

Name_____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) We define a _____ as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need. 1) _____
- A) private brand
 - B) service encounter
 - C) service
 - D) service variability
 - E) product
- 2) _____ are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything. 2) _____
- A) Supplements
 - B) Consumer products
 - C) Services
 - D) Brands
 - E) Line extensions
- 3) A product is a key element in the _____. At one extreme, it may consist of pure tangible goods or at the other extreme, pure services. 3) _____
- A) market offering
 - B) co-branding
 - C) brand extension
 - D) value chain
 - E) brand equity
- 4) To differentiate themselves, many companies are going beyond products and services, they are developing and delivering customer _____. 4) _____
- A) product lines
 - B) events
 - C) brands
 - D) quality
 - E) experiences
- 5) Product planners need to consider products and services on three levels. Each level adds more customer value. The most basic level is the _____, which addresses the question, "What is the buyer really buying?" 5) _____
- A) core customer value
 - B) exchange
 - C) augmented product
 - D) actual product
 - E) co-branding

- 6) The third level of a product that product planners must consider is a(n) _____ around the core benefit and actual product that offers additional consumer services and benefits. 6) _____
- A) brand equity
 - B) industrial product
 - C) augmented product
 - D) image
 - E) brand extension
- 7) Product planners must design the actual product and find ways to _____ it in order to create the bundle of benefits that will provide the most satisfying customer experience. 7) _____
- A) augment
 - B) promote
 - C) brand
 - D) present
 - E) package
- 8) Products and services fall into two broad classifications based on the types of consumers that use them. Which is one of these broad classes? 8) _____
- A) specialty products
 - B) convenience products
 - C) supplies and services
 - D) industrial products
 - E) materials and parts
- 9) _____ are products and services bought by final consumers for personal consumption. These include convenience products, shopping products, specialty products, and unsought products. 9) _____
- A) Line extensions
 - B) Straight extensions
 - C) Industrial products
 - D) Services
 - E) Consumer products
- 10) _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. Consumers spend much time and effort in gathering information and making comparisons about these products. 10) _____
- A) Industrial products
 - B) Unsought products
 - C) Convenience products
 - D) Shopping products
 - E) Line extensions
- 11) _____ are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort. 11) _____
- A) Specialty products
 - B) Shopping products
 - C) Line extensions
 - D) Industrial products
 - E) Unsought products

- 12) _____ are consumer products that the consumer either does not know about or knows about but does not normally think about buying. These products require a lot of advertising, personal selling, and other marketing efforts. 12) _____
- A) Specialty products
 - B) Unsought products
 - C) Line extensions
 - D) Shopping products
 - E) Staples
- 13) _____ are those products purchased for further processing or for use in conducting a business. 13) _____
- A) Specialty products
 - B) Unsought products
 - C) Business products
 - D) Accessories
 - E) Shopping products
- 14) Most manufactured materials and parts are sold directly to _____. Price and service are the major marketing factors; branding and advertising tend to be less important. 14) _____
- A) co-branders
 - B) businesses
 - C) consumers
 - D) wholesalers
 - E) brand extensions
- 15) _____ are business products that aid in the buyer's production or operations, including installations and accessory equipment. 15) _____
- A) Capital items
 - B) Materials
 - C) Supplies
 - D) Parts
 - E) Specialty items
- 16) _____ consists of activities undertaken to create, maintain, or change the attitudes and behaviour of target consumers toward an organization. 16) _____
- A) Service variability
 - B) Intelligence marketing
 - C) Internal marketing
 - D) Person marketing
 - E) Organization marketing
- 17) _____ consists of activities undertaken to create, maintain, or change attitudes toward particular people. 17) _____
- A) Organization marketing
 - B) Intermarket marketing
 - C) Person marketing
 - D) Corporate image marketing
 - E) Social marketing

- 18) _____ involves activities undertaken to create, maintain, or change attitudes toward particular cities, provinces, and regions. 18) _____
- A) Interactive marketing
 - B) Place marketing
 - C) Social marketing
 - D) Idea marketing
 - E) Organization marketing
- 19) _____ is defined as the use of commercial marketing concepts and tools in programs designed to influence individuals' behaviour to improve their well being and that of society. 19) _____
- A) Unsought product marketing
 - B) Internal marketing
 - C) Product line
 - D) Interactive marketing
 - E) Social marketing
- 20) Public health campaigns to reduce alcoholism, drug abuse, smoking, and obesity are all examples of _____. 20) _____
- A) specialty products
 - B) social marketing
 - C) consumer products
 - D) shopping products
 - E) responsibility marketing
- 21) Developing a product or service involves defining the benefits that it will offer. These benefits are communicated and delivered by _____ such as quality, features, and style and design. 21) _____
- A) product attributes
 - B) product mixes
 - C) marketing tools
 - D) private brands
 - E) consumer products
- 22) _____ is one of the marketer's major positioning tools because it has a direct impact on product or service performance; it is therefore closely linked to customer value and satisfaction. 22) _____
- A) Total quality management
 - B) Positioning
 - C) Specialty product marketing
 - D) Packaging
 - E) Product quality
- 23) _____ is an approach in which all the company's people are involved in constantly improving the products, services, and business processes. 23) _____
- A) Product quality
 - B) Positioning
 - C) Brand equity
 - D) Total quality management
 - E) Specialty product marketing

