

Version # 09

UNIVERSITY OF GUELPH

MCS1000DE/ MCS1000

Final Exam

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Duration: 2 hours

Aids Allowed: *None*

Student name (**LAST NAME FIRST**)

Student number

1. Which of the following statements about penetration pricing is most accurate?
 - A. Penetration pricing is a profit-oriented approach to pricing.
 - B. Penetration pricing is a cost-oriented pricing method.
 - C. Penetration pricing encourages competitors to enter a market.
 - D. Penetration pricing is more effective in a marketplace with price-sensitive consumers.
 - E. Penetration pricing usually precedes a skimming pricing.

2. The term used to identify an organization's long-term course of action designed to deliver a unique customer experience while achieving its goals is referred to as a _____.
 - A. marketing strategy
 - B. policy
 - C. strategy
 - D. plan
 - E. tactic

3. Wrigley recently introduced a new flavor of Orbit brand sugar free chewing gum—mint mojito. The introductory price was low so that it quickly created loyal customers for the flavor. In this example, Wrigley used
 - A. skimming pricing.
 - B. penetration pricing.
 - C. price lining.
 - D. odd-even pricing.
 - E. loss-leader pricing.

4. An advertising message usually focuses on the _____ that is/are important to a prospective buyer in making trial and adoption decisions.
 - A. emotional aspects
 - B. price
 - C. psychological aspects
 - D. financial risks
 - E. key benefits of the product

5. Which of the following statements about strategy is most accurate?
 - A. An organization can be all things to all people because it has access to all the resources it needs to discover and satisfy the needs and wants of its target markets.
 - B. The marketing department helps to both set an organization's direction and move it there.
 - C. Only start-up organizations must develop strategies to help them (1) raise capital and (2) focus and direct their efforts to accomplish their goals.
 - D. Strategy is an organization's short-term course of action designed to deliver a broad customer experience while achieving its goals.
 - E. The American Marketing Association (AMA) recently has established the definition of strategy.

6. A(n) _____ is an intermediary who sells to consumers.
 - A. agent
 - B. retailer
 - C. wholesaler
 - D. distributor
 - E. broker

7. Which answer reflects (in order) a good, a service, and an idea that can be marketed?
 - A. a candy bar, a wastepaper basket, and a vending machine
 - B. a political candidate, democracy, and freedom
 - C. an iPod, an iPhone, and an iPad
 - D. a toothbrush, laser teeth whitening, and dental hygiene
 - E. a CD, a concert, and a souvenir T-shirt

8. The formula, Total revenue - Total cost, or $[(\text{Unit price} \times \text{Quantity sold}) - (\text{Fixed cost} + \text{Variable cost})]$ represents _____.

- A. the value equation
- B. the sales ratio
- C. average revenue
- D. the break-even point
- E. the profit equation

9. All of the following are departments in a typical organization **EXCEPT**:

- A. information systems.
- B. manufacturing.
- C. suppliers.
- D. finance.
- E. human resources.

10. A product

- A. consists of the benefits or customer value received by its sellers.
- B. is the cluster of benefits that an organization promises customers to satisfy their needs.
- C. is a good, service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers' needs and is received in exchange for money or something else of value.
- D. consists of items that the consumer purchases frequently, conveniently, and with a minimum of shopping effort.
- E. is the set of intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.

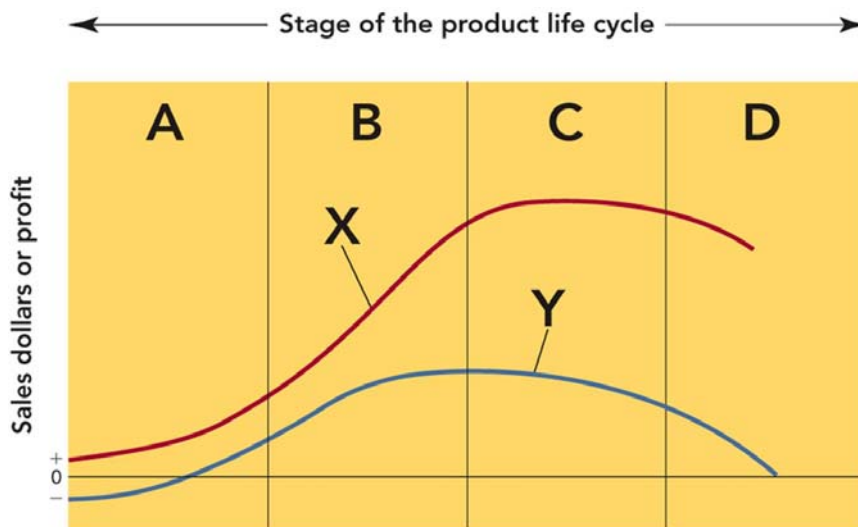


Figure 11-1

11.

Figure 11-1 above represents the stages of the product life cycle. What does the portion of the curve labeled "D" represent?

- A. introduction
- B. maturity
- C. growth
- D. accelerated development
- E. decline

12. Services refer to

- A. the tangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.
- B. the intangible activities or benefits that an organization provides to satisfy consumers' needs in exchange for money or something else of value.
- C. the activities provided to complement a tangible good, such as technical support for a computer.
- D. any activity required for the production of a good that cannot be completed "in-house" and must be outsourced to another firm.
- E. the human (nonmechanical) component that is part of the manufacturing process.

13. A promotion alternative that uses direct communication with consumers to generate a response in the form of an order, a request for further information, or a visit to a retail outlet is referred to as _____.

- A. personal selling
- B. sales promotion
- C. publicity
- D. advertising
- E. direct marketing

14. The acronym "EDLP" stands for _____.

- A. everyday lo-hi pricing.
- B. extended discounts for loss-leader products.
- C. everyday low pricing.
- D. either free delivery or lower prices.
- E. expired discounts in lieu of lower pricing.

