Marketing Management

EBK 204

Spring 2021

HW 2

Chapters 5, 6, 7, 8 & 9

Following are 40 multiple choice questions, each worth 2.5 points. Highlight the answer you think most correct.

**Chapter 5 Creating Long-Term Loyalty Relationships**

1) Which of the following is true for the modern company organization chart?

A) Frontline employees are less important than top management.

B) Customers are at the top of the pyramid.

C) Top management is at the top of the pyramid.

D) Customers are less important than middle management.

E) Frontline employees are at the top of the pyramid.

2) In the modern customer-oriented organizational chart, which of the following is considered to be at the top of the organizational pyramid?

A) sales

B) top management

C) front-line people

D) customers

E) middle management

3) In a modern customer-oriented organization chart, the \_\_\_\_\_\_\_\_ of an organization immediately follow the customer segment.

A) top management

B) marketing department

C) middle management

D) frontline people

E) lower management

4) \_\_\_\_\_\_\_\_ is the difference between the prospective customer's evaluation of all benefits and all costs of an offering and the perceived alternatives.

A) Perceived usefulness

B) Failure avoidance rate

C) Total customer benefit

D) Customer-perceived value

E) Competitors' market share rate

5) When a consumer considers a product or service, he or she will choose whichever product or service delivers the highest \_\_\_\_\_\_\_\_.

A) customer-perceived value

B) customer-perceived cost

C) customer profitability analysis

D) customer equity

E) customer lifetime value

6) \_\_\_\_\_\_\_\_ is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering.

A) Total customer cost

B) Total customer benefit

C) Total benefits of ownership

D) Value proposition

E) Value delivery system

7) The bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of a market offering is called the \_\_\_\_\_\_\_\_.

A) activity-based cost

B) customer profitability analysis

C) total customer cost

D) product life-cycle cost

E) direct product profitability

8) Which of the following is true for customer-perceived value?

A) It is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a product.

B) It is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives.

C) It is the perceived bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering.

D) It is the net present value of the stream of future profits expected over the customer's lifetime purchases.

E) It is the process of investigating the hierarchy of attributes consumers examine in choosing a brand if they use phased decision strategies.

**Chapter 6 Analyzing Consumer Markets**

1) \_\_\_\_\_\_\_\_ is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

A) Target marketing

B) Mind mapping

C) Consumer activism

D) Consumer behavior

E) Product differentiation

2) Which of the following would be the best illustration of a subculture?

A) a religion

B) a group of close friends

C) your university

D) a fraternity or sorority

E) your occupation

3) The relatively homogeneous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interests, and behavior constitute a \_\_\_\_\_\_\_\_.

A) culture

B) subculture

C) social class

D) family

E) group

4) A person's \_\_\_\_\_\_\_\_ consist(s) of all the groups that have a direct (face-to-face) or indirect influence on his/her attitudes or behavior.

A) subculture

B) family

C) social class

D) reference groups

E) social networks

5) A(n) \_\_\_\_\_\_\_\_ group is one whose values or behavior an individual rejects.

A) aspirational

B) dissociative

C) membership

D) primary

E) procreational

6) Joe is a computer service technician. People in his neighborhood usually depend on his suggestions for purchasing any computer accessory or hardware, as they believe that he has access to far more information on computer technology than the average consumer. The neighbors are also aware that Joe has the required knowledge and background for understanding the technical properties of the products. Within this context, Joe can be called a(n) \_\_\_\_\_\_\_\_.

A) transactional leader

B) opinion leader

C) role model

D) gate-keeper

E) international marketer

7) For a high school student, Tim is highly concerned about environmental issues. He is a strong supporter of the garbage recycling and afforestation campaigns taken up by the environmental activists in his neighborhood. He wants to become a full time volunteer for their upcoming wildlife protection program and has even saved money to contribute to the cause. This group of environmental activists can be categorized under which of the following reference groups?

A) primary group

B) secondary group

C) aspirational group

D) dissociative group

E) cognitive group

8) Jason writes a weekly column in his school's newspaper about movies he has seen, books he has read, and concerts he has attended. His column provides information and opinions. Feedback from his fellow students is positive, and they are appreciative of the advice that is given. Which of the following would be the most apt description of the role played by Jason?

A) silent majority

B) protestor

C) protector

D) adapter

E) opinion leader

**Chapter 8 Tapping into Global Markets**

1) What is a global firm?

A) A firm that operates in one country and exports its goods and services to foreign countries.

B) A firm that operates in more than one country and has a sales and marketing staff in those countries.