- 24) What are the two dimensions of product quality? 24) _____
A) feature and design
B) design and innovation
C) conformance and style
D) consistency and level
E) performance and resistance
- 25) Which of the following types of quality refers to freedom from defects and consistency in delivering a targeted level of performance? 25) _____
A) total quality management
B) private brand
C) conformance
D) product
E) adherence
- 26) A stripped-down model without any extras is the starting point; a company can create a higher-level model by adding _____. 26) _____
A) co-branding
B) product quality
C) service variability
D) features
E) markets
- 27) In assessing which new features to add to a product, a company must weigh each feature's _____ to customers versus its _____ to the company. 27) _____
A) service; line extension
B) cost; service
C) equity; cost
D) value; cost
E) cost; line extension
- 28) A sensational _____ may grab attention and produce pleasing aesthetics, but it does not necessarily improve a product's performance. 28) _____
A) style
B) experience
C) design
D) augmented product
E) service-profit chain
- 29) _____ contributes to a product's usefulness as well as to its looks. 29) _____
A) Design
B) Package
C) Functionality
D) Brand
E) Style

- 30) A(n) _____ is a name, term, sign, symbol, design, or a combination of these, that identifies the maker or seller of a product or service. 30) _____
A) service
B) co-branding
C) external marketing
D) internal marketing
E) brand
- 31) _____ involves designing and producing the container or wrapper for a product. 31) _____
A) Branding
B) Product line
C) Packaging
D) Service
E) Labelling
- 32) In recent years, product safety and environmental responsibility have become major _____ concerns. 32) _____
A) labelling
B) packaging
C) branding
D) service
E) product line
- 33) At the very least, the _____ identifies the product or brand. It might also describe several things about the product and promote the brand. 33) _____
A) social marketing
B) package
C) label
D) line extension
E) specialty product
- 34) _____ is the labelling practice of stating the expected shelf life of the product. 34) _____
A) past dating
B) freshness labelling
C) open dating
D) nutritional labelling
E) unit pricing
- 35) _____ has been affected by the need to include unit pricing, open dating, and nutritional information. 35) _____
A) Product mixing
B) Packaging
C) Branding
D) Labelling
E) Product line filling

- 36) Many companies now use a combination of phone, e-mail, fax, Internet, and other technologies to provide _____. 36) _____
- A) support services
 - B) product mixes
 - C) labelling information
 - D) brand equity
 - E) packaging advantages
- 37) A _____ is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges. 37) _____
- A) product bandwidth
 - B) convenience product
 - C) private brand
 - D) line extension
 - E) product line
- 38) The major product line decision involves _____. 38) _____
- A) product line filling
 - B) product packaging
 - C) product line length
 - D) line stretching
 - E) moving the line upward or downward
- 39) Berkowitz Piano Company can expand its product line in one of two common ways. Which of the following is one of those ways? 39) _____
- A) internal marketing
 - B) line mixing
 - C) product mix
 - D) line filling
 - E) social marketing
- 40) An alternative to product line stretching is _____, adding more items within the present range of the line. 40) _____
- A) product line filling
 - B) interactive marketing
 - C) co-branding
 - D) product mix
 - E) service marketing
- 41) When a company lengthens its product line beyond its current range, it is _____. 41) _____
- A) increasing product depth
 - B) building brand equity
 - C) product line stretching
 - D) product mixing
 - E) product line filling

- 42) A _____ consists of all the product lines and items that a particular seller offers for sale. 42) _____
A) consumer mix
B) product mix
C) packaging mix
D) line extension
E) brand line
- 43) Product mix _____ refers to the number of different product lines the company carries. Procter & Gamble markets 250 brands organized into many product lines. 43) _____
A) perimeter B) depth C) length D) height E) width
- 44) Product mix _____ refers to the number of versions offered of each product in the line. Crest toothpaste comes in 13 varieties, ranging from Crest Multicare to Crest Baking Soda formulations. 44) _____
A) depth B) perimeter C) length D) height E) width
- 45) The _____ of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels, or some other way. 45) _____
A) length
B) consistency
C) perimeter
D) width
E) depth
- 46) A company can increase its business in four ways. Which is NOT one of these ways? 46) _____
A) It can add more versions of each product and thus deepen its product mix.
B) It can increase the consistency of its product mix.
C) It can add new product lines, thus widening its product mix.
D) It can lengthen its existing product lines.
E) It can discontinue some of its lines.
- 47) Some analysts see _____ as the major enduring asset of a company, outlasting the company's specific products and facilities. 47) _____
A) unsought products
B) specialty products
C) staples
D) brands
E) convenience products
- 48) A key element in a company's relationship with consumers, a _____ represents consumers' perceptions and feelings about a product and its performance. 48) _____
A) brand
B) product line
C) service
D) product attribute
E) product experience