15. Which of the following most directly explains why pharmaceutical giant Pfizer offered low-income senior citizens many of its most widely used prescriptions for \$15 each per month?

- A. the necessity of matching competitors' actions
- B. new regulatory Medicare mandates
- C. the profit motive since aging baby boomers are a large, profitable market
- D. the social responsibility concept
- E. the mandate by its industry's code of ethics

16. Marketing refers to

- A. the activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large.
- B. the production of products or services that will generate the highest return on investment.
- C. the process of identifying target market segments for a product or service.
- D. the activity involved in actually getting a product or service to ultimate consumers and organizational buyers.
- E. the strategies used in the advertising and promotion of products and services.

17. A major fallacy of _____ budgeting is that by tying a promotion budget to sales, a company may reduce the amount it spends on promotion when it actually needs to spend more.

- A. competitive parity
- B. all-you-can-afford
- C. objective and task
- D. linear forecast
- E. percentage of sales

18. Organizational buyers are described as

- A. manufacturers, retailers, or government agencies that buy products for their own use or for resale.
- B. only purchasers of raw materials and natural resources.
- C. any individual or group making a purchase worth over \$100,000.
- D. any man, woman, or child who uses products purchased for a household.
- E. employees who purchase household items for their personal use.

19. All of the following are environmental forces **EXCEPT**:

- A. customers.
- B. social.
- C. technological.
- D. regulatory.
- E. economic.

20. A prototype is a(n)

- A. miniature version of an actual new product used in concept testing to identify any changes that need to be made prior to full commercialization.
- B. full-scale operating model of the product under development.
- C. sample of a new product given to prospective customers and opinion leaders used to generate awareness prior to the product's commercial release.
- D. simulated operating model of the product given to consumers to use in full-scale field testing.
- E. a digital version of a product produced in multiple shapes, colors, and sizes to determine which version of the product customers like best.

21. Value-pricing refers to
- A. the ratio of perceived benefits to price.
 - B. is the money or other considerations exchanged for the ownership or use of a product or service.
 - C. the practice of simultaneously increasing product and service benefits and maintaining or decreasing price.
 - D. the ratio of price to perceived benefits.
 - E. list price minus incentives and allowances plus extra fees.
22. One or more specific groups of potential consumers toward which an organization directs its marketing program is referred to as a
- A. target market.
 - B. tangential market.
 - C. potential market.
 - D. promotional market.
 - E. mass market.
23. Logistics is most closely related to which element of the marketing mix?
- A. product
 - B. place (distribution)
 - C. production
 - D. promotion
 - E. price
24. The activity for creating, communicating, delivering, and exchanging offerings that benefit its customers, the organization, its stakeholders, and society at large is referred to as _____.
- A. manufacturing
 - B. advertising
 - C. marketing
 - D. promotion
 - E. selling
25. Deliberately selling a product below its customary price, not to increase sales, but to attract customers' attention in hopes that they will buy other products as well, is referred to as
- A. loss-leader pricing.
 - B. bundle pricing.
 - C. magnet pricing.
 - D. predatory pricing.
 - E. below-market pricing.
26. Emphasizing consistently low prices and eliminating most markdowns is referred to as _____.
- A. low-margin pricing
 - B. everyday low pricing
 - C. everyday fair pricing
 - D. value-based pricing
 - E. maintained pricing
27. Specialty products refer to
- A. products for which there are no close substitutes.
 - B. products purchased for their prestige or high perceived value.
 - C. products a consumer will make a special effort to search out and buy.
 - D. items for which the consumer compares several alternatives on several criteria such as price, quality, or style.
 - E. items that the consumer does not know about or knows about but does not initially buy.
28. Allocating funds to promotion by matching the competitor's absolute level of spending or the proportion per point of market share is referred to as _____ budgeting.
- A. percentage of sales
 - B. competitive parity
 - C. all-you-can-afford
 - D. objective and task
 - E. linear forecast

29. Inseparability in services means consumers
- see little variation from one service provider in an industry to another.
 - are unable to differentiate price from quality.
 - cannot evaluate a service until it is being used.
 - cannot separate the service from the deliverer of the service.
 - cannot separate themselves from the deliverer of the service.

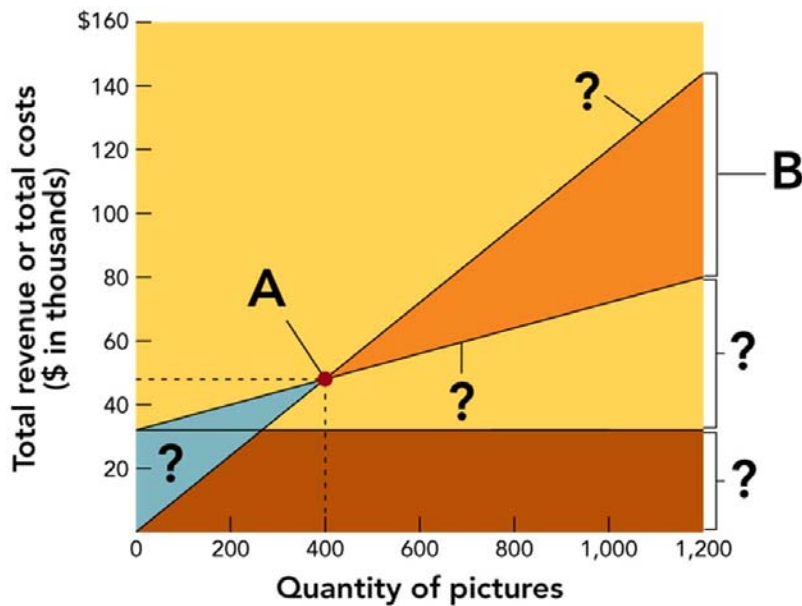


Figure 13-12

30.

