Maturity
D) Decline

17) The marketers of Bic razor blades are using a strategy that includes large advertising expenditures and more price flexibility within the various types of blades offered. Based on this example, razor blades are probably in the stage of the product life cycle.
A) decline
B) growth
18) Marketers of a particular brand of ice cream have decided to delete their line of ice cream bars. They will do so by letting the product decline and not changing the current marketing strategy. This method of deletion is called:

A) immediate drop

B) phase-out

C) runout

19) Product elimination can best be described as the process of deleting a product from the product mix when it

A) is perceived as a failure by top management.

B) increases production costs and decreases profits.

C) no longer responds to promotional efforts.

D) no longer satisfies a sufficient number of customers.

20) A phase out approach can be best described as:

A) allowing the product to decline without a change in the marketing strategy

B) exploiting any strengths left in the product

C) immediately dropping the product from the product mix

D) intensifying marketing efforts in core markets

E) stopping production to get rid of material surplus

Developing and Managing Products
Section B

1) If Kraft General Foods offered you a position in which you would have total marketing responsibility for all of its cheese products, this position would probably hold the title of

A) brand

manager.
2) A genuinely new product, as the compact disc player once was, offers

A) lower prices than existing products.
B) at least two new product features.
C) innovative benefits to consumers.
D) better value than existing products.
E) at least two new product features at a lower price.

3) Nestle wants to expand its line of food products. The managers sent surveys to customers to determine which food items would appeal to customers. Nestle is currently in the _________ phase of new product development.

A) business analysis
B) product development
C) test marketing
D) screening
E) idea generation

4) Compared with other phases of the new product development process, the largest number of new-product ideas are rejected during the _________ phase.

A) idea generation
B) concept testing
C) business analysis
D) screening
E) test marketing

5) Competitive interference with a test marketing programme is called

A) area
B) product
D) sales

A) tactical interference.

B) jamming.

C) test interference.

D) squeezing.

E) ramming.

6) The test-marketing stage:

A) is an extension of the screening stage

B) should come immediately after business analysis

C) ensures that the product will not fail

D) is a sample launching of the entire marketing mix

E) prevents competitors from copying the product

7) An individual who considers whether the product will meet certain criteria that are critical for meeting his or her needs is in what stage of the product adoption process?

A) Interest stage

B) Awareness stage

C) Evaluation stage

D) Trial stage

E) Adoption stage

8) Angela and Ralph have come up with a portable CD player that will perform well, but they have some doubt about which of two promotional and pricing campaigns will be best received by consumers. In this instance, they probably should proceed to the stage of the new-product development process.

A) business analysis

B) commercialisation

C) screening
9) If Viking puts an advertisement in student newspapers offering to send people who send in a completed information form a four colour brochure showing and discussing the benefits of its new line of mountain bikes, the bike manufacturer is using this offer to help move respondents through which two phases of the product adoption process?

A) Awareness and adoption
B) Trial and adoption
C) Interest and evaluation
D) Interest and adoption

10) During the growth stage of the product life cycle, the marketer should

A) fortify the product position.
B) move to exclusive distribution.
C) raise the price.
D) increase promotion as a percentage of sales.

11) During the maturity stage

A) product modifications are unnecessary.
B) there is less emphasis on changing a product's price.
C) marketing strategies are rarely altered.
D) some competitors are forced out.
E) limited advertising expenditures are required to maintain market share.

12) In product modification, the FIRST issue to consider is whether:

A) the cost of the modification is too high
B) the product is modifiable
C) the quality is modifiable
D) the modification will provide the customer greater satisfaction

13) A major problem with using style modification is that:
A) customers have difficulty recognising that a change has been made
B) such changes do not yield long-lasting appeal
C) customers may perceive such modifications as less attractive
D) they are almost always very costly

14) Changes that affect a product's versatility, effectiveness, convenience, or safety are called _______ modifications.

A) functional
B) formal
C) style
D) quality
E) package

15) RCA's development of its next year's model television sets with smoked-glass control panel covers and other visual changes would be classified as a _______ modification.

A) functional
B) quality
C) product extension
D) brand
E) style

16) Price strategies become more mixed during the _______ stage of the product life cycle:

A) growth
B) maturity
C) decline
D) introduction

17) Standard Cable cuts back advertising expenditures to minimum levels and reduces the number of channel members for its industrial cable product. These actions are indicative of a product in the ________ stage of its life cycle?

A) introduction
B) growth
C) maturity
D) decline

18) Product deletion:

A) may be opposed by management
B) is immediate termination of the product
C) is welcomed by salespersons
D) usually occurs only with convenience items

19) A run-out policy of product deletion:

A) lets the product decline without changing the marketing strategy
B) exploits any strengths left in the product
C) raises the price of the product continually to secure as much profit as possible before the product is priced out of the market

20) Dropping an unprofitable product immediately is the best strategy when

A) all advertising and promotional efforts have been exhausted.
B) losses are too great to prolong the product's life.
C) the product's performance cannot be improved.
D) there is low compatibility with the firm's business strategies.
1) Classification of products into goods, services, and ideas is determined by the:
   A) degree of labour intensiveness.
   B) type of markets.
   C) dominant component.
   D) skill of the service provider.
   E) degree of consumer contact.

2) Which of the following is generally viewed as a business or industrial service?
   A) Hair care services
   B) Marketing research
   C) Dry cleaning
   D) Therapeutic massages
   E) Chimney cleaning

3) Of the following alternatives which service is the most people-based?
   A) Dry cleaning
   B) Carpet cleaning
   C) Swimming instruction
   D) Airline flight
   E) Hotel accommodations

4) Services can be meaningfully analysed by using a five-category classification scheme including type of market, degree of labour-intensiveness, degree of customer contact, skill of service provider, and
   A) degree of competition within the service industry.
   B) goal of the service provider.
C) market share of the service provider.

D) employee structure of the service provider.

E) production environments.

5) The appearance of the production facilities and the interpersonal skills of actual service providers are critical in ________ services.

A) low-contact

B) equipment-based

C) industrial

D) high-contact

E) nonprofessional

6) In service marketing, the most important link to the customer is

A) effective advertising.

B) good word-of-mouth communication.

C) well-trained contact employees.

D) the tangible aspects of the service.

E) exceptional service quality.

7) A Bank supplies products that fall primarily at which of the following points on the tangibility continuum?

A) Totally tangible

B) Tangibly dominant

C) Neutral

D) Intangibly dominant

E) Totally intangible
8) As Bob and Sarah Wallace meet with the account representative at Midland Bank, they are shown a sample of what their monthly statement will look like. Providing such sample documents allows Midland to add tangibility to which one of the following qualities?

A) experience  
B) credence  
C) search  
D) perishability

9) Alex Knox, a young dentist, finds that he is not bringing in enough revenue to cover his expenses. He would like to schedule more patients, but he finds that in almost every time slot he is seeing an existing patient. Alex's problems with expanding his practice deal with the aspect of service called:

A) perishability.  
B) credence.  
C) inseparability.  
D) heterogeneity.

10) Legal and General Insurance uses "the umbrella" to communicate protection to its customers. This illustrates the company's attempt to help customers understand the service by:

A) emphasising tangible cues in promoting the service.  
B) personal selling of the service.  
C) utilising publicity techniques to enhance the service.  
D) distributing the service directly through television.

11) Marketers for the airline industry sometimes find it difficult to promote their product because unused aeroplane seats cannot be stored. This problem illustrates which one of the following unique features of services?

A) intangibility  
B) inseparability  
C) perishability
12) The owner of the Beauty Spot beauty salon has difficulty in standardising and controlling the quality of service the customers in her salon receive. This problem illustrates which one of the following unique features of services?

A) Intangibility  
B) Inseparability  
C) Perishability  
D) Heterogeneity

13) Which one of the following can be considered a high-contact service?

A) Postal service  
B) Car repair  
C) Health care  
D) Banking  
E) Dry cleaning

14) Delta Airlines runs a series of television commercials that show its personnel going out of their way to help customers. An important secondary audience for these ads is:

A) the Civil Aviation Authority  
B) competitors  
C) customers  
D) Delta employees  
E) all air travelers

15) Adam's Pool Service charges £50 for swimming pool cleaning performed prior to May 15 and £75 for jobs performed after that date. This pricing structure provides the benefits to Adam's of:

A) price leaders  

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B) smoothing demand fluctuations.

C) increasing service tangibility.

D) tying prices to service costs.

16) Marketing activities conducted by individuals and organisations to achieve some goal other than ordinary business goals such as profit is:

A) nonbusiness marketing.

B) organisational marketing.

C) individual marketing.

D) enterprise marketing.

17) An advertising campaign that tries to persuade people to avoid drinking and driving is an example of:

A) service advertising

B) social marketing

C) campaign marketing

D) product advertising

18) A group of individuals who have an interest in or concern about an organisation, a product, or a social cause is a(n):

A) direct consumer.

B) client consumer.

C) target public.

D) general public.

E) indirect consumer.

19) A university's student body would be considered its ________ public, and parents, alumni, and trustees would be included as its ________ public.

A) client; general
20) According to the text, the direct consumers of a nonprofit organisation are its

A) general public.
B) consumer public.
C) member public.
D) client public.
E) nonbusiness public.

The Marketing of Services - Section B

1) Because of a service's __________, standardisation and quality are extremely difficult to control.

A) intangibility
B) inseparability
C) homogeneity
D) heterogeneity
E) perishability

2) The necessary interaction between service provider and customer that allows a service to be delivered is called

A) customer contact.
B) service exchange.
C) marketing.
D) relationship marketing.
E) service contact.

3) A problem encountered by service companies that change high-contact services into low-contact services is that the

A) service becomes more expensive to deliver.
B) quality of the service usually declines.
C) service becomes less personalised.
D) time required to deliver the service increases.

4) High-contact services include which of the following examples?

A) Photo developing
B) Cinemas
C) Car repairs
D) Garden landscaping
E) Medical services

5) Consumers look closely at service quality when comparing competing services because

A) they perceive all services to be essentially the same.
B) all services are priced about the same.
C) quality is the only relevant service characteristic.
D) services are very difficult to evaluate.

6) Consumers' service expectations are influenced by advertising, word-of-mouth communication, and

A) recommendations from friends.
B) past experiences with the service.
C) news stories about the service.
D) the tangibles of the service.
7) Which one of the following is an intangible dominant product?

A) Flowers  
B) Perfume  
C) Food  
D) Mortgage  
E) Car

8) Beauticians find it difficult to market their product because the customer must be involved in the production of the product (i.e., the facial). This problem illustrates which one of the following unique features of services?

A) Intangibility  
B) Inseparability  
C) Perishability  
D) Heterogeneity

9) Kregger Rug Cleaning Service offers potential customers one room of carpet cleaned free. Kregger makes this offer in an effort to satisfy which one of the following quality areas for service?

A) Value  
B) Experience  
C) Credence  
D) Search

10) After returning from a consultation with her accountant, Janice determined that the service she received was poor because the accountant was rude and abrupt. The aspects of the product that Janice assessed are called qualities.

A) Search  
B) Experience
11) Which one of the following services is NOT labour intensive?
A) Education
B) Hair care
C) Insurance
D) Fitness centre
E) Legal counsel

12) Which one of the promotion elements is probably the most powerful for services?
A) Publicity
B) Advertising
C) Personal selling
D) Sales promotion

13) A high-contact service is one in which
A) the customer and service provider must meet frequently.
B) the customer must be physically present to receive the service.
C) the service provider must be present when the service is provided.
D) a great deal of physical touching is required.

14) Which marketing activity does NOT occur in nonbusiness marketing?
A) Distribution
B) Exchange
C) Profits
D) Negotiation
15) Combat Cancer Society engages in activities designed to influence attitudes toward smoking. This type of activity is called -------marketing.

A) services  
B) product  
C) social  
D) business

16) What is the marketing objective of nonbusiness organisations?

A) To provide an idea or service to the public  
B) To obtain a desired response from a target market or public  
C) To obtain a return on social investment  
D) To determine the target market and to create and maintain a satisfying marketing mix

17) Which one of the following groups of people would be considered client publics for a hospital?

A) Patients  
B) Insurance companies  
C) Doctors  
D) Nurses  
E) Pharmaceutical sales representatives

18) The first sign that a nonbusiness organisation has become aware that it is performing marketing activities is through ----- decisions:

A) target-public  
B) distribution  
C) promotional  
D) price
E) competitive

19) Children with muscular dystrophy who receive treatments developed through research programs funded by MDA would represent _________ for this charitable organisation.

A) target publics
B) target population
C) general publics
D) focus groups
E) client publics

20) _________ is the value of the benefit that is given up by selecting one alternative rather than another.

A) Benefit loss
B) Opportunity cost
C) Privileged cost
D) Selection cost
E) Exchange loss

Marketing Channels
Section A

1) A channel of distribution is a group of individuals and organisations that

A) directs the flow of products from producers to customers.
B) links producers to other marketing intermediaries.
C) takes title to products and resells them.
D) manages transportation and warehousing functions.

2) Relationships among channel members, i.e. producers, wholesalers and retailers, are usually:

A) short-term commitments.
B) long-term commitments.

C) expensive resource commitments.

D) only minor commitments.

3) In a simple economy of five producers and five consumers, there would be _________ transactions possible without an intermediary and _________ transactions possible with one intermediary.

A) ten; twenty-five  
B) thirty; ten  
C) twenty-five; fifteen  
D) sixteen; eight  
E) twenty-five; ten

4) An inventory of homogeneous products that have similar production or demand requirements is developed through:

A) sorting out.  
B) assorting.  
C) accumulation.  
D) allocation.

5) A fruit and vegetable wholesaler buys truckloads of strawberries from local farmers and then divides them into pint and half-pint baskets to sell to grocery stores. This sorting function is called:

A) allocation.  
B) assorting.  
C) accumulation.  
D) sorting out.

6) When Sally buys Vortex using a channel with only one intermediary, that intermediary is classified as a
A) retailer.
B) wholesaler.
C) broker.
D) functional middleman.
E) producer.

7) Large retailers such as Tesco and Marks and Spencer are MOST likely to participate in which of the following channels?
A) Producer, industrial distributors, retailers, consumers
B) Producer, consumers
C) Producer, wholesalers, retailers, consumers
D) Producer, retailers, consumers
E) Producer, agents, wholesalers, retailers, consumers

8) Which of the following statements is considered to be a DISADVANTAGE of using industrial distributors?
A) Industrial distributors possess considerable technical and market information.
B) The traditional marketing exchange relationship is heavily focused.
C) They are less likely to handle bulky items or items that are slow sellers.
D) Industrial distributors sell specific brands aggressively.
E) Industrial distributors acquire title to the products and take possession.

9) A(n) ________ is an independent business that sells complementary products of several producers in assigned territories and is compensated through commissions.
A) industrial distributor
B) production agent
C) wholesaler
D) manufacturers' agent

E) producer

10) Ralph Lauren sells Polo products through department stores as well as in its own specialty shops. The designer uses _______ as a channel strategy.

A) channel extension
B) intermediary exclusion
C) broker utilisation
D) dual distribution
E) channel diversification

11) When Benetton, the sportswear designer and manufacturer, decided to open its own specialty shops to sell its merchandise, the firm was engaging in

A) channel repetition.
B) vertical channel integration.
C) a conventional marketing channel.
D) horizontal channel integration.
E) channel expansion.

12) Decor Ltd, which makes, markets, and retails paint and home decorating products in a co-ordinated channel, is an example of (the) a:

A) administered vertical marketing system.
B) conventional marketing channel.
C) channel network.
D) use of power brokers in a channel framework.
E) corporate vertical marketing system.

13) In an administered VMS, informal co-ordination brings about a high level of interorganisational management, BUT
A) decision making does not take into account the goals of the system.
B) channel members do not remain autonomous.
C) the decision making is not co-ordinated.
D) the individual channel members remain autonomous.

14) Benetton, a leading manufacturer of knitwear, expanded its operations to include retail outlets in the United States and Europe. This type of integration is called
A) horizontal.
B) vertical.
C) multilevel.
D) retail.
E) merchandising.

15) When only one outlet in a relatively large geographic area is used to distribute a product that is consumed over a long period of time, a(n) ________ channel arrangement is developed
A) inclusive
B) general
C) exclusive
D) selective
E) physical

16) If Rolls Royce were to add a new large model to its range, it would most likely employ ________ distribution.
A) intensive
B) exclusive
C) horizontal
D) selective
17) What is a major source of channel conflict?

A) The degree of power
B) Role expectations
C) Loss of integration
D) Role deviance
E) Determination of possession

18) Nike maintains a good deal of control over how its products are promoted, displayed, and sold. Because of this control, Nike would be appropriately described as the channel

A) intermediary.
B) leader.
C) allocator.
D) terminator.
E) price leader.

19) Few supermarkets would try to replace a national brand of baby food with their own brand. Assuming that this is true, we have a good example of channel leadership by

A) wholesalers.
B) producers.
C) retailers.
D) agents.
E) brokers.

20) Tying agreements occur when a

A) producer distributes the same product through two or more different channel structures.
B) manufacturer forbids an intermediary to carry products of competing manufacturers.
C) supplier furnishes a product to a channel member stipulating that the channel member must purchase other products as well.
Marketing Channels
Section B

1) Most, but not all, marketing channels have marketing intermediaries. A marketing intermediary, sometimes called a middleman,

A) is always a wholesaler.

