Test Bank for Advertising and Promotion An Integrated Marketing Communications Perspective 11th Belch

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Chapter 02 Test Bank

Student: _____

1. Market opportunities are areas where the company believes that customer needs and opportunities are being satisfied.
True False

2. A market can rarely be viewed as one large, homogeneous group of customers; rather, it consists of many heterogeneous groups, or segments.
True False

3. Dominating channels of distribution is one way of creating a competitive advantage.
True False

4. Marketers often go after the entire market with one product, brand, or service offering to create the maximum impact.
True False

5. In a typical target marketing process, the stage of segmenting the market is immediately followed by positioning one's product or service through effective marketing strategies.
True False

6. Target market identification isolates consumers with similar lifestyles, needs, and the like, and increases the knowledge of their specific requirements.
True False

7. The more marketers segment the market, the less precise is their understanding of it.
True False

8. In the geographic segmentation approach, markets are divided into units based on consumers' occupations and lifestyles.
True False

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9. When a market is segmented based on personality, lifecycles, and/or lifestyles, it is referred to as demographic segmentation.
True False

10. The determination of lifestyles is usually based on an analysis of the activities, interests, and opinions (AIOs) of consumers.
True False

11. Segmenting the market based on consumers' product or brand usage and the degree of use is an example of behavioristic segmentation.
True False

12. Industrial marketers refer to the 80–20 rule, meaning that 20 percent of their buyers account for 80 percent of their sales volume.
True False

13. Differentiated marketing is used when the firm selects one segment and attempts to capture a large share of this market.
True False

14. The positioning by competitor approach positions a product by associating it with a particular user or group of users.
True False

15. Premium brands positioned at the high end of the market usually use the price/quality approach to positioning.
True False

16. When positioning by product class, marketers only position against brands, and not against other product categories.
True False

17. Repositioning of a product usually occurs because of declining or stagnant sales.
True False

18. Strong symbolic features and social and psychological meaning may be more important than functional utility for many products.
True False

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19. Brand equity refers to the tangible assets earned through a product's functional purpose.
True False

20. A marketer with an integrated marketing communications (IMC) perspective is likely to link high relative ad expenditures with premium prices, and low relative ad expenditures with low prices.
True False

21. Trade advertising focuses on sales promotion efforts directed toward the ultimate consumer.
True False

22. Most consumer-product companies distribute through direct channels.
True False

23. According to the marketing and promotions process model, the marketing process begins with the
A. development of the brand equity.
B. development of a marketing strategy.
C. development of the promotional mix.
D. determination of the promotional budget.
E. establishment of a nano-campaign marketing strategy.

24. According to the marketing and promotions process model, in which of the following stages does the company decide the product or service areas and particular markets where it wants to compete?
A. development of a marketing strategy and analysis
B. development of the target marketing process
C. allocation of advertising budget
D. development of the marketing planning program
E. creation of a positioning strategy

25. The Manischewitz company broadened its marketing efforts to capture more of the mainstream market following a(n) _____, which identified favorable demand trends for ethnic foods.
A. positioning strategy
B. opportunity analysis
C. budget analysis
D. promotional push strategy
E. promotional pull strategy

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26. _____ is a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.
A. Matrix analysis
B. Micro analysis
C. Situation analysis
D. Opportunity analysis
E. Competitive analysis

27. When Coca-Cola wanted to regain market share for its vitaminwater product lines, it based its marketing strategy on a _____, or a detailed assessment of the current marketing conditions facing the company, its product lines, and its individual brands.
A. matrix analysis
B. micro analysis
C. situation analysis
D. challenge analysis
E. competitive analysis

28. Which of the following is best defined as areas where there are favorable demand trends, customer needs and wants are not being satisfied, and where a company thinks it can compete effectively?
A. market segmentations
B. marketing channels
C. marketing stubs
D. market economics
E. market opportunities

29. A situational analysis
A. does not include an assessment of a company's product lines.
B. usually starts with a positioning strategy.
C. does not include an assessment of the conditions facing the company.
D. typically involves creating branding strategies.
E. includes an assessment of a company's individual brands.

30. During a routine market study conducted by CL Foods, it was noted that Chinese and Indian food products were in high demand in American society. In order to take advantage of such a demand, CL Foods manufactured and sold these food items locally. In this scenario, the company is taking advantage of a
A. market opportunity.
B. market aggregation.
C. market assimilation.
D. marketing buzz.
E. market threat.