In Figure 13-12 above, "A" identifies a

- cost point.
- price point.
- value point.
- sensitivity point.
- break-even point.

31. The American business period that strives to satisfy consumer needs while achieving an organization's goals is called the _____ era.

- production
- customer relationship
- marketing concept
- societal marketing concept
- sales

32. Segmentation that is based on some objective physical (gender, ethnicity), measurable (age, income), or other classification attribute (occupation) of prospective customers is referred to as

- personality segmentation.
- demographic segmentation.
- usage segmentation.
- needs segmentation.
- behavioral segmentation.

33. The United Way of Greater Toronto (UWGT), like many charities, was sitting on a gold mine of donor data. Unfortunately, UWGT was not certain how to use that information to its greatest advantage. UWGT could blanket past donors with generic mailings, but it could not offer donors information that would convince them to donate to UWGT over other charities. Which of the following tools would be most useful for the nonprofit organization to use?

- a flexible marketing system
- a database warehouse
- a customer relationship management plan
- a competitive intelligence framework
- a customer-oriented marketing mix program

34. Convenience products refer to
- A. items that consumers will make special efforts to seek out and buy.
 - B. items for which consumers compare several alternatives on criteria such as price, quality, or style.
 - C. products consumers purchase frequently, conveniently, and with a minimum of shopping effort.
 - D. ancillary products used to make other products work more efficiently.
 - E. low-cost items for which there are numerous substitutes and generic equivalents.
35. One of the advantages associated with television as an advertising medium is that it
- A. has a short exposure time.
 - B. can reach extremely large audiences.
 - C. is a low-cost medium.
 - D. has an unlimited amount of advertising time available.
 - E. can be used to convey complex messages.
36. Which of the following is **NOT** a reason to segment a market?
- A. The ability to assign buyers to a segment is simple and cost-effective.
 - B. All the buyers in the entire market have similar wants and needs.
 - C. It would cause an increase in market share or profit.
 - D. There is a potential marketing action to reach it.
 - E. There are different wants and needs of buyers in the entire market.
37. When you redeem a 50-cents-off coupon for Crest toothpaste at your local supermarket, you are being influenced primarily by _____.
- A. advertising
 - B. sales promotion
 - C. public relations
 - D. publicity
 - E. personal selling
38. Which of the following terms best describes the marketing concept era?
- A. society-oriented
 - B. sales-oriented
 - C. production-oriented
 - D. competition-oriented
 - E. consumer-oriented
39. The benefits or customer value received by users of a product is called _____.
- A. synergy
 - B. cost-benefit ratio
 - C. consumerism
 - D. utility
 - E. customer lifetime value
40. The four Ps of the marketing mix are
- A. product, price, production, and place.
 - B. prediction, production, pricing, and promotion.
 - C. product, price, promotion, and place.
 - D. predict, produce, package, and persuade.
 - E. priorities, personnel, placement, and profits.
41. A product that requires no new behaviors be learned by consumers is a
- A. continuous innovation.
 - B. discontinuous innovation.
 - C. dynamically continuous innovation.
 - D. product transformation.
 - E. concurrent innovation.

42. The ability to buy a soda from a vending machine demonstrates which element of the marketing mix?

- A. promotion
- B. price
- C. product
- D. place
- E. process

43. A form of ownership that involves multiple outlets under common ownership is referred to as a(n).

- A. corporate chain
- B. consumer cooperative
- C. contractual system
- D. independent retailer
- E. administered system

44. An industry refers to

- A. the economic activity concerned with the selling of finished products to wholesalers and retailers.
- B. organizations who manufacture identical products to meet ISO 9000 specifications.
- C. companies that are active in the production of materials that are used in finished products.
- D. organizations that develop similar offerings.
- E. a group of people or firms united through strategic alliances.

45. People with both the desire and ability to buy a specific offering are referred to as [a(n)] _____.

- A. customer base
- B. emporium
- C. shoppers
- D. market
- E. bazaar

46. Horizontal conflict refers to conflict that occurs between

- A. two different levels in a marketing channel.
- B. members of upper management who make the marketing channel decisions and lower management who must implement these decisions.
- C. two producers of the same product vying for the same distribution channel members.
- D. two members in the same level of a marketing channel.
- E. a firm's and its customers' goals.

47. A live theatre performance tends to be an experience that is consumed at the point where it is purchased. This is an example of a(n) _____.

- A. product
- B. idea
- C. utility
- D. value
- E. service

48. Which of the following statements best describes a good?

- A. Goods are physical objects.
- B. Goods are intangible items.
- C. Goods are the benefits organizations receive for selling products and services.
- D. Goods are intangible concepts and thoughts about products or services.
- E. Goods are intangible concepts and thoughts about ideas or causes.

49. A paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor is referred to as _____.

- A. sales promotion
- B. publicity
- C. advertising
- D. direct marketing
- E. mass communication

50. Which of the following statements best describes a service?
- Services comprise the subset of tangible features of products.
 - Services are intangible concepts and thoughts about ideas or causes.
 - Services are physical objects.
 - Services are intangible items.
 - Services are the benefits organizations receive in exchange for selling products.
51. The demand for a business product that results from the demand for a consumer product is referred to as
- sequential demand.
 - selective demand.
 - primary demand.
 - secondary demand.
 - derived demand.
52. Very infrequent purchases with some comparison shopping are characteristic of the purchasing behavior for a type of consumer service (such as burial insurance) that a prospective buyer may not initially want. This type of consumer service is referred to as a(n)
- shopping product.
 - convenience product.
 - specialty product.
 - support product.
 - unsought product.



