Answers to EOC Practice Quizzes
Marketing:
Marketing in the 21st Century

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What follows are the answers to the author-written Practice Quizzes found at the end of each chapter.

**Practice Quiz**

1. Which activity is a central aspect of the definition of marketing?
   a. Manufacturing
   b. Outsourcing
   c. The exchange process
   d. Selling

2. During the production era of marketing,
   a. businesses increase supply to keep up with demand.
   b. research becomes necessary to determine consumer desires and needs.
   c. consumer research and analysis are integrated into all efforts.
   d. business manufactures and sells products without first determining consumer desires.

3. The current era is known as the
   a. Internet era
   b. marketing company era.
   c. post-industrial era.
   d. sales era.

4. Workers can “break the rules” to honor customer requests with
   a. motivated marketing.
   b. employee empowerment.
   c. a selling philosophy.
   d. power selling.

5. Which statement is incorrect?
   a. Customer service has a large effect on customer satisfaction.
   b. Consumers today have many mechanisms by which to complain.
   c. Consumers today are more satisfied with customer service than ever before.
   d. Employee empowerment often leads to greater customer satisfaction.

The authority to which there is a match between customer expectations and the actual performance of a good or service is known as
   a. customer service.
Practice Quiz—Chapter 1

1. Which activity is a central aspect of the definition of marketing?
   a. Manufacturing
   b. Outsourcing
   c. The exchange process (√)
   d. Selling

2. During the production era of marketing,
   a. businesses increase supply to keep up with demand.
   b. research becomes necessary to determine consumer desires and needs.
   c. consumer research and analysis are integrated into all efforts.
   d. business manufactures and sells products without first determining consumer desires. (√)
   Page Reference: p.9

3. The current era is known as the
   a. Internet era.
   b. marketing company era. (√)
   c. post-industrial era.
   d. sales era.

4. A value-based philosophy is a key component of
   a. barter.
   b. a selling philosophy.
   c. mass marketing.
   d. the marketing concept. (√)

5. A consumer orientation does not usually focus on
   a. market needs.
   b. production capability. (√)
   c. planning.
   d. goals.
6. Although the marketing concept enables an organization to analyze, maximize, and satisfy consumer demand, it should be realized that the concept
   a. is only a theory.
   b. does not apply to non-profit organizations.
   c. is only a guide to planning. (√)
   d. is unnecessary in a competitive marketplace.

Page Reference: p. 11.

7. The last step for a firm that practices a marketing philosophy is
   a. feedback. (√)
   b. consumption.
   c. consumer satisfaction.
   d. relationship marketing.

Page Reference: p. 11.

8. Customer service activities are
   a. unidentifiable, but relatively tangible.
   b. unimportant to consumers.
   c. identifiable, but relatively intangible. (√)
   d. unrelated to the success of goods and services.


9. Workers can “break the rules” to honor customer requests with
   a. motivated marketing.
   b. employee empowerment. (√)
   c. a selling philosophy.
   d. power selling.


10. Which statement is incorrect?
   a. Customer service has a large effect on customer satisfaction.
   b. Consumers today have many mechanisms by which to complain.
   c. Consumers today are more satisfied with customer service than ever before. (√)
   d. Employee empowerment often leads to greater customer satisfaction.

11. The degree to which there is a match between customer expectations and the actual performance of a good or service is known as
   a. customer service.
   b. consumer marketing.
   c. marketing functionality.
   d. customer satisfaction. (√)

12. Which statement about relationship marketing is correct?
   a. It places an emphasis on customer loyalty. (√)
   b. It is short-run oriented.
   c. It cannot be conducted with final consumers.
   d. It is not a good policy for non-profit organizations.

13. According to some estimates, marketing costs can be as high as what percentage of a firm’s sales?
   a. 10 percent
   b. 20 percent
   c. 40 percent
   d. 50 percent (√)
   Page Reference: p. 15.

14. Basic marketing functions
   a. can be eliminated in most situations.
   b. are usually performed by one party. (√)
   c. can be organized with only direct marketing.
   d. can be shifted and shared.

15. Marketing directly to customers would often require a company to
   a. seek a marketing specialist.
   b. make or sell complementary products. (√)
   c. eliminate many marketing functions.
   d. share distribution of high-volume sales items.
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(See next page for more!)
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Practice Quiz—Chapter 2

1. Which of the following is not a factor primarily controlled by top management?
   a. Advertising strategy (✓)
   b. Line of business
   c. Role of marketing
   d. Overall objectives

Page Reference: p. 27.

2. When it is considered important by a firm, marketing is
   a. equated with sales.
   b. given staff status.
   c. heavily involved in consumer research. (✓)
   d. controlled by a production vice-president.

Page Reference: p. 27.

3. In selecting a target market, marketers usually
   a. engage in market segmentation. (✓)
   b. ignore competitors.
   c. control the marketing plan.
   d. determine the marketing mix.

Page Reference: p. 29.

4. Which of the following is not a form of marketing organization?
   a. Coordinated (✓)
   b. Functional
   c. Product-oriented
   d. Market-oriented


5. Product, price, promotion, and distribution decisions are components of the
   a. marketing philosophy.
   b. marketing protocol.
   c. marketing mix. (✓)
   d. marketing organization.


6. Whether to sell via intermediaries or directly to consumers, how many outlets to sell
   through, and whether to control or cooperate with other channel members are examples
   of decisions marketers must make about
   a. selling.
   b. production.
   c. distribution. (✓)
   d. price.

7. The most effective approach to the uncontrollable factors in the marketing environment is
   a. constantly reorganizing the marketing organization.
   b. product innovation.
   c. insulating the marketing plan from them.
   d. continuous monitoring of their effects. (✓)

8. In a monopoly, one firm
   a. finds that consumer demand is quite elastic.
   b. seeks to engage in price wars.
   c. has no control over price because merchandise is standardized.
   d. has a lot of control over the marketing plan. (✓)
Page Reference: p. 34.

9. Where a few large firms comprise most of an industry’s sales, the competitive structure is best described as
   a. monopolistic competition.
   b. monopoly.
   c. oligopoly. (✓)
   d. competitive monopoly.
Page Reference: p. 34.

10. A firm has the least control over its pricing strategy in
    a. monopolistic competition.
    b. pure competition. (✓)
    c. oligopoly.
    d. monopoly.
Page Reference: p. 35.

11. Which of these statements is not correct?
    a. It is necessary to study the competitive strategies of other firms.
    b. There is now a trend toward larger firms.
    c. Pure competition occurs much less often than does monopolistic competition.
    d. Foreign competitors now play a declining role in many industries. (✓)
Page Reference: p. 35.

12. When a firm defines its competition in generic terms, it
    a. focuses on patent expiration dates.
    b. analyzes the competitive structure within a specific industry.
    c. looks at competition as broadly as possible. (✓)
    d. examines its existing channel partners.
Page Reference: p. 36.
13. Which type of competition most closely resembles generic competition?
   a. Intermodal competition
   b. Bimodal competition
   c. Direct competition
   d. Indirect competition (✓)

Page Reference: p. 34.

14. Which statement about technology is true?
   a. Small firms can control the technological advances that affect them.
   b. Technology cannot reduce the impact of resource shortages.
   c. Loss of patent protection decreases competition.
   d. Patents provide exclusive rights to sell new products for virtually limited time periods. (✓)

Page Reference: pp. 41-42.

15. To attain its objectives, a firm is well advised to
   a. acquire feedback from the environment. (✓)
   b. maintain its existing strategies at all costs.
   c. ignore uncontrollable factors.
   d. bypass the independent media entirely.


Practice Quiz—Chapter 3

1. An organization’s direction within its chosen environment and its allocation of resources is usually determined by
   a. strategic planning. (✓)
   b. strategic business units.
   c. marketing tactics.
   d. marketing myopia.

Page Reference: p. 49.

2. Separate marketing plans for each product line are most often used by
   a. local governments.
   b. consumer-goods manufacturers. (✓)
   c. service firms.
   d. industrial-goods manufacturers.

Page Reference: p. 53.
3. Which of these is a way to drop tension among functional departments?
   a. Minimizing interfunctional contact
   b. Seeking employees who do not blend technical and marketing expertise
   c. Establishing independent task forces and committees
   d. Setting objectives for each department interdependent with other departments’ goals (√)

Page Reference: p. 54.

4. Organizational mission refers to
   a. a philosophy by which an organization individually assesses and positions every SBU. (✔)
   b. a long-term commitment to a type of business and a place in the market. (✔)
   c. specific actions undertaken to implement a given marketing strategy.
   d. an approach in which a firm seeks greater sales of present products or new product uses.

Page Reference: pp. 54-55.

5. In the strategic planning process, the next step after a firm defines its organizational mission is to
   a. outline a budget.
   b. establish strategic business units. (✔)
   c. set marketing objectives.
   d. perform situation analysis.