- 49) Which of the following is NOT one of the four consumer perception dimensions used by ad agency Young & Rubicam to measure brand strength? 49) _____
- A) brand esteem
 - B) brand valuation
 - C) brand knowledge
 - D) brand relevance
 - E) brand differentiation
- 50) The total financial value of a brand is estimated through the process of brand _____. 50) _____
- A) extensions
 - B) valuation
 - C) positioning
 - D) equity
 - E) differentiation
- 51) The fundamental asset underlying brand equity is _____ -- the value of the customer relationships that the brand creates. A powerful brand is important, but what it really represents is a set of loyal consumers. 51) _____
- A) line equity
 - B) customer equity
 - C) the customer mix
 - D) the service encounter
 - E) service variability
- 52) Which of the following is the lowest level on which marketers can position their brands in target customers' minds? 52) _____
- A) strong beliefs and values
 - B) product attributes
 - C) added service
 - D) interactive marketing
 - E) internal marketing
- 53) The strongest brands go beyond attributes or benefit positioning; they are positioned on _____. 53) _____
- A) strong beliefs and values
 - B) service inseparability
 - C) good packaging
 - D) desirable benefit
 - E) customer image
- 54) Which of the following is NOT a desirable quality for a brand name? 54) _____
- A) It should be distinctive.
 - B) It should suggest something about the product's benefits and qualities.
 - C) It should be easy to pronounce, recognize, and remember.
 - D) The name should translate easily into foreign languages.
 - E) The brand should almost always be a long word to get attention.

- 55) All of the following are a manufacturer's sponsorship options for a product EXCEPT _____. 55) _____
- A) private brand
 - B) co-branding
 - C) licensed brand
 - D) manufacturer's brand
 - E) multibrands
- 56) In the competition between _____ and _____ brands, retailers have the advantages of controlling what products will be stocked, where products will be stocked, what prices will be charged, and which products will be featured in print promotions. 56) _____
- A) store; licensed
 - B) national; manufacturer's
 - C) national; private
 - D) private; distributor
 - E) store; private
- 57) An increasing number of retailers and wholesalers have created their own _____, also called store brands. 57) _____
- A) service variability
 - B) private brands
 - C) shopping products
 - D) unsought products
 - E) specialty products
- 58) For a fee, some companies _____ names or symbols previously created by other manufacturers, names of well-known celebrities, and/or characters from popular movies and books, any of which can provide an instant and proven brand name. 58) _____
- A) license B) package C) brand D) service E) market
- 59) _____ occurs when two established brand names of different companies are used on the same product. 59) _____
- A) Co-branding
 - B) Brand equity
 - C) A brand extension
 - D) Cannibalization
 - E) Internal marketing
- 60) In most _____ situations, one company licenses another company's well-known brand to use in combination with its own. 60) _____
- A) internal marketing
 - B) brand extension
 - C) line extension
 - D) brand equity
 - E) co-branding

- 61) Which of the following is an advantage offered by co-branding? 61) _____
- A) Advertising, sales, promotion, and marketing must be carefully coordinated.
 - B) A company can expand its existing brand into a category it otherwise might have difficulty entering alone.
 - C) Retailers have exclusive products that cannot be purchased from competitors.
 - D) Brand equity is stabilized.
 - E) Manufacturers do not have to invest in creating their own brand names.
- 62) A company has four choices when it comes to developing brands. What is NOT one of those choices? 62) _____
- A) new brands
 - B) brand extension
 - C) line extension
 - D) width and depth extension
 - E) multibrands
- 63) _____ occur(s) when a company introduces additional items in a given product category under the same brand name, such as new flavours, forms, colours, ingredients, or package sizes. 63) _____
- A) Service variability
 - B) Interactive marketing
 - C) Service intangibility
 - D) Product mix
 - E) Line extension
- 64) A _____ involves the use of a successful brand name to launch new or modified products in a new category. 64) _____
- A) brand symbol
 - B) line extension
 - C) brand extension
 - D) product line
 - E) private brand
- 65) Which of the following is a potential drawback of multibranding? 65) _____
- A) The company's resources may be spread over too many brands.
 - B) Different product features can appeal to consumers with different buying motives.
 - C) Consumers may become confused about the image of the main brand.
 - D) An overextended brand name might lose its specific meaning for consumers.
 - E) The company can occupy more retail shelf space.
- 66) Which strategy involves weeding out weaker brands and focusing marketing dollars only on brands that can achieve the number-one or number-two market share positions in their categories? 66) _____
- A) undifferentiated
 - B) service inseparability
 - C) social marketing
 - D) megabrand
 - E) unsought product

- 67) Major brand marketers often spend huge amounts on advertising to create brand _____ and to build preference and loyalty. 67) _____
A) extension
B) preference
C) internal marketing
D) awareness
E) packaging
- 68) While advertising campaigns can help to create name recognition, brand knowledge, and maybe even some brand preference, brands are not maintained by advertising but by _____. 68) _____
A) line extensions
B) product mix
C) word-of-mouth elements
D) marketing experience
E) brand experience
- 69) Service providers must consider four special characteristics when designing marketing programs. Which is NOT one of these characteristics? 69) _____
A) perishability
B) intangibility
C) variability
D) inseparability
E) interactive marketing
- 70) _____ means that services cannot be seen, tasted, felt, heard, or smelled before they are bought. 70) _____
A) Service heterogeneity
B) Service perishability
C) Service intangibility
D) Service variability
E) Service inseparability
- 71) _____ means that services cannot be separated from their providers, whether the providers are people or machines. 71) _____
A) Service heterogeneity
B) Service variability
C) Service inseparability
D) Service intangibility
E) Service perishability
- 72) Which of the following is NOT one of the links in the service-profit chain, linking service firm profits with employee and customer satisfaction? 72) _____
A) satisfied and loyal customers
B) healthy service profits and growth
C) satisfied and productive service employees
D) internal service quality
E) evidence management