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31. FunZone Inc. identified and developed a SmartCard that can be used at fair grounds to make the ticketing process easier. The company found that the existing system was complicated and highly time-consuming. The SmartCard was easy to operate and each swipe would deduct the cost of a ride automatically. According to the given scenario, FunZone has recognized a
A. market opportunity.
B. marketing buzz.
C. marketing engagement.
D. marketing channel.
E. market threat.

32. There are several medicines that relieve allergy-related symptoms but only Sensitine comes in a quick dissolving form that can be easily swallowed without water. The manufacturer of Sensitine hopes the fact that it dissolves and enters the system more quickly than other brands will create a
A. market aggregation.
B. marketing assimilation.
C. competitive advantage.
D. cross-merchandising strategy.
E. market disintermediation.

33. _____ can be achieved through advertising that creates and maintains product differentiation and brand equity, as with the long-running advertising campaign for Michelin tires, which stressed security and performance.
A. Market aggregation
B. Marketing assimilation
C. Brand extensions
D. Competitive advantage
E. Market disintermediation

34. Offering quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices, or dominating channels of distribution are ways of
A. achieving a competitive advantage.
B. practicing cross-merchandising strategy.
C. creating market space.
D. practicing bait-and-switch marketing.
E. establishing a marketing stub.

35. _____ is defined as something unique or special a firm possesses or does that gives it an edge over other firms in a similar industry.
A. Competitor indexing
B. Switch marketing
C. Competitive advantage
D. Marketing stub
E. Bait-and-switch marketing

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36. The strong brand images of Apple, Samsung, Nike, BMW, and McDonald's give them a _____ in their respective markets.
A. competitive advantage
B. market opportunity
C. micro advantage
D. macro analysis
E. marketing challenge

37. John & Bauer Inc., manufacturers of health drugs, are the manufacturers of a painkiller called JB Revive. The painkiller is unique as it contains calcium, and it is quite unlike any other painkiller in the market. The addition of calcium led to an increase in sales of the medicine as well. In this scenario, the addition of calcium gives the company a
A. market engagement.
B. cross-merchandising opportunity.
C. competitive advantage.
D. marketing assimilation.
E. competitive index.

38. The first step in the target marketing process is to
A. develop positioning strategies.
B. request government approval.
C. determine whether to use a market segmentation strategy or a mass marketing strategy.
D. identify markets with unfulfilled needs.
E. develop new products.

39. The market segmentation process
A. divides a market into distinct groups that have heterogeneous needs.
B. divides a market into distinct groups that will respond similarly to marketing actions.
C. offers one version of the product to all markets.
D. creates products for several markets that have independent needs.
E. positions products in the minds of prospects and customers.

40. Directing a company's efforts toward one or more groups of customers who share common needs is known as
A. cross-merchandising.
B. competitor indexing.
C. mass customization.
D. target marketing.
E. cross-branding.

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41. _____ is dividing a market into distinct groups that (1) have common needs, and (2) will respond similarly to a marketing action.
A. Market segmentation
B. Competitor indexing
C. Mass customization
D. Cross merchandising
E. Cross-branding

42. Dividing the market into units such as nations, states, counties, or even neighborhoods is known as
A. demographic segmentation.
B. psychographic segmentation.
C. quantified aggregation.
D. lifestyle aggregation.
E. geographic segmentation.

43. Which of the following is a geographic variable for segmentation of the market?
A. family size
B. occasions
C. counties
D. age
E. gender

44. Which of the following is a geographic segmentation variable?
A. income
B. neighborhood
C. sex
D. education
E. involvement

45. Delish Inc., a food manufacturer, introduced an instant soup specially designed for and advertised in the colder regions of Asia and Europe. This is an example of
A. demographic segmentation.
B. psychographic segmentation.
C. sociocultural segmentation.
D. geographic segmentation.
E. undifferentiated marketing.

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46. Brown's Frozen BBQ Sandwiches are made with goat meat drenched in a sweet onion sauce. These sandwiches would not be popular in Texas, where people prefer beef, or in Miami, where a mustard-based sauce is preferred. Which of the following segmentation approaches would be best for the company, based on its desire to target specific regions?
A. demographic
B. socioeconomic
C. personality
D. geographic
E. behavioristic

47. Brown's Foods determined that Southerners preferred milder mustard than those in the Northeast. This led the company to develop a new "Southern Style Mustard." This strategy best exemplifies
A. geographic segmentation.
B. lifestyle segmentation.
C. socioeconomic segmentation.
D. demographic segmentation.
E. usage segmentation.

