Please record your answers on a scan-tron. Please do not write on this test since you will return this test with your scan-tron. Each correct answer is worth 1 point.

1. A comparison of the marketing concept and customer relationship management indicates that customer relationship management:
   A. and the marketing concept are in fact identical.
   B. attempts to improve profits by keeping quality high, while the marketing concept attempts to improve profits by a careful design of the promotional mix.
   C. turns the marketing concept upside down. The marketing concept emphasized that marketing was the most important function performed by a firm, but customer relationship management views management to be the most important function.
   D. extends the marketing concept by calling for the firm to learn more about its customers so that it not only satisfies them, but exceeds their expectations over time.

2. Andre is a real estate agent who has an idea for a software program that will help perform real estate appraisals more quickly and more accurately. He has worked with a buddy who is good at programming to develop a detailed description of what the software will do and how it differs from existing applications. Now Andre has taken this description and shown it to a number of fellow real estate agents to see if his idea appeals to them. Andre is engaging in:
   A. prototype outsourcing.
   B. test marketing.
   C. concept testing.
   D. word-of-mouth promotion.

3. According to the material in the "Thinking Green" box in Chapter 13, many automobile dealers are:
   A. focusing on the Internet as a source of creating the proper marketing mix to reach customers.
   B. ignoring the 4 Ps and concentrating on the 3 Rs: reliable products, reputation for honesty, and reasonable policies.
   C. attempting to use mass marketing to create strong customer loyalty.
   D. obtaining most of their sales from global markets reducing the need for inventory they must carry in the showroom.

4. As part of her responsibilities as a marketing manager, Jan has completed a review of data her department has gathered through telephone interviews, mail surveys and focus groups. Jan is disappointed because the research results strongly suggest that a product idea she helped develop is unlikely to be popular with potential customers. Jan should:
   A. proceed with product development because the opinions of experienced marketing managers often turn out to be more accurate than marketing research.
   B. accept the research results and reevaluate the proposed product.
   C. continue developing the product, but try to find ways to reduce production costs.
   D. put the product on temporary hold, throw out the results of the research, and design and conduct a new study.

5. Which of the following statements is the most accurate?
   A. The most dramatic global change affecting marketing efforts of most firms is the rise of the euro as a dominant world currency.
   B. While the Internet has had a significant impact on the global reach of marketing, it has had little impact on the competitive environment most firms face.
C. The evolution of the Internet is the most important technological change in the marketing environment particularly the growth of consumer databases, blogs, social networking and the like.

D. Extensive research indicates that economic and competitive trends are the only environmental factors that have a lasting impact on a firm's marketing success.

6. Which of the following statements about the distinction between consumer goods and B2B goods is the most accurate?
   A. The same product can be classified as either a consumer good or an industrial good, depending upon its end use.
   B. Industrial goods tend to have a useful life of several years and can be depreciated while consumer goods typically last less than a year.
   C. Consumer goods are typically more expensive than industrial goods.
   D. Industrial goods are custom made to the specifications of the buyer, while the all consumer goods are mass-produced.

7. All-Star Collectibles focuses its marketing efforts on high-income buyers of unique collectible items. The firm realizes that the number of buyers in this segment of the collectible market is small. However, they are confident that this approach will be profitable since these buyers will pay premium prices for their unique products and superior customer service. All-Star's approach is an example of:
   A. competitive benchmarking.
   B. niche marketing.
   C. relationship targeting.
   D. target positioning.

8. Kelly buys only high-priced jeans and expensive sport shoes endorsed by her favorite entertainers. Also, her attitudes and values are shaped by specific statements made by these celebrities. She also supports causes and charities the celebrities endorse. This illustrates how consumer decision making is influenced by:
   A. marketing mix variables.
   B. cognitive dissonance.
   C. a reference group.
   D. primary group identification.

9. Which of the following is the best example of cognitive dissonance?
   A. John has been shopping for a new television set, but has not yet made a purchase because he is having trouble deciding which brand to buy.
   B. Julie decided to eat at a restaurant she previously avoided after learning that several movie stars she admires endorse the restaurant.
   C. Marquetto is torn between going to the movies with friends or staying home and studying for an exam tomorrow.
   D. Rico just bought an expensive hi-def television and is already worried that he could have found a better deal if he had shopped more carefully.

10. After years of selling in the consumer market, Dave accepted a job as a salesperson for a firm that markets its products in the B2B market. As he considers his new responsibilities, it's likely that he will:
    A. find little difference between buyers in the consumer market and those in the business-to-business market.
    B. discover that decision making in the B2B requires salespeople to be little more than order takers.
    C. learn that industrial buyers generally require more personal service than buyers in the consumer market.
    D. find that B2B buyers tend to purchase more on impulse than consumer buyers.
11. As restaurant chains that specialize in Mexican cuisine, Fernando's and Carmelita's offer similar items on their menus. However, Fernando's restaurants are positioned in the market as elegant establishments with high prices. Carmelita's restaurants, on the other hand, are located in middle-class neighborhoods, with a casual atmosphere that welcomes families with young children. The prices at Carmelita's are in the moderate range. When evaluating the marketing strategies used by these restaurants, we can conclude that:
A. both practice product mix effectiveness.
B. they utilize product differentiation.
C. Fernando's has chosen a shopping good strategy.
D. their target markets differ, with one intended to appeal to the industrial market, and the other designed to attract the consumer market.