- 73) Through _____, the service firm trains and motivates its customer-contact employees and supporting service people to work as a team to provide customer satisfaction. 73) _____
- A) service intangibility
 - B) external marketing
 - C) service inseparability
 - D) service variability
 - E) internal marketing
- 74) Because service quality depends on the quality of buyer-seller interaction during the service encounter, service marketers use _____ to train employees in the art of interacting with customers to satisfy their needs. 74) _____
- A) service productivity
 - B) internal marketing
 - C) external marketing
 - D) service differentiation
 - E) interactive marketing
- 75) All of the following are methods for developing a differentiated service offer, delivery, or image EXCEPT _____. 75) _____
- A) having more reliable customer-contact people
 - B) designing a superior delivery process
 - C) offering innovative features
 - D) increasing the quantity of service by giving up some quality
 - E) developing symbols and branding
- 76) When the Twin Six Cafe provides gourmet menu options to its customers, as well as impeccable service—it allows customers to hand-select their own cuts of meat—_____ is(are) are evident. 76) _____
- A) a core benefit, an actual product, and an augmented product
 - B) only a core benefit
 - C) only an augmented product
 - D) only an actual product
 - E) both a core benefit and an actual product
- 77) A hickory rocking chair, handmade by an Amish woodcarver in Lancaster, Pennsylvania, from locally grown wood is an example of a(n) _____. 77) _____
- A) shopping product
 - B) service
 - C) augmented product
 - D) convenience product
 - E) specialty product
- 78) You have an upset stomach. Your spouse rushes to the corner store for a bottle of Pepto-Bismol. This product is a(n) _____ product. 78) _____
- A) shopping
 - B) unsought
 - C) augmented
 - D) specialty
 - E) convenience

- 79) Mabel Lu is planning to buy a new washing machine. She notices that they come in numerous price ranges. She wants to make sure she gets the most for her money. This product is a(n) _____ product. 79) _____
- A) unsought
 - B) augmented
 - C) specialty
 - D) shopping
 - E) convenience
- 80) Which of the following does NOT belong to the materials and parts group of business products? 80) _____
- A) farm products such as wheat
 - B) lumber
 - C) petroleum
 - D) natural products such as iron ore
 - E) repair and maintenance items
- 81) Which of the following capital items is NOT considered accessory equipment? 81) _____
- A) chairs
 - B) buildings
 - C) lift trucks
 - D) desks
 - E) hand tools
- 82) Paper, pencils, lubricants, paint, nails, and brooms are examples of _____. 82) _____
- A) raw materials
 - B) specialty products
 - C) supplies
 - D) installations
 - E) capital items
- 83) General Electric's campaign stating, "We bring good things to life" is an example of _____. 83) _____
- A) personal marketing
 - B) product line
 - C) product quality
 - D) corporate image marketing
 - E) social marketing
- 84) "I love New York" is an example of _____. 84) _____
- A) person marketing
 - B) corporate image advertising
 - C) place marketing
 - D) organization marketing
 - E) social advertising
- 85) The Ad Council of America has developed dozens of _____ marketing campaigns, including classics such as "Smokey the Bear," "Keep America Beautiful," and "Only You Can Prevent Forest Fires." 85) _____
- A) place
 - B) brand equity
 - C) service
 - D) social
 - E) product line

- 86) To achieve their social change objectives, social marketing programs _____. 86) _____
- A) work to influence individuals' behaviour to improve their well-being
 - B) utilize only the promotional P of the marketing mix
 - C) utilize none of the Ps in the marketing mix
 - D) utilize only the promotional and product Ps of the marketing mix
 - E) utilize only the price and place Ps in the marketing mix
- 87) Which of the following is the most important for product designers to consider as they develop a product? 87) _____
- A) how the product is packaged to attract spontaneous purchases
 - B) which product features can be added to create higher-level models
 - C) what the product's technical specifications are
 - D) how the product appears
 - E) how customers will use and benefit from the product
- 88) Helene Curtis began to market shampoo for normal hair. In an attempt to increase profits and use excess market capacity, Helene Curtis then marketed shampoo for oily hair and colour-treated hair. This is an example of _____. 88) _____
- A) an unsought product
 - B) people marketing
 - C) line filling
 - D) social marketing
 - E) a shopping product
- 89) Which of the following is an example of product line depth? 89) _____
- A) pizza and pasta
 - B) hamburger and cheeseburger
 - C) hamburger and fries
 - D) cookies and chips
 - E) cola and ice cream
- 90) Chicken of the Sea brand tuna sells more than the same size Kroger brand tuna, even though the Kroger tuna costs \$0.15 less per can. Chicken of the Sea has brand _____. 90) _____
- A) service B) extension C) valuation D) specialty E) equity
- 91) A manager of a Holiday Inn said, "We have power and value in the market and people are willing to pay for it." This manager is referring to _____. 91) _____
- A) brand equity
 - B) social marketing
 - C) specialty products
 - D) product length
 - E) line filling
- 92) Costco's Kirkland products are an example of a(n) _____. 92) _____
- A) manufacturer's brand
 - B) sponsorship brand
 - C) organizational brand
 - D) private brand
 - E) support brand