6. An example of a qualitative term that can be used to describe objectives is
   a. market share in the industry.
   b. profit as a percentage of sales.
   c. sales growth.
   d. level of innovativeness. (✔)

Page Reference: p. 57.

7. Which of the following questions does situation analysis seek to answer?
   a. In what direction is a firm headed? (✔)
   b. How will resources be allocated?
   c. Who is responsible for carrying out marketing actions?
   d. What sales personnel should be hired?

Page Reference: p. 57.

8. As part of a market development strategy, a firm could
   a. develop new models of existing products to appeal to present markets.
   b. reposition existing products.
   c. become involved with new products aimed at new markets.
   d. seek to attract non-users of its existing products. (✔)

9. A strategic business unit with a high market share in a mature industry is a
   a. question mark.
   b. cash cow. (√)
   c. star.
   d. dog.

10. The General Electric business screen looks at two major dimensions: company business
    strengths and
    a. market share.
    b. profitability.
    c. industry attractiveness. (√)
    d. target market features.

11. Strategic business units shown in the selectivity/earnings areas of the General Electric
    business screen are
    a. performing poorly in unattractive industries. (√)
    b. performing poorly in highly competitive industries.
    c. performing well in unattractive industries.
    d. performing well in strong industries.

12. According to the Porter generic strategy model, with a differentiation focus strategy, a
    strategic business unit
    a. aims at a narrow target segment through low prices or a unique offering.
    b. aims at a broad market and offers products at low prices and in large quantities.
    c. aims at a narrow market by offering goods or services viewed as distinctive. (√)
    d. aims a new product at a new market.

13. A major weakness of the strategic planning approaches discussed in this chapter is that they
    a. are sometimes difficult to implement. (√)
    b. do not allow a firm to follow competitors’ actions.
    c. prevent a firm from analyzing all its business units and products.
    d. do not focus on creating and keeping key differential advantages.
14. The level of investment in specific marketing activities and the timing of marketing actions are decisions relating to
   a. implementing tactics. (√)
   b. establishing SBU's.
   c. developing marketing strategy.
   d. monitoring results.

15. Monitoring results involves
   a. setting corporate and marketing objectives.
   b. creating new strategic business units.
   c. comparing actual performance to planned performance for a specified time period. (√)
   d. identifying internal strengths and weaknesses, as well as external opportunities and threats.

Practice Quiz—Chapter 4

1. Which of the following is a reason why a firm should continuously collect and analyze information regarding its marketing plan?
   a. To rely more heavily on executive judgment
   b. To maintain secrecy about its operations.
   c. To guarantee success
   d. To monitor the environment (✓)
Page Reference: p. 81.

2. Which of the following is a component of a marketing intelligence network?
   a. Data warehousing (✓)
   b. Product design
   c. Marketing entropy
   d. Simulation
Page Reference: p. 82.

3. Which of these is never a type of commercial database?
   a. infoUSA CDs
   b. Census data (√)
   c. Internal secondary data
   d. Primary data
Page Reference: p. 84.
4. Marketing research  
   a. can be applied to only certain aspects of marketing.  
   b. should be crisis-oriented.  
   c. must be conducted in a systematic manner to be effective.  
   d. includes only data collected from sources outside the firm.  

5. The first step in the marketing research process involves  
   a. establishing the issue to be studied.  
   b. surveying consumers.  
   c. studying competitors.  
   d. implementing findings.  

6. Secondary data should be collected before primary data because  
   a. secondary data will have guaranteed suitability to the current research study, whereas primary data will not.  
   b. secondary data will always be current, whereas primary data may be dated or obsolete.  
   c. secondary data are generally more easily and inexpensively obtained than primary data.  
   d. secondary data will not yield conflicting information from different sources, whereas primary data may.  

7. Which of the following is not an example of internal secondary data?  
   a. Customer billings  
   b. Inventory records  
   c. Attending trade shows  
   d. Sales figures  
   Page Reference: p. 93.

8. Which of the following is an advantage of primary data?  
   a. Data collection is typically fast.  
   b. Information is current.  
   c. Primary data are usually less expensive to collect than secondary data.  
   d. Most firms are skilled in primary data collection.  
   Page Reference: pp. 94-95.
9. Choosing 125 females ages 18-29 and 125 females ages 30 and older to participate in a research study is an example of a(n) 
   a. exploratory research study. 
   b. non-probability sample. 
   c. probability sample. (✓) 
   d. external secondary data search. 

10. Which of the following is not one of the four basic methods of primary data collection? 
    a. Experiment 
    b. Observation 
    c. Simulation 
    d. Distribution (✓) 

11. Which of the following research methods has the least interviewer bias? 
    a. Observation 
    b. Personal surveys 
    c. Telephone surveys 
    d. Internet surveys (✓) 

12. Among the advantages of conducting a mail survey is the 
    a. ability to complete the survey at a convenient time. (✓) 
    b. speed with which surveys are returned by respondents. 
    c. ability to avoid participation by incorrect respondents. 
    d. ability to avoid non-response problems. 

13. If a firm wants to study consumer attitudes through the use of bipolar adjectives, it will most likely use 
    a. observation. 
    b. simulation. 
    c. a semantic differential. (✓) 
    d. experiment. 

14. A major advantage of an experiment is its 
    a. infrequent use of contrived settings. 
    b. relatively low costs. 
    c. ability to show cause and effect. (✓) 
    d. ability to control all factors in or affecting a marketing plan. 
    Page Reference: p. 98.
15. The process by which each completed data form is numbered and response categories are labeled is called
   a. survey design.
   b. coding. (✔)
   c. tabulation.
   d. analysis.
Page Reference: p. 100.

Practice Quiz—Chapter 5

1. Which of these statements is incorrect?
   a. Marketing practices often encourage unrealistic consumer expectations. (✔)
   b. The true level of customer dissatisfaction is usually known.
   c. Deceptive actions are not okay if no one is physically injured.
   d. Tobacco products are affected by the socioecological view of marketing.
Page Reference: p. 112.

2. Corporate social responsibility
   a. considers only the needs of society.
   b. balances short-term profit needs with society’s long-term needs. (✔)
   c. does not refer to issues such as product availability and innovation.
   d. considers only deceptive actions.
Page Reference: p. 113.

3. Which of these countries annually discards the most trash per person?
   a. China
   b. Russia
   c. United States (✔)
   d. India
Page Reference: p. 117.

4. A practice that encourages short-run material wearout, style changes, and functional product changes is
   a. product innovation.
   b. price gouging.
   c. planned obsolescence. (✔)
   d. product cloning. (✔)
Page Reference: pp. 119-120.

5. An example of a process-related ethical issue is
   a. price fixing. (✔)
   b. liquor marketing.
   c. food shortages.
   d. cigarette manufacturing.
6. Which of the following statements about cause-related marketing is correct?
   a. Companies participating in cause-related marketing often seek any profits.
   b. There is little much commercialism by non-profit groups and implicit endorsements
      for sponsor products. (√)
   c. While its use was once considered somewhat controversial, that is no longer true.
   d. It has not been used by such non-profits as the Red Cross.

7. Which of the following is not one of the basic rights outlined in President John
   Kennedy’s consumer bill of rights?
   a. Mass marketing (√)
   b. Information
   c. Safety
   d. Choice

8. During the fourth era of consumerism,
   a. there was a reduction in the emphasis on business deregulation.
   b. cooperation between business and consumers rose. (√)
   c. state and local governments became less active in environmental issues.
   d. the budgets of the federal agencies concerned with consumer issues increased
      significantly.
   Page Reference: p. 128.

9. Consumers who need it most
   a. use product information infrequently. (√)
   b. use product information in their decision making.
   c. demand more product information.
   d. use product information to complain to manufacturers.

10. Which of the following products does not fall under the jurisdiction of the Consumer
    Product Safety Commission?
    a. TV sets
    b. Bicycles
    c. Electrical wiring
    d. Autos (√)
    Page Reference: p. 130.
11. The primary enforcement tool of the Consumer Product Safety Commission is
   a. purchase-price refunds.
   b. adverse publicity.
   c. product recall. (√)
   d. imprisonment.
Page Reference: p. 130.

12. Which of these statements is correct?
   a. Consumer lawsuits are rare in the United States.
   b. Japan has more consumer lawsuits than any other country.
   c. Consumers have the right to sue the makers of injurious products. (√)
   d. The CPSC is a legislative branch of the Supreme Court.

13. Which of the following is not available to consumers in their quest to be heard?
   a. Industry specialists
   b. A directory of federal agencies regulating business
   c. Consumer groups
   d. A single overall U.S. consumer agency (√)
Page Reference: p. 133.

14. The largest and broadest business-operated U.S. trade association involved in consumer
    issues is the
   a. Better Business Bureau. (√)
   c. Chamber of Commerce.

