

Practice Questions – Final Exam

Multiple Choice Questions

For each of the questions below, select the response which provides the **best** answer.

- 1) A growing problem today is the commoditization of market offerings, where consumers see competing goods in terms of their utility instead of brand power. To help differentiate themselves, companies must consider both product and service aspects of their product, and combine them to create customer _____.
 - a. satisfaction
 - b. generated marketing
 - c. experiences
 - d. events
 - e. feedback

- 2) Michaela buys a new Macbook Air for school. It was a bit more expensive than the other computer that she was considering, but she liked the assurance that any problems with it would be solved quickly and effectively at the Apple Store near her house. This after-sales service is an example of _____.
 - a. actual product
 - b. core product
 - c. brand equity
 - d. style and design
 - e. augmented product

- 3) Some consumer products – like furniture, or airline tickets – are purchase less frequently than others, and usually result in a careful buyer decision process and consideration of important attributes, such as quality, price, and style. These are examples of:
 - a. Convenience products
 - b. Industrial products
 - c. Unsought products
 - d. Shopping products
 - e. Specialty products

- 4) Kellogg's is considering making a new nutritional cereal that is protein-packed and aimed towards consumers with a morning fitness regime. Making some prototype recipes and offering samples at a consumer health and fitness expo would be an example of which stage of product development?
 - a. Concept testing
 - b. Marketing strategy
 - c. Product development
 - d. Idea generation
 - e. Idea screening

- 5) In this stage of the product life cycle, competition begins to enter the market for the new product, and strategy moves towards maximizing market share.
- Maturity
 - Growth
 - Introduction
 - Development
 - Decline
- 6) A product's _____ is not only pleasing aesthetically, but can improve a product's performance by helping to create a better product-use experience.
- design
 - brand
 - packaging
 - style
 - features
- 7) Samsung's Galaxy S8 model phone is available in five different colours, including black, grey, silver, blue, and gold. This is an example of product mix _____.
- length
 - width
 - line
 - depth
 - portfolio
- 8) A yoga studio provides a supportive and instructional environment to properly practice the activity. However, even if you buy a yoga mat and an instructional video, you can't recreate this experience at home. This is an example of _____.
- Service perishability
 - Service intangibility
 - Service heterogeneity
 - Service inseparability
 - Service variability
- 9) _____ is crucial to cultivating good customer relationships, as it helps to evoke emotions from the consumer.
- Product attribute
 - Service
 - Brand personality
 - Customer-generated marketing
 - Targeting

- 10) There is no formula that can help you find the perfect brand name. However, there are some criteria that tell us how we can ensure we're choosing a good name. Which of these is **not** criteria for a good brand name?
- It should describe the product or its benefits
 - It should be long and complex to distinguish itself from competitors
 - It should be extendable, and not too specific to one product
 - It should be pronounceable in several languages
 - It should be available to register for trademark protection
- 11) A _____ brand, sometimes also known as a store brand, is typically introduced by retailers as a higher-profit-margin response to the more well-known brands that they already stock on their shelves.
- manufacturer's
 - licensed
 - strategic
 - national
 - private
- 12) Wal-Mart often sells girls' clothing with more generic designs under its own private label George, but it also manufactures and sells a Disney line of clothing featuring the names and likenesses of popular characters, such as Elsa from *Frozen*. The ability to use the Disney brand elements is an example of _____.
- brand licensing
 - co-branding
 - a brand extension
 - a private label
 - a national brand
- 13) Dr Pepper Snapple Group markets soft drinks in the United States under a variety of well-known brands, including Canada Dry, Crush, and of course, Dr Pepper. In a response to consumers using Dr Pepper as a common ingredient in homemade barbecue sauce, the company decided to venture into a new product category and sell a line of official Dr Pepper barbecue sauces. This is an example of _____.
- line extension
 - product mix
 - co-branding
 - brand extension
 - multibranding