- 93) An apparel marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented? 93) _____
- A) rebranding
 - B) new brands
 - C) multibranding
 - D) brand extension
 - E) line extension
- 94) Each new iPod product introduction advances the causes of democratizing technology and approachable innovation. iPod, an expert at fostering customer community, has been ranked one of the Breakaway Brands by the brand consultancy Landor Associates. iPod is positioned on _____. 94) _____
- A) beliefs and values
 - B) attributes
 - C) benefits
 - D) selection
 - E) variation
- 95) Manor Plaza Barber's customers have noticed that the quality of a haircut depends on who provides it as well as when, where, and how it is provided. What have the customers noticed? 95) _____
- A) service variability
 - B) service intangibility
 - C) service distinction
 - D) service perishability
 - E) service inseparability
- 96) The impossibility of a barber storing haircuts for later sale is an example of which of the following? 96) _____
- A) low-context services
 - B) service intangibility
 - C) service variability
 - D) service inseparability
 - E) service perishability
- 97) Gina's Nail Salon is serious about pleasing its customers. Employees are trained to immediately and pleasantly respond to any customer complaints, and they are empowered to offer discounts and free add-ons to customers who believe they have received anything less than the best service. Gina's Nail Salon focuses on _____. 97) _____
- A) good service recovery
 - B) image marketing
 - C) differentiating its offer
 - D) productivity
 - E) internal marketing

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 98) A service is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need. 98) _____
- 99) Sony offers consumers more than just camcorders; it provides consumers with a complete solution to their picture-taking problems. This offering is called an augmented product. 99) _____

- 100) Unsought products are products that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort. 100) _____
- 101) Shopping products are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. 101) _____
- 102) Supplies are considered the shopping products in the business field because they are usually purchased with a minimum of effort or comparison. 102) _____
- 103) In one sense, all marketing is the marketing of an idea. 103) _____
- 104) Product quality has two dimensions—level and consistency. 104) _____
- 105) Style is a larger concept than design. Design describes the appearance of a product. 105) _____
- 106) Branding can add consumer value to a product. 106) _____
- 107) Because so many purchase decisions are made in stores, a product's packaging may be a seller's last and best chance to influence consumers. 107) _____
- 108) *Consumer Reports* even has an award for the most difficult to open packages, fittingly named the "Oyster Awards". 108) _____
- 109) Product support services identify the product or brand, describe several things about the product, and promote the product through attractive graphics. 109) _____
- 110) Quaker produces a variety of cereals. This variety is called its product line. 110) _____
- 111) Cannibalization and customer confusion about product differentiation are two potential results if line filling is overdone. 111) _____
- 112) A company can stretch its product either upward or downward, but not both directions. 112) _____
- 113) A company might stretch its product line upward to add prestige to its current products. 113) _____
- 114) A company's product mix has four important dimensions: width, length, depth, and consistency. 114) _____
- 115) The fact that a brand is highly differentiated means that consumers will buy it. 115) _____
- 116) Dove marketers can go beyond the brand's cleansing cream properties and talk about the resulting benefit of softer skin. This is known as product attributes in brand positioning. 116) _____
- 117) Attributes are the least desirable level for brand positioning because competitors can easily copy attributes and customers are more interested in what attributes will do for them than in the attributes themselves. 117) _____
- 118) Retailers and wholesalers who have created their own brands—such as Wal-Mart's Sam's Choice beverages and food products—are participating in co-branding. 118) _____

- 119) When a company introduces a new brand name in the same product category, it is called line extension. 119) _____
- 120) Customers come to know a brand through a wide range of contacts and touch points, including word of mouth, personal interactions with company people, telephone interactions, and company Web pages. 120) _____
- 121) An example of service variability is that within a given Marriott hotel, one registration-desk employee may be cheerful and efficient, whereas another may be unpleasant and slow. 121) _____
- 122) Service inseparability means that the quality of services depends on who provides them, as well as when, where, and how they are provided. 122) _____
- 123) In a service business, the customer and front-line service employee interact to create the service. 123) _____
- 124) The service-profit chain is the set of all product lines and items that a particular seller offers for sale. 124) _____
- 125) One aspect of managing service differentiation is the company's service delivery. 125) _____
- 126) Customer retention is perhaps the best measure of quality—a service firm's ability to hang on to its customers depends on how consistently it delivers value to them. 126) _____
- 127) Good service recovery can turn angry customers into loyal customers and can even win more customer purchasing and loyalty than if no problem had occurred in the first place. 127) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 128) Products and services fall into two broad classes based on the types of consumers that use them. Name these two broad classes and describe how they are different from each other.
- 129) Name and describe three decisions that companies make regarding their individual products and services.
- 130) Describe the role of packaging.
- 131) There has been a long history of legal concerns about packaging and labels. Explain why this is so and how labelling is regulated in Canada.
- 132) Compare product mix width, length, consistency, and depth.
- 133) A manufacturer has four brand sponsorship options. Describe what they are.
- 134) A company has four choices when it comes to developing brands. Describe what they are.
- 135) Services are characterized by four key characteristics. Name and describe these four characteristics.
- 136) Good service companies focus attention on both customers and employees. Describe what the service-profit chain and internal marketing are, and how they differ from each other.