15. In contrast to the 1980s, currently,
   a. the Food and Drug Administration is no longer a government agency.
   b. firms are no longer required to report settlements of product-safety lawsuits involving
doing or disabling injuries to the CSPC.
   c. there is a somewhat more aggressive federal government posture toward consumer-related
issues. (√)
   d. state and local governments have reduced their involvement in consumer-related
issues.
Practice Quiz—Chapter 6

1. Companies are more likely to engage in international marketing when
   a. competition in the home country is falling.
   b. the home economy is shrinking. (✓)
   c. the home population base is growing.
   d. the home tax rates are lower.
Page Reference: p. 146.

2. Which of these is not a contributing factor to the U.S. trade deficit?
   a. Trade restrictions in foreign markets
   b. Superior quality control for U.S.-made products (✓)
   c. High U.S. labor costs
   d. Increased competition in foreign markets
Page Reference: p. 147.

3. Cultural awareness most clearly requires marketing research on
   a. literacy.
   b. trade restrictions.
   c. size of demand.
   d. hidden meanings. (✓)

4. The gross domestic product
   a. is difficult to calculate.
   b. refers to the average quantity and quality of goods and services consumed in a country.
   c. is an infrequently used measure of economic performance. (✓)
   d. gives the United States an index of 100 against which other nations are rated.

5. Developing countries have
   a. per-capita income of about $4,000 to $9,000. (✓)
   b. 60 percent of the world’s population.
   c. widespread modern technology.
   d. less than 5 percent of the world’s income.

6. Which of the following is not a way in which an international firm can protect itself from the adverse effects of nationalism?
   a. Measuring domestic instability
   b. Engaging in direct ownership (✓)
   c. Taking in foreign partners
   d. Insuring itself
7. Which of these limits the quantity of specified products allowed into a country?
   a. Tariff
   b. Quota (√)
   c. Embargo
   d. Local content laws

8. Which statement is not correct?
   a. Economic communities are now illegal. (√)
   b. NAFTA includes Canada.
   c. The Andean Pact includes countries from Latin America.
   d. The European Union has a larger population than the United States.

9. The lowest level of commitment to international marketing is
   a. licensing. (√)
   b. contract manufacturing.
   c. exporting.
   d. direct ownership.
Page Reference:

10. Which of the following is a type of joint venture?
    a. Indirect selling
    b. Direct selling
    c. Management contracting (√)
    d. Global marketing
Page Reference: p. 158.

11. The most risky form of organization for international marketing is
    a. joint venture.
    b. direct ownership. (√)
    c. exporting.
    d. management contracting.

12. Standardized international marketing plans
    a. work best when distinctive foreign markets are involved.
    b. are sensitive to regional needs.
    c. involve decentralized control.
    d. present a uniform image. (√)
Page Reference: p. 159.
13. The international product-planning strategy most appropriate for laundry detergent formulation is
   a. backward invention.
   b. straight extension.
   c. forward invention.
   d. product adaptation. (✓)


14. In which of the following countries does PepsiCo market soft drinks via the domestic AmBev beer and soda company?
   a. Brazil (✓)
   b. Great Britain
   c. Japan
   d. Mexico


15. Dumping refers to selling goods abroad
   a. at high prices.
   b. with prices similar to those in the home market.
   c. to remove excess supply from the home market. (✓)
   d. so that cheap labor may be used.


Practice Quiz—Chapter 7

1. The basic difference between the Internet and the World Wide Web is that only
   a. through the Web can users see graphics and hear audio. (✓)
   b. through the Web can consumers E-mail each other.
   c. the Internet is a marketing tool.
   d. the Internet is a public system.

Page Reference: p. 171.

2. A consumer request for information on the Web that is helpful in determining the features of a particular refrigerator model is an example of
   a. E-commerce.
   b. E-marketing. (✓)
   c. spamming.
   d. logistics.

Page Reference: p. 171.
3. Which of these is the broadest concept?
   a. E-commerce
   b. E-marketing (√)
   c. Opt-in E-mail
   d. Bricks-and-mortar

4. Which one of the following is not necessarily a benefit for a firm using the Internet in marketing?
   a. Timeliness
   b. 24/7 operations
   c. Global possibilities
   d. Low system-maintenance costs (√)

5. Which of these Internet attributes relates to the ability of the Internet to have two-way communication?
   a. Interactivity (√)
   b. Globalization
   c. Hyperactivity
   d. Connectivity
Page Reference: p. 177.

6. Which role of the Internet in marketing is best illustrated by a firm maintaining a list of key customers and their purchasing behavior?
   a. Customer service
   b. Channel relations
   c. Database proliferation
   d. Database development (√)

7. The lot size in mass customization is typically
   a. one unit. (✓)
   b. 10 units.
   c. 100 units.
   d. more than 1,000 units.

8. Multichannel marketing is practiced by a(n)
   a. bricks-and-clicks firm. (✓)
   b. clicks-only firm.
   c. E-commerce firm.
   d. bricks-and-mortar firm.
9. Which of these statements is correct?
   a. Nine-five percent of U.S. adults ages 18 to 29 have a broadband connection. (√)
   b. About the same percentage of men and women use the Internet in the United States.
   c. Internet use increases as people get older.
   d. Internet use decreases as household income increases.


10. Which aspect of a Web site includes such topics as company background, financial performance, and an online shopping cart?
    a. Links
    b. Home page
    c. (URL) Web address
    d. Site content (√)

Page Reference: p. 182.

11. Which of these is not a form of social media?
    a. A company Web site (√)
    b. A company blog
    c. A company Twitter page
    d. A company Facebook account.


12. An Internet retailer respects a consumer’s privacy by
    a. using spam.
    b. using opt-in E-mail. (√)
    c. selling names to mailing list brokers.
    d. trading names and addresses of customers with non-competing firms.


13. Computing daily Web site traffic, ratings on customer service surveys, and sales revenues are measures to be used in
    a. making distribution decisions.
    b. enacting trade-off decisions.
    c. making promotion decisions.
    d. assessing performance. (√)


14. Which of these factors should not be regularly reviewed in evaluating the quality of a Web site?
    a. Download time
    b. Security
    c. Product variety (√)
    d. Currency

15. The large number of search engines, as well as the number of companies that are now online, contribute to
   a. the need to outsource Web decision making.
   b. consumer privacy concerns.
   c. clutter. (✓)
   d. system breakdowns.

Practice Quiz—Chapter 8

1. Census of Population data
   a. include retail sales by merchandise category.
   b. are limited to cities.
   c. are gathered annually.
   d. are a major source of demographics. (✓)
Page Reference: p. 207.

2. Projections of the size of the U.S. population reveal that
   a. population growth is increasing at a rapid rate.
   b. the rate of population growth is slow. (✓)
   c. the number of people is decreasing.
   d. the Midwest is expanding more rapidly than other regions.

3. Approximately what percent of people in the United States reside in urban areas and their suburbs?
   a. 15
   b. 25
   c. 82 (✓)
   d. 90

4. Among U.S. residents, about what percentage of all people move annually?
   a. 5
   b. 12 (✓)
   c. 25
   d. 33
5. A family is
   a. a husband, wife, and children, regardless of whether living together.
   b. all relatives, including cousins, regardless of whether living together.
   c. two or more related people residing together. (✓)
   d. one or more people residing together.
Page Reference: p. 211.

6. According to the U.S. Bureau of the Census, which of the following is not a major racial group?
   a. Hispanic (✓)
   b. White
   c. Asian
   d. Black
Page Reference: p. 213.

7. Which of the following is not an attribute upon which social classes are based?
   a. Language (✓)
   b. Education
   c. Occupation
   d. Type of dwelling

8. The concept of the household life cycle is taking on greater importance because of the
   a. declining number of people who do not have children.
   b. declining number of people getting divorced.
   c. growing number of people who do not marry. (✓)
   d. growing number of families with only one working spouse.

9. Self-confidence, dominance, autonomy, sociability, defensiveness, adaptability, and
   emotional stability are selected
   a. attitudes.
   b. lifestyle attributes.
   c. personality traits. (✓)
   d. social classes.

10. The risk that a product will not perform adequately is an example of which type of
    perceived risk?
     a. Financial
     b. Functional (✓)
     c. Safety
     d. Time
Page Reference: p. 221.
11. If a husband stays home and takes care of the children and a wife works full-time outside the home, which type of lifestyle is being exhibited?
   a. Voluntary simplicity
   b. Getting by
   c. Component
   d. Blurring of gender roles (√)
   Page Reference: p. 222.

12. Unlike demographics, many of the social and psychological aspects of consumer lifestyles are
   a. objective.
   b. based primarily on observation.
   c. hidden from view. (√)
   d. easy to measure.
   Page Reference: p. 223.

13. Listing the brands that will solve the problem at hand and determining the characteristics of each occurs during which stage of the final consumer’s decision process?
   a. Evaluation of alternatives
   b. Purchase
   c. Stimulus
   d. Information search (√)

14. Follow-up telephone and service calls, ads aimed at purchasers, and extended warranties can all be used to help reduce
   a. perceived risk.
   b. cognitive dissonance. (√)
   c. the number of criteria used in the evaluation of alternatives.
   d. the period from when an order is placed by a consumer until it is received.