- 14) A double cheeseburger at McDonalds costs about \$0.94 to make, including the variable cost of ingredients and packaging, and a proportion of fixed costs of labour and other overhead. If this is the cost of producing the product, then it represents the _____.
- price floor
 - demand curve
 - break-even cost
 - price-ceiling
 - experience curve
- 15) A couple open up a boutique bed and breakfast out of their cottage. While there are a lot of start-up costs involved with preparing it for business, and they spent a lot of money on furnishing the room in just the perfect comfortable yet rustic style, they are more concerned about choosing a price that reflects customers' perceptions of the room, and less about the cost of service. This reflects _____.
- variable cost pricing
 - customer value-based pricing
 - off-price retailing
 - competition-based pricing
 - cost-plus pricing
- 16) Meghan rents a studio space to work on her art more professionally. She pays \$1000/month for rent, including utilities. Regardless of how much art she completes and sells each month, her rent will remain the same. This is an example of a _____.
- total cost
 - unit cost
 - fixed cost
 - product cost
 - product margin
- 17) The automobile industry in the United States is dominated by a few large automakers: General Motors, Ford, Toyota, and Chrysler. While their cars each unique, there is only a small amount of room for differentiation of features, with cars of similar types having, in essence, the same benefit. If one seller takes a dramatic step, the others will respond rapidly. This describes a _____.
- pure competition
 - capitalism
 - oligopolistic competition
 - pure monopoly
 - monopolistic competition

- 18) A company with a premium, differentiated offering – such as Apple’s iPad – would likely be introduced to a new market with a _____ pricing strategy, wherein a high initial price is gradually lowered over time to gain maximum profits from eager customers.
- trial
 - market-penetration
 - leader
 - market-skimming
 - value-based
- 19) Many amusement parks often have relatively low admission fees, knowing that once inside, consumers will pay for food and attractions which have a very high markup. The consumer feels obligated to continue to pay for attractions within the park to fully appreciate their theme park experience. This is an example of _____ pricing.
- captive-product pricing
 - value-based pricing
 - by-product pricing
 - optional-product pricing
 - price-bundle pricing
- 20) Unilever manufactures many well-known brands of consumer packaged goods, including personal beauty brands Dove, Sunsilk, and Suave. Instead of selling directly to consumers, Unilever uses marketing intermediaries such as Pharmaprix, likely because these intermediaries _____.
- create greater efficiency in making these goods available to consumers
 - provide technical expertise in product design
 - help to monitor the production process
 - provide financial contribution to the company during production
 - do not offer any economic utility
- 21) If a firm markets its product through only a direct marketing channel, which of the following would it most likely be selling its products through?
- A big-box retailer
 - A specialty retailer
 - A wholesaler
 - A retailer with no competing products
 - Its own company website

- 22) In early 2018, as a response to a provincial increase in minimum wage, a Tim Hortons franchisee in Cobourg, Ontario, made headlines when they made the decision to take away employee benefits. This event was heavily criticized by the public, who attributed much of the blame to Tim Hortons corporate, even though this was a misrepresentation of their values. This is an example of _____.
- agency
 - vertical channel conflict
 - customer dissatisfaction
 - cognitive dissonance
 - horizontal channel conflict
- 23) Costco is the second largest retailer in the world. Its offering is based on the low prices and great convenience of purchasing in bulk. Because of this, it offers a diverse assortment of products, sourced from many suppliers. Due to Costco's size, and the competition for shelf space, it has a lot of power over its suppliers. This describes a(n) _____.
- contractual vertical marketing system
 - administered vertical marketing system
 - horizontal marketing system
 - manufacturer-sponsored retailer franchise system
 - corporate vertical marketing system
- 24) Your Independent Grocer (YIG) is a Canadian supermarket chain with a typical grocery store offering. When someone licenses the rights to open a new store, corporate assists them with resources to maintain the YIG branding, with the exception of the new owner adding their own name on the storefront (i.e. "Laura's YIG"). This describes an example of a _____.
- manufacturer-sponsored wholesaler franchise system
 - administered vertical marketing system
 - corporate vertical marketing system
 - manufacturer-sponsored retailer franchise system
 - service firm-sponsored retailer franchise system
- 25) Armani makes luxury fashion menswear, including stylish suits and watches. You won't find their products at most common menswear stores, but you can find them at high-end retailers such as Harry Rosen and Hudson's Bay, in addition to their own manufacturer's outlets. What kind of distribution strategy does this describe?
- Exclusive
 - Inclusive
 - Selective
 - Comprehensive
 - Intensive