B) links producers to other middlemen or the ultimate users of the products.

C) always sells products to retailers.

D) does not take title to products.

2) Which type of utility do channel members create sometimes, but not as frequently as other types of utility?

A) Possession

B) Place

C) Form

D) Time

E) Ownership

3) Eliminating a wholesaler from a marketing channel

A) will cut costs and lead to lower prices.

B) may or may not lower prices and will not eliminate the functions performed by the wholesaler.

C) will eliminate the functions performed by the wholesaler and will lower costs.

D) will reduce channel conflict.

4) Breaking down large, homogeneous inventories into smaller lots for wholesalers and retailers is:

A) sorting out.
B) assorting.

C) accumulation.

D) allocation.

5) Customers who purchase encyclopaedias from door-to-door salespeople are acquiring products through

A) the most efficient channel of distribution.

B) the most common type of marketing channel.

C) a direct-marketing channel.

D) a business-to-business channel of distribution.

6) Nationally distributed consumer convenience products such as cigarettes are MOST likely distributed through which of the following channels?

A) Producer, consumers

B) Producer, agents, wholesalers, retailers, consumers

C) Producer, wholesalers, consumers

D) Producer, wholesalers, retailers, consumers

E) Producer, industrial distributor, wholesalers, retailers, consumers

7) The marketing channel of producer to retailer to consumer is MOST likely to be used by producers of which of the following products?

A) Chewing gum

B) Tobacco

C) Cars

D) Hardware

E) Cream crackers

8) The channel that includes both a manufacturers’ agent and an industrial distributor may be appropriate under which of the following circumstances?
A) When the firm wants specialised personnel to follow up the work of the sales force

B) When the marketer wishes to enter a new geographic market but does not wish to expand the existing sales force

C) When only one or two channels of distribution are available for products

D) When the sales force is large and the marketer is thinking of cutting it down

E) When customers are highly concentrated in one geographic area

9) Louis Vuitton makes luggage available through both department stores and its own retail outlets. This is an example of

A) dual distribution.

B) vertical integration.

C) horizontal integration.

D) tying agreements.

E) exclusive dealing.

10) Del Monte markets ketchup for household use to supermarkets through grocery wholesalers, and it markets ketchup for institutional use through industrial distributors and food brokers. Del Monte is using

A) dual distribution.

B) industrial distribution.

C) strategic channel alliance.

D) supply chain management.

E) an unethical marketing channel.

11) Warner Bros. sells cookie jars, puzzles, photo albums, and other items featuring its popular cartoon characters directly through its retail outlets. This is an example of

A) channel leadership.

B) channel co-operation.

C) channel conflict.
12) To expand the number of its retail outlets in Ireland, the Dress Barn merged with a small chain of women's apparel stores in the West of Ireland. This type of integration is called:

A) vertical.
B) retail.
C) horizontal.
D) backward.
E) forward.

13) Esso retains outright ownership of all members of its distribution channel. Esso's channel would be best described as a VMS.

A) corporate
B) contractual
C) conventional
D) administered
E) vertical

14) Product and target market characteristics usually determine the type of coverage a product receives. For which of the following products is selective distribution most appropriate?

A) Petrol
B) Jaguar cars
C) Cigarettes
D) Laundry detergent
E) Moderately priced luggage
15) In marketing a new line of nursery furniture for infants and small children, the Fisher Company will most likely use _________distribution for the products.

A) intensive
B) exclusive
C) horizontal
D) priority
E) selective

16) The market for heavy industrial equipment is concentrated in the West Midlands, so an equipment manufacturer has decided to employ a direct sales force in that region. Which factor most influenced this distribution channel selection?

A) Buyer behaviour
B) Product attributes
C) Organisational objectives
D) Environmental forces
E) Market characteristics

17) Because Coke is such a popular product and the company is so powerful, Coca-Cola is in a position to exert considerable control over channel structures and the way Coke is marketed. This example illustrates channel _________ in the distribution channel.

A) conflict
B) leadership
C) dominance
D) co-operation
E) negotiation

18) If Sony designed its colour TVs to specifications developed by Dixons management because Sony believed that Dixons knew what today's consumers want, the retailer would have ________ power.

A) reward
B) expert
C) referent
D) legitimate

19) The main reason a manufacturer may try to prohibit intermediaries from selling its products outside designated sales territories is to

A) tighten its control over distribution of its products.
B) discourage competition from other manufacturers.
C) incorporate selective distribution.
D) contain costs.

20) If an intermediary wants to carry Tide detergent and Procter & Gamble agrees only if the supplier purchases P&G's entire line of detergents as well, the company is engaging in which of the following channel management practices?

A) Exclusive dealing
B) Dual distribution
C) Tying agreement
D) Refusal to deal
E) Restricted sales territories

Wholesalers and Distributors
Section A

1) Wholesaling is best defined as

A) all transactions in which products are bought for resale, for making other products, or for general business operations.
B) all transactions made at retail outlets only.
C) all transactions in which purchases are for production of other goods only.
D) all marketing activities necessary to expedite exchanges to ultimate consumers.
2) Select the TRUE statement.

A) Wholesaling activities must be performed during distribution of all goods, whether or not a wholesaling institution is involved.

B) Only wholesaling establishments can perform wholesaling activities.

C) Wholesaling is an inefficient process that should be eliminated from the marketing channel.

D) The biggest problem with the wholesaling process is that inefficient wholesalers are not eliminated.

3) In the UK wholesaling is not as important in consumer markets. This is MAINLY because:

A) manufacturers prefer to deal direct with retailers

B) of the strength of large national retailers

C) wholesaling costs are higher in the UK than elsewhere

D) UK wholesalers provide a more limited range of services than in other European markets.

4) By using a wholesaler, Inversoft Ltd. has a distinct advantage because the specialised services performed by the wholesaler allow the firm to:

A) focus on developing and manufacturing products that match consumers' needs and wants.

B) focus on increasing production capacity and efficiency

C) reduce manufacturing costs to retailers and provide quality merchandise to consumers.

5) From a retailer's point of view, the MOST basic advantage of using a wholesaler is that the wholesaler

A) extends credit to the retailer.

B) provides storage facilities to the retailer.

C) can perform physical distribution activities more efficiently than the retailer.

D) takes ownership of goods for the retailer.
6) The major functions of SHS Wholesale include all of the following EXCEPT

A) selling to the final consumer.

B) warehousing, shipping, and product handling.

C) financing and budgeting.

D) marketing research and information systems.

E) inventory control and data processing.

7) A merchant wholesaler

A) takes title and assumes risk and is generally involved in buying and reselling products.

B) takes title and possession of goods and sells only to retailers.

C) does not take title and possession of goods but may facilitate exchange between any two parties.

D) deals exclusively with industrial products.

8) If a retailer needed help with store design and training sales personnel, it would most likely use the services of a

A) full-service wholesaler.

B) full-price wholesaler.

C) rack jobber.

D) cash-and-carry wholesaler.

9) A limited-line wholesaler would be expected to carry a __________ product mix.

A) wide and deep

B) wide and shallow

C) narrow and shallow

D) wide

E) narrow and deep
10) Which type of wholesaler not only provides transportation and delivers products to retailers, but also provides the service of placing products on retailers' shelves?

A) Truck wholesaler
B) Cash-and-carry wholesaler
C) Rack jobber
D) Drop shipper
E) Mail-order wholesaler

11) The only service that both rack jobbers and cash-and-carry wholesalers perform is

A) personal sales calls on customers.
B) providing credit to customers.
C) delivering merchandise to customers.
D) providing advice to customers.
E) physical possession of merchandise.

12) A cash-and-carry wholesaler would be expected to

A) provide transportation.
B) handle high turnover products.
C) provide credit.
D) carry a wide variety of products.
E) provide a wide range of services.

13) George Prakash has a group of farmers who provide him with a regular supply of fresh vegetables. He picks up their produce and has a regular route of grocers and restaurants who inspect and purchase quantities of the items he has on any given day. George's operation is which type of wholesaler?

A) Drop shipper
B) Limited-line
C) Truck

D) Cash-and-carry

E) Specialty-line

14) ___________ provide a convenient and effective method of selling small items to customers in remote areas that other wholesalers might find unprofitable to serve.

A) Mail-order wholesalers

B) Specialty-line wholesalers

C) Cash-and-carry wholesalers

D) Truck wholesalers

E) Desk jobbers

15) The primary purpose of a broker is to

A) take title to a producer's goods before selling them to retailers or consumers.

B) sell directly to the final consumer.

C) supply products in the food industry by developing permanent, trusting relationships with buyers.

D) sell directly to producers.

E) bring buyers and sellers together.

16) The channel member that markets all of a manufacturer's output, has complete authority over price, promotion, and distribution, but does not take title to the product is a

A) limited-line wholesaler.

B) selling agent.

C) commission merchant.

D) manufacturers' agent.

E) broker.
17) Kane Produce Ltd, a ________, takes possession of truckloads of tomatoes, arranges for storage, and transports them to auctions to be sold.

A) manufacturer's agent
B) selling agent
C) commission broker
D) commission merchant
E) selling broker

18) A manufacturer-owned operation that provides services usually associated with agents is a

A) facilitating agency.
B) wholesaler.
C) sales office.
D) sales branch.
E) public warehouse.

19) "Floor planning" is performed by

A) private warehouses.
B) finance companies.
C) public warehouses.
D) field warehouses.
E) transportation companies.

20) Rapid Parcel Service is a transportation company that producers use to forward freight to customers. This example illustrates wholesaling functions performed by:

A) sales offices
B) sales branches
C) public warehouses
Wholesalers and Distributors
Section B

1) A wholesaler would be least likely to sell its produce items to:
A) a food specialty store.
B) a grocery store.
C) grocery shoppers.
D) an employee cafeteria.
E) a hospital.

2) Wholesalers perform functions or services for which of the following organisations?
A) Only those above them in the marketing channel
B) Those above and below them in the marketing channel
C) Only those below them in the marketing channel
D) Producers only

3) It is estimated that within the UK 27 wholesale companies and buying groups account for ---- of the grocery wholesale market.
A) 50%
B) 65%
C) 70%
D) 85%

4) Of the following functions, which set is MOST likely to be passed on to wholesalers by producers?
A) Transportation, packaging, and financing
B) Product development, advertising, and financing

C) Warehousing, transportation, and advertising

D) Financing, transportation, and branding

E) Market information, transportation, warehousing, and financing

5) By buying in large quantities and delivering to customers in smaller lots, a wholesaler may perform all of the following physical distribution activities except

A) inventory planning.

B) transportation.

C) materials handling.

D) unit pricing.

E) communication.

6) Which of the following is NOT a factor used to classify wholesalers?

A) Whether the wholesaler is owned by the producer

B) Whether the wholesaler takes title to the products it handles

C) The range of services offered by the wholesaler

D) The price range of the products carried by the wholesaler

E) The breadth and depth of the product lines carried by the wholesaler

7) Sally McRae is to establish her own fashion wholesaling firm. Because of the risks involved in the rapid obsolescence of high-fashion items, she does not want to establish an organisation in which she has title to the garments. She has ruled out which of the following types of wholesale establishments?

A) Merchant wholesaler

B) Agent

C) Broker

D) Functional middleman
8) Which of the following is a full-service merchant wholesaler?

A) Cash-and-carry wholesaler  
B) Limited-line wholesaler  
C) Drop shipper  
D) Mail-order wholesaler  
E) Functional middleman

9) Based on what he has heard regarding the profitability of such items, Fred Goldstein is considering adding a fresh shellfish case in his grocery store. Fred knows very little about this product or the concerns of shoppers who buy shellfish. He is looking for help in display set-up and merchandising ideas. He should contact which one of the following types of wholesalers?

A) Limited-line  
B) Specialty-line  
C) General merchandise  
D) Rack jobber  
E) Limited-service merchant

10) All of the following are types of limited-service merchant wholesalers except

A) cash-and-carry wholesalers.  
B) truck wholesalers.  
C) mail-order wholesalers.  
D) specialty-line wholesalers.  
E) drop shippers.

11) Cash-and-carry wholesalers are _________ wholesalers.

A) full-line
B) specialty-line
C) full-service
D) limited-service
E) general merchandise

12) Drop shippers
A) take title to but not physical possession of the goods.
B) do not take title to or physical possession of the goods.
C) take title to and physical possession of the goods.
D) do not take title to but take physical possession of the goods.
E) are similar to truck wholesalers but provide the extra service of placing products on retailers' shelves.

13) What type of wholesaler is most often used for large-volume purchases of bulky goods like coal, oil, and chemicals?
A) A rack jobber
B) A truck wholesaler
C) A drop shipper
D) A cash-and-carry wholesaler
E) A bulk distributor

14) The difference between an agent and a broker is that an agent
A) is an intermediary, whereas a broker is not.
B) represents the seller and a broker represents the buyer.
C) determines who the consumers are, whereas the broker does not determine the customers.
D) usually represents people on a permanent basis, whereas a broker usually does so on a temporary basis.
15) One difference between manufacturers' agents and selling agents is that
A) selling agents have little control over the marketing mix of the manufacturers they represent.
B) selling agents represent retailers.
C) manufacturers' agents are not able to offer retailers aid in advertising or other promotional material.
D) selling agents seldom have the territorial restrictions that manufacturers' agents do.
E) selling agents represent wholesalers.

16) Many food brokers are more accurately described as manufacturers' agents because they
A) handle food products from a single manufacturer.
B) provide assistance in grading, negotiating, and inspecting foods.
C) have specialised knowledge of a particular commodity.
D) provide services on a somewhat permanent basis and operate in specific geographic territories.
E) charge higher commissions than most other brokers.

17) A manufacturer-owned middleman that sells products and provides support services for the manufacturer's sales force is called a sales
A) branch.
B) office.
C) manager.
D) broker.
E) agent.

18) All of the following are facilitating organisations except
A) public warehouses.
B) finance companies.
C) manufacturers' sales branches.

D) transportation companies.

E) trade shows.

19) Montgomery Transport, a freight carrier, serves as __________ in the marketing channels in which it participates.

A) a drop shipper

B) a rack jobber

C) a sales office

D) an agent

E) a facilitating agency

20) One of the results of the consolidation of wholesaling firms is

A) a trend toward globalization of world markets.

B) that more wholesalers are becoming specialists.

C) changes in the marketing environments.

D) that wholesalers are losing their power over retailers.

E) increased competition among retailers.

Retailing - Section A

1) The retailer is usually in an excellent position to

A) make the most profits in the channel.

B) be the channel leader.

C) gain feedback from consumers.

D) co-ordinate the production strategy.

2) Retailing is BEST characterised or defined
A) as transactions in which the buyer intends to consume the product through personal, family, or household use.

B) by arrangements whereby a supplier grants a dealer the right to sell products in exchange for some type of consideration.

C) as transactions in which the purchaser intends to use the product for resale or for general business operations.

D) by exchanges that take place only in a store or service establishment.

3) You would expect to find Marks and Spencer, Debenhams and Boots in an area known as the ---------- in a town or city.

A) central business district

B) prime pitch

C) retail zone

D) central trading area.

4) You have returned from a trip where you enjoyed free parking all day, shopped at IKEA and Toys 'r' Us, lunched in a burger bar, and went to a cinema in the afternoon before joining the motorway for the journey home. It is likely your trip was to:

A) a central business district.

B) a suburban centre.

C) an edge-of-town shopping area.

D) a retail park.

5) After shopping in the same store for nearly two hours, Charlie goes to Burger King for a Whopper, Cynthia goes to the opticians to see if her contacts are ready and the children play in the crèche. They engage in these activities without leaving the store in which they have been shopping. They are most likely in a

A) superstore.

B) hypermarket.

C) department store.

D) general merchandise retailer.
6) A shopper approaches the store's manager and says that he has seen a blender on display he wishes to buy. The manager asks him to fill out an order form and someone from customer service would be happy to bring him a blender. The customer is shopping in a

A) hypermarket.
B) superstore.
C) catalogue showroom.
D) warehouse club.
E) discount store.

7) Direct marketing and automatic vending are examples of

A) off-premise retailing.
B) portfolio retailing.
C) nonstore retailing.
D) off-price retailing.
E) direct retailing.

8) Which one of the following is NOT a form of direct marketing?

A) catalogue retailing.
B) telemarketing.
C) personal selling.
D) direct mail.

9) Alison asks ten of her friends over to her home to learn about exciting new cosmetic products. A salesperson from Angel Products makes a presentation and takes the women's orders. This is an example of

A) a party plan.
B) telemarketing.
C) a warehouse club.
D) direct marketing.
E) direct-response marketing.

10) A firm mails brochures and coupons to potential consumers who can then purchase products by mail or by phone. This illustrates which of the following methods of selling retail products?

A) Direct-response marketing
B) Party plan
C) Catalogue marketing
D) Speciality retailing
E) Direct selling

11) An arrangement in which a supplier grants a dealer the right to sell products in exchange for some type of consideration is:

A) licensing.
B) retailing.
C) franchising.
D) wholesaling.