12. Suits for Success is a men's clothing store in a large suburban shopping mall. The managers of the store know that their customers usually comparison shop, looking carefully at quality and price before deciding to buy. Armed with this information, Suits for Success carries quality clothing, offers competitive pricing, and friendly, helpful service. The target customers apparently view men's suits as a:
A. specialty good.
B. convenience good.
C. shopping good.
D. unsought good.

13. Sweet Dream Confectioners uses the same ingredients as most other producers of chocolate candies. In fact, taste tests suggest that the candy itself, while quite good, isn't much better than other well-known brands of chocolate. However, the company wraps its candies in expensive looking foil and places them in very attractive boxes. It promotes its products in advertisements as "the ultimate in chocolate experience." Sweet Dream charges a much higher price than most competitors, but sales continue to grow. This success indicates that:
A. consumers always behave in an irrational manner.
B. there is more to the total product offer than the physical product.
C. consumers seldom consider price when making a buying decision for goods such as chocolate.
D. chocolate is best classified as a convenience good.

Mini-Case
Gourmet Pets is an innovative competitor in the billion-dollar pet food industry. In fact, two of its products, Kitty Sirloin and McDog T-bone, each claim over a 30% share in their market segments. The company has done detailed research and discovered that, for a growing number of pet owners, the family pet serves as a "baby substitute." These owners tend to pamper their pets, and are very discriminating in what they purchase. With this in mind, the company has put a great deal of effort into developing a new dog food: Prime Cuts. The new product is packaged in a resealable, microwaveable container and can be purchased in a variety of flavors (including Western BBQ, Teriyaki, Australian Outback, and Hickory Smoked.) Gourmet Pets promotes the product as far superior to "average" dog foods, even though the quality of meat and nutrient content of the food is virtually identical to many other brands. The company faces no competition in this market segment so it plans to charge a high price for the product.

14. The company currently markets McDog T-bone, Lapdog Luchutreats, Rover's Potroast, and Puppy Porterhouse in the dog food market. Prime Cuts will be an addition to the company's __________ in the dog food market.
A. product mix
B. product line
C. product time
D. product screen

15. Gourmet Pets is interested in computing the break-even point for its new product Prime Cuts. The fixed costs of adding this product to the product line amounts to $20,000. Variable costs to produce one package of Prime Cuts are $2. Prime Cuts will sell for $6 per package. The break-even point would be:
A. 900 units.
B. 2,800 units.
C. 5,000 units.
D. There is not enough information to find the correct answer.
16. Which of the following statements is the most accurate assessment of the role packaging plays in product offerings?
A. The importance of packaging has diminished as the use of the Internet has grown.
B. While packaging plays an important role in marketing goods, it is not relevant to the marketing of services.
C. Effective packaging eliminates the potential of product liability suits.
D. The importance of packaging is greater now than ever.

17. Using a sports or movie celebrity as a spokesperson for your product is an attempt to build favorable:
A. brand reputation.
B. publicity.
C. brand association.
D. manufacturers' brands.

18. Anheuser-Busch/In Bev Company, Inc. has been given the exclusive right to the name Budweiser and is legally protected from others using this name by the __________ they hold.
A. licensing agreement
B. brand name
C. copyright
D. trademark

19. "If you create a better mouse trap, the world will beat a path to your door." This statement ignores the need for which step in the new-product development process?
A. commercialization
B. screening
C. idea generation
D. development

20. Sales of cell phones in the United States are still increasing, but the rate of growth has slowed. Sales are expected to peak somewhat soon in the U.S. Based on this information, cellular phones are in what stage of the product life cycle in the U.S.?
A. introduction
B. growth
C. maturity
D. decline

21. Angie owns a small company that markets high quality office supplies to businesses. Angie faces stiff competition from some much larger firms like Office Depot. Which of the following competitive strategies would probably work best for Angie?
A. Keep costs as low as possible by offering a no frills approach with little or no extra services.
B. Develop a skimming pricing strategy.
C. Utilize a high-low approach to pricing with a higher break-even point.
D. Focus on non-price competition by offering better service with customers and work on building good customer relationships.

22. Patrick Bolger is convinced that his product idea has tremendous potential. He has decided to produce the product himself, but plans to use other firms who specialize in storing and transporting to help him move the product along its path to the final consumer. These specialists Patrick uses will be part of his:
A. wheel of retailing.
B. market network.
C. channel of distribution.
D. franchise system.
23. WeddingChannel.com is an Internet company that helps people with the complex task of planning a wedding. Multiple vendors are recommended for things like flowers, caterers, wedding gowns, and more. Through Wedding Channel a couple can establish a website that acts as a registry. Once the couple is married, the website directs them to another site having to do with beginning married life. What type of utility (utilities) is this website providing to its users?
A. Form only  
B. Service only  
C. Service and information  
D. Form and service

24. Hottaire Heating and Cooling offers customers who buy air conditioners and furnaces free delivery and low installation charges. The company also offers a free follow-up inspection of the new equipment one month after it is installed. These services are ways that Hottaire provides its customers with __________ utility.
A. possession  
B. time  
C. marginal  
D. situational

25. Rita Sauer stocks several local supermarkets and discount stores with Luminaire Cosmetics. She sets up displays of various cosmetic products carrying the Luminaire brand name, and sells the goods on consignment, sharing any profits on the sales with the retailer. Rita is a:
A. cash-and-carry wholesaler.  
B. truck jobber.  
C. broker.  
D. rack jobber.