53. **Sporting News Baseball Yearbook Covers**

- Street & Smith publishes its *Sporting News Baseball Yearbook* with exactly the same stories but with 16 different covers to appeal to baseball fans in 16 different regions of the U.S. What is its market segmentation strategy?
- psychographic segmentation
 - retail outlet segmentation
 - demographic segmentation
 - behavioral segmentation
 - geographic segmentation
54. The _____ includes advertising, personal selling, sales promotion, public relations, and direct marketing.
- promotional mix
 - promotion channel
 - communication message
 - marketing matrix
 - media mix
55. The Arizona Biltmore in Phoenix is next to the Biltmore Fashion Park, a large shopping mall located less than a mile away. The hotel wants to promote its proximity to the shopping center as well as its many other amenities to convention-goers from other states. Which of the following would **MOST LIKELY** help The Arizona Biltmore communicate with potential convention attendees?
- Place an ad in the in-flight magazines of all the major airlines targeting business/first class flyers.
 - Send a mass mailing to all the local businesses.
 - Set up information kiosks at several locations within the Biltmore Fashion Park.
 - Offer free made-to-order breakfasts for guests staying at the hotel on business.
 - Offer special discount rates to guests coming from the East Coast.

56. The four utilities marketing creates are

- A. product, price, promotion, and place.
- B. natural gas, fossil fuel, electricity, and water.
- C. monopoly, monopolistic competition, pure competition, and oligopoly.
- D. form, function, value, and people.
- E. form, place, time, and possession.

57. The concept of designing marketing communications programs that coordinate all promotional activities—advertising, personal selling, sales promotion, public relations, and direct marketing—to provide a consistent message across all audiences is referred to as _____.

- A. the media mix
- B. the marketing matrix
- C. the promotional blend
- D. marketing by objectives (MBO)
- E. integrated marketing communications (IMC)

58. Market segmentation refers to

- A. the philosophy that to do a truly excellent job of marketing, a company should concentrate only one customer segment at a time.
- B. aggregating prospective buyers into groups that have common needs but who respond differently to a marketing action.
- C. aggregating prospective buyers into groups that have common needs and will respond similarly to a marketing action.
- D. disaggregating prospective buyers from groups into segments of one (individuals) and creating or designing specific products that will satisfy each individual's unique needs.
- E. the belief that it is possible to satisfy every customer's needs if you can identify the correct segment within which they belong.

59. Frequency refers to

- A. the number of different advertisements, sales promotions, or publicity events in an IMC campaign for a product or service.
- B. the total number of times an advertisement is aired on television or radio.
- C. the average number of times a firm airs an advertisement.
- D. the number of times an advertisement can be shown before it begins to lose its effectiveness.
- E. the average number of times a person in the target audience is exposed to an advertisement.

60. The common factor among an organization's chairman of the board, stockholders, suppliers, laborers, customers, and society at large is that

- A. all use the product or service marketed by the organization.
- B. all are stakeholders and should benefit from the marketing of a product.
- C. everyone has a say in the ultimate design of a product.
- D. everyone is legally culpable if something goes wrong with a product.
- E. all have to make some type of direct financial investment in the organization.

61. The uncontrollable forces in a marketing decision involving social, economic, technological, competitive, and regulatory forces are referred to as _____.

- A. marketing ecosystem
- B. business conditions
- C. the 5 Fs of marketing
- D. environmental forces
- E. business sphere

62. If you wanted a new pair of shoes during the Civil War, you traced the outline of your foot on a piece of paper and gave it to a shoemaker. There was no distinction between the right and left foot because you wanted your shoes as quickly as possible, and the shoemaker knew that you would buy them even if they just "sort of" fit. This is an example of a transaction that would have occurred during the _____ era in U.S. business history.

- A. market orientation
- B. production
- C. sales
- D. societal marketing concept
- E. marketing concept

63. Developing, pricing, promoting, and delivering services are challenging because the quality of the service is often inconsistent. Organizations attempt to reduce this inconsistency by
- A. paying higher incentives to employees to encourage satisfactory performance.
 - B. reducing incentives available to employees because of poor performance.
 - C. reducing the customer contact points in the service delivery process.
 - D. providing standardization and training.
 - E. exercising better hiring practices.
64. Which of the following statements regarding the Phillies special promotions nights is most accurate?
- A. Although they foster good will in the community, there is little change in attendance.
 - B. Regular and diehard fans tend to stay away because they are too distracted by children who are only there for the "free gifts" (bats, balls, bobble head dolls, etc.).
 - C. Attendance remains steady but people tend to spend more money during special event days because there is a greater sense of fun and excitement.
 - D. Game attendance can increase by 30 to 35 percent during special event days.
 - E. Game attendance increases by 25 percent with the bump in attendance usually lasting throughout the entire month.
65. The element of the marketing mix that describes what is exchanged for a product is known as
- A. the place or distribution.
 - B. the price.
 - C. money.
 - D. a product.
 - E. promotion.
66. You decide to buy a new car. You talk to friends about it, research mechanical specifications in *Consumer Reports*, test drive different makes and models, and compare prices at several dealerships. Into which classification of consumer products would your new car purchase fall?
- A. shopping product
 - B. specialty product
 - C. unsought product
 - D. discretionary product
 - E. convenience product
67. A direct channel is when
- A. producers and end-users deal with each other on a one-on-one basis.
 - B. the producer and consumer and perform numerous channel functions.
 - C. a firm reaches different buyers by employing two or more different types of channels for the same basic product.
 - D. an intermediary sells to other intermediaries, usually to retailers in consumer markets.
 - E. an agent or broker brings ultimate consumers to manufacturers.
68. When Apple first introduced the Apple II personal computer in 1977, industry analysts predicted that very few would be sold. However, a short time after the product was made available, consumers who were young, highly educated, adventuresome, and who were well informed began buying them. While those buyers were relatively few in number, marketers like IBM and Compaq were encouraged because other, less adventuresome consumers like businesspeople would likely adopt personal computers later. Based on the diffusion of innovation concept, those first buyers of personal computers were _____.
- A. early adopters
 - B. early majority
 - C. innovators
 - D. product leaders
 - E. diffusion leaders
69. The two most common pricing alternatives for products in the introduction stage of the product life cycle are _____ and _____.
- A. skimming pricing; penetration pricing
 - B. price lining; product line pricing
 - C. markdown pricing; quantity discount pricing
 - D. skimming pricing; bundle pricing
 - E. penetration pricing; experience curve pricing