15. In low-involvement purchasing situations, consumers
   a. have a relatively high degree of functional perceived risk.
   b. are active about acquiring information.
   c. act quickly. (√)
   d. use extended decision making.
Practice Quiz—Chapter 9

1. Which of the following is an example of industrial marketing?
   a. A college student leasing a personal computer
   b. A retailer selling TVs at the end of a season for a special promotion
   c. A consumer buying a bathing suit at the end of a season due to an attractive price
   d. A government agency purchasing a police car (✓)

2. Derived demand tends to be
   a. independent of final consumers.
   b. related to the accelerator principle. (✓)
   c. sensitive to price changes.
   d. not very volatile.

3. A combination of goods and services is provided to a buyer by a single source in
   a. systems buying.
   b. systems selling. (✓)
   c. negotiation.
   d. reciprocity.

4. Which statement concerning the North American Industry Classification System (NAICS) is correct?
   a. The NAICS assigns organizations to 7 main industrial classifications.
   b. NAICS data is further classified into over 5,000 more specific classifications.
   c. The NAICS is the official classification system for the members of NAFTA. (✓)
   d. There is no data on the NAICS outside of the U.S. government.

5. North American Industry Classification System data would most likely be employed in
   a. end-use analysis. (✓)
   b. value analysis.
   c. systems selling.
   d. countertrade.
6. Unlike wholesalers, retailers are more concerned with their
   a. trucks.
   b. refrigeration and other equipment.
   c. physical facilities. (√)
   d. resale items.

7. Which statement about nonprofit institutions is not correct?
   a. There are no separate NAICS codes for nonprofit versus profit-oriented firms.
   b. There are few international nonprofit institutions. (√)
   c. They buy goods and services in order to run their organizations.
   d. They often sell items to generate additional revenues.

8. Which of these is not a major component of the organizational consumer’s decision process?
   a. Problem awareness (√)
   b. Expectations
   c. Conflict resolution
   d. Buying process

9. For organizational consumers,
   a. vendor reliability is not very important.
   b. the buying process always involves joint decisions.
   c. satisfaction with past purchases is not important in current purchase decisions.
   d. expectations refer to the perceived potential of alternative suppliers and brands to satisfy a number of explicit and implicit objectives. (√)

10. Product-specific buying factors leading to joint decision making usually include
    a. low perceived risk.
    b. low time pressure for purchases. (√)
    c. routine products.
    d. technology orientation.
Page Reference: p. 256.

11. Which of the following is not a method of conflict resolution?
    a. Lobbying (√)
    b. Bargaining
    c. Politicking
    d. Persuasion
12. In which form of conflict resolution does each member of a purchasing team present his or her reasons why a particular supplier or brand should be selected?
   a. Problem solving  
   b. Bargaining  
   c. Politicking  
   d. Persuasion (✓)


13. Reordering, not decision making, is usually applied when
   a. competitive bidding is used.  
   b. perceived risk is very low. (✓)  
   c. a firm has not previously purchased the product.  
   d. medium-priced products previously bought infrequently by the firm now need to be purchased.


14. Which of the following is not a similarity between organizational consumers and final consumers?
   a. They both purchase products for resale to others. (✓)  
   b. They both can be defined by using social and psychological factors.  
   c. They both use a decision process.  
   d. They both employ joint decision-making.


15. When dealing with organizational purchasing agents, sellers have to realize that these buyers
   a. rarely get involved with the final purchase decision.  
   b. have personal, as well as company, goals. (✓)  
   c. are only interested in price.  
   d. usually have very little technical knowledge


Practice Quiz—Chapter 10

1. What is the first general phase in developing a target market strategy?
   a. Targeting the market  
   b. Developing the marketing strategy  
   c. Facilitating the market  
   d. Analyzing consumer demand (✓)

2. Personal demographics include
   a. company size. (✓)
   b. class consciousness.
   c. benefit segments.
   d. usage experience.

3. Which statement about benefit segmentation is correct?
   a. Consumer motives may be used to establish benefit segments. (✓)
   b. Consumer demographics may be used to establish benefit segments.
   c. Consumer education and income may be used to establish benefit segments.
   d. Consumer usage rates may be used to establish benefit segments.

4. According to the VALS typology, within the ideals type are
   a. makers.
   b. thinkers. (✓)
   c. achievers.
   d. strivers.

5. Which of the following is not a lifestyle designation of the Social Styles model?
   a. Expressives
   b. Amiables
   c. Drivers
   d. Believers (✓)

6. In general, female shoppers in supermarkets, as compared to males,
   a. buy fewer items.
   b. spend more time shopping. (✓)
   c. use a shopping list less often.
   d. are less likely to bring children.

7. For a firm with limited resources and abilities, the least promising method of developing
   a target market is
   a. undifferentiated marketing. (✓)
   b. benefit segmentation.
   c. differentiated marketing.
   d. concentrated marketing.
8. Differentiated marketing is appropriate if
   a. diffused demand can be satisfied by offering unique marketing mixes to each cluster. (√)
   b. homogenous demand exists in a particular market.
   c. benefit segmentation cannot be used.
   d. a firm wishes to maximize per-unit profits by appealing to only one segment.


9. A consumer goods marketer produces multiple brands of shampoo that are positioned for consumers with dyed hair, dandruff, oily hair, or dry hair. This strategy illustrates
   a. the majority fallacy.
   b. concentrated marketing.
   c. undifferentiated marketing.
   d. differentiated marketing. (√)


10. Wholesalers and retailers usually find differentiated marketing on the part of their suppliers to be attractive because it
    a. can offer them some brand exclusivity. (√)
    b. can allow them to avoid having to carry their own private brands.
    c. lets them avoid having to reach multiple segments.
    d. means that they cannot concentrate orders with fewer suppliers.


11. Which of the following is a criterion for successful market segmentation?
    a. There must not be consumer similarities within each segment identified.
    b. A segment must be large enough to cover costs. (√)
    c. There must not be differences among consumers.
    d. Each segment must be located within a small geographic area.


12. A firm is abusing segmentation when it
    a. becomes short-run oriented rather than long-run oriented. (√)
    b. is generating too much profit.
    c. becomes too efficient.
    d. is consumer oriented.


13. The upper sales limit for a company is defined as its
    a. sales potential. (√)
    b. sales forecast.
    c. sales ladder.
    d. sales penetration.

14. Experience and interaction guide sales forecasting by
   a. juries of executives. (√)
   b. test marketing.
   c. sales force surveys.
   d. consumer surveys.

15. The opposite approach to the market buildup method of sales forecasting is
   a. simulation.
   b. the chain-ratio method. (√)
   c. an experiment.
   d. projection.

Practice Quiz—Chapter 11

1. The broadest definition of a product is
   a. extended.
   b. generic. (√)
   c. intangible.
   d. tangible.
Page Reference: p. 301.

2. The marketing emphasis for convenience products is on maintaining
   a. brand loyalty.
   b. nearby locations and long hours. (√)
   c. an ample sales force.
   d. selective distribution.

3. Raw materials are
   a. re-engineered parts used in production.
   b. parts placed in products without further changes in form.
   c. expenses rather than capital items. (√)
   d. semimanufactured goods that undergo further changes in form during manufacturing.
4. A wide/deep mix is characterized by a
   a. large number of product lines and a large number of product items within each line. (√)
   b. small number of product lines and a small number of product items within each line.
   c. small number of product lines and a large number of product items within each line.
   d. large number of product lines and a small number of product items within each line.

5. The product management organizational form that functions best when the firm has one main product line is the
   a. new-product manager system.
   b. brand manager system.
   c. marketing manager system. (√)
   d. product-planning committee.

6. Which is a characteristic of a venture team organization format?
   a. Product managers supervise existing products.
   b. One executive oversees a wide range of functions.
   c. The venture team is inexpensive to utilize.
   d. The team disbands when a new product is introduced. (√)

7. A trademark is defined as a
   a. corporate brand or symbol that is legally protected. (√)
   b. brand mark that is personified.
   c. symbol or design that is distinctive.
   d. word or letters that can be spoken.
Page Reference: p. 313.

8. Which of the following is not a reason why branding is important?
   a. The firm responsible for the product is known.
   b. Consumers’ perceived risk increases. (√)
   c. Product identification is eased.
   d. Price comparisons are reduced.

9. When manufacturer, private, and generic brands each attempt to gain a greater share of the consumer’s dollar, they engage in
   a. family branding.
   b. co-branding.
   c. a mixed-brand strategy. (√)
   d. a battle of the brands.
10. Which of the following is an advantage of family branding?
   a. Lower promotion costs (✓)
   b. No need to introduce new products
   c. Maximization of multiple segmentation
   d. Distinctive image for each company product

11. Which of the following is not an advantage of individual branding?
   a. A firm can attract multiple market segments.
   b. Manufacturers can secure more shelf space in retail stores.
   c. New products benefit from an established identity. (✓)
   d. A firm can create multiple product positions.