137) How can service providers use a differentiated offer, delivery, and image to avoid competing solely on price?

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

138) The retail brand lululemon does much more than just sell athletic apparel. It creates an unparalleled experience for its customers. Explain how lululemon has moved to a new level in creating value for its customers. 138) _____

139) Why has the Alberta Library recast their traditional goods and services incorporate experiences into its total market offering? 139) _____

140) Give an example of the most basic level of product, the core benefit. 140) _____

141) Give examples of the second level of product, the actual product. 141) _____

142) Give an example of an augmented product. 142) _____

143) Give three examples of convenience products. 143) _____

144) Give three examples of shopping products. 144) _____

145) Give three examples of specialty products. 145) _____

146) What do industrial supplies and consumer convenience products have in common? How do they differ? 146) _____

147) The Saskatchewan government used a \$320 000 humorous advertising campaign based on quality of life to attract workers to the province using promises like the lack of a rush hour. What type of marketing does this represent and what does it involve? 147) _____

148) What type of marketing was used by the Canadian Medical Association in its recent campaign designed to build awareness among the general public and politicians about the growing shortage of doctors in Canada? 148) _____

149) How does a brand name add value to a product? 149) _____

150) How might a flower shop engage in line stretching? 150) _____

151) Why might a company pursue a strategy of less product line consistency? 151) _____

152) In 2008, the top 10 Canadian brands were BlackBerry, RBC, TD Canada Trust, Shoppers Drug Mart, Petro-Canada, Manulife, Bell, Scotiabank, Canadian Tire, and Tim Hortons. These powerful brands have high brand equity, Explain the concept of brand equity. 152) _____

153) Explain how ad agency Young & Rubicam's Brand Asset Valuator measures brand strength. 153) _____

- 154) Why is it important for a brand promise to be simple and honest? 154) _____
- 155) Consider such brand names as A1 Steak Sauce, 409, A & D Ointment, A & W Root Beer, and Super 8. Why might such names with alphanumeric characters aid in brand name selection? 155) _____
- 156) How might measuring service quality be more difficult than measuring product quality? 156) _____
- 157) As a service provider, why might you perceive the buyer-seller relationship in the service encounter to be especially critical? 157) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

Refer to the scenario below to answer the following questions.

Herb Marks built his enterprise on the faithful patronage of four specialty shops and a large contract from Elmore Distributors. But after two years, the maker of novelty pens and pencils had to rethink his strategy when his two-year contract with Elmore ended.

Herb built a company reputation on the manufacture and distribution of a variety of wooden writing utensils with customized engravings. Specialty shops loved to display the products in their fancy, lighted showcases, but such specialty shops alone were not profitable. Herb Marks established a brand name, known merely as Marks, and decided to expand on it.

Herb extended his writing utensil lines to include quills, felt-tip pens, and multiple-cartridge pens that write in different colours. He even added a line of various grades of personalized stationery and business cards. Perhaps Herb's biggest added touch, however, was the addition of two salespeople who would work to explain the diverse array of products offered by Marks, as well as nurture existing accounts.

"We make an excellent product," Herb Marks stated, "and we honour a good guarantee on everything we sell. But let's face it—we face hundreds of competitors! We need Marks representatives out there to help prospects understand what they should demand in something as simple as a writing tool."

The Marks brand was fast-becoming synonymous with top-notch customer service. Part of the purchase package brought personal visits from the Marks representative, before the purchase and long after.

- 158) An easier, more comfortable, more stylish transfer of thought onto paper is the _____ of Herb's offerings. 158) _____
- A) actual product
 - B) pure service
 - C) tangible good
 - D) augmented product
 - E) core customer value
- 159) What type of consumer products does Marks manufacture? 159) _____
- A) industrial
 - B) shopping
 - C) convenience
 - D) specialty
 - E) unsought

- 160) What type of business products does Marks manufacture? 160) _____
A) capital items
B) industrial
C) supplies and services
D) materials and parts
E) convenience
- 161) At Herb Marks, all the company's people are involved in constantly improving the quality of products, services, and business processes. This is called the _____ approach. 161) _____
A) performance quality
B) total quality management
C) collective effort
D) product support
E) positioning quality
- 162) The new felt-tip pens, multiple-cartridge pens, and quills are all examples of _____. 162) _____
A) licensed brands
B) product line inconsistencies
C) megabrands
D) multibrands
E) product line filling
- 163) The Marks brand is synonymous with upscale, prestigious writing instruments. If Marks were to begin to offer a selection of more affordable, ballpoint pens, the company would be stretching its lines _____. 163) _____
A) laterally
B) downward
C) horizontally
D) upward
E) in both directions
- 164) Herb Marks manufactures 28 different types of pens in its pen line. This is the company's _____. 164) _____
A) product mix
B) consistency
C) product width
D) product depth
E) product length
- 165) Brand name selection is a major brand strategy decision. Herb Marks has selected the brand name Marks, what other step in brand name selection should he take? 165) _____
A) sponsorship
B) licensing
C) positioning
D) protection
E) equity