70. A concept test is an

- A. internal evaluation among members of the entire cross-functional new-product development team that consists of preliminary testing of a new-product idea rather than the actual product.
- B. external evaluation with consumers that consists of preliminary testing of a new-product idea rather than the actual product.
- C. internal evaluation that consists of preliminary testing of a new-product idea using a mock-up or prototype of the new item.
- D. in-house computer simulation of the new product that closely resembles the actual product to forecast sales.
- E. in-depth questionnaire filled out both by internal marketing personnel and external customers to ensure that the final product meets all the needs expressed in the original product plan.

71. Franchising refers to

- A. a contractual agreement between multiple retailers sharing the same business mission to operate with a consistent business model to not only achieve enhanced buying power but also increase customer loyalty.
- B. a contractual arrangement between a parent company and an individual or firm that allows the latter to operate a certain type of business under an established name and according to specific rules.
- C. purchasing the name, branding, and raw materials from one organization and transferring it to another.
- D. a practice whereby one firm's marketing channel is used to sell another firm's product.
- E. selling an idea to a larger company and letting it do all the manufacturing, distribution, and marketing.

72. Consumer products refer to

- A. products purchased by the ultimate consumer.
- B. products used in the production of other items.
- C. products a consumer will make an effort to seek out and buy.
- D. items purchased frequently and with a minimum of shopping effort.
- E. products that assist directly or indirectly in providing products for resale.

73. The percentage of households in a market that are tuned to a particular television show or radio station is referred to as _____.

- A. gross rating points
- B. CPM
- C. reach
- D. rating
- E. share points

74. Intensive distribution refers to

- A. the distribution of products or services in markets where there are currently no other competitors.
- B. the distribution of products or services where the producer owns the entire channel of distribution.
- C. the density of distribution whereby a firm tries to place its products or services with only one retail outlet in a specified geographical area.
- D. the density of distribution whereby a firm tries to place its products or services in as many outlets as possible.
- E. the density of distribution whereby a firm tries to place its products or services in a few retail outlets in a specific area.

75. Which of the following would be **LEAST LIKELY** to be used for mass selling?

- A. advertising
- B. public relations
- C. sales promotion
- D. publicity
- E. personal selling

76. The ratio of perceived benefits to price is referred to as

- A. the price-quality relationship.
- B. customer value pricing.
- C. value-added pricing.
- D. value analysis.
- E. value.

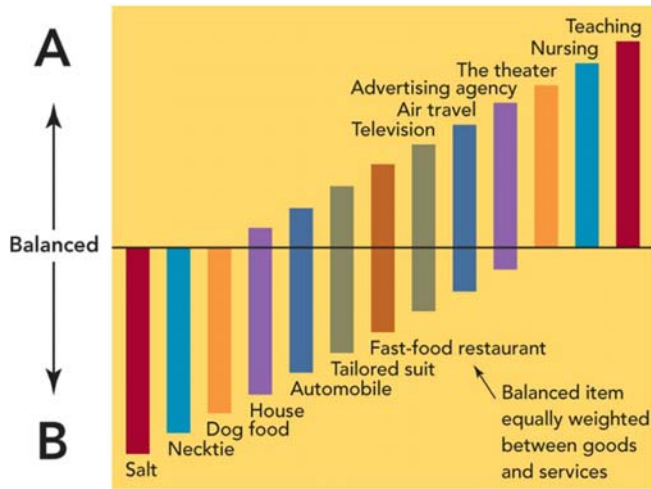


Figure 12-3

77.

According to the service continuum shown in Figure 12-3 above, which of the offerings has an almost perfect balance of tangible and intangible attributes?

- A. tailored suit
- B. tutoring service
- C. dog food
- D. fast-food restaurant
- E. movie theater

78. Which promotional element is particularly important to business buyers?

- A. public relations
- B. publicity
- C. sales promotion
- D. rebates
- E. personal selling

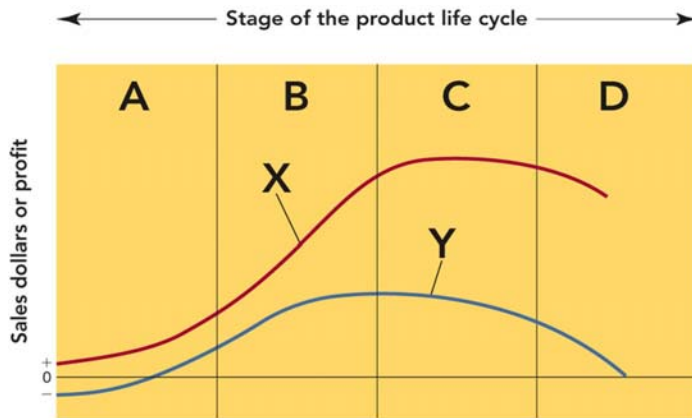


Figure 11-1

79.