12) Which of the following is NOT an advantage of franchising for the franchisee?

A) The franchisee can capitalise on the business experience of others.
B) When problems arise, the franchisee can obtain guidance and advice from the franchiser.
C) Franchised outlets are usually more successful than independently owned businesses with respect to long-term survival.
D) The franchisee can participate in national promotional campaigns sponsored by the franchiser.
E) The franchisee gives up a certain amount of control when participating in a franchise agreement.

13) Which of the following is the least flexible of the strategic retailing issues?

A) Atmosphere
B) Scrambled merchandising
C) Retail positioning
D) Store image
E) Location

14) Location is extremely important to a retailer because:

A) Suppliers charge more to service stores in certain trading areas.
B) A desirable location appeals to consumers' emotions and encourages them to buy.
C) Location is the major determinant of store image.
D) Location determines the trading area from which the store must draw its customers.
E) Convenient location is an essential customer service.

15) The strategy of identifying an attractive market segment and serving it in a way that differentiates the retailer from others in consumers' minds is termed:

A) Product positioning
B) Niche retailing
C) Retail positioning
D) Merchandise policy

16) Tie Rack stores are characterised by a product assortment that is:

A) Wide and deep
B) Wide and shallow
C) Narrow and deep
17) The physical elements in a store's design that appeal to customers' emotions are collectively termed

A) imaging

B) atmospherics

C) ambience

D) positioning

18) The balance of power between retailer and supplier in Britain lies mainly with

A) the retailer

B) the supplier

C) both equally

19) When a retailer adds unrelated products and product lines to the existing product mix this is termed

A) range expansion

B) mix scrambling

C) merchandise extension

D) scrambled merchandising

20) Price-Rite Carpets is located out-of-town, in a large, low-cost single storey building with no window displays and takes a minimalist approach to store ambiance and customer service. The Price-Rite store is an example of a:

A) discount shed.

B) warehouse club.

C) speciality store.

D) convenience store.
1) A retail establishment that is open twenty-four hours a day

A) will have higher sales than other retailers.

B) provides time utility.

C) is adhering to the marketing concept.

D) provides form utility.

E) is production-oriented.

2) A retailer is an organisation that purchases products for the purpose of reselling them to

A) other retail organisations.

B) the government.

C) ultimate consumers.

D) wholesalers.

3) In the retail trade customer thresholds refer to the number of customers:

A) required to make a profit.

B) a store can hold comfortably at any one time

C) a store can take for health and safety reasons.

4) Jack gets a shopping list from his wife. On the list are a potted plant, fresh salmon, motor oil, bread, milk, and a birthday cake. To make just one stop to save time, Jack should go to:

A) a convenience store.

B) an off-price retailer.

C) a speciality store.

D) a franchiser.

E) a supermarket.

5) A ________ is a retail establishment that combines supermarket and discount store shopping in one location.
A) superstore
B) department store
C) category killer
D) hypermarket
E) megamarket

6) Matt's girlfriend tells him she wants jewellery for Christmas. Matt decides to go to a store that provides the best possible selection of jewellery. His best choice would be to shop at a store.

A) department
B) catalogue
C) discount
D) speciality
E) convenience

7) All of the following are types of direct marketing except

A) direct-response marketing.
B) direct selling.
C) television home shopping.
D) online retailing.

8) The primary advantage of automatic vending as a form of retailing is that:

A) it provides continuous service to customers.
B) it eliminates the need for sales personnel.
C) vending machines require little maintenance.
D) it offers a low cost, personal method of selling.
9) Tupperware, Amway, and Avon sell products outside the confines of retail facilities. They are

A) discount retailers.
B) traditional retailers.
C) speciality retailers.
D) nonstore retailers.
E) home delivery retailers.

10) Malcolm has come up with the idea of a well-devised system for picking up peoples' cars while they are at work, washing and waxing them, and returning them for a fee. Having been a big success in his home city, Malcolm plans to expand his operation into other cities. The service described here seems best suited to:

A) direct marketing.
B) franchising.
C) door-to-door retailing.
D) licensing.
E) speciality retailing.

11) Which of the following is NOT one of the basic types of franchising arrangements?

A) A producer franchising a number of stores to sell a particular brand of product.
B) A wholesaler franchising a number of producers.
C) A producer franchising a number of wholesalers to sell to retailers.
D) The franchising of brand names, techniques, procedures, or services.

12) In franchising, which of the following is NOT a benefit that the franchiser gains?

A) The franchiser can gain rapid product distribution.
B) The franchiser can acquire capital more quickly for expanding production and for advertising.
C) The franchiser gains a greater amount of control over how the franchisees operate the establishments.

D) The franchiser benefits from the fact that franchisees tend to be highly motivated to succeed, which in turn leads to higher sales and higher royalties.

13) Jane Downe is planning to open an upmarket dress boutique. She is evaluating ease of movement to and from sites, vehicular traffic, types of stores in the area, and transportation networks. Which strategic retailing issue is she concerned with at this time?

A) Location

B) Product depth

C) Product mix

D) Scrambled merchandising

E) Retail positioning

14) In her search for a site for a new boutique she plans to open, Sarah has narrowed the choices down to three locations. Her friend Judy suggests that Sarah do an assessment of the other types of retailers surrounding these three locations. She is suggesting that Sarah consider site ------

A) traffic.

B) structure.

C) compatibility.

D) congeniality.

E) convergence.

15) Ken Adams tells the loan officer at Allied Irish Bank that Cork really needs a shop that offers high-quality fishing gear to sports enthusiasts and provides the service and advice that so many people need. No other shop in the area seems to provide this combination. Ken is trying to use ------ to support his request for a loan to start such a retail operation.

A) product assortment

B) location analysis

C) product mix depth
16) Poundstretcher stores are characterised by a product assortment that is

A) wide and deep

B) wide and shallow.

C) narrow and deep.

D) narrow and shallow.

17) Exterior and interior characteristics such as layout, displays, colour, and lighting are elements of which one of the following issues that affect retailing objectives?

A) Services

B) Atmospherics

C) Location

D) Environment

E) Store image

18) Through the years, chemist shops have added more and more unrelated products to their product mix, such as greetings cards, food items, and small appliances. This illustrates which one of the following strategic issues retailers must consider?

A) Tumbled product assortment

B) Product lot combination

C) Scrambled merchandising

D) Wheel of retailing

19) The wheel of retailing hypothesis suggests that:

A) retailers tend to provide more limited services to customers as the business ages.

B) new retailers enter the market with low prices, low profit margins and low status but eventually trade up.

C) as retail firms' profits increase, the service they provide to customers increases but the cost of doing business decreases.
D) a retail firm must grow to compete with other retail firms on an equal basis.

20) Bill accesses Waterstone’s home page on the world wide web and orders a copy of the latest best selling business book. This is an example of:

A) catalogue retailing.

B) direct-response retailing.

C) online retailing.

D) home shopping.

E) in-home retailing.

Physical Distribution
Section A

1) Order processing, inventory management, materials handling, warehousing, and transportation are __________ activities.

A) wholesaling

B) retailing

C) physical distribution

D) channel management

2) If the demand for products is unpredictable, suppliers must be able to respond quickly to inventory needs. In these cases, __________ may be a minor consideration when compared with service, dependability, and timeliness.

A) planning

B) strategy

C) objectives

D) cost

E) speed
3) When asked about the quality of Electrico's distribution system, Mark Johnson proclaims that 95 percent of all orders are filled within two working days. This statement represents the firm's

A) mission statement.
B) response factor.
C) shipping objective.
D) customer commitment.
E) service standard.

4) Order processing

A) is the receipt and transmission of sales order information.
B) is the second stage in a physical distribution system.
C) involves four main tasks.
D) is the same as order handling.
E) is characterised by electronic processing.

5) Manual order processing

A) allows the integration of order processing and production planning.
B) is flexible in special situations.
C) is practical for a large volume of orders.
D) is the most widely used form of order processing.

6) Consolidating many items into one container, sealed at the point of origin and opened at the destination, is referred to as

A) canning.
B) containerisation.
C) unitised shipping.
D) preservation.
7) When a company leases a warehouse to serve a region of the market that is not large enough and stable enough to make a long-term commitment to fixed warehousing facilities, it is employing a:

A) flexible warehouse.
B) dispatching centre.
C) distribution centre.
D) private warehouse.
E) public warehouse.

8) Trent Wholesale Plumbing has seen its sales in the Southwest triple in the past two years. Materials handling director Jane Peterson announces plans to the board for a Bristol facility that will combine shipments received from Trent’s twenty-five suppliers for nearly immediate shipment to plumbing stores and contractors in the southwest region. This new facility would be best classified as which of the following?

A) Private warehouse
B) Public warehouse
C) Field public warehouse
D) Distribution centre
E) Bonded warehouse

9) The result of a stockout is usually an:

A) increase in inventory costs.
B) increase in lost sales.
C) increase in net profit.
D) increase in customers.

10) Anna Wren, sales manager for Nordic Lumber, tells the firm's inventory manager that failure to have adequate supplies of pressure-treated lumber on hand has cost the firm £175,000 in lost sales. This figure would be used as a component management figures?
A) Carrying costs
B) Replenishment costs
C) Stockout costs
D) Safety stock costs
E) Reorder costs

11) Which of the following helps a marketer determine how much to order?
A) Order lead time
B) EOQ
C) Reorder point
D) Fixed order-interval approach
E) Electronic inventory system

12) Eric attends a seminar on just-in-time inventory management. Excited about the idea, he returns to his office to start designing such an inventory system. Which one of the following steps should Eric take as he makes this change?
A) Increase safety stock
B) Raise the reorder point
C) Reduce customer service standard
D) Increase order frequency
E) Reduce estimates of inventory turnover rate

13) Which of the following modes of transportation is most likely to be used for transporting emergency parts?
A) Motor vehicles
B) Railroads
C) Inland waterways
D) Airways

E) Pipelines

14) The transportation mode that usually has the highest cost is

A) airways.

B) motor vehicles.

C) railroads.

D) pipeline.

E) waterways.

15) Where speed is less important, which of the following remains an important criterion in selecting a transportation mode?

A) Cost differences

B) Security differences

C) Performance differences

D) Regulation

E) Capability

16) Which of the following refers to the degree to which a transportation mode can provide equipment and conditions appropriate for moving specific kinds of goods?

A) Reliability.

B) Capability

C) Capacity

D) Accessibility

E) Frequency

17) ________ involves combining and co-ordinating two or more modes of transportation to take advantage of benefits offered by different types of carriers.

A) Intermodal transportation
18) Which of the following consolidates shipments from several organisations into efficient lot sizes?

A) Freight forwarder  
B) Forwarding agency  
C) Transporter  
D) Special transportation company  
E) Intermodal shipping company

19) Physical distribution functions account for approximately ________ of all marketing costs.

A) one fifth  
B) one quarter  
C) one third  
D) one half

20) While a poor physical distribution system would affect all elements of a company's marketing mix, the problems associated with a poor system

A) can usually be solved by investing more money in the system.  
B) are usually caused by increased distribution costs.  
C) can have a negative impact on customer service and satisfaction.  
D) are usually attributed to problems with order processing.
1) Physical distribution
   A) is concerned mainly with speed of delivery.
   B) is used only by manufacturers.
   C) involves the movement of products from producers to end users.
   D) is primarily the wholesaler's responsibility.

2) For most companies, the main objective of physical distribution is to
   A) decrease costs while increasing market coverage.
   B) increase service and market coverage.
   C) decrease costs while increasing service.
   D) increase market coverage and channel power.
   E) balance costs and market coverage.

3) According to the text, cost tradeoffs enable firms to
   A) resolve pricing conflicts among competitors.
   B) minimise risk during the test marketing of new products.
   C) reduce costs of all distribution functions simultaneously.
   D) resolve pricing conflicts within marketing channels.
   E) combine resources for greatest cost-effectiveness.

4) The order-processing task that involves verifying product availability, checking prices
   and customer credit ratings, and filling orders is
   A) warehousing.
   B) order handling.
   C) information processing.
   D) materials handling.
E) order entry.

5) _______ allows easier movement of items by fork lift trucks between internal destinations in the warehouse.

A) unit loading
B) piggybacking
C) containerisation
D) inventory management
E) priority transportation

6) Which of the following physical distribution functions involves the design and operation of facilities for storing and moving goods?

A) Order processing
B) Materials handling
C) Transportation
D) Warehousing
E) Inventory management

7) Air-tech management learns that last month's production run of heaters is defective and announces a recall of the specific models produced. To handle the large number of products it expects to receive for replacement, Air-tech will probably need to add a ________ to its distribution network.

A) distribution centre
B) private warehouse
C) dispatching shipment system
D) public warehouse
E) materials handling system

8) Greg is a physical distribution manager. He is currently developing and maintaining assortments of products that are adequate for customer demand. In which stage in the physical distribution system is Greg currently involved?
A) Order processing
B) Materials handling
C) Inventory management
D) Transportation
E) Warehousing

9) Suppose the inventory manager at Hotpoint intends to lower stockout costs. Which of the following is considered a stockout cost that the manager at Hotpoint might address?

A) Price of washing machines
B) Sales lost due to short supply of dishwashers
C) Order-processing expenses
D) Expenses of backordering small appliances

10) Select the FALSE statement about an inventory system.

A) The objective of minimum total inventory cost must be balanced against a customer service level necessary to maximise profits.
B) EOQ is the size of inventory that minimises only the cost of carrying inventory.
C) There is a tradeoff between inventory carrying costs and the probability of stockouts.
D) Inventory carrying costs usually increase as the level of customer service increases.
E) It is important to consider all the conflicting objectives when deciding on an inventory system.

11) A manufacturer has decided to improve its inventory management by maintaining low inventory levels and waiting to purchase materials until right before they are needed in production. This inventory management technique is called

A) just-in-time (JIT).
B) inventory minimisation.
C) economic order quantity.
D) reorder point maximisation.

12) ________ adds time and place utility to a product by moving it from where it is made to where it is purchased and used.

A) Warehousing
B) Containerisation
C) Distribution
D) Materials handling
E) Transportation

13) ________ are the most common mode of shipping fresh flowers long distances.

A) Pipelines
B) Waterways
C) Motor vehicles
D) Airways
E) Railroads

14) Assuming everything else equal, the best way for British Petroleum to transport crude oil from remote oil drilling sites in central Alaska to shipping terminals on the Alaskan coast would be

A) waterways.
B) airways.
C) tanker trucks.
D) railroads.
E) pipelines.

15) Marketers must be able to count on their carriers to deliver goods on time and in an acceptable condition. Another name for this consistency of service is

A) accessibility.
16) The ability of a carrier to move goods over a specific route or network is the measure of its

A) accessibility.
B) dependability.
C) reliability.
D) capability.
E) load flexibility.

17) Piggyback, fishyback, and birdyback are terms usually associated with gaining efficiency in shipping through

A) transit time.
B) loading cartridges.
C) packaging.
D) containerisation.
E) lot sizes.

18) The use of a freight forwarder

A) is not always economical for a small firm.
B) usually increases transit time and shipping costs.
C) usually increases transit time and sometimes lowers shipping costs.
D) lowers shipping costs for a large firm.
E) usually reduces transit time.
19) Physical distribution functions influence

A) primarily pricing and product decisions.

B) primarily promotion and pricing decisions.

C) all elements of the marketing mix.

D) primarily pricing decisions.

E) mainly product decisions.

20) All elements of the marketing mix are influenced by physical distribution functions. For this reason, it is important for marketers to remember that

A) physical distribution decisions must be made prior to any other marketing strategy consideration.

B) physical distribution costs often rise as customer service requirements decrease.

C) over 75 percent of all marketing costs are associated with physical distribution expenditures.

D) no single distribution system is ideal for all situations and target markets.

Promotion: An Overview

Section A

1) The basic role of promotion is

A) information.

B) manipulation.

C) communication.

D) interpretation.

2) People tend to view promotion from many vantage points. Which alternative below is MOST accurate?

A) Promotion costs cause product costs to be higher.

B) Promotion activities make up the bulk of marketing.

C) The role of promotion is to communicate and to facilitate exchanges.
D) Promotion should be directed toward numerous audiences.

3) A person, group, or organisation that has a meaning it intends and attempts to share with a receiver or an audience is a

A) medium of transmission.

B) source.

C) relay channel.

D) decoder.

E) sender.

4) When encoding the message, the source should use signs that have

A) new and exciting meanings.

B) different meanings to different people.

C) contemporary jargon.

D) meanings that the target market will understand.

E) broad interpretations.

5) In the Gillette advertisement that claims "Gillette, the best a man can get," Gillette is the communication:

A) receiver

B) transmitter.

C) decoder.

D) source.

6) OES Office Systems' use of fax machines to carry its advertising messages to customers is which component of the communication process?

A) Medium of transmission.

B) Decoding process.
C) Coding process.

D) Sharing of meaning.

E) Noise minimisation.

7) During the decoding process, the

A) intensity of the transmission becomes stronger.

B) receiver attempts to convert signs into concepts and ideas.

C) source attempts to convert signs into concepts and ideas.

D) receiver filters noise from the feedback.

8) When an individual knows that a product exists, has very little information regarding the product, and does not seek additional information, in what stage of the product adoption process is that person?