- 166) Marks writing instruments are positioned on ease, comfort, and style. The brand has been positioned at the lowest of three levels, which is _____. 166) _____
- A) product attributes
 - B) product performance
 - C) brand image
 - D) benefit
 - E) beliefs and values
- 167) One of Herb Marks' resellers has expressed an interest in purchasing pens to market under its own store name. The store wishes to create its own _____. 167) _____
- A) national brand
 - B) co-brand
 - C) sponsorship
 - D) private brand
 - E) licence

Answer Key

Testname: UNTITLED9

- 1) E
- 2) C
- 3) A
- 4) E
- 5) A
- 6) C
- 7) A
- 8) D
- 9) E
- 10) D
- 11) A
- 12) B
- 13) C
- 14) B
- 15) A
- 16) E
- 17) C
- 18) B
- 19) E
- 20) B
- 21) A
- 22) E
- 23) D
- 24) D
- 25) C
- 26) D
- 27) D
- 28) A
- 29) A
- 30) E
- 31) C
- 32) B
- 33) C
- 34) C
- 35) D
- 36) A
- 37) E
- 38) C
- 39) D
- 40) A
- 41) C
- 42) B
- 43) E
- 44) A
- 45) B
- 46) E
- 47) D
- 48) A
- 49) B
- 50) B

Answer Key

Testname: UNTITLED9

- 51) B
- 52) B
- 53) A
- 54) E
- 55) E
- 56) C
- 57) B
- 58) A
- 59) A
- 60) E
- 61) B
- 62) D
- 63) E
- 64) C
- 65) A
- 66) D
- 67) D
- 68) E
- 69) E
- 70) C
- 71) C
- 72) E
- 73) E
- 74) E
- 75) D
- 76) A
- 77) E
- 78) E
- 79) D
- 80) E
- 81) B
- 82) C
- 83) D
- 84) C
- 85) D
- 86) A
- 87) E
- 88) C
- 89) B
- 90) E
- 91) A
- 92) D
- 93) D
- 94) A
- 95) A
- 96) E
- 97) A
- 98) FALSE
- 99) TRUE
- 100) FALSE

Answer Key

Testname: UNTITLED9

- 101) TRUE
- 102) FALSE
- 103) TRUE
- 104) TRUE
- 105) FALSE
- 106) TRUE
- 107) TRUE
- 108) TRUE
- 109) FALSE
- 110) TRUE
- 111) TRUE
- 112) FALSE
- 113) TRUE
- 114) TRUE
- 115) FALSE
- 116) FALSE
- 117) TRUE
- 118) FALSE
- 119) FALSE
- 120) TRUE
- 121) TRUE
- 122) FALSE
- 123) TRUE
- 124) FALSE
- 125) TRUE
- 126) TRUE
- 127) FALSE
- 128) The two broad classes are consumer products and business products. Consumer products and services—those bought by final consumers—are usually classified according to consumer shopping habits. Consumer products include convenience products, shopping products, specialty products, and unsought products. Business products are distinguished from consumer products by the purpose for which they were purchased. Business products are those that are purchased for further processing or for use in conducting a business. These products include the three broad categories of materials and parts, capital items, and supplies and services.
- 129) Decisions to be made in the development and marketing of individual products and services include 1) product attributes, 2) branding, 3) packaging, 4) labelling, and 5) product support services. Product attribute decisions involve product quality, features, and style and design. Branding decisions include selecting a brand name and developing a brand strategy. Packaging involves designing and producing a product's container; packaging provides many key benefits, such as protection, economy, convenience, and promotion. Labelling identifies the product and may describe and promote the product and brand. Companies must also make a decision about product support services, which are usually a minor or major part of a market offering.
- 130) Packaging involves designing and producing the container or wrapper for a product. Packaging contains and protects the product, but it also is used to attract customer attention, to describe the product, and to make the sale. Innovative packaging may give a company an edge over competitors.
- 131) Labels have the potential to mislead customers, fail to describe important ingredients, and fail to include needed safety warnings. Labelling regulations depend on the type of product being sold. Both federal and provincial legislation governs packaging and labelling in Canada. At the federal level the *Consumer Packaging and Labelling Act* and the *Food and Drugs Act* are designed to protect consumers from labelling or packaging that is false or misleading. The *Weights and Measures Act* deals with the units of measurement on labels. Provincial statutes cover things like the requirement for bilingual labelling in Quebec and things specific to certain product categories such as furniture or toys.