12. A new product that is a brand extension is least likely to start at which stage of the consumer’s brand decision process?
   a. Nonrecognition (✓)
   b. Recognition
   c. Insistence
   d. Preference

13. For a trademark to be legally protected, it must
   a. only imply characteristics that a product actually possesses. (✓)
   b. be confusingly similar to other trademarks.
   c. have a distinctive meaning that describes an entire product category.
   d. be used only in intrastate commerce.

14. Multiple packaging often
   a. hurts a brand’s image.
   b. reduces consumption.
   c. shortens shelf life.
   d. gets a consumer to buy an assortment of items. (✓)
   Page Reference: p. 325.

15. The Universal Product Code
   a. is only used in the food industry.
   b. requires prices to be marked on merchandise. (✓)
   c. is readable by humans and by machines.
   d. is not endorsed by any industry trade associations.
   Page Reference: p. 325.
Practice Quiz—Chapter 12

1. Which of these is not among the leading service industries in terms of revenues generated?
   a. Medical care
   b. Transportation services
   c. Recreation activities (√)
   d. Housing

2. Which of the following is part of the hidden service sector for a PC maker such as Lenovo?
   a. Flash drives
   b. PC repair (√)
   c. PCs
   d. PC accessories

3. Peripheral services
   a. can be used to create and sustain a competitive advantage. (√)
   b. combine hard and soft technologies.
   c. are the basic services that companies provide for their customers.
   d. decrease a service firm’s investment.

4. Which type of good is characterized by a low level of price competition?
   a. Durable
   b. High-value-added (√)
   c. Low-value-added
   d. Nondurable

5. When services are classified by their degree of customer contact, they are based on
   a. machinery or people.
   b. final consumers or industrial consumers.
   c. technical or interpersonal skills training. (√)
   d. professionals or nonprofessionals.

6. To overcome high costs and low reliability, many firms involved in services rely on
   a. industrialization of services. (√)
   b. hidden service sectors.
   c. computer marketing.
   d. peripheral services.
7. An example of a soft technology is the
   a. muffler repair shop.
   b. parking service at a hotel.
   c. electronic credit authorization system.
   d. pre-packaged vacation tour. (√)

8. Which of the following is a reason why service firms have typically lagged behind manufacturing firms in developing marketing plans?
   a. The customers of service firms tend to reject any marketing efforts.
   b. Strict licensing provisions sometimes limit competition and the need for marketing. (√)
   c. Service firms do not stress technical expertise.
   d. Many firms are so big that marketing is not necessary.

9. Which of the following is not a result of the Supreme Court decision that allows attorneys to advertise their services?
   a. The decline of legal services marketing (√)
   b. The availability of services to new consumer groups
   c. The spread of legal clinics
   d. The growth of prepaid legal services

10. Which of the following is often not an aspect of nonprofit marketing?
    a. Spreading social ideas
    b. Fostering a cause
    c. Relating pricing to costs (√)
    d. Being in the public interest

11. A municipality developed an advertising campaign designed to increase recycling of newspapers by homeowners. This illustrates
    a. social marketing. (√)
    b. blue marketing.
    c. sympathetic marketing.
    d. superficial marketing.
12. Donors
   a. do not engage in exchanges with nonprofit organizations.
   b. are most likely to benefit from nonprofit organizations’ activities.
   c. are those from whom nonprofit organizations receive resources. (√)
   d. are those for whom nonprofit organizations provide services.

13. Which group is most likely to be either a client or a donor to the American Red Cross?
   a. Hurricane victims (√)
   b. Public schools
   c. NAFTA
   d. WTO

14. College and university marketing
   a. is confined to average-quality institutions.
   b. is on the decline.
   c. is actively seeking adults. (√)
   d. ignores traditional students.

15. Which of the following has published a marketing-oriented book to enable other charitable groups to learn from it?
   a. The United Way (√)
   b. The Red Cross
   c. The Salvation Army
   d. The Girl Scouts

Practice Quiz—Chapter 13

1. An example of a major product innovation is
   a. a minivan produced by Ford (based on Chrysler’s success).
   b. the Honda Accord station wagon (introduced in the 1990s).
   c. the original Windows operating system for personal computers. (√)
   d. Black & Decker’s current production of an electric-powered lawn mower.
2. During which stage of the product life cycle does the average-income mass market purchase?
   a. Late majority
   b. Maturity (√)
   c. Growth
   d. Introduction

3. Which of these is a key point that should be kept in mind when using the product life cycle?
   a. The shape and length of the product life cycle do not vary much by product.
   b. External factors may have little impact on the performance of a product and rarely shorten or lengthen its life cycle.
   c. A company usually cannot manage the product life cycle and extend it or reverse a decline.
   d. It is not useful in forecasting. (√)

4. A major reason for the importance of new products is to
   a. reduce dependence on one product or product line. (√)
   b. match a competitor’s prices.
   c. increase foreign competition.
   d. copy a competitor’s innovation.

5. Although a firm made a profit with a new product, the new product’s return on investment did not meet the firm’s targeted level. The new product was subsequently discontinued. The product can be best classified as a(n)
   a. marginal product failure.
   b. absolute product failure.
   c. relative product failure. (√)
   d. total product failure.

6. Which of the following products evolved from laboratory-oriented sources?
   a. Swiss-almond chocolate ice cream
   b. Synthetic fibers (√)
   c. Roll-on deodorants
   d. Easy-opening soda cans
7. Which of these is the least expensive stage in new-product development?
   a. Test marketing
   b. Commercialization
   c. Idea generation (√)
   d. Product development

8. In the business analysis stage of the new-product planning process,
   a. a prototype product is developed.
   b. a brand name and product package are determined.
   c. a sales forecast is important. (√)
   d. consumer acceptance is determined.

9. Which of these is not a type of decision usually made during the product development stage?
   a. Branding
   b. Packaging
   c. Concept testing (√)
   d. Product positioning
Page Reference: p. 375.

10. In test marketing, which of the following is determined?
    a. Product development costs
    b. Long-term product modifications
    c. Consumer attitudes
    d. Consumer and reseller product acceptance (√)

11. The commercialization stage corresponds to which stage of the product life cycle?
    a. Introduction (√)
    b. Growth
    c. Maturity
    d. Decline

12. The rate of adoption is faster if a product
    a. has high perceived risk.
    b. cannot be tried in small quantities.
    c. is incompatible with a consumer’s current lifestyle.
    d. is a modification. (√)
13. In the diffusion process, laggards can be characterized as
   a. tradition bound, and conservative. (√)
   b. past middle age, and skeptics.
   c. opinion leaders, and high in income and status.
   d. cosmopolitan, and attentive to information cues.

14. An appropriate marketing goal for a mature product is
   a. product deletion.
   b. orderly withdrawal from the market. (√)
   c. maintenance of product lines. (√)
   d. expanding the market.

15. A product should be deleted when it
   a. attracts a small, loyal market.
   b. diverts attention from the firm’s long-term goals. (√)
   c. has a poor outlook for short-run sales and profit.
   d. complements other company offerings.

Practice Quiz—Chapter 14

1. Which statement concerning the value chain is not correct?
   a. A value delivery chain involves all the parties and their respective tasks.
   b. A value delivery chain is only as strong as its weakest link.
   c. Value is added by each participant.
   d. A valid delivery chain goal is for one channel member to win at another member’s expense. (√)

2. A common characteristic of a value chain is
   a. a win-lose relationship.
   b. the search for low-cost, low-quality alternatives.
   c. outsourcing activities to selected channel members. (√)
   d. channel conflict among channel members.

3. Which of the following is an aspect of distribution planning?
   a. Manufacturing
   b. Customer transactions (√)
   c. Product management
   d. Advertising
4. Which of these is the intermediary task of apportioning items to various consumer markets?
   a. Assorting
   b. Sorting
   c. Accumulation
   d. Allocation (√)

5. Indirect channels of distribution are most frequently used by firms that
   a. absorb many distribution costs.
   b. service limited target markets.
   c. want to increase sales volume. (√)
   d. wish to maximize their customer interactions.

6. In describing a channel of distribution, width refers to
   a. ownership of companies at different stages in the channel.
   b. acquisition of businesses at the same stage in the channel.
   c. the levels of independent members along a channel.
   d. the number of independent members that are at any stage of distribution. (√)

7. Broadening its distribution channel enables a firm to
   a. eliminate intermediary costs.
   b. coordinate the timing of products through the channel.
   c. be more self-sufficient.
   d. increase its market share. (√)

8. With exclusive distribution, a firm
   a. maximizes total sales.
   b. reduces per-unit profit margins.
   c. seeks the best possible customer service by resellers. (√)
   d. seeks mass market appeal.