Figure 11-1 above represents the stages of the product life cycle. What does the portion of the curve labeled "A" represent?

- A. introduction
- B. maturity
- C. growth
- D. accelerated development
- E. decline

80. Suppose the following: The cost of a full-page color ad in the U.S. national edition of *The Wall Street Journal* (newspaper) is \$312,286 and its U.S. audience size is 1,613,062. The cost of a full-page color ad in the U.S. national edition of *USA Today* (newspaper) is \$207,720 and its U.S. audience size is 1,778,934. The cost of a full-page color ad in the U.S. national edition *Bloomberg Businessweek* (magazine) is \$156,900 and has an audience size of 980,000. The cost of a full-page color ad in the U.S. national edition *Sports Illustrated* (magazine) is \$238,000 and has an audience size of 3,150,000. The cost of a 30-second ad on the most recent Super Bowl (television) is \$3,250,000 and has an audience size of 112,500,000. Using this information, which has the **LOWEST** CPM of the five alternatives?

- A. *The Wall Street Journal*
- B. *USA Today*
- C. *Bloomberg Businessweek*
- D. *Sports Illustrated*
- E. Super Bowl

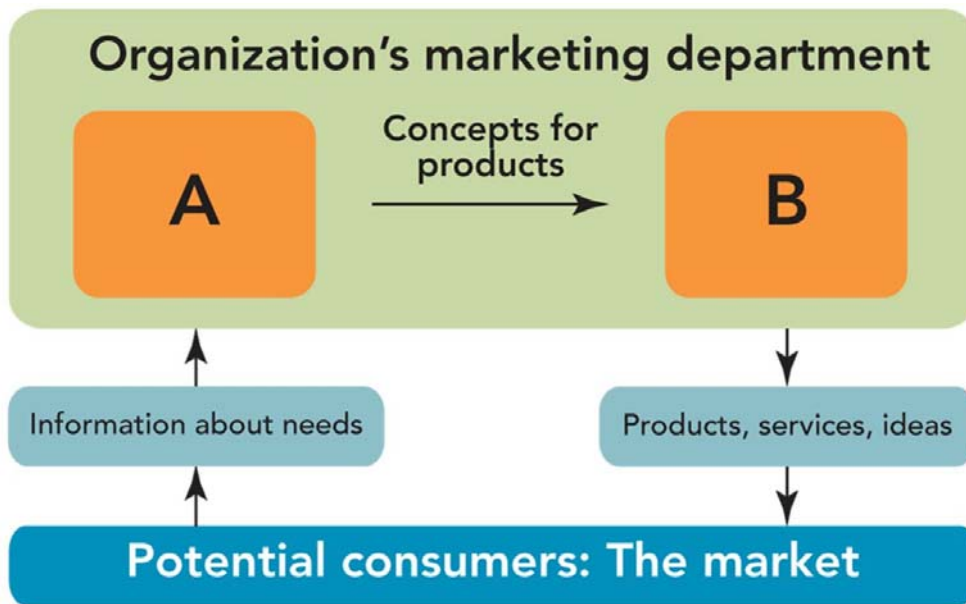


Figure 1-3

81.

In Figure 1-3 above, "A" represents _____ and "B" represents _____.

- A. discovering consumer needs; satisfying consumer needs
- B. R&D; customers
- C. employees; stakeholders
- D. sales; manufacturing
- E. management; shareholders

82. Redbox places vending machines at local convenience and grocery stores that allow customers to rent and return popular DVDs 24 hours a day. This creates both _____ and _____ utility.

- A. time and possession
- B. form and time
- C. form and possession
- D. place and time
- E. form and place

83. A wholesaler refers to

- A. independent firms or individuals whose principal function is to bring buyers and sellers together.
- B. any intermediary who takes ownership of a manufacturer's products or services and then finds multiple buyers for those products or services.
- C. an intermediary who sells to other intermediaries, usually to retailers in consumer markets.
- D. an intermediary who sells to consumers.
- E. a manufacturing "matchmaker" who actively seeks out potential consumers and brings them to retailers.

84. Which of the following is an example of an ultimate consumer?
- A. a newspaper reporter who buys a plane ticket to Washington, D.C. to cover the presidential inauguration
 - B. a school teacher who bought a ticket to the Summer Olympics opening ceremonies
 - C. an office receptionist who renews the magazines that are found in the office waiting room
 - D. a retailer who buys poster board to make signs for an upcoming store sale
 - E. a landscaping firm employee who buys a new wheelbarrow to use to haul mulch



85. Little Remedies Products
The Little Remedies products shown above best describe which of the following?
- A. product item
 - B. product line
 - C. product mix
 - D. product category
 - E. brand line

86. Ultimate consumers refer to
- A. the people who use the products and services purchased for a household.
 - B. people who have already purchased a firm's product at least once, have been satisfied, and are likely to make repeat purchases.
 - C. people or organizations that have used a competitor's product and who have been dissatisfied, and who are still seeking a product or service to satisfy their needs.
 - D. those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.
 - E. one or more specific groups of potential customers toward whom an organization directs its marketing program.

87. Setting the highest initial price that customers really desiring the product are willing to pay when introducing a new or innovative product is referred to as a
- A. skimming strategy.
 - B. penetration strategy.
 - C. price-lining strategy.
 - D. experience-curve pricing strategy.
 - E. prestige pricing strategy.

88. Segmentation based on some observable actions or attitudes by prospective customers, such as what benefits they seek, as well as where, how frequently, and why they buy, is referred to as
- A. demographic segmentation.
 - B. psychographic segmentation.
 - C. geographic segmentation.
 - D. behavioral segmentation.
 - E. socioeconomic segmentation.