A) Trial stage.

B) Adoption stage.

C) Interest stage.

D) Awareness stage.

E) Evaluation stage.

9) If the aim of the promotion to introduce a new consumer product is to achieve high awareness levels, the firm will most likely make heavy use of _______ in the promotional mix.

A) advertising.

B) sales promotion.

C) personal selling.

D) publicity.

E) public relations.

10) What source of information is usually effective for moving consumers to the evaluation stage of the product adoption process?
11) The last people to adopt a new product and who tend to be suspicious of new products are called:
   A) late adopters
   B) laggards
   C) late majority
   D) final targets

12) Slow feedback, high costs, and difficulty in measuring effects on sales are disadvantages of which promotion mix ingredient?
   A) Advertising
   B) Public relations
   C) Sales management
   D) Sales promotion
   E) Personal selling

13) Kinesic communication is an element in which type of promotional method?
   A) Advertising
   B) Public relations
   C) Personal selling
   D) Packaging
   E) Sales promotion
14) As they walk to the car, Elaine tells her sales representative that they may need to modify the price structure they just presented to the prospect. Elaine bases her statement on the way the prospect folded his arms when he was quoted quoted prices on the new system. The sales representative he didn't notice that. Elaine recommends a book on ________communication.

A) tactile  
B) proxemic  
C) kinesic  
D) verbal  
E) signal

15) All of the following are examples of publicity-based public relations tools except

A) press conferences.  
B) feature articles.  
C) news releases.  
D) annual reports.  
E) news stories.

16) A consumer contest is an example of

A) personal selling.  
B) sales promotion.  
C) advertising.  
D) indirect selling.  
E) public relations.

17) Communication through a news story regarding an organisation and/or its products that is transmitted through a mass medium at no charge is

A) advertising.  
B) sales promotion.
18) Proctor and Gamble periodically sends out coupons and free samples of products. This illustrates P & G’s use of which one of the following elements of the promotion mix?

A) Advertising
B) Personal selling
C) Sales promotion
D) Publicity

19) If the push policy is used in promoting a product, the firm

A) promotes directly to consumers.
B) promotes only to the next institution in the marketing channel.
C) promotes the product to wholesalers only.
D) promotes the product to retailers only.

20) The use of a pull policy may require heavy expenditures for

A) advertising and sales promotion.
B) public relations and distribution.
C) personal selling and public relations.
D) distribution and advertising.

Promotion: An Overview
Section B

1) _________ links the purchase of an organisation's products to support of philanthropic organisations favoured by the target market.

A) Promotion
B) Cause-related marketing
C) Charity-related promotion
D) Charitable non-profit marketing

2) A sharing of meaning defines

A) promotion.

B) information.

C) noise.

D) interference.

E) communication.

3) The receiver's response to a message is _________ for the source.

A) feedback

B) medium of transmission

C) noise

D) channel capacity

E) decoding

4) The process of putting one's thoughts (meaning) into signs (symbols) is called

A) decoding.

B) noise.

C) interference.

D) transmission.

E) encoding.

5) As Betty Jeffries prepares the script for a radio commercial for her boutique, she is engaging in the ________ stage of the communication process.

A) coding.

B) sourcing.
C) decoding.
D) transmission.

6) The vehicle through which the coded message is transmitted from the source to the receiver is called a(n)
   A) coder.
   B) decoder.
   C) encoder.
   D) relay channel.
   E) medium of transmission.

7) In one corner of its magazine advertisement for office copiers, Pitney Bowes places a small box asking for the names and addresses of individuals or companies seeking more information. Pitney has included this box to facilitate __________ for this communication.
   A) decoding.
   B) feedback.
   C) encoding.
   D) noise reduction.

8) The long-run ultimate effectiveness of promotion is determined by the degree to which:
   A) the target market is informed about the product.
   B) consumers agree with the promotional message.
   C) the total market is educated about the product's uses.
   D) it moves buyers closer to adopting a product.

9) Rejection of a product can occur:
   A) mainly before the adoption stage.
   B) only after the trial stage.
C) during any stage in the adoption process.

D) only during the evaluation stage.

10) A paid form of nonpersonal communication about an organisation and/or its products that is transmitted to a target audience through a mass medium is:

A) advertising.

B) publicity.

C) sales promotion.

D) personal selling.

11) If a company's customers are concentrated in a small geographic area and the company sells technical products, which promotion method will it most likely use?

A) Advertising

B) Publicity

C) Personal selling

D) Sales promotion

12) Organisations that rely heavily on personal selling are likely to use other promotional efforts to

A) promote their less expensive products.

B) urge consumers to send their comments and ideas to the firm.

C) promote free gifts to consumers.

D) improve the effectiveness of salespeople.

13) Bruce walks around behind purchasing agent Shannon Wise as she looks at the pamphlet describing Hyster's new conveyer system. Shannon stands up and walks to a table on the other side of her office. Bruce follows but he does not understand the _________ communication Shannon is sending.

A) tactile

B) proxemic
C) kinesic
D) verbal
E) promotional

14) Acme Ltd. has agreed to provide financial assistance to a local community festival so long as the company name is prominently displayed at the event. Acme is engaging in:

A) publicity
B) sponsorship.
C) public relations.
D) event marketing
E) sales promotion.

15) Competitions, free samples, and rebates are examples of

A) advertising.
B) sales promotion techniques.
C) publicity.
D) personal selling techniques.
E) advertising.

16) Which promotion mix ingredient costs considerably more than advertising to reach one person but can provide more immediate feedback?

A) Publicity
B) Sales promotion
C) Personal selling
D) Public relations

17) An activity and/or material that offers added value or incentive to resellers, salespersons, or consumers is:

A) advertising.
B) personal selling.

C) publicity.

D) sales promotion.

18) When a toy manufacturer advertises a product on Saturday-morning television and tells children to ask for the product at their favourite toy shops, it is implementing a _______ policy in its promotion mix.

A) differentiated

B) penetration

C) push

D) pull

E) concentrated

19) If a pull policy is to be used in promoting a product, the firm

A) promotes directly to consumers.

B) promotes only to the next marketing institution down the marketing channel.

C) promotes the product to retail stores only.

D) promotes the product to wholesalers only.

20) In its introduction of Stainmaster Carpets, Dupont used a pull policy. This approach necessitated heavy expenditure for which one of the following promotional mix elements?

A) Advertising

B) Publicity

C) Personal selling

D) Distribution

E) Sales promotion
1) Advertising is a major promotion mix ingredient that is a

A) paid form of personal communication.
B) paid form of nonpersonal communication.
C) nonpaid form of personal communication.
D) nonpaid form of nonpersonal communication.

2) A Bank airs a series of radio ads that claim "We are the listening bank." This campaign would be best described as __________ advertising.

A) pioneer
B) target
C) product
D) institutional
E) comparative

3) Advertising that promotes organisational images, ideas, and political issues is __________ advertising.

A) defensive
B) product
C) competitive
D) comparative
E) institutional

4) Soft drink companies advertise that their products beat the competition in national "taste tests," and they refer to the rival brands by name. This type of advertising is best described as

A) pioneer.
B) competitive.
C) comparative.
D) defensive.
E) selective.

5) The initial stage in the development of an advertising campaign is
A) creating the message.
B) setting the budget.
C) identifying and analysing the advertising target audience.
D) defining the advertising objectives.
E) creating the advertising platform.

6) The target audience for an advertising campaign is the
A) information base on which to develop the campaign.
B) location and geographic distribution of persons.
C) group of people toward whom the advertisements are directed.
D) overall goal of the advertising campaign.

7) Why should a benchmark statement be included in advertising objectives?
A) The shareholders always like to see where a company is in relation to competition.
B) It gives an indication of how the advertising message might best be presented.
C) Without a reference point, it is difficult to determine to what degree the objectives have been accomplished.
D) The objectives become more easily attainable when such a statement is included.

8) The most effective method of determining platform issues is to use a survey of
A) personnel with the firm.
B) individuals at the advertising agency.
C) customers.
D) marketers in the industry.

E) advertising experts.

9) People in the marketing department are having difficulty estimating the level of effort needed to achieve advertising goals. This problem is characteristic of the _________ approach to advertising appropriation.

A) reliable-appropriation

B) match-competition

C) arbitrary

D) objective-and-task

E) percent-of-sales

10) Roger McKinney complains to his advertising director that the continuing slump in orders has apparently been perpetuated by the firm's failure to have the necessary advertising expenditures in key media. Based on this information, the firm is MOST likely using the _________ approach to determine its advertising appropriation.

A) percent-of-sales

B) objective-and-task

C) competition-matching

D) arbitrary

11) A marketer that wanted to include detailed explanations in advertisements would be most likely to use

A) radio

B) television.

C) outdoor displays.

D) magazines.

12) The verbal portion of an advertisement, including headlines, body, and signature, is called the

A) artwork.
B) copy.

C) storyboard.

D) layout.

E) script.

13) Why is the headline of a print advertisement such a critical component of the copy?

A) It determines the final layout design.
B) It is often the only part of the advertisement that is read.
C) It takes up the most space.
D) It links the copy to the signature.
E) It links the artwork to the signature.

14) The physical arrangement of the illustration, headline, subheadline, body copy, and the signature is called the

A) artwork.
B) copy.
C) art design.
D) layout.
E) storyboard.

15) Because of a limit on demand for any brand, the primary way a marketer can increase sales beyond a certain point is to:

A) show consumers how the brand is better than other brands.
B) promote more ways in which consumers can use the product.
C) use pioneer promotion
D) use reminder and reinforcement advertising.
16) A major reason why a substantial amount of publicity material is rejected by media personnel is that the material is:

A) too long and technical.

B) written at too high a reading level for the audience.

C) submitted by organisations that the media do not trust.

D) not persuasive enough.

E) insufficiently newsworthy.

17) _________ is communication in news story form about an organisation, its products, or both, that is transmitted through a mass medium at no charge.

A) Advertising

B) Publicity

C) Public relations

D) Sales promotion

E) Personal selling

18) 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

19) _________ is a broad set of communication activities used to create and maintain favourable relations between the organisation and its publics.

A) Advertising

B) Selling

C) A press strategy
D) Public relations

E) Publicity

20) In many instances the most appropriate way to cope with a negative event that may lead to negative public relations 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.

E) refrain from publicity that reports the event.

Advertising, Publicity and Sponsorship
Section B

1) Coors advertises that its beer is the only one that is kept cold from the brewery to the store. This type of advertising is called

A) pioneer.

B) competitive.

C) comparative.

D) defensive.

E) institutional.

2) A television advertisement showing the safety features of the Volvo 240 DL would be best classified as which of the following?

A) Product advertising

B) Pioneer advertising

C) Defensive advertising

D) Societal marketing

E) Publicity
3) What type of advertising points out a brand’s uses, features, and advantages that benefit consumers but may not be available in other brands?

A) Reminder advertising  
B) Reinforcement advertising  
C) Competitive advertising  
D) Defensive advertising  
E) Institutional advertising

4) Brands that are promoted through comparative advertising are MOST likely to be

A) market leaders.  
B) brands that are attempting to compete with market leaders.  
C) primarily services rather than tangible goods.  
D) attempting to compete on a nonprice basis.  
E) competing in a less competitive market.

5) The final stage in the development of an advertising campaign is

A) creating the advertising platform.  
B) developing the media plan.  
C) creating the advertising message.  
D) evaluating the effectiveness of advertising.

6) When developing an advertising campaign, benchmarks should be included in the

A) campaign platform.  
B) evaluation of the advertising effectiveness.  
C) statement of advertising objectives.  
D) media plan.  
E) budget.
7) An advertising platform consists of the

A) basic issues or selling points that an advertiser wishes to include in the advertising campaign.

B) clearly defined objectives of the advertising campaign, stated in precise and measurable terms.

C) form in which the basic issues of the campaign should be presented.

D) broad objectives of the advertising campaign.

8) A marketer's advertising platform should consist of issues that are important to consumers. Selling features should not only be important to consumers, but also, if possible, should be features that

A) competitive products lack.

B) can be seen easily in a photograph.

C) are familiar concepts to those in the target market.

D) are reasonably inexpensive to develop.

9) Advertising appropriations are largest for which type of product?

A) Industrial products

B) Convenience goods

C) High-priced products

D) Specialty goods

E) Infrequently purchased goods

10) Marketing managers at General Motors are determining what proportion of the budget would be spent on magazine, television, and radio advertisements based on the cost and effectiveness of each. The schedule created by the marketers at GM is called:

A) an advertising-allocation plan.

B) a media plan.

C) an arbitrary allocation plan.
D) an objective-task plan.

11) A tool that allows an advertiser to compare the costs of several vehicles within a specific medium relative to the number of persons reached by each vehicle is called a

A) cost comparison indicator.
B) media comparison selector.
C) unit-price selector.
D) cost/person index.
E) vehicle/price indicator.

12) The ________ is supposed to attract readers’ attention and develop sufficient interest so that they will read the entire advertisement.

A) signature
B) layout
C) headline
D) artwork
E) subheadline

13) Artwork, a major part of most advertisements, consists of the

A) illustration and the signature.
B) illustration and the layout.
C) illustration and type of print used in the headlines.
D) layout and the signature.
E) method by which all the components are put together.

14) Recognition and recall tests are post-test methods to evaluate advertising effectiveness based on

A) mail surveys.
B)memory.
C)inquiries.
D)customer preferences.
E)in-depth interviews.

15) A marketer uses pioneer advertising to:
A) promote established brands.
B) compare brand names.
C) promote a product in the introductory stage of the life cycle.
D) introduce a competitive version of the product.

16) 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.

17) A major benefit of using event sponsorship is that it
A) enhances personal selling efforts.
B) provides an excellent back-drop for advertisements.
C) can provide large amounts of free media coverage.
D) effectively neutralises the negative effects of unfavourable public relations.

18) A __________ audit is used to assess a company's image among the organisation's publics or to evaluate the effect of a specific program
A) communications
B) social
19) The limitations in using publicity-based public relations tools stem primarily from the fact that

A) publicity is never properly managed by media personnel.

B) media personnel consider only unfavourable messages as newsworthy.

C) it is time-consuming and costly to convince media personnel that the information is newsworthy.

D) media personnel control the content and the timing of the communication.

20) To announce the development of a new surgical breakthrough, a hospital management team feels it needs to get wide media coverage. Under these circumstances, which one of the following would probably be its best alternative?

A) Captioned photograph

B) Feature article

C) Third party endorsement

D) Television advertisement

E) Press conference

Personal Selling, Sales Promotion and Direct Mail
Section A

1) Personal selling tries to achieve three general goals: finding prospects, convincing prospects to buy, and

A) monitoring new products being developed.

B) being aware of competitors’ sales activities.

C) depending on one-sale customers.

D) avoiding repeat sales.
E) keeping customers satisfied.

2) Scott Barton, a sales person from Xerox, develops a list of potential customers and evaluates them on the basis of their ability, willingness, and authority to purchase copy machines. This process is called:

A) customer search.

B) sales preparation.

C) approaching the customer.

D) audience identification.

E) prospecting.

3) Advertising that encourages consumers to send in cards for additional information aids salespersons in achieving which goal of personal selling?

A) Convincing prospects to buy

B) Finding prospects

C) Keeping customers satisfied

D) Making the presentation

E) Following up the sale

4) The final stage of the selling process is the

A) closing.

B) trial close.

C) presentation.

D) follow-up.

E) overcoming of objections.

5) Kevin tells his wife, Karen, that his last sales call of the day at DuPont was a disaster. He explains that he never really figured out what the purchasing agent was looking for. Karen, a sales trainer for another firm, hands Kevin a book on:

A) improving listening skills.
B) overcoming objections.

C) prospect evaluation.

D) product demonstrations.

E) closing the sales encounter.

6) Which of the following is least likely to be directly involved in actually making sales?

A) Order taker

B) Current-customer salesperson

C) Order getter

D) Field order taker

E) Support personnel

7) The two groups of order takers are

A) current customer salespersons and new-business salespersons.

B) missionary salespersons and trade salespersons.

C) inside order takers and field order takers.

D) trade salespersons and technical salespersons.

E) advisory order takers and support order takers.

8) Marsha Hemlock, a trained engineer, is a salesperson for a chemical manufacturer. She provides current customers with advice about a product's characteristics and applications. She is a

A) missionary salesperson.

B) trade salesperson.

C) field order taker.

D) inside order taker.

E) technical salesperson.
9) A sales representative for Coca-Cola travels to various shops and restaurants to determine how much syrup 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) Missionary salesperson
E) Trade salesperson

10) Mary King's job is to call on GP's and explain how patients can benefit from new prescription drugs her firm develops. Mary is:

A) a technical salesperson
B) a missionary salesperson
C) an order taker
D) an order getter
E) a trade salesperson

11) The recruiting and selection process should include enough steps to yield the information needed to make accurate selection decisions. However, the stages of the process should be sequenced so that the more expensive steps are

A) near the beginning.
B) always completed before anything else.
C) near the end.
D) paid by the prospects rather than the company.

12) Which of the following statements is considered a disadvantage of the straight commission compensation method?

A) It necessitates closer supervision of a salesperson's activities.
B) It may be difficult to administer.
C) Selling costs are less predictable.