9. Logistics costs amount to about what percent of the U.S. GDP?
   a. 20
   b. 15
   c. 10 (√)
   d. Under 5
Page Reference: p. 413.
10. Many retailers spend what percent of revenues on physical distribution activities?
   a. 31-40
   b. Under 5 (√)
   c. 11-20
   d. 21-30

11. Heavy, bulky items that are low in value (relative to their weight) and transported over long distances are usually carried by
   a. railroads. (√)
   b. trucks.
   c. airways.
   d. pipelines.

12. Stock turnover is the balance between
   a. sales and inventory on hand. (√)
   b. reorder point and economic order quantity.
   c. usage rate and order-processing costs.
   d. order lead time and safety stock.

13. Which of these is an attribute of a high inventory turnover rate?
   a. Inventory investments are greater.
   b. The chances of running out of stock are greater. (√)
   c. Items are more likely to be stale.
   d. Losses from style changes are greater.

14. Which of the following is not used in the calculation of a reorder point?
   a. Safety stock
   b. Usage rate
   c. Order style (√)
   d. Order lead time

15. Firms with stable inventory and long-run plans to serve the same geographic areas tend to use
   a. generic warehousing.
   b. defined warehousing.
   c. public warehousing.
   d. private warehousing. (√)
Practice Quiz—Chapter 15

1. High wholesale sales occur because
   a. items can be sold twice on the wholesale level. (√)
   b. wholesalers service small, final consumer groups.
   c. there are so few retailers.
   d. there is only one level of retailing.

2. Which statement about the functions of wholesalers is false?
   a. They provide warehouse and delivery facilities.
   b. They process returns and make adjustments for defective merchandise.
   c. They do not enable manufacturers to distribute locally unless those firms make customer contacts. (√)
   d. They provide a ready-made sales force.

3. Without independent wholesalers, organizational consumers would have to
   a. perform fewer distribution functions.
   b. deal with a number of suppliers and coordinate shipments. (√)
   c. stock smaller quantities.
   d. place less emphasis on an internal purchasing agent or department.

4. Which statement about wholesalers is true?
   a. Wholesalers dislike it when vendors alter territory assignments. (√)
   b. Wholesalers want manufacturers to sell through them and not to them.
   c. Wholesalers do not want training, technical assistance, product literature, and advertising.
   d. Wholesalers like it when vendors decide to change to a direct channel and perform wholesale functions themselves.

5. The use of sales offices and/or branch offices is associated with which type of wholesaling?
   a. Manufacturer/service provider wholesalers (√)
   b. Merchant wholesalers
   c. Agent wholesalers
   d. Broker wholesalers
6. Channel control is maximized through which form of wholesaling?
   a. Merchant wholesalers
   b. Manufacturer wholesalers (✓)
   c. Indirect wholesalers
   d. Global wholesalers

7. The largest category of wholesalers in terms of sales is
   a. manufacturer wholesalers.
   b. merchant wholesalers. (✓)
   c. agent wholesalers.
   d. broker wholesalers.

8. Which of the following is not a full-service merchant wholesaler?
   a. Franchise wholesalers
   b. Mail-order wholesalers
   c. Wholesale cooperatives (✓)
   d. Specialty-merchandise wholesalers

9. Rack jobbers
   a. have standardized storefronts, business formats, and purchase systems.
   b. do not take back unsold merchandise.
   c. do not own the merchandise on their racks.
   d. sell products on a consignment basis. (✓)

10. Land O’Lakes, Ocean Spray, Sunkist, and Welch’s are all examples of
    a. cash-and-carry wholesaling.
    b. producer-owned wholesale cooperatives. (✓)
    c. retailers.
    d. franchise wholesaling.

11. The principal difference between agents and brokers is that
    a. brokers receive profits from selling goods they own, whereas agents work for commissions.
    b. agents are more likely to participate in wholesale cooperatives.
    c. agents take title to goods, whereas brokers do not.
    d. brokers are very common in the food industry, whereas agents are not. (✓)
12. Which of these is not an advantage offered by agents and brokers?
   a. They take title to goods. (✓)
   b. They have trained salespeople.
   c. They enable a manufacturer or service provider to expand sales despite limited resources.
   d. Their selling costs are a predetermined percent of sales.

13. Commission merchants do not
   a. assist in merchandising and promotion. (✓)
   b. arrange for the sale of goods in a central market location.
   c. receive goods on consignment from producers.
   d. accumulate goods from local markets.

14. Which statement concerning food brokers is correct?
   a. They often represent the seller. (✓)
   b. They usually earn commissions in excess of 7 percent of sales.
   c. They work for a large number of competing food producers.
   d. They generally offer credit.
Page Reference: p. 441.

15. When farm and garden machinery wholesalers begin to sell to florists, hardware dealers, and garden supply stores, which recent trend in wholesaling is being demonstrated?
   a. The decline in the size of independent wholesalers
   b. Gains in productivity
   c. Diversification of the markets served (✓)
   d. Emphasis on service
Page Reference: p. 444.

Practice Quiz—Chapter 16

1. Which of the following is a characteristic of retailing?
   a. Many sales to business customers
   b. A high average sale transaction by final consumers
   c. A low percent of consumer sales on credit
   d. Many unplanned purchases by final consumers (✓)
2. Unlike independents, retail chains
   a. tend to rely on elaborate control systems. (✔)
   b. are the most common form of retail ownership.
   c. operate at least 20 outlets.
   d. have simple organizations.

3. Conventional supermarkets
   a. originated in the late 1800s.
   b. account for the greatest portion of total U.S. supermarket sales.
   c. emphasize the sale of general merchandise.
   d. have minimum annual sales of $2 million. (✔)

4. Which of the following is not a reason why many conventional supermarkets are
   switching to food-based superstores?
   a. Improved transportation networks (✔)
   b. The higher profits on general merchandise
   c. Declining consumer interest in one-stop shopping
   d. The leveling of food sales due to competition from fast-food stores and restaurants

5. Wal-Mart operates
   a. full-line specialty stores.
   b. convenience stores.
   c. retail cooperatives.
   d. combination stores (✔)
Page Reference: p. 455.

6. Which of the following is not true about full-line discount stores?
   a. They are among the largest retailers of apparel, housewares, and electronics.
   b. They offer a broad merchandise assortment.
   c. They rely more heavily on credit sales than do traditional department stores. (✔)
   d. They emphasize self-service.
Page Reference: p. 455.

7. Which of these is not a form of nonstore retailing?
   a. Mail-order retailing
   b. Membership warehouse club (✔)
   c. Internet retailing
   d. Direct selling
8. Where there are no adjacent stores with which a firm competes, the location is most appropriately described as a(n)
   a. planned shopping center.
   b. unplanned business district.
   c. distressed site.
   d. isolated store. (✓)

9. A shopping area bounded by the intersection of two major streets is a
   a. neighborhood business district.
   b. neighborhood shopping center.
   c. secondary business district. (✓)
   d. central business district.

10. A regional shopping center sells mostly
    a. shopping goods. (✓)
    b. catalog merchandise.
    c. unbranded goods.
    d. discount items.

11. Atmosphere is most closely related to a store’s
    a. interior displays. (✓)
    b. advertisements.
    c. nonstore operations.
    d. location.

12. Which of the following is a reason for the popularity of scrambled merchandising?
    a. High inventory turnover
    b. Less impulse purchasing
    c. One-stop shopping (✓)
    d. Confusing store image

13. Differences between department-store and discount-store strategies are explained by the
    a. unbalanced tenancy concept.
    b. wheel-of-retailing concept. (✓)
    c. scrambled merchandising concept.
    d. off-price optimization concept.
14. Computer-based checkouts
   a. improve ordering decisions. (√)
   b. increase checkout time.
   c. require price marking on merchandise.
   d. increase employee training time.

15. Baskin-Robbins outlets in U.S. Navy exchange facilities and Godiva stores at airports are examples of retailers’ response to the
   a. increase in overall population growth.  
   b. time constraints on working women.
   c. decline of online retailing.
   d. increased consumer sophistication about purchases. (√)
Page Reference: p. 466.

Practice Quiz—Chapter 17

1. People express opinions and product-related experiences to one another through
   a. public relations.
   b. institutional advertising.
   c. free speech communication.
   d. word-of-mouth communication. (√)

2. An integrated marketing communications plan is based upon which fundamental premise?
   a. Low overhead costs
   b. Extensive use of public relations
   c. A well-coordinated promotion plan (√)
   d. An ethical framework

3. Consumer Reports and a local newspaper restaurant critic are examples of
   a. independent institutions. (√)
   b. industry spokespersons.
   c. opinion leaders.
   d. representative consumers.

4. A firm wanting to stress its product prestige would emphasize
   a. status. (√)
   b. availability in discount stores.
   c. mass ownership.
   d. competitive prices.
5. Which promotional concept most closely resembles depreciation?
   a. Wearout rate (√)
   b. Clutter
   c. Decoding
   d. Encoding

6. Which of the following statements about subliminal advertising is true?
   a. It is used by most firms in the United States.
   b. It is not effective in getting consumers to buy products they do not want. (√)
   c. It is rarely misinterpreted.
   d. It enables a consumer to consciously decode a message.