89. A skimming pricing policy is likely to be most effective when
- A. consumers perceive your product to be similar to other products on the market.
 - B. a lower price will significantly lower fixed costs.
 - C. customers interpret high price as signifying high quality.
 - D. consumers tend to be price sensitive.
 - E. it will be easier to set measurable sales unit goals.

90. The element of the marketing mix that describes a good, service, or idea to satisfy consumers' needs is known as
- A. a product.
 - B. a market segment.
 - C. the price.
 - D. the place or distribution.
 - E. promotion.

91. To serve both buyers and sellers, marketing seeks to _____ and satisfy the needs and wants of prospective customers.
- A. create
 - B. discover
 - C. weigh
 - D. manipulate
 - E. change
92. All of the following are true about marketing **EXCEPT**:
- A. Marketing stresses the importance of delivering genuine benefits in the offerings of products, services, and ideas.
 - B. Marketing persuades people to buy the "wrong" things.
 - C. When an organization engages in marketing, all stakeholders should benefit.
 - D. Marketing is a broader activity than advertising.
 - E. Marketing is a broader activity than personal selling.
93. From a marketing viewpoint, _____ is money or other considerations (including other products and services) exchanged for the ownership or use of a product or service.
- A. the value
 - B. price
 - C. barter
 - D. currency
 - E. a tariff
94. It is not recommended that a firm select a target segment that
- A. is incompatible with its company's goals or objectives.
 - B. requires more than one marketing action.
 - C. has few competitors that target this same segment.
 - D. would require entry in a global marketplace.
 - E. has a growth potential that would require increasing the current workforce.
95. A local candidate running for office would very much like to have your vote. She promises that she will "make the country better." Because all candidates for public office say this, you decide not to vote for her. Marketing will not occur in this situation because _____.
- A. the candidate's message is compelling
 - B. there is no direct way for the parties to communicate
 - C. something to exchange is missing
 - D. marketing doesn't apply to the voting process
 - E. the desire and ability to satisfy needs is missing
96. Which of the following statements about environmental forces is most accurate?
- A. Environmental forces can almost always be predicted.
 - B. An organization that incorporates the marketing concept can exert just as much influence on environmental forces as they can exert on that organization.
 - C. Environmental forces consistently result in negative outcomes for an organization.
 - D. Environmental forces are almost always controllable if the marketing department correctly scans them.
 - E. Some environmental forces can actually enhance a firm's marketing opportunities.
97. The owners of Old School Brand Authentic Antique Foods researched Civil War records to come up with recipes for the old-fashioned products they market. Concern about the _____ element of the marketing mix would make them eager to be featured in an upcoming edition of *Taste of Home* magazine.
- A. price
 - B. product
 - C. production
 - D. place
 - E. promotion
98. When marketing channel members are engaged in gathering, sorting, and dispersing products, they are performing _____ functions.
- A. logistical
 - B. merchandising
 - C. facilitating
 - D. implementation
 - E. transactional

99. Your neighborhood dry cleaner or florist is likely to be categorized as an independent retailer. This means it is owned by a(n)

- A. individual
- B. conglomerate
- C. consortium
- D. corporation
- E. cooperative

100. Business products are also referred to as _____.

- A. commodities
- B. industrial products
- C. wares
- D. resale products
- E. merchandise

101. A local college of business offers an outstanding graduate business school education program. Cali pays the tuition to attend and earns her MBA with a concentration in marketing management. Upon graduating, she is offered a high paying, fulfilling position. Was this a marketing exchange?

- A. Yes, because paying tuition was exchanged for knowledge that directly led to Cali's high paying, fulfilling new job.
- B. No, because money was exchanged in the form of tuition and Cali's income will come from her employer, not the graduate school.
- C. No, because the school did not provide Cali with a tangible product, only the potential of an education.
- D. Yes, because the university promised Cali she would graduate on time, and she did.
- E. No, because the university earned a profit from Cali's tuition.

102. The promotional mix refers to

- A. the three underlying appeals used that make promotions effective: (1) sex appeal, (2) humor appeal, and (3) fear appeal.
- B. the combination of both paid and non-paid marketing tools used to promote product interest.
- C. the set of promotional tools designed to motivate prospective buyers to purchase products and services: (1) awareness, (2) interest, (3) evaluation, (4) trial, and (5) adoption.
- D. the composition of the objectives of the promotion: (1) to inform, (2) to persuade, (3) to remind, and (4) to phase out.
- E. the combination of one or more communication tools used to: (1) inform prospective buyers about the benefits of the product, (2) persuade them to try it, and (3) remind them later about the benefits they enjoyed by using the product.

103. The "risk" in a transactional function refers to

- A. unpredictable costs of transportation because of fuel prices.
- B. product liability from poorly produced products that become defective.
- C. the need to stock merchandise in anticipation of sales, which may become obsolete.
- D. trying new promotional campaigns.
- E. investments in new product development.

Marketing Channels for Consumer Products

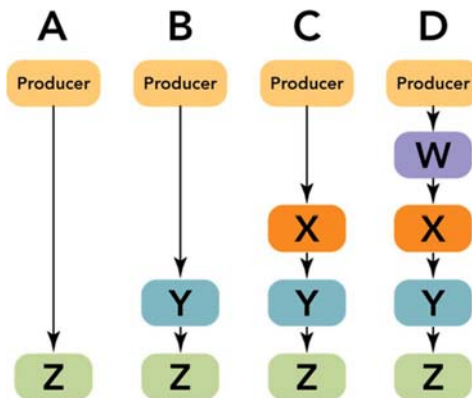


Figure 15-3

104.