- 26) Red Bull sponsors a local video game convention, offering a fridge stocked full of energy drinks for the competitors in an intense e-sports tournament. The company hopes that this gesture will help reinforce the public's view of their support of dedicated and passionate players. Which promotional tool does this provide an example of?
- Sales promotion
 - Advertising
 - Personal selling
 - Direct marketing
 - Public relations
- 27) Traditionally, marketing efforts were made largely through mass media, in an approach that aimed to reach as many consumers as possible. However, technology is increasingly allowing for a more _____ approach to reaching our specific audience in a cost-effective manner.
- targeted
 - mass
 - broadcast
 - word-of-mouth
 - social media
- 28) Domino's AnyWare campaign – in which they try to take pizza ordering and delivery to a new level of accessibility – was an excellent example of integrated marketing communications, because it _____.
- offered the same clear and compelling message at every touchpoint
 - used as many promotional tools as possible
 - had a dynamic website that was integrated with social media
 - was based on an innovative idea
 - used the opportunity to co-brand with other popular media
- 29) As a form of direct marketing, Amazon.ca regularly e-mails customers with highlights of the product categories they have shown most interest in. What is the main downfall of this kind of promotional effort?
- Customers don't want their interests to be known
 - Excessive clutter has led customers to see these as unwanted spam
 - Customers often don't want to return to shopping sites like this one
 - Most online stores aren't good at guessing what customers are interested in
 - There are no downfalls

- 30) As the holiday season approaches, toy manufacturers such as Mattel and Hasbro begin to promote what they're hoping will be the most demanded toys that Christmas. They target parents and children in an effort to create consumer demand to buy this product from retail stores. This is an example of a _____ promotion strategy.
- blitz
 - pulse
 - buzz
 - push
 - pull
- 31) Even if marketers have built their brand entirely around a traditional, in-person experience, why should they still make an effort to engage in digital marketing?
- Online marketing enables global reach, which should always be the goal
 - Customer service online will always be superior to in-store
 - Consumers have integrated the internet into their buyer decision process
 - People don't like going to shopping malls anymore
 - It replaces traditional marketing operations
- 32) There are many promotional tools with which to advertise on the internet. Typically considered to be the most effective of these is _____.
- banner ads
 - pre-roll ads
 - pop-up ads
 - search ads
 - widgets
- 33) The very first step to building an effective web presence involves the question _____.
- What is the purpose of this website?
 - What should be on the site?
 - Should a web host be used?
 - What is our budget?
 - How should the site work?
- 34) Brands like Blowfish Shoes maintain websites that are full of product information, but do not offer products for purchase; instead directing the viewer to their nearest store. When measuring the effectiveness of its website, it will likely be interested in a metric like _____, which measures the length of time a consumer spends on their website.
- click-through rate
 - engagement
 - conversion rate
 - profitability
 - impressions

- 35) Websites like Wordpress help companies to publish written content regularly, either in the form of news articles or opinion pieces, by an author representing the company – perhaps a friendly face from on staff, or a knowledgeable industry guest. This provides an example of what kind of social media platform?
- Microblog
 - Social news site
 - Social networking sites
 - Blogging sites
 - Bookmarking sites
- 36) Social media is an important tool in consumers' purchase decisions because the user's own social network provides a _____ source of information, often seen as one of the most effective sources, since it legitimizes the product for the buyer.
- personal
 - experiential
 - commercial
 - social
 - public
- 37) Global trade affords many opportunities for both parties involved. However, each country needs to put its own needs first, and when the purchase of foreign goods begins to have a negative impact on its own jobs and economy, a country might put a limit on how many of that product can be imported. This is an example of a _____.
- tariff
 - fine
 - quota
 - customs duty
 - nontariff trade barrier
- 38) Ethiopia is a country with many natural resources, with much of its wealth coming from the export of coffee, tea, and spices. However, other than these assets, it does not find itself to be very rich. Demand here is largely for industrial equipment and tools. Most of the population here is low-income, but they are experiencing a luxury housing boom that may bring in wealthy foreigners looking for high-end goods. Ethiopia most likely has a _____ economy.
- subsistence
 - raw material exporting
 - developed
 - emerging
 - industrial