7. Which of these statements on consumer attitudes about promotion is correct?
   a. The majority believe marketers give accurate information.
   b. The majority believe marketers respect consumers’ intelligence.
   c. The majority believe marketers target children too much. (√)
   d. The majority believe ads do not exaggerate health claims.

8. Which of the following is not an objective found in the hierarchy-of-effects model?
   a. Persuading consumers (√)
   b. Reminding consumers
   c. Informing consumers
   d. Personalizing consumers
   Page Reference: p. 492.

9. Which of these is the weakest method for setting a total promotion budget?
   a. All-you-can-afford technique (√)
   b. Competitive parity technique
   c. Percentage-of-sales technique
   d. Incremental technique
   Page Reference: p. 492.

10. Which of the following is a benefit of the competitive parity method?
    a. It is keyed to a reference point. (√)
    b. It considers firms in the same industry to be similar.
    c. It is internally driven.
    d. It is useful only for small firms.
11. Which of these is the best method for setting a total promotion budget?
   a. Incremental technique
   b. All-you-can-afford technique
   c. Objective-and-task technique (√)
   d. Percentage-of-sales technique

12. Which statement about the types of promotion is not true?
   a. Without personal selling, initial interest caused by ads might be wasted.
   b. Personal selling advertising can best be used to close sales.
   c. Sales promotion stimulates short-run sales.
   d. Personal selling can best be used to reach large audiences with a uniform message. (√)

13. A firm must be able to prove its promotional claims under which promotional enforcement rule?
   a. Full disclosure
   b. Substantiation (√)
   c. A cease-and-desist order
   d. Corrective advertising

14. An example of corrective advertising is
   a. Listerine’s disclaimer that it is not a cold remedy. (√)
   b. Pfizer’s payment of a large sum to a number of states.
   c. Alka-Seltzer’s mentioning that it is an antacid.
   d. Lewis Galoob Toys’ agreement not to promote its products as doing things of which they were incapable.

15. Which of the following is not a common criticism of promotion?
   a. It creates an obsession with material possessions.
   b. It causes excessively low expectations. (√)
   c. It is basically dishonest.
   d. It overemphasizes symbolism and status.

Practice Quiz—Chapter 18

1. Which of the following is common to both advertising and publicity?
   a. Source control of presentation
   b. Known sponsorship of presentation
   c. Paid presentation
   d. Mass audience (√)
Page Reference: p. 505.
2. The leading medium for U.S. advertising is
   a. television. (✓)
   b. newspapers.
   c. the Internet.
   d. direct mail.

3. Which of the following is a positive characteristic attributed to advertising?
   a. The ability to tailor a message to each reader or viewer
   b. A broad range of media to choose among (✓)
   c. Low costs for prime-time TV commercials
   d. Limited control over editorial content

4. Which of the following is not a negative characteristic of advertising?
   a. A large portion of viewers or readers may be considered waste for an advertiser.
   b. Messages in print media can be reread and restudied. (✓)
   c. It often requires high total expenditures.
   d. Messages are standardized.

5. The first step in developing an advertising plan is
   a. establishing a budget.
   b. developing themes.
   c. assigning responsibility.
   d. setting objectives. (✓)

6. For print media, reach has two components: circulation and
   a. passalong rate. (✓)
   b. clutter.
   c. psychographics.
   d. frequency.

7. Frequency is lowest for
   a. magazines.
   b. radio.
   c. printed phone directories. (✓)
   d. outdoor ads.
8. The highest level of clutter exists with
   a. television.
   b. telephone directories.
   c. magazines. (√)
   d. newspapers.

9. Which of the following statements concerning distributed ads is incorrect?
   a. They increase brand recognition.
   b. They balance the advertising budget.
   c. They increase sales in nonpeak periods.
   d. They are used by very few manufacturers. (√)

10. Public relations does not encompass
    a. publicity.
    b. sales promotion.
    c. sales-oriented advertising. (√)
    d. personal selling.

11. With publicity,
    a. a firm can ensure that the media will cover only positive events.
    b. there are costs for message time or space.
    c. credibility is generally high. (√)
    d. a firm has complete control over messages.

12. The first step in developing a public relations plan is
    a. setting objectives. (√)
    b. selecting media.
    c. assigning responsibility.
    d. outlining the types of publicity to be used.

13. Assigning public relations responsibility to internal personnel or an in-house department
    a. results in better contacts and expertise than using an outside public relations firm.
    b. cannot be combined with any other option for assigning the publicity responsibility.
    c. is not a popular approach to assigning responsibility.
    d. ensures more control and secrecy. (√)
Page Reference: p. 525.
14. Business feature articles are
   a. detailed stories about a firm’s products. (✓)
   b. extra information provided to media writers and editors.
   c. concerned with new products and product improvements.
   d. stories dealing with finance found in business sections of newspapers and magazines.

15. Lighter stories focusing on personal care, household items, and similar topics are examples of
   a. product releases.
   b. service feature articles. (✓)
   c. background editorial material.
   d. news releases.

**Practice Quiz—Chapter 19**

1. Which of these is a characteristic of personal selling?
   a. Personal selling costs per customer can be very high. (✓)
   b. There is more waste with most forms of selling than with advertising.
   c. Personal selling is usually the first stage in the consumer’s decision process.
   d. Personal selling is a very effective tool for generating consumer awareness.
Page Reference: p. 536.

2. Which statement about the drawbacks of personal selling is false?
   a. It is an ineffective tool for addressing consumer objections.
   b. It has a poor image in the eyes of a number of consumers.
   c. Only a small number of consumers can be accommodated at a given time.
   d. Feedback is more difficult to ascertain than with advertising. (✓)

3. The major goal for personal selling is
   a. persuasion. (✓)
   b. reminding.
   c. image.
   d. information.
Page Reference: p. 537.

4. Which of the following is not a normal function of an order taker?
   a. Generating customer leads (✓)
   b. Writing up orders
   c. Arranging displays
   d. Completing transactions
Page Reference: p. 539.
5. The need-satisfaction approach works best with
   a. items that are pre-sold through heavy advertising.
   b. items for which customers require additional information. (✔)
   c. simple items that have moderate advertising.
   d. inexpensive items.

6. The first stage in the selling process for outside salespeople is
   a. prospecting for customer leads. (✔)
   b. approaching customers.
   c. hiring sales personnel.
   d. researching the product.

7. Which of the following is not a nonselling task that may be carried out by a firm’s sales force?
   a. Looking through trade publications for customer leads (✔)
   b. Writing up information sheets
   c. Checking competitors’ strategies
   d. Marking prices on products

8. Which of the following is a fundamental part of sales management?
   a. Marketing research
   b. Territory allocation (✔)
   c. Price setting
   d. Advertising
Page Reference: p. 543.

9. A salesperson’s earnings are completely tied to sales with a
   a. combination compensation plan.
   b. sales territory assigned on the basis of product type.
   c. straight commission plan. (✔)
   d. straight salary plan.
Page Reference: p. 543.

10. Which of the following is not a part of sales supervision?
    a. Completing nonselling tasks
    b. Modifying behavior changes
    c. Hiring sales personnel (✔)
    d. Motivating sales personnel
11. Which of the following is a contributing factor to the rapid growth of sales promotion in marketing?
   a. Firms are turning away from a short-run orientation and seeking to improve long-term profits.
   b. Advertising and personal selling have become more expensive. (✓)
   c. Fewer shoppers seek promotions before buying.
   d. Various sales promotions are less acceptable to firms and consumers.
   Page Reference: p. 545.

12. Sales promotion may have an adverse effect on
   a. impulse purchasing.
   b. brand functionality.
   c. new-product introduction.
   d. a firm’s image. (✓)

13. In contrast to a sales manager, an advertising manager’s sales promotion responsibility would focus on
   a. demonstrations.
   b. trade shows.
   c. customer contests. (✓)
   d. special events.

14. An example of the conditions of sales promotion is a
   a. free sample of a new deodorant.
   b. direct-mail solicitation.
   c. Thanksgiving theme.
   d. purchase of three bars of soap to get one free. (✓)

15. Which is not usually a type of promotion directed at channel members?
   a. Coupons (✓)
   b. Sales contests
   c. Training
   d. Point-of-purchase displays
Practice Quiz—Chapter 20

1. The one element found in every marketing transaction is
   a. price. (√)
   b. service.
   c. credit.
   d. final consumer.

2. The law of demand
   a. concerns only nonprice competition.
   b. involves government regulation of price.
   c. defines the insensitivity of buyers to price changes.
   d. relates purchase units to price. (√)

3. Brand loyalty tends to generate
   a. inelastic demand. (√)
   b. frequent sales.
   c. elastic demand.
   d. price wars.

4. The type of shopper most interested in the “best deal” for a product is a
   a. convenience shopper.
   b. price shopper. (√)
   c. brand loyal shopper.
   d. service shopper.