Figure 15-3 above depicts the four most common marketing channels for consumer products and services. "Z" represents

- A. consumers.
- B. industrial users.
- C. wholesalers.
- D. agents or brokers.
- E. retailers.



105. **McDonald's Menu Board Photo**

As shown in the McDonald's menu board photo above, McDonald's is most likely using which type of pricing strategy?

- A. predatory pricing
- B. value-pricing
- C. loss-leader pricing
- D. odd-even pricing
- E. barter

106. What is the marketing objective for the growth stage of the product life cycle?

- A. harvesting
- B. market share
- C. differentiation
- D. gain awareness
- E. maintain brand loyalty

107. The intangibility element of a service refers to the fact that it

- A. has value that can only be determined by using subjective criteria.
- B. can't be held, seen, or touched before the purchase decision.
- C. cannot be described, only experienced.
- D. can maintain or accumulate inventory.
- E. can be objectively evaluated.

108. A means of displaying or graphing in two dimensions the location of products or brands in the minds of consumers to enable a manager to see how consumers perceive competing products or brands, as well as its own product or brand, is referred to as a

- A. perception matrix.
- B. growth-share matrix.
- C. market-product grid.
- D. perceptual map.
- E. product differentiation chart.

109. A form of communication management that seeks to influence the feelings, opinions, or beliefs held by customers, prospective customers, stockholders, suppliers, employees, and other publics about a company and its products or services is referred to as

- A. sales promotion
- B. publicity
- C. advertising
- D. public relations
- E. personal selling

110. Which of the following is the best example of a people-based service?

- A. movie theaters
- B. airlines
- C. advertising agency
- D. vending machines
- E. taxis

111. Newman's Own is a company that gives all of its profits to charities. The company produces popcorn, salsa, pasta sauce, and salad dressings under the Newman's Own brand name. These product lines comprise the company's

- A. product mix.
- B. stock keeping units.
- C. product category.
- D. product class.
- E. marketing category.

112. Attorneys' fees, entrance fees, train fares, and organization dues are all examples of

- A. premiums.
- B. barter.
- C. mediums of exchange.
- D. price.
- E. outlays.

113. The period of American business history when firms could produce more goods than they could sell and the focus was on hiring more salespeople to seek out new markets and customers is referred to as the _____ era.

- A. production
- B. goods
- C. marketing concept
- D. market orientation
- E. sales

114. The cost of reaching 1,000 individuals or households with the advertising message in a given medium is referred to as

- A. GRP
- B. CPA
- C. TMP
- D. CPM
- E. M

115. The _____ department of an organization is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, shareholders, suppliers, and other organizations.

- A. marketing
- B. accounting
- C. information systems
- D. human resources
- E. purchasing

116. The marketing mix refers to

- A. the specific ratio within a budget that divides resources between advertising, sales promotion, and personal selling.
- B. the selection of product benefits and attributes that are to be added to or subtracted from a given product to create variations within a product line.
- C. the environmental forces—social, economic, technological, competitive, and regulatory—that impact the marketing decisions for a particular product at any given time.
- D. the allocation of resources within a firm towards individual marketing programs.
- E. the marketing manager's controllable factors—product, price, promotion, and place—that can be used to solve a marketing problem.

117. In a marketing context, the acronym IMC refers to _____.

- A. interactive media convergence
- B. internal marketing communications
- C. integrated marketing collaboration
- D. integrated marketing communications
- E. international marketing communications

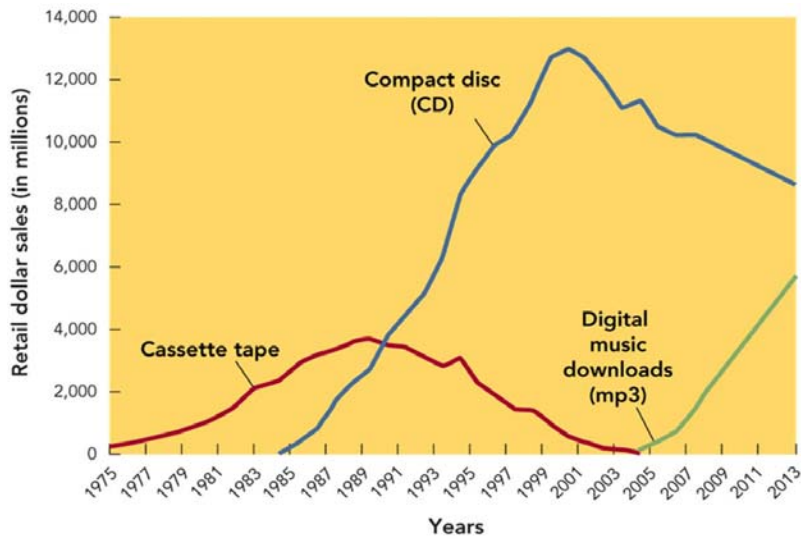


Figure 11-4

118. Figure 11-4 above shows that in 1995, CDs were in the _____ stage of the product life cycle, while cassette tapes were in the _____ stage.

- A. introduction; growth
- B. growth; introduction
- C. maturity; growth
- D. harvest; decline
- E. growth; decline

119. A want refers to

- A. a feeling of being deprived of something, but not fully understanding what it may be.
- B. a sense of urgency that causes a person to take action.
- C. a need that is shaped by a person's knowledge, culture, or personality.
- D. a situation when a person feels deprived of basic necessities such as food, clothing, and shelter.
- E. a sense of personal inadequacy based upon observations by others around you.

120. All activities involved in selling, renting, and providing products and services to ultimate consumers for personal, family, or household use are referred to as _____.

- A. manufacturing
- B. retailing
- C. wholesaling
- D. facilitating
- E. logistics