D) It provides no incentives.

13) A common practice in evaluating a salesperson is for sales management to compare the salesperson's performance with the performance of other salespersons operating under similar selling conditions or to compare

A) the size of sales territories.

B) selling expenses with sales by various members of the sales force.

C) the amount of new business generated.

D) current performance with past performance.

14) If a manager tries to form territories with equal sales potential, the territories will usually be unequal in geographic size; this will cause the salespersons with larger territories to

A) develop larger income potentials.

B) have to work longer and harder to generate a certain sales volume.

C) work about the same amount, since potential is the same.

D) have much larger sales than those salespeople with smaller territories.

15) Northern Foods is using sales promotion to motivate wholesalers and retailers to carry a new product and to market the product aggressively. What type of sales promotion is the company using?

A) Consumer sales promotion

B) Product sales promotion

C) Trade sales promotion

D) Merchandising promotion

E) Pull promotion

16) In establishing sales promotion objectives, a marketer should always

A) concentrate on activities that will increase consumer demand.
B) focus on consumers.

C) be defensive in the methods used.

D) align objectives with the organization's overall objectives.

17) Fraudulent usage, inability to attract potentially brand-loyal customers, and use by current customers but not new customers, are believed to be disadvantages of which of the following?

A) Sweepstakes

B) Money refunds

C) Frequent-user incentives

D) Coupons

E) Premiums

18) Which of the following is most likely to stimulate customer loyalty?

A) Coupons

B) Sweepstakes

C) Frequent-user incentives

D) Samples

E) Premiums

19) Sometimes resellers are offered a temporary price reduction for purchasing specified quantities of a product. Such offers are used to provide them with an incentive to handle a new product, to achieve a temporary price reduction, or to stimulate the purchase of an item in quantities that are considered larger than those usually purchased. What is this sales promotion?

A) Push money

B) Buy-back allowance

C) Buying allowance

D) Money-off offer
20) A ________ is a gift to a retailer who purchases a specified quantity of merchandise.

A) dealer loader  
B) premium  
C) dealer listing  
D) merchandise allowance  
E) count and recount

Personal Selling, Sales Promotion and Direct Mail  
Section B

1) Concerned about the impact on her firm's promotional messages, Karen Dickson of Magnum PLC., seeks an approach with immediate feedback. She is most likely to achieve this through.

A) television advertising  
B) newspaper advertising  
C) publicity  
D) personal selling  
E) sales promotion

2) The first step in the selling process is

A) preapproach.  
B) approaching the customer.  
C) making the presentation.  
D) overcoming objections.  
E) prospecting.
3) Before contacting acceptable prospects, a salesperson for an industrial cleaning equipment company analyzes information about the prospects' product needs, feelings about brands, and personal characteristics. This process is called

A) prospecting.
B) preparing.
C) approaching the customer.
D) sales training.
E) sales planning.

4) The step or stage of the personal selling process in which the salesperson attempts to make a favorable impression, gather information about the customer's needs and objectives, and build rapport with the prospective customer is called

A) prospecting.
B) preapproach.
C) approach.
D) making the presentation.
E) overcoming objections.

5) "Mrs. Brown, you would agree that this is the most attractive car interior in this price range, wouldn't you?" Cliff Davis, salesperson at Ford Motors, was using __________ when he made this statement.

A) a referral
B) an objective
C) a bandwagon approach
D) a follow-up
E) a trial close

6) Assisting the producer's customers in selling to their own customers is the major purpose of which type of salesperson?

A) Trade salesperson
7) The type of salesperson that usually requires training in physical science or engineering is the

A) trade salesperson.

B) missionary salesperson.

C) technical salesperson.

D) order taker.

E) order getter.

8) Gwen works for a cosmetics manufacturer and is responsible for ensuring that resellers have adequate quantities of products when and where they need them. She is also devoting much of her time towards helping retailers promote these products. Gwen is a:

A) a technical salesperson

B) an advisory salesperson

C) a field order taker

D) an order getter

E) a trade salesperson

9) Sales objectives for individual salespersons can be stated using several terms. Which of the following would LEAST likely be used for stating an individual salesperson's goal?

A) Unit volume sales

B) Average order size

C) Ratio of profits relative to number of sales calls

D) Average number of calls per time period
10) Jose Suarez has been promoted to sales manager at a new firm and is trying to come up with a sales-force compensation method. He would like to have selling expenses relate directly to sales resources, a highly aggressive sales force, and minimization of nonselling tasks. What compensation method(s) would best fulfill his requirements?

A) Combination
B) Straight salary
C) Straight salary plus generous fringe benefits
D) Straight commission
E) Salary plus a bonus

11) A primary goal of routing and scheduling decisions is to

A) determine the sequence in which customers will be called on.
B) use existing transportation facilities.
C) minimize nonselling time.
D) determine frequency and duration of calls.

12) Cleo Davis sets forth one major condition when her firm's sales managers sit down to reallocate accounts into sales territories: "It is an absolute necessity that the sales potentials of the territories we establish be

A) equal."
B) measurable."
C) consistent."
D) the same as before."

13) Sales promotion is best defined as a(n)

A) activity and/or material used as a direct inducement to resellers, salespersons, or consumers.
B) advertising and publicity campaign.
C) cyclical activity aimed at producing short-run effects on sales.
D) activity and/or material used in personal selling.

14) Over the last fifteen years the proportion of promotional dollars spent on sales promotion has

A) increased at the expense of advertising.

B) remained generally constant.

C) declined slightly and the proportion spent on advertising has increased moderately.

D) increased and the proportion spent on advertising has risen as well.

15) A limitation of sales promotion is that excessive sales promotion efforts directed at price reductions can lead to

A) stronger consumer demand for information provided through advertising.

B) a decline in the brand's image.

C) a decline in the organization's image.

D) increased costs of promotion.

16) ________ are items offered free or at minimal cost as a bonus for purchasing a product.

A) Rebates

B) Premiums

C) Samples

D) Merchandise allowances

E) Coupons

17) Realizing that her firm's sales promotion budget was small last year and was cut by 30 percent for the coming year, Stacey Baron almost immediately rules out ________ as playing a role in her sales promotion plan.

A) samples

B) coupons
C) point-of-purchase materials
D) money refunds
E) premiums

18) A television advertisement for Miracle-Gro lawn fertilizer indicates that the product is available at Texas Homecare. This form of sales promotion is called:

A) cooperative advertising.
B) dealer listing.
C) push money.
D) dealer loader.
E) advertising allowance.

19) Jan is shopping at Asda. She completes an entry form at the checkout for a prize draw which gives her a chance to win a new car. Jan is participating in a:

A) consumer contest
B) sales contest
C) sales competition
D) consumer sweepstake

20) A temporary price reduction to resellers for purchasing specified quantities of a product is:

A) premium money
B) a merchandise allowance
C) a buying allowance
D) a buy-back allowance
E) a money refund
1) What do all of the following have in common: tuition, fee, premium, retainer, dues?

A) They all must be paid in cash.
B) They are forms of exchange similar to, but not identical with money.
C) They are forms of exchange similar to, but not identical with barter.
D) They are different terms for the concept of price.

2) The oldest form of exchange--trading of products--is known as

A) credit.
B) buying.
C) purchasing.
D) barter.
E) pricing.

3) Price is a key element in the marketing mix because it relates directly to

A) the size of the sales force.
B) the speed of an exchange.
C) quality controls.
D) the generation of total revenue.
E) brand image.

4) A firm that practices price competition engages in which one of the following strategies?

A) Setting prices only as low as the second-lowest competitor
B) Letting other firms cut price while it retains profitability
C) Competing in both price and product differentiation
D) Beating or matching the prices of competitors

5) A product under non-price competition would most likely NOT succeed in the market if:
A) it is easy to duplicate.
B) it is packaged differently than similar products.
C) it is priced near the competitors' price.
D) its quality has been upgraded.

6) Which one of the following pricing objectives is rarely operational because its achievement is difficult to measure?

A) Return on investment
B) Cash flow
C) Profit maximisation
D) Market share
E) Survival

7) What type of pricing objective might an organisation set if it was already in a favourable financial position and desired nothing more?

A) Return on investment
B) Cash flow
C) Profit
D) Status quo
E) Survival

8) Which of the following pricing objectives sets prices to recover cash as quickly as possible?

A) Market share
B) Profit
C) Cash flow
D) Return on investment
E) Product quality
9) If marketers in an organisation set prices to recover research and development expenses and establish a premium quality image for its product, they have in mind which type of pricing objective?

A) Survival
B) Return on investment
C) Market share
D) Product quality
E) Cash flow

10) Which pricing objective de-emphasises price and can lead to a climate of nonprice competition in an industry?

A) Status quo
B) Return on investment
C) Market share
D) Survival
E) Cash flow

11) When a company adjusts price levels so that it can increase sales volume to levels that match the organisation’s expenses, it is said to employ a ---- pricing objective.

A) Market share
B) Cash flow
C) Return on investment
D) Survival
E) Profit

12) Most pricing objectives based on ---- are achieved by trial and error because not all the cost and revenue data are available when prices are set.

A) Market share
B) cash flow

C) return on investment

D) survival

E) profit

13) In the long run, M&M Mars must view \________ as the floor below which its chocolate bars cannot be priced.

A) a 10 percent return on investment

B) product development costs

C) costs

D) advertising expenditures

E) Nestle's prices

14) A major problem with complex pricing structures is that they

A) fail to generate the level of revenues needed by an organisation.

B) confuse customers and lead to customer dissatisfaction.

C) sometimes lead to regulation by governmental agencies.

D) are almost always viewed as being deceptive by customers.

15) The perception of price depends on

A) a product's actual price and consumers' expectations regarding price.

B) a consumer's analysis of competitive prices.

C) a consumer's expectation of price.

D) a product's actual price compared with the manufacturer's suggested price.

16) What type of discount is given to a purchaser for performing activities such as transporting, storing, and selling?

A) Quantity discount
B) Cash discount

C) Geographic discount

D) Service discount

E) Trade discount

17) The buyer at Exeter Furniture Store is informed that if she will increase her recent order of fifteen mattress sets to twenty, she will receive a 14 percent price reduction. This offer is due to a recent overstock condition at the factory and will not be available in the future. The discount offered here is

A) cash.

B) noncumulative.

C) seasonal.

D) trade.

E) cumulative.

18) If Nordica offered a 25 percent discount to retailers that ordered ski boots in February for delivery in May, the retailer would have the option of taking advantage of which type of discount?

A) Trade

B) Cumulative

C) Cash

D) Quantity

E) Seasonal

19) Suppose the frozen foods division of Unilever purchases food trays and boxes from the organisation's packaging division. The form of pricing used to charge the frozen foods division is called:

A) zone pricing.

B) base-point pricing.

C) business-unit pricing.
D) transfer pricing.

E) price discrimination.

20) Bill is furious when he reads the invoice since it includes £50 in shipping charges and he had assumed that the price quoted by the seller had included these charges. Bob should have checked that the order terms were:

A) FOB factory price

B) base point price

C) freight absorption price.

D) FOB destination price.

Pricing Concepts
Section B

1) Price is

A) the value that is exchanged for products in a marketing transaction.

B) always money paid in a marketing transaction.

C) more important to buyers than sellers.

D) usually the most inflexible marketing mix decision variable.

2) Tommy Hilfiger introduces a new line of men's ties targeted at men who are very status-conscious. In keeping with this assessment, department stores selling the ties should

A) charge a price based mostly on their cost.

B) charge prices consistent with their existing ties.

C) discount the ties to move them rapidly.

D) use the price variable symbolically.

3) If Amstrad wants to focus its marketing efforts on price competition, the firm's long-run success will depend on having:

A) lower prices than its competition.
B) lower prices than it has historically charged.

C) a promotional campaign for lower prices.

D) a lower cost structure than its competitors.

4) Sellers that emphasise distinctive product features to encourage brand preferences among customers are practising:

A) product competition.

B) non-price competition.

C) brand differentiation.

D) product differentiation.

5) One advantage of non-price competition is that:

A) a firm can react quickly to competitive efforts.

B) market share becomes less important.

C) a firm can build customer loyalty.

D) pricing is no longer a success factor.

6) If Nabisco established a pricing objective of selling one out of every three crackers consumed in the world, it would have established an objective based on:

A) cash flow.

B) market share.

C) survival.

D) return on investment.

E) profit.

7) A firm establishes which of the following pricing objectives to maintain or increase its product's sales in relation to total industry sales?

A) Cash flow

B) Sales potential
8) A market share pricing objective

A) is not recommended when sales for the total industry are declining.

B) is not especially useful when sales for the total industry are increasing.

C) is not especially useful when sales for the total industry are flat.

D) can be used effectively whether total industry sales are rising or falling.

9) A marketer is most likely to set prices according to a cash-flow objective when a

A) trial-and-error approach to the market is acceptable.

B) certain market share must be maintained.

C) quick return on investment is desired.

D) product is expected to have a long life cycle.

10) If Carrier develops a new air conditioning compressor that lasts twice as long as existing compressors but only uses half the electricity, it will probably establish its pricing based on:

A) cash flow.

B) product quality.

C) survival.

D) return on investment.

E) market share.

11) Which of the following is NOT a major factor for firms making price decisions?

A) Costs

B) Competition
12) The types of prices that appear least often in advertisements are ________ prices.
   A) bargain
   B) discount
   C) premium
   D) comparison
   E) sale

13) The amount of profit a channel member expects depends on
   A) the amount of discounts for large orders provided by the producers.
   B) the number of support activities provided by the producers.
   C) what the intermediary could make if it were handling a competing product instead.
   D) the number of distribution channels involved.

14) To gain market share Lada entered car markets with a comparatively low price. One of the negative side effects of taking this pricing position is
   A) a negative impact on consumers' perceptions of quality.
   B) competitors can match the price.
   C) a high return on investment levels affecting tax balances owed.
   D) poor survival chances in the market.

15) A marketer sometimes uses temporary price reductions to:
   A) increase the number of competitors.
   B) gain market share.
C) decrease volume sold.

D) increase revenue per item.

16) The Shirt Company utilises a push strategy to sell the Ecoshirt line. Its basic promotional tool is discount. These discounts offered to middlemen are referred to as ___ discounts.

A) trade
B) cumulative
C) noncumulative
D) quality
E) middlemen

17) If a retailer orders a quantity of merchandise to be delivered to his store in Dublin and is quoted a price that does not include transport costs, the retailer is paying a price called:

A) F.O.B. destination.
B) F.O.B. factory.
C) geographic price.
D) freight absorption price.
E) base-point price.

18) If Tailormaid offers to reduce the price of its women's blazers when retailers buy over one hundred pieces, the manufacturer is offering a ______ discount.

A) quantity
B) cash
C) seasonal
D) trade

19) If a pint of Guinness costs less in Belfast than in Edinburgh this would reflect which of the following pricing methods?

A) Price differentiation
B) Base-point pricing
C) Freight absorption pricing
D) Transfer pricing
E) Zone pricing

20) If Ralph Lauren offers to give retailers half the costs they incur in advertising Polo after-shave, the retailers have the option of taking advantage of a(n):
A) seasonal discount.
B) allowance.
C) trade discount.
D) noncumulative refund.
E) cash discount.

Setting Prices
Section A

1) When establishing prices, a marketer's first step is to
A) determine demand.
B) develop pricing objectives.
C) select a pricing policy.
D) evaluate competitors' prices.
E) determine a pricing method.

2) If Wrigley sets its pricing objective as attaining 38 percent of the chewing gum market, what else would be needed to make this a true pricing objective?
A) A statement of demand elasticities
B) An identification of cost structure
C) A breakeven analysis
D) Identification of a time period for accomplishment

3) The importance of price to a particular target market depends on the type of product, the type of target market, and the

A) state of the economy.
B) availability of substitute products.
C) purchase situation.
D) amount of discretionary income in the target market.

4) When marketers at The Honey Company tried to determine demand for their product, they found that at 50 pence, consumers wanted 2,000 jars; at £1.00, they wanted 6,000 jars; and at £1.50 they wanted 4,000 jars. What can the company conclude?

A) Honey has a normal demand curve.
B) It has an elastic product.
C) It has an inelastic product.
D) Honey is a prestige good.

5) Which one of the following products is most likely to have an inverted C-shaped demand curve?

A) Wrangler jeans
B) Georgio perfume
C) Maxwell House coffee
D) St Michael Christmas cake
E) Ford Sierra

6) If a product has an inelastic demand and the manufacturer raises its price,

A) total revenue will increase.
B) quantity demanded will increase.
C) the demand schedule will shift.
D) the demand will become more inelastic.

E) total revenue will decrease.

7) Roberts PLC notices that if it produces fifteen radar detectors, its costs are £1,500 and if it produces sixteen radar detectors, its costs are £1,590. In this instance, £90 is the firm's __________ cost.

A) average 
B) fixed 
C) variable 
D) marginal 
E) average variable 

8) When marginal cost is equal to marginal revenue, the firm should 

A) produce more to increase profits. 
B) produce less to decrease total costs. 
C) stop producing additional units to maximise profits. 
D) provide discounts to encourage purchases. 