5. Horizontal price fixing has been outlawed by the
   d. Sherman Antitrust Act. (√)
Page Reference: p. 571.

6. Fair trade practices refer to
   a. vertical price fixing. (√)
   b. unfair-sales acts.
   c. price controls.
   d. price promotion.
7. The Robinson-Patman Act was enacted to directly protect
   a. large manufacturers.
   b. state government.
   c. consumers.
   d. small retailers. (√)

8. Which of the following is an exception to the Robinson-Patman Act?
   a. Price differences are not justified by costs.
   b. A seller raises price to satisfy suppliers.
   c. Directly competing buyers are involved. (√)
   d. Each buyer in a channel purchases products with similar physical attributes.

9. Which of the following statements about loss leaders is correct?
   a. Loss-leader laws are not vigorously enforced. (√)
   b. Loss leaders rarely attract customers to a seller.
   c. Loss leaders are not restricted by some state unfair-sales acts.
   d. Sellers assume customers drawn by loss leaders will not buy nonsale items.

10. Which of the following statements about price advertising is true?
    a. A firm cannot claim its price is lower than competitors or the manufacturer’s list price,
        even if it verifies that the price of an item at other companies in the same trading area is
        higher.
    b. A firm cannot continuously advertise the same item as being on sale. (√)
    c. A suggested list price can be advertised as a reference point for a sale, even though
        the product was never sold at that price.
    d. A firm can claim that a price has been reduced from an original price that was never
        before offered to the public.
Page Reference: p. 574.

11. When wholesalers and retailers stock well-known brands, place high prices on them, and
    then sell other brands for lower prices, they engage in
    a. price discrimination.
    b. selling against the brand. (√)
    c. horizontal price fixing.
    d. vertical price fixing.
12. Price guarantees
   a. usually grant discounts to purchasers who are not competitors.
   b. encourage passing price increases along to consumers.
   c. prohibit entry into established channels of distribution.
   d. help channel members maintain inventory value and profit. (✓)

13. A market-controlled price environment is characterized by
   a. not much control over prices by individual firms. (✓)
   b. prices being strongly influenced by some level of government.
   c. little competition.
   d. well-differentiated goods and services.

14. By attracting consumers interested in status products, a firm can carve out a niche in a
   a. market-controlled price environment.
   b. government-controlled price environment.
   c. fluid-demand price environment.
   d. company-controlled price environment. (✓)

15. Firms in the transportation, telecommunications, and financial industries have seen their
   price environments shift from
   a. government- to market-controlled. (✓)
   b. market- to government-controlled.
   c. market- to company-controlled.
   d. company-to market controlled.

Practice Quiz—Chapter 21

1. Which statement is true?
   a. A firm still has a probability of succeeding even if it does not set pricing goals.
   b. Different firms in the same industry always have the same pricing strategies.
   c. A firm may pursue more than one pricing goal at the same time. (✓)
   d. A pricing strategy should focus on short-run goals only.

2. With sales-based objectives, a firm focuses on
   a. expanding its market share relative to competitors. (✓)
   b. reducing the return on investment.
   c. minimizing the effects of competitor actions.
   d. maintaining good channel relations.
3. Firms that desire high initial profits because they are short of funds or uncertain about their future use
   a. satisfactory-profit goals.
   b. status quo-based goals.
   c. early-recovery-of-cash goals. (√)
   d. return-on-investment goals.


4. Which of the following is an advantage to firms that first employ skimming pricing and then apply penetration pricing?
   a. High prices are used to ignore competitors.
   b. Multiple segments can be reached. (√)
   c. Low prices are charged when competition is limited.
   d. Lowering initial prices presents a poor image to the market.


5. The first step in outlining a broad price policy is
   a. determining a pricing strategy.
   b. analyzing the marketing mix.
   c. examining brand image.
   d. integrating individual decisions. (√)


6. Price floors are frequently set in
   a. demand-based strategies.
   b. status quo-based strategies.
   c. cost-based strategies. (√)
   d. competition-based strategies.


7. Price ceilings
   a. do not take demand into account.
   b. depend on the elasticity of demand. (√)
   c. are the lowest acceptable prices firms can set to gain profit goals.
   d. are the minimum amounts consumers will pay for goods or services.


8. Under customary pricing, channel members
   a. try to maintain prices as long as possible. (√)
   b. offer discounts to those who buy in quantity.
   c. alter prices to coincide with fluctuations in costs.
   d. adjust prices to levels of demand.

Page Reference: p. 597.
9. A one-price policy
   a. is difficult to administer.
   b. does not permit self-service and catalog sales.
   c. erodes customer confidence.
   d. eliminates bargaining. (✓)
Page Reference: p. 597.

10. With what pricing approach does a firm advertise and sell key items in its product assortment at less than their usual profit margins?
   a. Odd pricing
   b. Prestige pricing
   c. Variable pricing
   d. Leader pricing (✓)
Page Reference: p. 598-599.

11. Which of these is not a major reason for employing multiple-unit pricing?
   a. Total dollar sales are maintained. (✓)
   b. Competitors’ customers may be attracted.
   c. Greater consumption is encouraged.
   d. The firm can clear out slow-moving merchandise.
Page Reference: p. 599.

12. Which of these is not a method of geographic pricing?
   a. Base-point pricing
   b. Zone pricing
   c. Chain-markup pricing (✓)
   d. Uniform delivered pricing

13. Purchase terms include discounts, the timing of payments, and
   a. credit arrangements. (✓)
   b. warranty coverage.
   c. delivery.
   d. installation.

14. In catalogs, to tie prices to rising costs, it is simplest to
   a. add on surcharges. (✓)
   b. publish escalator clauses.
   c. change list prices.
   d. reduce markups.
15. Which of the following statements about rebates is not true?
   a. They are flexible.
   b. They reduce communication between consumers and manufacturers. (√)
   c. They help cut down on inventory surpluses.
   d. They are used by a wide variety of firms.

**Practice Quiz—Chapter 22**

1. An organizational mission is most likely to be reappraised when
   a. the firm’s performance is above average.
   b. marketing myopia is practiced. (✓)
   c. the industry undergoes rapid changes. (✓)
   d. company values suit a changing environment.

2. Smaller firms cannot usually compete on the basis of
   a. low prices. (✓)
   b. customer service.
   c. location.
   d. customer loyalty.
Page Reference: p. 618.

3. Which of the following statements about marketing subplans is correct?
   a. Long-term plans set a broad framework for moderate-term plans. (✓)
   b. Short-term plans are the least specific.
   c. It does not matter if long-, moderate-, and short-term subplans are compatible with each other.
   d. Such plans are always communicated to employees.

4. For it to be implemented and evaluated properly, a marketing plan must
   a. be narrow.
   b. concern the short run.
   c. be inflexible.
   d. have stability. (✓)
Page Reference: p. 621.

5. Which of the following is a technique used to analyze marketing plans?
   a. Marketing segmentation
   b. Mass assessment
   c. Marketing cost analysis (✓)
   d. Differential marketing
6. As it relates to benchmarking, which type of firm should emulate market leaders and selected world-class companies?
   a. A master firm
   b. A market-leading firm
   c. A journeyman firm (✔)
   d. A novice firm

7. The final step in marketing cost analysis is
   a. determining natural account expenses.
   b. monitoring results of marketing costs through natural accounts.
   c. allocating functional accounts by marketing classification. (✔)
   d. assigning natural accounts to functional accounts.

8. Which of the following is an example of a functional expense?
   a. Floor pricing
   b. Warehousing (✔)
   c. Salaries
   d. Overhead

9. The main source of sales analysis data is the
   a. salesperson.
   b. sales invoice. (✔)
   c. horizontal audit.
   d. vertical audit.

10. Sales categories for which data are gathered are known as
    a. market accounts.
    b. SBU's.
    c. order-processing costs.
    d. control units. (✔)

11. According to the 80-20 principle, firms should
    a. allocate revenues according to how items relate to sales forecasts.
    b. determine sales and profit by customer, product, and territory. (✔)
    c. use total sales data to diagnose their strengths and weaknesses.
    d. place equal effort into every sale.
12. The first step in a marketing audit is
   a. developing audit forms.
   b. determining when the audit is done.
   c. deciding who does the audit. (√)
   d. determining areas to be audited.


13. An audit is complete after
   a. management receives the findings and recommendations.
   b. management responds. (√)
   c. data are analyzed.
   d. the final report is prepared.


14. Situations where sales forecasts are exceeded are reported in
   a. natural account expenses.
   b. sales invoices.
   c. fast-selling item reports. (√)
   d. functional account expenses.


15. Which of the following is a reason why formal marketing audits have been adopted by relatively few firms?
   a. Success or failure is easy to determine.
   b. Many companies do not label their analyses as audits. (√)
   c. Company personnel allocate considerable time for conducting audits.
   d. Marketing audits done by company personnel are detailed enough to be considered audits.

Page Reference: pp. 634-635.