26. Sportstors, Inc. operates a chain of very large stores that offer an incredible selection of sporting goods at very competitive prices. When Sportstors opens its first store in a geographic area, smaller sporting goods stores almost always experience a noticeable drop in sales. Sportstors stores can be classified as:
A. warehouse clubs.  
B. department stores.  
C. category killers.  
D. full-service wholesalers.

27. Tammy Knowles is the publisher of "New Woman Magazine," which is a publication targeted to Gen Y women. Because it is a small, new publication, some of the larger bookstores, convenience stores and newsstands are not agreeing to distribute the magazine. Tammy is very concerned by this trend, because she believes that her publication, like most magazines, needs __________ distribution in order to succeed.
A. selective  
B. exclusive  
C. intensive  
D. exhaustive

28. Which of the following assessments of electronic retailing is most accurate?
A. Electronic retailing has two major advantages over traditional businesses: simplicity and very low startup costs.  
B. One of the reasons electronic retailing firms have been so successful has been their ability to deal with customer complaints and provide personalized services more efficiently than traditional firms.  
C. Traditional retailers seldom find much success when they attempt to incorporate online selling into their businesses.  
D. The line between electronic retailing and traditional retailing is blurring as traditional retailers go online.
29. TasteBest Spice Company was unable to get retailers to agree to a contractual arrangement to cooperate in the distribution process, so it took over all of the marketing functions for its products at grocery stores. The grocers like this arrangement because TasteBest provides outstanding marketing support for its products. TasteBest is using a(n) __________ system to distribute its products.
A. corporate distribution
B. franchise
C. retail cooperative distribution
D. administered distribution

30. Marketing manager Connie Smythe is concerned that her firm is doing a poor job of managing the movement of finished products to the final consumer. If Connie is right, her firm should work to improve its:
A. outbound logistics.
B. administered support system.
C. materials handling.
D. coordination of its freight forwarders.

31. The management of GamesPeople designed a comprehensive strategy that unifies advertising, personal selling, public relations and sales promotion activities creating a consistent message. This effort to promote a positive brand image represents a(n) ________ program.
A. global marketing
B. interactive promotion
C. integrated marketing communication
D. unified segmentation

32. Interactive promotion:
A. attempts to create a dialogue between buyers and sellers.
B. transforms the approach from "working with" to "promoting to" customers.
C. fails to build long term relationships with customers.
D. is an increasingly important element of the personal selling mix.

33. When marketing to consumers in the global, it's important for companies to remember that promoting products:
A. is easy and profitable if they are well-known brands.
B. can be accomplished using a global approach since consumers are more alike than most people think.
C. is best done by using personal selling and product sampling.
D. calls for attention to cultural differences and possible translation problems.

34. After completing his sales presentation, Jerald's client expressed her concerns and questioned some of the details of the sales proposal. An effective salesperson would:
A. downplay these objections and push to close the sale as quickly as possible to avoid the endless questions that some customers ask.
B. address her concerns and develop a better relationship.
C. consider revising the presentation so that next time customer concerns and objections can be avoided.
D. bring in the top executives of the company to close the sale.
35. Bonnie faces the challenge of developing the promotion mix for a new business. Given the uniqueness of the new products and a very limited budget, Bonnie confronts a creditability problem. She realizes that the promotional messages of an unknown firm may be met with skepticism. Bonnie should consider:
A. publicity to help create a positive image for her firm and its products.
B. the extensive use of persuasive advertising.
C. emphasizing personal selling rather than public relations.
D. changing jobs because this situation is hopeless.

36. Chip Off The Old Block is a new chocolate chip cookie created by the Arizona Cookie Company. To generate interest for this new product, the company sent a free package of six cookies to selected homes along with a 50-cent coupon. Arizona Cookie's activities represent:
A. trade advertising.
B. consumer publicity.
C. sales promotion.
D. public relations.

37. CarGo uses its Web page to target car parts stores and car owners and tell them of the benefits of using their long lasting spark plugs. CarGo apparently uses the Internet:
A. for its push strategy.
B. for its pull strategy.
C. for both its push and pull strategies.
D. for its product placement strategy.

38. Mo's Movies markets DVD and Blue Ray movies via the Internet. The company recently adopted a new program that offers their current customers free DVDs if they encourage their friends to visit Moe's Movies website. This promotional program represents:
A. second stage advertising.
B. viral marketing.
C. interlinked promotion.
D. virtual inducement.