9) Competitors prices and the marketing mix variables that competitors emphasise partly determine: 

A) the selection of a pricing policy. 
B) the timing of the introduction of new products. 
C) whether to use a pioneer or psychological pricing policy. 
D) how important price will be to customers. 

10) Management at Algo Electronics is having difficulty in raising the introductory price on system components to cover its increased costs. Apparently, Algo used a __________ pricing policy in pricing these components.

A) odd-even 
B) skimming
11) A penetration-pricing policy is particularly appropriate when demand is:
   A) increasing.
   B) highly elastic.
   C) highly inelastic.
   D) decreasing.

12) Which one of the following pricing policies may result in losing money on the product?
   A) Price leader
   B) Psychological discounting
   C) Penetration pricing
   D) Special-event pricing

13) The policy that assumes that demand is relatively inelastic over certain price ranges is called
   A) price lining.
   B) odd-even pricing.
   C) price skimming.
   D) prestige pricing.
   E) customary pricing.

14) To attract customers into stores, Spar advertises its milk at less than cost, hoping that customers will purchase other groceries as well. This pricing strategy is called
   A) price lining.
   B) special-event pricing.
   C) experience curve pricing.
D) superficial discounting.

E) price leader pricing.

15) A retailer of Brandy dog food prices at 75 pence a can of dog food. It cost the retailer 60 pence. What is the markup as a percentage of cost?

A) 8 percent

B) 25 percent

C) 20 percent

D) 12.5 percent

16) Delta Airlines prices its tickets so that it is less expensive to travel on weekends than during the week when there is heavy business travel. This illustrates pricing.

A) seasonal

B) demand-oriented

C) competitive

D) markup

17) Competition-oriented pricing is:

A) used when costs and revenues are considered secondary to competitors' prices.

B) not useful as a method of increasing or maintaining market share.

C) of little use if the competing products are homogenous.

D) most often used when competing products are heterogeneous.

18) Which of the following statements about markup pricing is correct?

A) The use of similar markups reduces price competition.

B) Markup pricing is inconvenient to use.

C) Markup pricing results in a high price when demand is high and a low price when demand is low.
D) Using markups makes pricing a time-consuming, difficult process.

19) What type of pricing policy is used in a situation in which the demand for a product is price inelastic and the seller has an ethical responsibility not to overcharge the client?
   
   A) price lining
   B) prestige pricing
   C) professional pricing
   D) customary pricing
   E) ethical pricing

20) Pricing policies and methods

   A) help direct and structure the selection of a final price.
   B) are the last decisions made for a new product.
   C) are the same for all of a company's products.
   D) are the most important decisions made for a product.

**Setting Prices**

Section B

1) Marketers must take steps to make sure that pricing objectives they set are consistent with the organisation's ______ and ______.

   A) advertising objectives; marketing objectives
   B) overall objectives; marketing objectives
   C) marketing objectives; promotional objectives
   D) overall objectives; promotional objectives

2) What is a requirement for setting pricing objectives?

   A) The objectives should be short-term oriented.
   B) There should be only one pricing objective.
   C) An evaluation of competitors' prices should be made.
D) The cost structure should be identified.

E) The objectives should be explicitly stated.

3) If Wilson Sporting Goods faces the classic demand curve characteristic for most products, as it raises the price of its tennis rackets, the:

A) quantity demand goes down.

B) demand remains constant.

C) quantity demands increases.

4) With what type of products would you expect demand to increase as price falls?

A) Prestige products

B) Products with elastic demand

C) Products with inelastic demand

D) Products with an inverted C-shaped demand curve

5) Benetton is a manufacturer of knitwear that operates several plants in Europe. Which one of the following would be an example of a fixed cost for Benetton?

A) Yarn

B) Overtime labour

C) Packaging

D) Rent for the plant

E) Dye

6) If Roberts PLC finds that the average total cost of its radar detectors and the marginal cost of its radar detectors are both £85, then:

A) its marginal costs are falling.

B) average total cost is at its maximum.

C) average total costs are rising.
D) demand is elastic.

E) average total cost is at its lowest level.

7) To determine the breakeven point in units, one divides fixed costs by:
   A) total costs.
   B) variable costs times price.
   C) price minus variable costs.
   D) price per unit.

8) Marketers are in a better position to establish prices when:
   A) there is non-price competition.
   B) they know prices charged for competing brands.
   C) the main pricing objective is image building.
   D) they are using psychological pricing.

9) When Sharp first introduced its line of reverse notation calculators, it set the price quite high; it has lowered the price as competitors have entered the market. The pricing strategy used by Sharp is called:
   A) customary pricing.
   B) penetration pricing.
   C) price skimming.
   D) prestige pricing.

10) Which of the following would be used in setting the price of a new product if considerable competition is expected?
   A) Psychological pricing
   B) Penetration pricing
   C) Odd-even pricing
   D) Price skimming
E) Prestige pricing

11) A product is a price leader when:

A) it is sold at the highest possible price.
B) an increase in price leads to increased revenue
C) it sometimes is sold at less than cost in the hope that sales of other products will increase.
D) its price leads the industry and competitors follow with similar prices.

12) Which pricing strategy involves a company fixing a low price that high-cost competitors cannot match?

A) Penetration pricing
B) Cost-orientated pricing
C) Psychological pricing
D) Experience curve pricing

13) When an organisation sets a limited number of prices for selected groups of merchandise, this idea is commonly referred to as

A) prestige pricing.
B) price lining.
C) customary pricing.
D) odd-even pricing.
E) ethical pricing.

14) For custom-made equipment and commercial construction projects, which pricing method is most likely to be used?

A) Prestige pricing
B) Markup pricing
C) Return-on-investment pricing
15) A retailer of Real Dry deodorant prices a can at £2.00; it cost the retailer £1.40. What is the markup as a percentage of the selling price?

A) 3.0 percent  
B) 30 percent  
C) 70.0 percent  
D) 20.0 percent

16) Charging more for a soft drink in a vending machine than in a supermarket is an example of:

A) price discrimination.  
B) competition oriented pricing.  
C) price differentiation.  
D) cost-oriented pricing.

17) ------ pricing is possible when a firm is able to reduce its manufacturing costs at a predictable rate through improved methods, materials, skills, and machinery.

A) experience-curve  
B) price leader  
C) manufacturing based  
D) production-curve

18) If Pepsi sets the price of its six pack to match exactly the price of Coca-Cola's, Pepsi is using a ------ pricing method.

A) demand-oriented  
B) cost-oriented  
C) experience curve  
D) competition-oriented
19) Which of the following pricing methods is used most often by retailers?

A) Markup pricing
B) Price discrimination
C) Price differentiation
D) Return on investment
E) Price skimming

20) In the absence of _______, pricing remains a flexible and convenient way to adjust the marketing mix.

A) experience-curve effects
B) strong price competition
C) weak price competition  
D) government price control
E) low-priced substitute products

Modifying the Marketing Mix for Various Markets
Section A

1) A marketer of industrial cleaning equipment is creating a marketing mix to satisfy potential customers. As a business to business marketer which of the following is LEAST likely to be included in the company's marketing mix?

A) Machine servicing
B) A higher price for higher-quality products
C) Technical advice about the product
D) Credit extension
E) Extensive television advertising

2) Compared with distribution for consumer product marketing mixes, the distribution ingredient in business to business marketing differs in all of the following respects EXCEPT:
A) types of channels used tend to be shorter.
B) other kinds of middlemen are available.
C) transportation policies differ.
D) value is added to the product.
E) direct channels are used widely.

3) Historically, Knox PLC sold industrial clamps directly to firms using these items in their production process. Knox's Chairman believes that it may be time to start using an industrial distributor because of the ability of such firms to:

A) provide Knox with market information.
B) supply technical information to Knox.
C) provide customers with more competitive pricing.
D) carry a more complete line of Knox clamps.
E) market the products to Knox specifications.

4) The channel that includes both a manufacturer's agent and an industrial distributor may be appropriate under which of the following circumstances?

A) When a marketer wishes to enter a new geographic market but does not wish to expand the existing sales force
B) When the sales force is large and the marketer is thinking of cutting it down
C) When customers are highly concentrated in one geographic area

5) Of the following media, which one is used LEAST frequently by business to business marketers?

A) Direct mail
B) Trade publications
C) Personal selling
D) Television
E) Trade journals
6) Which ingredient in the promotion mix will business to business marketers rely on most heavily compared with marketers of consumer products?

A) Sales promotion  
B) Publicity  
C) Packaging  
D) Personal selling  
E) Advertising

7) DuPont implemented an expensive advertising campaign for Stainmaster carpet because the firm understood that if it could sell more carpeting the mills would buy more of its chemicals. DuPont demonstrated an understanding that for industrial firms demand is often

A) proportional.  
B) downward sloping.  
C) inelastic.  
D) derived.  
E) seasonal.

8) Ellen Johnson, an account manager for The Abbott Agency, explains that as one moves from a consumer account to a business to business account, there should be a decrease in -- --- and an increase in -----.

A) text/photos.  
B) persuasion/copy.  
C) length/persuasion.  
D) print/broadcast.

9) Which one of the following statements relating to the differences between industrial and consumer marketing is FALSE?

A) Distribution channels tend to be shorter for industrial products than for many consumer products.
B) The emphasis placed on the various promotion mix ingredients are often different for industrial and consumer products.

C) The number of legal and economic constraints placed on pricing is roughly the same for industrial and consumer products.

10) The system in which an industrial seller sets a price for a product and the customer pays that price is known as -------- pricing.
   A) bid
   B) negotiated
   C) administered
   D) fixed

11) At a local trade show a purchaser of office equipment discussed the price of a computer work station with a representative of Haworth office furnishings. As a result of the discussion the buyer purchased a suitable work station at a lower price than the stated list price. This type of industrial pricing is called:
   A) transfer.
   B) open bid.
   C) solicited
   D) petitioned
   E) open

12) In ------- bidding, several industrial sellers are asked to submit bids, and the amounts of the bids are made public.
   A) sealed
   B) negotiated
   C) solicited
   D) petitioned
   E) open
13) Marketers can make better decisions if they analyze service products in terms of:

A) durable and nondurable goods.
B) durable and complex goods.
C) complexity and variability.
D) consumer and industrial goods.
E) versatility and reliability.

14) Tracy, a waitress at the Riverfront Grill, is angry that a customer complained that his soup was cold due to slow service. Riverfront owner Max Griffin informs her that she must simply focus on service quality as defined by:

A) health and safety guidelines.
B) restaurant guidelines.
C) the customer's perceptions.
D) temperature guidelines.

15) Which one of the promotion elements is probably the most powerful for services?

A) Publicity
B) Advertising
C) Personal selling
D) Sales promotion

16) Air-Vac Cleaning systems rents a stand in a shopping centre. Passers by are asked to register for a draw for a free ventilation evaluation. This contest is part of Air-Vac's:

A) sales promotion efforts.
B) advertising campaign.
C) personal selling programme.
D) corporate publicity
17) Adam's Pool Service charges £50 for swimming pool cleaning performed prior to May 15 and £75 for jobs performed after that date. This pricing structure provides the benefits to Adam's of:

A) price leaders.
B) smoothing demand fluctuations.
C) increasing service tangibility.
D) tying prices to service costs.

18) Which of these approaches to adapting the marketing mix for international markets is LEAST costly?

A) adapt product only
B) adapt promotion only
C) adapt promotion and price
D) invent new products

19) Which of the following approaches to the marketing mix in international markets is MOST consistent with globalisation?

A) keep product and promotion the same
B) adapt product only
C) adapt promotion only
D) adapt promotion and price
E) invent new products

20) When goods are imported through 'non-official' channels from low price to high price countries, the practice is termed:

A) transfer imports
B) parallel imports
C) black imports
D) dumping
1) During her first call on Becker Industries, Rhonda is told by the senior purchasing agent that this firm, like most industrial buyers, has two major complaints with its suppliers. If Rhonda's firm is to get and keep Becker's business, it must pay particular attention to product quality and:

A) low prices.
B) stable prices.
C) packaging problems.
D) sales support.
E) on-time delivery.

2) The most widely used business to business marketing channel is:

A) producer, distributor, customer.
B) producer, manufacturers' agent, customer.
C) producer, manufacturers' agent, distributor, customer.
D) producer, customer.

3) Generally industrial buyers prefer to deal with:

A) manufacturers' agents.
B) producers.
C) industrial distributors.
D) wholesalers.

4) Walton Food Products decided to use agents to reach industrial accounts several years ago. Logically, this decision was based on which one of the following?

A) Steady demand for the firm's products
B) Walton's desire to stay close to its customers
C) Walton's desire to reduce selling costs

D) The willingness of agents to provide market information

5) As part of a class project, Sue Anderson interviews Gordon Jones, Director of Marketing for Kenner Industries. When asked about Kenner's promotional strategy, Gordon responds that like most industrial firms his organisation places the greatest emphasis on:

A) advertising.

B) publicity.

C) personal selling.

D) sales promotion.

E) public relations.

6) Due to the dramatic increases Mat Sanderson has seen in the cost of having his industrial salespeople visit customers, he looks into using -------- as a cost reduction technique.

A) publicity

B) advertising

C) point-of-purchase displays

D) packaging

E) telemarketing

7) Don Evers tells his media buyer that due to the complexity of the firm's laser cutters he wants to focus exclusively on which one of the following media types?

A) Radio

B) Television

C) Outdoor

D) Broadcast

E) Print
8) Director of marketing Helen Simms tells her new marketing assistant that like most industrial firms, Juniper Joists relies heavily on personal selling to promote its products. When asked what is next in importance, Helen replies

A) trade shows.
B) print media.
C) broadcast media.
D) publicity.
E) sales displays.

9) The use of the multiplier:

A) allows a seller to increase prices without the buyers' being aware of it.
B) determines totals for groups of items that are priced similarly.
C) allows the seller to change prices without having to issue new price sheets.
D) aids a supplier in keeping an accurate record of how many customers are purchasing a group of items.

10) When Fred Middleton asks the Cannon salesperson how much a desktop bond copier is going for these days, the salesperson looks in his price book and quotes Fred the firm's published price for the unit. In this instance, Cannon is using which type of pricing?

A) Open bid
B) Sealed bid
C) Administered
D) Negotiated

11) Delta Air Lines wishes to purchase five new aeroplanes. Management seeks information from several aircraft manufacturers, screens the offers, and discusses price and terms of sale with the preferred company until a transaction is completed. This method of pricing is:

A) administered.
B) sealed bid.
C) open bid.
12) Even though a firm may have stated list prices and discount structures, the customer may pay an even lower price through what type of pricing?

A) Open bidding
B) Administered pricing
C) Sealed bidding
D) Negotiated pricing

13) Automated Teller Machines (ATMs) are an innovation for the banking industry. In terms of the service industry, this is an innovation in the _______ element of the marketing mix.

A) pricing
B) promotion
C) distribution
D) product

14) Tommy leaves the video rental shop annoyed about the small number of titles that were available for rent. His attitude is due to the actual number of tapes in the store and:

A) his satisfaction with the service he received.
B) the store's pricing policy.
C) the number of people there to help.
D) his service expectations.
E) the average number of available titles at all stores.

15) Delta Airlines runs a series of television commercials that show its personnel going out of their way to help customers. An important secondary audience for these ads is:

A) the Civil Aviation Authority.
B) competitors.
C) customers.

D) Delta employees.

E) all air travellers.

16) Offering pet owners who recommend Prize Pet Grooming to a friend, £2 off their next grooming bill is designed primarily to;

A) increase perceptions of service quality.

B) meet service expectations.

C) encourage word-of-mouth communication.

D) standardise the service offering.

E) increase advertising effectiveness.

17) In addition to product, price, promotion and place, the extended marketing mix for services includes all of the following EXCEPT:

A) people

B) packaging

C) physical evidence

D) process

18) Which of these approaches to adapting the marketing mix for international markets is MOST costly?

A) keep product and promotion the same

B) adapt product only

C) adapt promotion only

D) adapt promotion and product

19) Which of the following elements of the international marketing mix can act as the greatest impediment to effective marketing in a foreign market?

A) pricing
Marketing Strategy and Competitive Forces
Section A

1) In a specific strategic market plan, a profit centre that is self-supporting in terms of sales, markets, production, and other resources is known as:

A) profit unit.
B) strategic business unit.
C) marketing unit.
D) small business unit.

2) Edco Ltd. is preparing a written document specifying the framework and actions for implementing and controlling marketing activities. This document is called the

A) profit centre.
B) marketing programme.
C) strategic market programme.
D) strategic business plan.
E) marketing plan.

3) Smith's Fine Foods is involved in selecting and analysing a target market and developing a marketing mix to gain long-run competitive advantages. Based on this example, Smith's is creating a
A) corporate strategy.
B) target design.
C) mix strategy.

D) marketing strategy.
E) marketing tactic.

4) The long-term view, or vision, of what the organisation wants to become is called the

A) mission statement.
B) purpose statement.
C) vision statement.
D) marketing plan.
E) strategic vision.

5) A mission statement can benefit a company in all of the following ways EXCEPT

A) giving it clear purpose and direction.
B) describing its unique focus.
C) keeping it focused on customer needs rather than its own abilities.
D) providing specific direction and guidelines to top managers.

E) providing a detailed plan for implementation.