- 39) It is important to consider not only how global culture affects our strategy, but how our strategy, in turn, affects global culture. A social criticism of globalization is that it is dominated by American brands who are overwhelming the world by _____.
- inflating their brand
 - changing original American products
 - Americanizing the world's cultures
 - repositioning their brand
 - spreading the obesity epidemic through fast food chains
- 40) A Quebec-based coffee bean roaster is considering trying to sell their packaged coffee in a limited market in the United States, expanding internationally for the first time. They aren't sure if this is the right choice, so they decide to make a low-risk entry, asking an international retailer to assume risk as a distributor. By pursuing this, they have entered an international market through _____.
- franchising
 - direct investment
 - indirect exporting
 - joint ownership
 - joint venturing
- 41) Well-known American hotel manager Starwood Hotels was seeking further global expansion, and found opportunity in the Czech Republic, with an existing hotel that was owned and operated by another entity. An agreement was made where Starwood would offer its own recognized brand name and world-class management services, transforming the hotel into one of its own, and effectively entering the Czech Republic market. This provides an example of _____.
- management contracting
 - joint ownership
 - indirect exporting
 - licensing
 - contract manufacturing
- 42) A large global company such as McDonalds has a presence in many countries of varying regions, with adapted offerings to manage in each. As a service restaurant, it does not only export product, but must actively operate in each location it wishes to serve, with careful consideration for each market. It is most likely that McDonalds manages its marketing activities as _____.
- export departments
 - international divisions
 - geographical organizations
 - world product groups
 - a global organization

- 43) Some consumer critics believe that marketers price their products unnecessarily high, with one particular criticism being excessive markup beyond the manufacturing cost of the item. What is a well-reasoned justification of this practice?
- Sellers have a right to charge whatever they want
 - Consumers should not voice an opinion on something they don't understand
 - Price skimming is an acceptable pricing strategy
 - There are many more costs in product development than just manufacturing
 - Competitors already charge a high amount so it's okay
- 44) An all-purpose window cleaner has bright green leaves on the label, the word "NATURAL" in big block letters, and features a clear liquid free of colour additives. The appearance leads a consumer to purchase it, believing it to be environmentally friendly, but it turns out that the liquid was actually toxic and that "NATURAL" only referred to the scent. This provides an example of _____.
- deceptive promotion
 - greenwashing
 - planned obsolescence
 - deceptive product
 - deceptive pricing
- 45) The unavoidable commercial messages that we encounter everyday as they clutter and interrupt otherwise enjoyable activities are best described as _____.
- social costs
 - cultural pollution
 - materialism
 - consumerism
 - environmental pollution
- 46) Criticism of marketing and business practices has brought upon two major movements within society: environmentalism and _____.
- protectionism
 - innovation
 - consumer activism
 - anti-monopoly legislation
 - routine competition

- 47) In 2007, Sony became the first electronics manufacturer in the United States to begin a nation-wide recycling initiative for its end-of-life products, setting up drop-off points for consumers to bring their disposals. Sustainable consideration for the whole product life cycle provides an example of _____ (also referred to as *design for environment (DFE)* or *cradle-to-cradle*).
- product stewardship
 - sustainability vision
 - consumer activism
 - pollution prevention
 - new clean technology
- 48) One of the sustainable marketing principles is _____, which suggests that missions be defined in broad social terms instead of narrow product terms – something which actually has a positive internal effect as well, as employees feel more motivated to work with a clearer sense of direction!
- customer-value marketing
 - innovative marketing
 - consumer-oriented marketing
 - sense-of-mission marketing
 - societal marketing
- 49) An ice cold bottle of Coke as an impulse buy at the convenience store might provide immediate satisfaction on a hot, sunny day, but ultimately is full of sugar and other bad ingredients which do not contribute to a healthy lifestyle. This provides an example of a _____.
- desirable product
 - pleasing product
 - salutary product
 - deficient product
 - indulgent product
- 50) It is most accurate to say that within a company, ethics and social responsibility require a _____.
- high-level ethical officer
 - separate budget
 - future-looking approach
 - total corporate commitment
 - time commitment (that most firms won't make)

Don't forget the practice questions from weeks 1-5 as well! ☺