Answer Key

Testname: UNTITLED9

- 132) Product mix width refers to the number of different product lines the company carries; product length refers to the total number of products carried in a company's product lines. Consistency refers to how closely related the various product lines are in end use. Product depth refers to the number of versions offered of each product in the line.
- 133) A manufacturer can launch its own brand (manufacturer's brand or national brand). It can sell to resellers who give the product a private brand (or store brand). It can market licensed brands, using names or symbols created by other manufacturers, names of celebrities, or characters from popular movies or television. Finally, a manufacturer can join forces with another company to co-brand a product.
- 134) The company can introduce line extensions, brand extensions, multibrands, or entirely new brands. A line extension involves extending a current brand name to new forms, colours, sizes, flavours, etc. in one of the company's existing product categories. In contrast, a brand extension extends a current brand name to a new or modified product in a new product category. Multibranding involves introducing several brands within the same category. Finally a company may decide that a new brand name is needed, particularly if the power of an existing brand name is declining or the company is entering a new product category.
- 135) The four service characteristics are intangibility, inseparability, variability, and perishability. Services are intangible: they cannot be seen, tasted, felt, heard, or smelled before they are bought. Services are inseparable: they are produced and consumed at the same time and cannot be separated from their providers, whether the providers are people or machines. Services are variable: their quality may vary greatly, depending on who provides them and when, where, and how they are provided. Services are perishable: they cannot be stored for later sale or use.
- 136) The service-profit chain links service firm profits with employee and customer satisfaction. The links in the service-profit chain are as follows: internal service quality leads to satisfied and productive employees, who create greater service value, which leads to satisfied and loyal customers, who create healthy service profits and growth. Internal marketing by a service firm refers to training and effectively motivating its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction. The service-profit chain deals with employees and customers. Internal marketing deals with training employees.
- 137) A service offer can include innovative features that differentiate the company's offers from competitors. Service delivery can be differentiated by hiring and training more reliable customer-contact people, developing a superior physical environment in which the service is delivered, and designing a superior delivery process. Services can also be differentiated through symbols and branding, creating an image that sets a company's services apart from competitors'.
- 138) To differentiate their offer beyond simply making products and delivering services, lululemon is creating and managing customer *experiences* with its brands. They realize that customers are really buying much more than just yoga pants and mats. They are buying what owning those things will *do* for them.
- 139) The Alberta Library launched a TV, radio, print and online campaign named "Books and beyond" to show people who had stopped using libraries the vast range of products and services libraries offer today. The Library sought to differentiate their offers beyond simply lending books, and send the message that they are creating and managing customer *experiences*.
- 140) Examples are numerous. A salon owner, providing similar services of a day spa, may focus on "pampering yourself in total relaxation."
- 141) A salon owner may market hair- and nail-care products and services, full- and partial-body massages, workout equipment and training, and social activities, and so forth.
- 142) Examples will vary. An augmented product may include the customer of a salon having the option of having most of the services performed in the privacy and solitude of his or her home.
- 143) Examples may include soft drinks, milk, and candy.
- 144) Examples may include washing machines, lawn mowers, and furniture.
- 145) Examples may include a Rolex watch, a Jaguar sports car, or an around-the-world cruise.
- 146) Industrial supplies are purchased for further use in conducting a business, while convenience products are purchased by final consumers for personal consumption; both types of products are usually purchased with a minimum of effort or comparison.

Answer Key

Testname: UNTITLED9

- 147) This is an example of *Place marketing* which involves activities undertaken to create, maintain, or change attitudes or behaviour toward particular places. Cities, provinces, regions, and even entire nations compete to attract tourists, new residents, conventions, and company offices and factories.
- 148) The CMA employed social marketing, which is the use of commercial marketing concepts and tools in programs designed to influence individuals' behaviour to improve their well-being and that of society.
- 149) Quality and consistency can be identified through a brand; experience with or knowledge of another's experience with a brand helps a buyer know what features, benefits, and quality to expect from a product.
- 150) A flower shop may offer single-stem, fresh-cut flowers, sold individually, small arrangements, bouquets, or large ceremonial sprays; with line stretching, the flower shop will offer a wide array of products geared toward all types of flower buyers.
- 151) A company might want to increase its business by building a reputation in several product fields.
- 152) Brand equity is the differential effect that knowing the brand name has on customer response to the product and its marketing. It's a measure of the brand's ability to capture consumer preference and loyalty. A brand has positive brand equity when consumers react more favourably to it than to a generic or unbranded version of the same product. It has negative brand equity if consumers react less favourably than to an unbranded version.
- 153) Young & Rubicam's Brand Asset Valuator measures brand strength along four consumer perception dimensions: *differentiation* (what makes the brand stand out), *relevance* (how consumers feel it meets their needs), *knowledge* (how much consumers know about the brand), and *esteem* (how highly consumers regard and respect the brand). Brands with strong brand equity rate high on all of these dimensions.
- 154) Consumers who purchase the product and believe it does not live up to the promise will develop a negative image of the brand; they will be less likely to become loyal customers.
- 155) Such brands are easy to pronounce, easy to recognize, and easy to remember.
- 156) Products are tangible; therefore, measuring quality across several dimensions—such as durability, functionality, and so on—may be easier or performed more consistently than when measuring service quality.
- 157) Customers' perceptions are established during the service encounter. At this time, based on these perceptions, customers can become loyal, long-term buyers. It is critical that service sellers establish sound relationships from the beginning.
- 158) E
- 159) D
- 160) C
- 161) B
- 162) E
- 163) B
- 164) E
- 165) D
- 166) A
- 167) D