6) The three major considerations in assessing opportunities and resources are environmental scanning, evaluating market opportunities, and

A) competitive scanning.
B) environmental analysis.

C) understanding the firm's capabilities.
D) opportunity search.
7) When the right combination of circumstances occurs at the right time to allow an organisation to take action toward a target market, the firm has identified a

A) market objective.

B) market requirement.

C) strategic market plan.

D) market opportunity.

E) corporate objective.

8) Realising that consumers have begun to seek safer cars, car makers are promoting airbags to capitalise on this ________ while the strategic window is open.

A) marketing mix

B) market opportunity

C) objective

D) requirement

E) need

9) Market requirements describe the

A) customer needs or desired benefits.

B) size of the market necessary to justify expenditures.

C) events and relationships in a company's outside environment.

D) key requirements of a market and the particular competencies of competing firms.

E) distinctive competencies that a firm has developed.

10) Corporate strategy planners are concerned with many different issues as they attempt to match the organisation's ________ with the opportunities and risks in the environment.

A) strengths
11) According to the text, marketers may classify their products as all of the following except

A) dogs.
B) cash contributors.
C) problem children.
D) stars.
E) cash cows.

12) The Boston Consulting Group classifies products that have a dominant market share but low prospects for growth and that generate more cash than is required to maintain market share as

A) dogs.
B) cash cows.
C) stars.
D) cash contributors.
E) problem children.

13) Products that have a relatively low market share and low prospects for growth are considered by the Boston Consulting Group to be

A) dogs.
B) cash cows.
C) stars.
D) cash contributors.
14) As Don Bush prepares a market attractiveness-business position model for his firm, he comes to the point of assessing the business position of the firm's line of jet skis. Which one of the following would be an input with regard to business position?

A) Seasonality

B) Relative market share

C) Industry sales

D) Market growth

15) In examining her firm's recently completed market attractiveness-business position model, Jenna Cook finds that the firm's sport sunglasses unit is high on both dimensions. Which one of the following strategies would this placement dictate?

A) Invest

B) Harvest

C) Divest

D) Maintain

16) Three main strategies for intensive growth are market penetration, product development, and

A) Product improvement.

B) Market saturation.

C) Sales penetration.

D) Market growth.

E) Market development.

17) __________ is an intensive growth strategy of increasing sales in current markets with current products.

A) Market development

B) Market penetration
18) When Sony Corp. purchased Columbia Pictures, it engaged in _________ because its new products were not technologically related to its current products.

A) product development  
B) market development  
C) concentric diversification  
D) market penetration  
E) horizontal diversification

19) Seagram Co., which markets alcoholic beverages, acquired MCA, which produces movies and television shows and owns publishing houses, theme parks, and movie theatres. What type of diversified growth does this acquisition represent?

A) Conglomerate diversification  
B) Integrated diversification  
C) Concentric diversification  
D) Vertical diversification  
E) Horizontal diversification

20) Coors Brewing implemented a growth strategy by acquiring a can manufacturer. This type of growth strategy is called

A) conglomerate diversification.  
B) horizontal integration.  
C) forward integration.  
D) backward integration.  
E) concentric integration.
1) Kraft purchased Duracell battery division and operates this division as a separate profit centre within the firm. In this example, Duracell is a _____________ of Kraft.

A) strategic business unit
B) marketing unit
C) dependent unit
D) corporate unit

2) To achieve its marketing objectives, Johnson & Johnson has formulated a set of marketing strategies. This set of strategies is J & J's

A) corporate strategy.
B) marketing programme.
C) overall strategy.
D) marketing tactic.
E) strategic plan.

3) When a firm believes that it must react to external conditions and tailor its strategies and structure to deal with those conditions, it has adopted a ___________ perspective.

A) reactionary
B) relativistic
C) proactive
D) deterministic
E) strategic

4) What factors should guide a company's planning efforts?

A) A company's budget and overall objectives
B) An analysis of target markets and the company's marketing mix
C) A company's budget and overall mission

D) A company's marketing mix and overall mission

E) A company's mission and overall organisational goals

5) A ________ is something that an organisation does extremely well—sometimes so well that it gives a company an advantage over its competition.

A) competitive advantage

B) sustainable competitive advantage

C) distinctive competency

D) strategic vision

E) marketing opportunity

6) The process of collecting information about the marketing environment is

A) a market opportunity.

B) a market resource.

C) environmental scanning.

D) a market requirement.

E) development of the environment.

7) A strategic window is

A) the right combination of circumstances at the right time so that action can be taken toward a target market.

B) what determines the factors that are most important in making a market attractive or strong.

C) the limited period when the fit between key market requirements and a firm's capabilities is optimal.

D) the process that seeks information about events and relationships in a company's outside environment.
8) A ________ is created when a company matches its distinctive competency to the opportunities it has discovered in the market.

A) market opportunity
B) market requirement
C) competitive advantage
D) strategic window
E) competitive opportunity

9) Product-portfolio analysis is based on the idea that

A) a firm's market share and market attractiveness are factors for a marketing strategy.
B) a firm has a profitable impact on marketing strategy.
C) a product's market growth rate and its relative market share are important determinants of its marketing strategy.
D) a product's market growth rate and market attractiveness determine the marketing strategy.

10) Based on the work by the Boston Consulting Group, products with a dominant share of the market and good prospects for growth are

A) dogs.
B) cash cows.
C) stars.
D) problem children.
E) pigs.

11) The director of marketing for Bond-Rite tapes tells the rest of the management team, "When it comes to our videotape unit, our strategy will be to use funds generated here to support our venture in the industrial bonding market." Such a strategy indicates that the videotape-unit falls into which one of the following product-portfolio classifications?

A) Problem child
B) Star
C) Cash cow

D) Dog

E) Question mark

12) L. A. Gear's sports shoe line would have been classified as a problem child when it was introduced. Based on this classification, which of the following would have been true according to the product-portfolio matrix?

A) High profitability

B) High market growth rate

C) High market share

D) Positive cash flow

E) Relatively high sales volume

13) As Reggie prepares a market attractiveness-business position model for his firm's proposed entry into the video game market, he considers the large number of competing firms to be a:

A) plus in terms of business position.

B) minus in terms of attractiveness.

C) plus in terms of market attractiveness.

D) minus in terms of business position.

14) Judging from the PIMS database, Nestle's high market share definitely guarantees the firm a:

A) large level of profit.

B) high return on investment.

C) quality product.

D) high level of capital intensity.

E) strong market position.
15) Philip Morris's strategy of cutting prices on its Marlboro cigarettes to enlarge its market share in the increasingly competitive tobacco industry is known as

A) market penetration.
B) market development.
C) product development.
D) product penetration.
E) concentric integration.

16) Some banks have increased their market share by offering accounts especially for children. This example illustrates the _________growth strategy.

A) market penetration
B) market development
C) diversified
D) horizontal diversification
E) conglomerate diversification

17) In _________, the marketing and technology of new products are related to current products, but the new ones are introduced into new markets.

A) backward integration
B) conglomerate diversification
C) forward integration
D) horizontal diversification
E) concentric diversification

18) When Nike first opened its company-owned retail stores to sell its shoes and sportswear, this move exemplified which type of business-unit strategy?

A) Concentric diversification
B) Market development
19) Companies that focus their efforts on a narrow range of products or select group of consumers are adopting a position.

A) market challenger
B) market follower
C) market leader
D) market nicher

20) The publishers of The Economist developed a campaign to market the magazine to university and college students studying business and management courses. This would best be referred to as a strategy centering on

A) product development.
B) horizontal diversification.
C) market development.
D) concentric diversification.
E) conglomerate diversification.

Marketing Planning and Assessing Sales Potential
Section A

1) A marketing plan
A) is characteristic of production-oriented firms and other mass producers.
B) provides a framework for implementing and controlling marketing activities.
C) always increases the marketing manager's operating costs.
D) produces plans that are short-term in orientation.
E) restricts the marketing manager's future options.
2) Short-range marketing plans cover
A) five years or less.
B) four years or less.
C) three years or less.
D) two years or less.
E) one year or less.

3) Marketing plans that cover a period of more than 5 years are
A) long-range plans.
B) short-range plans.
C) medium-range plans.
D) average-range plans.
E) normal-range plans.

4) In the marketing planning cycle, the final stage is:
A) implementation of the marketing plan.
B) revision or formulation of marketing strategy.
C) development or revision of marketing objectives
D) assessment of marketing opportunities and resources.
E) development or revision of the plan for implementation and control.

5) Which of the following is NOT a purpose of a marketing plan?
A) it specifies how resources are to be allocated
B) it co-ordinates marketing and production activities
C) it assigns responsibilities, tasks and timing
D) it assists in management control
E) it offers a road map for implementing marketing strategy

6) A firm should develop a marketing plan
A) for each strategic business unit.
B) for each different marketing strategy.
C) for each different target market.
D) for each good or service.
E) once a month.

7) A marketing plan usually begins with a(n)
A) executive summary.
B) introduction to the company's marketing objectives.
C) summary of current performance as compared with past performance.
D) situation analysis.
E) opportunity and threat analysis.

8) The ________ is sometimes considered to be the most important part of a marketing plan because it is often given to people outside the firm.
A) SWOT analysis
B) market analysis
C) mission statement
D) marketing strategy
E) executive summary

9) Nike's strong name recognition as well as customer demand for its athletic shoes and clothing represent
A) strengths.
B) opportunities.
10) In which section of the marketing plan would you find detailed information about the marketing environment, market trends, customers and competitors?

A) marketing analysis
B) marketing strategies
C) product/market background
D) situation analysis

11) Porter's three generic strategies that help firms achieve or maintain industry success include all of the following EXCEPT

A) cost leadership
B) differentiation
C) focus
D) competition

12) The forecasting method that is least dependent on historical data is:

A) the correlation method
B) trend analysis
C) time series analysis
D) a market test

13) When a business has a relatively small number of customers, a useful method of forecasting is:

A) time series analysis
B) the delphi technique
C) trend analysis
D) a customer forecasting survey

E) a market test

14) Henry takes the company's sales for the past five years and calculates a growth trend. Which sales forecasting method is being employed?

A) time series analysis

B) executive judgement

C) correlation methods

D) market tests

15) If Askey calculates that it can sell at best 50% of all ice cream cones sold in Britain, this percentage would represent the firm's:

A) target sales

B) sales forecast

C) sales objective

D) sales potential

16) An insulation manufacturer talks to an executive at Wimpey to find out how much insulation material the company intents to use in building homes next year and then multiplies the estimate by the number of homes planned to be built over the country next year. The manufacturer is using a ------ approach to measure sales potential.

A) use of product

B) breakdown

C) correlation

D) buildup

17) A marketing audit's primary purpose is to

A) check on the firm's current marketing position for financial and legal reasons.

B) identify weaknesses in ongoing marketing operations and plan the necessary improvements to correct these weaknesses.
C) focus on a few of the most important marketing activities and plan the methods to improve them.

D) aid evaluation and reallocate the firm's marketing efforts and marketing opportunities.

18) Company sales forecasts are least likely to be based on

A) executive judgment.

B) customer surveys or sales-force surveys.

C) time series analysis.

D) market tests.

E) single-variable or multivariable segmentation.

19) The sales prediction technique that is based on the relationship between sales and other factors--such as population density, per capita income, or family size--is

A) executive judgment.

B) time series analysis.

C) regression analysis.

D) a market test.

E) an expert survey.

20) The sales forecasting method that consists of making a product available to buyers in one or more locations and measuring purchases is

A) a market test.

B) the regression analysis.

C) trend analysis.

D) a survey.

E) the Delphi technique.
1) BT is involved in a process of assessing marketing opportunities and resources, determining marketing objectives, and developing a plan for implementation and control, then BT is involved in

A) strategic analysis.

B) marketing planning.

C) marketing management.

D) marketing.

E) market organisation.

2) Marketing plans that cover a period of two to five years are

A) long-range plans.

B) short-range plans.

C) medium-range plans.

D) average-range plans.

E) normal-range plans.

3) Although planning provides numerous benefits, some managers do not use formal marketing plans because

A) formal plans are not necessary to control marketing activities.

B) they think planning is a waste of time.

C) they prefer to use informal marketing control.

D) they spend almost all their time dealing with daily problems.

E) they spend most of their time engaged in environmental scanning.

4) In the marketing planning cycle, the first stage is:

A) implementation of the marketing plan.

B) revision or formulation of marketing strategy.
C) development or revision of marketing objectives

D) assessment of marketing opportunities and resources.

E) development or revision of the plan for implementation and control.

5) Marketing planning is a continuous process because

A) marketing activities must parallel those of competitors.

B) the time frame of plans must co-ordinate with the time frame of marketing controls.

C) to have effective control, new control processes must be introduced.

D) plans must be changed as forces in the marketing environment change.

E) marketing managers tend to develop marketing myopia and focus on short-term plans.

6) Which of the following is not a component of a marketing plan?

A) Environmental analysis

B) Marketing strategies

C) Marketing advantages

D) Executive summary

E) Marketing implementation

7) In the thirty minutes Jane has before a meeting on the firm's new marketing plan, she would like to refresh her memory of essential aspects of the document. She should read which section of the document?

A) Opportunity and threat analysis

B) Environmental analysis

C) Executive summary

D) Situation analysis

E) Marketing objectives

8) The analysis of _________ focuses on internal factors that give the organisation certain advantages and disadvantages in meeting the needs of its target markets.
A) opportunities and threats
B) market opportunities
C) strengths and weaknesses
D) activities and responsibilities
E) organisational resources

9) Which of the following is not a characteristic of a marketing objective?
A) Consistent with both business-unit and corporate strategy
B) Expressed in clear, simple terms
C) Written so that it can be measured accurately
D) Specifies a time frame for its accomplishment
E) Detailed enough for marketing strategy implementation

10) The section of the marketing plan that states what needs to be done, how and why refers to:
A) marketing activation.
B) marketing performance.
C) marketing control.
D) marketing implementation.
E) strategic activation.

11) The sales prediction technique that is based on the relationship between sales and other factors such as population density, income and family size is:
A) executive judgement
B) time series analysis
C) a market survey
D) the correlation method
E) an expert survey

12) If the VF Corporation will be spending £2 million on marketing activities next year and expects to sell 30 million pairs of jeans, the 30 million pairs represents the company's:

A) sales potential
B) market potential
C) sales forecast
D) market sales

13) While developing a company sales forecast, a marketer discovered a pattern in sales volume over the past ten years. Which sales forecasting technique was employed?

A) surveys
B) executive judgement
C) time series analysis
D) correlation methods

14) The amount of product that would be purchased by specific customer groups within a specified time period at a specific intensity of industry marketing activities is called:

A) maximum sales potential
B) trend analysis
C) forecasted sales
D) market potential

15) Alex has been asked to calculate the sales potential for a new line of electronic games his company has acquired. He has developed a general economic forecast for the next two years, used this to estimate market potential and is now calculating sales potential. The approach he is using appears to be:

A) build up
B) delphi
C) break down
D) regression

16) The marketing audit does all the following except

A) establish marketing objectives.
B) describe current activities.
C) gather information.
D) explore opportunities.
E) provide an overall database.

17) The forecasting method that uses the firm's historical sales data in an attempt to find patterns in the firm's sales volume over time is

A) the regression method.
B) customer forecasting.
C) a market test.
D) sales-force forecasting.
E) time series analysis.

18) Which sales forecasting technique would generally be most suitable for estimating the sales of a new product?

A) Executive judgment
B) Customer surveys
C) Time series analysis
D) Market tests
E) Regression methods

19) The forecasting method that is least dependent on historical data is

A) regression analysis.
B) trend analysis.
C) time series analysis.
D) cycle analysis.
E) a market test.

20) The main problem with using a market test is that it is usually
A) difficult to interpret.
B) expensive.
C) inaccurate.
D) unacceptable to consumers.
E) overused.

Implementing Strategies and Measuring Performance
Section A

1) Firms that truly adopt the marketing concept develop a distinct organisational culture based on a shared set of beliefs that make ______ the pivotal point of the firm's decisions about strategy and operations.
A) beating competitors
B) increasing market share
C) customers' needs
D) marketing implementation
E) marketing control

2) A marketing unit can be organised according to functions, products, regions, and
A) sales.
B) target markets.
C) competitive units.
D) types of customer.
3) Electro PLC has centralised marketing operations with personnel who direct marketing research, distribution, sales, advertising, and so forth reporting directly to the marketing director. The marketing department is organised by

A) product.
B) region.
C) types of customers.
**D) function.**

4) Procter & Gamble, like many firms in the consumer packaged-goods industry, is organised by

A) function.
B) product.
C) region.
D) types of customers.

5) A firm that wants to put more senior management personnel into the field to get closer to customers and to enable the company to respond more quickly and efficiently to competitors would probably organise its marketing unit on the basis of

A) functions.
B) regions.
C) customer types.
D) markets.
E) products.

6) Albert notices a new hospital being built as he is making his sales rounds. He returns to his office to see who will be responsible for this site, as he is allowed to call only on banks in his territory. Apparently the sales force of which Albert is a member is organised by

A) function.
B) salesperson.
C) customer type.
D) speciality.
E) production.