C) A firm that operates in more than one country and captures R&D, production, logistical, marketing, and financial advantages not available to purely domestic competitors.

D) A firm that sells its products and services across the world but restricts manufacturing to the home country.

E) A firm that operates in more than one country but restricts the sale of its products to the home country.

2) Which of the following is NOT true about Tata Nano?

A) Its cost is three times India's annual per capita income.

B) It targets the 7 million Indians who buy scooters and motorcycles every year.

C) It has a negative stigma attached to it because it is considered a "cheap" car.

D) It has received positive feedback for reminding people of the tuk-tuk.

E) Some target customers were intimidated by Tata's showrooms.

3) Which of the following can induce a firm to expand into the international arena?

A) Consumer preferences in the domestic market vary widely.

B) Average income level of domestic consumers is high.

C) The firm operates in an industry that caters to the mass market.

D) The firm finds that the domestic market is almost saturated.

E) The firm is yet to achieve economies of scale even though the domestic market has potential.

4) Zodiac Inc. is one of the leading producers of designer bags in its country. The company is considering shifting some of its production to India. Which of the following could have prompted this move?

A) People in India prefer imported designer bags.

B) Zodiac can target a niche market of high-profile consumers who have a high income.

C) Zodiac can improve its market share if it can offer better prices than its competitors.

D) People in the home country have an ethnocentric approach.

E) Market research indicates that Indian consumers have a low per-capita income.

5) Which of the following is a risk that firms must consider prior to expanding abroad?

A) The domestic consumers prefer low-priced products.

B) The market in the foreign country may be too similar to the domestic market.

C) Consumers in the foreign country are very particular about the quality of the goods they consume.

D) The foreign country has very low pollution control standards.

E) The foreign country's business culture may be too different from the domestic country.

6) Services account for nearly \_\_\_\_\_\_\_\_ percent of global trade.

A) 10

B) 15

C) 20

D) 25

E) 30

7) Which of the following is NOT a challenge associated with international marketing?

A) Managers need to learn new languages and laws.

B) Managers need to deal with volatile currencies.

C) Managers face political and legal uncertainties.

D) International markets are less safe.

E) All of the above are challenges.

8) Which of the following is the first stage of the internationalization process that can induce firms to enter the international arena?

A) no regular export activities

B) export via independent representatives (agents)

C) establishment of one or more sales subsidiaries

D) establishment of production facilities abroad

E) adoption of a flexible exchange rate regime

**Chapter 9 Identifying Market Segments and Targets**

1) Which of the following statements about market segmentation is true?

A) It involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market.

B) It is a process of evaluating each segment's attractiveness and selecting one or more to enter.

C) It is a process of creating an image or identity of the product in the minds of the target market.

D) It is a process of identifying and profiling distinct groups of buyers who differ in their needs and wants.

E) It is the quality of how marketers go to market with the goal of optimizing their spending to achieve good results.

2) Establishing and communicating the distinctive benefit(s) of the company's market offering for each target segment is called \_\_\_\_\_\_\_\_.

A) market research

B) market positioning

C) marketing effectiveness

D) market segmentation

E) market dominance

3) The process of selecting one or more market segments to enter is called market \_\_\_\_\_\_\_\_.

A) targeting

B) dominance

C) positioning

D) segmentation

E) research

4) A \_\_\_\_\_\_\_\_ consists of a group of customers who share a similar set of needs and wants.

A) vertical marketing system

B) market basket

C) market share

D) market segment

E) market level

5) Hilton Hotels customizes rooms and lobbies according to location. Northeastern hotels are sleeker and more cosmopolitan. Southwestern hotels are more rustic. This is an example of \_\_\_\_\_\_\_\_ segmentation.

A) demographic

B) behavioral

C) psychographic

D) geographic

E) cultural

6) When Nike attempts to get close to its customers at the local level by sponsoring local school teams and providing shoes, equipment, and clothing to many of them, Nike is using which of the following marketing formats?

A) differentiated marketing

B) affiliate marketing

C) guerrilla marketing

D) affinity marketing

E) grassroots marketing

7) Regardless of the type of segmentation scheme used, the key is adjusting the marketing program to recognize \_\_\_\_\_\_\_\_.

A) the level of disposable income earned by the target group

B) customer differences

C) the cost-benefit relationship of narrowing the target market

D) customer complaints

E) saturated markets

8) If a marketer decides to segment a market based on neighborhoods, the marketer will have chosen the \_\_\_\_\_\_\_\_ method of segmentation.

A) demographic

B) psychographic

C) geographic

D) cultural

E) behavioral