7) The most common reason for marketing strategies turning out differently than expected is that

A) marketing implementation is poorly conceived.
B) not enough resources are devoted to marketing implementation.
C) the marketing environment changes too frequently.
D) failure to realise that marketing implementation is just as important as marketing strategy.

8) The component at the centre of marketing implementation that draws the entire organisation together into a single, functioning unit is

A) leadership.
B) shared goals.
C) the marketing strategy.
D) people.
E) systems.

9) The employees of ICI are its

A) external customers.
B) extended customers.
C) intended customers.
D) internal customers.
E) marketing customers.

10) Total quality management is based on three principles:
A) satisfied employees, continuous quality improvement, and quality-improvement teams.

B) satisfied employees, continuous quality improvement, and internal marketing.

C) empowered employees, continuous quality improvement, and quality-improvement teams.

D) motivated employees, satisfied employees, and empowered employees.

11) A waiter in a fine restaurant has the authority to give a complimentary dessert to a dissatisfied customer when the customer complains about the meal or service. This is an example of

A) benchmarking.

B) good training.

C) empowerment.

D) localised authority.

12) Empowerment works best when the corporate culture is

A) extremely flexible.

B) highly centralised.

C) guided by a sense of shared direction.

D) consistent with the overall marketing objectives.

13) Which of the following statements concerning motivating marketing personnel is FALSE?

A) Management must discover employees' needs and then develop motivational methods.

B) Motivational methods should be fair, ethical, and well-understood by employees.

C) Selecting effective motivational tools becomes easier as the work force becomes less diverse.

D) Rewards to employees must be tied to organisational goals.

E) Managers must use different tools to motivate different individuals.

14) The marketing control process consists of
A) establishing goals, market scanning, and market share analysis.

B) establishing standards, evaluating performance, and reducing the differences between desired and actual performance.

C) establishing goals and measuring performance.

D) setting objectives, implementing strategies, and reducing the differences between desired and actual performance.

15) The first step in the marketing control process is to

A) take corrective action.

B) establish performance standards.

C) evaluate actual performance.

D) compare actual performance and standards.

E) reduce the difference between actual and desired standards.

16) An expected level of performance against which actual performance can be compared is a

A) standard performance.

B) standard of excellence.

C) step in sales analysis.

D) performance standard.

17) When an organisation attempts to control its marketing activities, it may find it difficult to

A) determine their effect on sales volume.

B) use the information it collects.

C) obtain the necessary information.

D) get the accounting department to co-operate.

18) The most widely used method for analysing the performance of a marketing strategy is
A) cost analysis.

B) sales analysis.

C) distribution analysis.

D) promotional analysis.

E) target market analysis.

19) Realising that his new video game will be on the edge of contributing some profit in its second year, Gary lobbies hard to have the accounting department assign other projects in the firm higher levels of certain arbitrarily assigned costs. These costs are called _______ costs.

A) fixed

B) variable

C) traceable common

D) nontraceable common

20) The primary difference between a full-cost approach and a direct-cost approach is that when the direct-cost approach is used, the cost analysis

A) does not include nontraceable common costs.

B) includes nontraceable common costs.

C) does not include traceable common costs.

D) includes traceable common costs.

Implementing Strategies and Measuring Performance
Section B

1) When top-level managers delegate very little authority to lower-level employees, the organisation is:

A) centralised

B) decentralised

C) empowered
D) marketing-oriented

2) If you were a marketing manager, under which type of organisational structure would you most likely be working if your firm were a large business with centralised marketing operations?

A) Organisation by type of customer

B) Functional organisation

C) Organisation by regions

D) Organisation by products

3) A firm that markets diverse products would most likely base the organisation of its marketing department on

A) products.

B) regions.

C) functions.

D) types of customers.

4) Organising a marketing unit by regions works well for a company that

A) produces and markets diverse products.

B) is small and has a centralised marketing operation.

C) markets products nationally and internationally.

D) has several groups of customers whose needs and problems are different.

5) An appliance manufacturer that sells to large retail stores, wholesalers, and institutions would probably organise its marketing unit on the basis of

A) subregions.

B) national divisions.

C) types of customers.

D) functions.
6) In essence, all organisations have two types of strategy: ______ is the strategy that the organisation decides on during the planning phase, and ______ is the strategy that actually takes place.

A) planned strategy; realised strategy  
B) intended strategy; realised strategy  
C) intended strategy; implemented strategy  
D) planned strategy; implemented strategy

7) The component of marketing implementation that refers to work processes, procedures, and the way that information is structured is

A) marketing structure.  
B) marketing strategy.  
C) organisational resources.  
D) shared goals.  
E) systems.

8) ______ refers to the co-ordination of internal exchanges between the organisation and its employees to better achieve successful external exchanges between the organisation and its customers.

A) Internal management  
B) Internal leadership  
C) Empowerment  
D) Internal marketing  
E) Total quality management

9) The managerial actions taken by Sears to make all members of the organisation understand and accept their respective roles in implementing the marketing strategy are referred to as
A) internal management.

B) extended marketing.

C) intended marketing.

D) external marketing.

E) internal marketing.

10) If Apple Computers measured and evaluated the quality of its goods, services, and processes as compared with those of the best-performing companies in the computer industry, it would be employing

A) uniform commitment to quality marketing.

B) external marketing.

C) quality marketing.

D) benchmarking.

11) ________ involves giving frontline employees the authority and responsibility to make marketing decisions without seeking the approval of a supervisor.

A) Benchmarking

B) Internal marketing

C) Total quality management

D) Empowerment

12) Buckman Laboratories regularly conducts an employee attitude survey. The findings from this study are most useful in which of the following areas?

A) Motivating personnel

B) Recruiting personnel

C) Employee evaluation

D) Establishing performance standards

13) To facilitate communication, marketing managers should
A) emphasise the firm's marketing objectives.

B) establish an information system within the marketing unit.

C) form an open-communication group within the marketing unit.

D) integrate marketing activities with other departments.

14) Marketing managers at London Equipment Company are involved in establishing marketing performance standards, evaluating performance, and reducing the differences between actual and desired performance. These marketing managers are engaged in

A) the marketing control process.

B) marketing systems design.

C) the marketing audit.

D) marketing evaluation.

15) The final step in the marketing control process is to

A) take corrective action.

B) establish performance standards.

C) evaluate actual performance.

D) compare actual performance and standards.

E) reduce the difference between actual and desired standards.

16) Morris Business Products Co. has established a monthly sales quota of £150,000. This is:

A) a marketing control standard.

B) an evaluation standard.

C) sales analysis.

D) performance standard.

17) The time lag between the performance of marketing activities and their results
A) limits the marketing manager’s ability to measure the effectiveness of marketing activities.

B) facilitates the ability to measure performance.

C) increases the chance of accurate measurement.

D) limits the amount of money to be spent on measurement.

18) The accounting report indicates that Alton's sales increased by £2 millions last year. While the Chairman is pleased, the marketing vice president feels that inflation had a great deal to do with this result. She proposes that __________ may be a better gauge of the firm's performance last year.

A) net sales

B) gross profits

C) market share

D) cash flow

19) An example of a marketing cost that is a nontraceable common cost would be

A) sales-force salaries.

B) rent for production space.

C) storage costs.

D) salaries of top management.

E) selling costs.

20) Lewis PLC is breaking down and classifying costs to determine which are associated with specific marketing activities. Lewis is performing a

A) marketing cost analysis.

B) sales analysis.

C) marketing audit.

D) cost audit.

E) variable cost analysis.
1) Marketing ethics refers to principles that define
A) improper behaviour in marketing.
B) acceptable conduct in society.
C) improper behaviour in business.
D) acceptable conduct in marketing.

2) Moral philosophies
A) are concerned with maximising the greatest good for the greatest number of people.
B) are principles or rules that individuals use to determine what is right or wrong.
C) focus on the intentions associated with a particular behaviour and on the rights of the individual.
D) remain consistent in both work and family situations.

3) Ethical formalism philosophies focus on
A) the rights of consumers and the greatest good for society.
B) situational ethics and increasing profits
C) maximising the greatest good for the greatest number of people.
D) the intentions associated with a particular behaviour and the rights of the individual.

4) Ethical choices in business situations are most often made
A) by top managers.
B) by front-line employees.
C) jointly in work groups and committees.
D) in consultation with family, friends, and coworkers.
E) individually.
5) Product-related ethical issues can arise when marketers

A) do not provide consumers with enough information about how a product is priced.

B) force intermediaries to behave in a specific manner.

C) bribe salespeople to push one product over another.

D) fail to disclose information to consumers about the risks associated with using a product.

E) manufacture a product that is very similar to a competing product.

6) Moral philosophies:

A) are concerned with maximising the greatest good for the greatest number of people.

B) are principles or rules that individuals use to determine what is right or wrong

C) focus on the intentions associated with a particular behaviour and on the rights of the individual.

7) A cereal company advertises that its latest product can lower cholesterol even though the company cannot prove this claim. This situation involves an ethical issue related to which element of the marketing mix?

A) product

B) price

C) promotion

D) distribution

8) ------ refers to the specific development, pricing, promotion, and distribution of products that do not harm the environment.

A) Marketing ethics

B) Social responsibility

C) Environmental marketing

D) Green marketing

9) A business adopting the defence strategy approach to social responsibility:
A) assumes responsibility for its actions

B) tries to minimise or avoid additional obligations linked to the problem

C) allows a condition or potential problem to go unresolved until the public learns about it

D) complains that current government regulations are unfair and unfavourable to business

10) A business that adopts the proactive strategy to social responsibility:

A) assumes responsibility for its actions and responds to accusations without outside pressure

B) tries to minimise or avoid additional obligations linked to a problem or problems

C) allows a condition or potential problem to go unresolved until the public learns about it

11) Which of the following is NOT one of the factors that interact to determine the ethical decision-making process in marketing?

A) Relationships with superiors

B) Laws and regulations

C) Opportunity

D) Individual factors

E) Relationships with coworkers

12) As Shelly looks over the literature for the new fax machine her firm is about to introduce, she calls in the author of the material. She asks why the document says materials are transmitted in under five seconds when the development specifications state that the machine takes ten seconds to transmit a page. She is told that marketing just wanted to stretch the truth a little to improve sales. This causes her to question the ----- of the people involved.

A) moral philosophies

B) social responsibility

C) marketing orientation

D) commitment to marketing
13) Kevin notices that when Alice weighs tomatoes at the checkout counter, she regularly leans on the scale. Kevin's consideration about reporting this practice to top management involves ethical decisions with regard to:

A) organisational relationships.
B) opportunity.
C) product issues.
D) promotion issues.

14) As a new employee, John is most likely to look to which one of the following to learn the ethical culture of his new organisation?

A) Coworkers
B) Customer contact employees
C) Other new employees
D) The legal department
E) Top management

15) As a media buyer for the Angelo Agency, Sheila knows that no one ever checks to see if her phone calls are business related or personal. With regard to ethical behaviour, this situation relates most closely to:

A) exposure.
B) opportunity.
C) moral framework.
D) organisational factors.

16) Following a hurricane, a tremendous demand for gas-powered generators occurs. Gotts Hardware holds a large stock of these items and it faces major ethical decisions with regard to the ------ issue.

A) product
B) advertising
C) personal selling
D) publicity

E) pricing

17) ------- is (are) MOST likely to improve ethical behaviour in a marketing organisation.

A) Allowing employees to follow their own ethical standards

B) Encouraging employees to identify ethical issues and to decide what is right

C) Eliminating unethical individuals and improving the organisation's ethical standards

18) Which one of the following statements about codes of ethics is NOT true?

A) They are formulized rules and standards that describe what a company expects of its employees.

B) They must be detailed enough to take into account every possible situation.

C) They help marketers deal with marketing issues by prescribing or limiting certain activities.

D) Top management should provide leadership in implementing codes of ethics.

19) Watson Corporation's Chairman tells the firm's managers that the key to social responsibility is to:

A) watch profit impacts very carefully.

B) maintain an updated code of ethics.

C) monitor changes and trends in society's values.

D) carefully interpret all new legislation.

20) All of the following are social responsibility issues related to community relations EXCEPT:

A) equality.

B) pollution.

C) disadvantaged members of society.

D) safety and health.
Marketing Ethics and Social Responsibility

Section B

1) The three factors that influence the ethical decision-making process include

A) individual factors, corporate culture, and peer influence.

B) opportunity, personal moral philosophies, and situational variables.

C) individual factors, organisational relationships, and opportunity.

D) peer influences, personal moral philosophies, and opportunity.

2) Utilitarian moral philosophies focus on

A) the Golden Rule.

B) the rights of individuals and the intentions associated with a particular behaviour.

C) maximising the greatest good for specific individuals.

D) maximising the greatest good for the greatest number of people.

E) resolving conflicts and ensuring mutual benefit for all members of society.

3) The Golden Rule and Kant's categorical imperative are examples of rules for ethical behaviour based on

A) utilitarianism.

B) relativism.

C) opportunism.

D) ethical opportunity.

E) ethical formalism.

4) Joan recently changed employers within the same industry. At her old company, employees routinely took home company pens, pencils, and note pads, and they frequently made personal long-distance calls on company phones. Joan observes that employees do not engage in such practices at her new company. What Joan sees could best be described as a difference in
A) significant others.
B) profit objectives.
C) corporate culture.
D) legal climate.
E) corporate goals.

5) In testing her firm’s new TV ads for Batman action figures, Beth discovers the ads make children think the action figures can actually fly. Beth now faces an ethical decision regarding which element of the marketing mix?

A) Product
B) Price
C) Distribution
D) Promotion
E) Strategy

6) Which of the following employees is responsible for setting the ethical tone for the entire marketing organisation?

A) the marketing director
B) all marketing employees
C) the product manager
D) the personnel director

7) -------- are formalised rules and standards that describe what the company expects of its employees in terms of ethical behaviour.

A) Job descriptions
B) Ethics clauses
C) Codes of ethics
D) Codes of conduct
8) A business that allows a condition or potential problem to go unresolved until the public learn about it is using the ----- strategy.

A) accommodation
B) proactive
C) defence
D) reaction

9) Ethics are defined by:

A) marketers.
B) peers.
C) individuals.
D) society.
E) legislation.

10) As Wham Burger reviews a proposed commercial indicating that the firm's major competitor uses "less than top-quality beef," Wham Burger's director of marketing brings up the issue of the ethics of the campaign. The firm's Chairman correctly states that in the end it will be ------ that determine[s] what is unethical.

A) consumer groups
B) trade organisations
C) the Courts
D) Parliament
E) society

11) In developing a new herbicide, Atwell Chemicals comes up with two formulations. Option 1 is more effective in killing weeds but has a questionable impact on ground water. Option 2 is generally seen as safe but somewhat less effective than its alternative. In choosing Option 2, the firm's stance is consistent with which one of the following moral philosophies?

A) Egalitarianism
B) Utilitarianism

C) Ethical directionism

D) Contract theory

E) Pluralism

12) Henry hears one of his senior salespeople spreading rumours about the drinking problems experienced by a competitor's sales representative. When they get out to the car, Henry asks the perpetrator how she would feel if such information was being spread about her personal life. Henry's response is most consistent with which one of the following moral philosophies?

A) Ethical formalism

B) Relativism

C) Humanitarianism

D) Opportunism

E) Conscious rationalism

13) Sandra, a new salesperson for Brenham Foods calls in an order for twice the amount of merchandise that Corner Market requested because she knows that it will increase her sales and will not be noticed by Corner Market. This relates to ------- as an influence in ethical decision making.

A) opportunity

B) exposure

C) significant others

D) peers

E) external rewards

14) If Tyreco failed to inform consumers that there were design problems with the firm's tyres, it would have been engaged in unethical behaviour relating to which one of the following marketing issue areas?

A) Promotion
B) Distribution

C) Organisational relationships

D) Product

E) Pricing

15) Which one of the following activities will NOT help improve the ethical behaviour of a marketing firm?

A) Help employees become aware of and sensitive toward ethical issues

B) Redesign the company's culture to foster more ethical practices

C) Reward employees who use questionable business tactics

D) Establish and enforce a code of ethics

E) Eliminate "bad apples" in the firm

16) Which one of the following would be consistent with Johnson Chemicals' understanding of the "bad apple" concept of improving the ethical conduct of salespeople?

A) Publishing ethical guidelines for salespeople

B) Firing unethical salespeople

C) Retraining unethical salespeople

D) Using customers to review ethical guidelines

17) ----- refers to the development, pricing, promotion and distribution of products that do not harm the environment.

A) Marketing ethics

B) Social responsibility

C) Environmental marketing

D) Green marketing

18) If Happy Bags expresses concern that its products are having too great an impact on the pollution of ground water under landfills, this concern is directly related to the firm's:
A) social responsibility.
B) marketing orientation.
C) profitability.
D) ethics.
E) distribution system.

19) All of the following are social responsibility issues related to the environment, or green marketing, EXCEPT;

A) water pollution.
B) air pollution.
C) conservation.
D) land pollution.
E) safety and health.

20) Which of the following statements about social responsibility is FALSE? Social responsibility:

A) can be viewed as a contract with society

B) is a company’s obligation to maximise its positive impact and minimise its negative impact on society

C) is a vital factor in marketing strategy decisions

D) relates to individual decisions.