48. Which of the following is a primary variable of demographic segmentation?
A. lifestyle
B. personality
C. region
D. marital status
E. involvement

49. Division of the market based on age, gender, household size, and other measurable characteristics is known as
A. demographic segmentation.
B. psychographic segmentation.
C. socioeconomic segmentation.
D. geographic segmentation.
E. undifferentiated segmentation.

50. Jim's Inc., a travel agency in Texas, offers trips that are designed specifically for couples. In this scenario, the company is using _____ segmentation.
A. geographic
B. demographic
C. lifestyle
D. behavior
E. personality

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51. Venus Finance aired a series of ads that targeted people born between 1980 and 1994. In this scenario, the company is using a _____ segmentation strategy.
A. geographic
B. demographic
C. socioeconomic
D. behavioristic
E. personality

52. When , targets the 34 percent of the population who are 50+, it is using a _____ segmentation strategy.
A. demographic
B. socioeconomic
C. behavior
D. personality
E. geoographic

53. Which of the following is a variable of the demographic segmentation strategy?
A. personality
B. marital status
C. values
D. lifestyle
E. region

54. Enliven, a sports drink manufacturer, has identified its preferred target market as men between the ages of 18 and 22 who are currently in high school or college and active in sports. Which of the following types of segmentation is Enliven using in this scenario?
A. benefit and demographic
B. psychographic and geographic
C. geographic and psychographic
D. socioeconomic and psychographic
E. demographic and psychographic

55. Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as
A. geographic segmentation.
B. demographic segmentation.
C. psychographic segmentation.
D. socioeconomic segmentation.
E. behavioral segmentation.

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56. _____ divides a market on the basis of lifestyles.
A. Geographic segmentation
B. Psychographic segmentation
C. Benefit segmentation
D. Demographic segmentation
E. Socioeconomic segmentation

57. Merry Inc. is a nonprofit organization that employs a large number of underprivileged people. It sells art and handicrafts made by these individuals at reasonable prices. Merry's target market consists of people who believe in helping others. It uses _____ segmentation.
A. geographic
B. psychographic
C. benefit
D. socioeconomic
E. demographic

58. With respect to psychographic segmentation of markets, AIO stands for
A. activities, innovation, and opinions.
B. activities, interests, and opportunities.
C. activities, innovations, and opportunities.
D. activities, interests, and opinions.
E. actions, interests, and opinions.

59. Which of the following is a primary variable used in psychographic segmentation?
A. income
B. lifestyles
C. education
D. marital status
E. age

60. Pluto Inc., a car manufacturer, makes high-end, expensive sports cars. The company targets people who live life in the fast lane and are generally considered to have flashy personalities. In this scenario, Pluto is using _____ segmentation.
A. benefit
B. psychographic
C. socioeconomic
D. undifferentiated
E. demographic

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61. Which of the following is a primary variable defined in psychographic segmentation?
A. personality
B. income
C. education
D. family size
E. gender

62. _____ segmentation divides consumers into groups according to their usage, loyalties, or buying responses to a product.
A. Benefit
B. Geographic
C. Demographic
D. Behavioristic
E. Psychographic

63. A company that divides its target markets based on their perceived level of loyalty is using
A. benefit segmentation.
B. geographic segmentation.
C. socioeconomic segmentation.
D. behavioristic segmentation.
E. outlet segmentation.

64. Which of the following types of segmentation is employed when consumers are grouped according to their usage and buying responses to a product or service?
A. behavioristic
B. demographic
C. benefit
D. socioeconomic
E. psychographic

65. Degree of usage as a basis of segmentation is best reflected by
A. the VALS principle.
B. the iceberg principle.
C. the mirror image rule.
D. the rule of equity.
E. the 80–20 rule.

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66. _____ segmentation is most closely related to the 80–20 rule, which states that 80 percent of a company's business comes from 20 percent of its customers.
A. Geographic
B. Behavioristic
C. Demographic
D. Psychographic
E. Benefit

67. The 80–20 rule states that
A. around 80 percent of a company's sales comes from 20 percent of the customers.
B. only 80 percent of a market can be segmented.
C. market segmentation works well only 80 percent of the time, unlike market assimilation which works 20 percent of the time.
D. only about 80 percent of the people remember the company's positioning of a product while the remaining 20 percent create their own positioning for a particular product.
E. about 80 percent of corporations do not understand the actual meaning of the term "market segmentation."

68. Dental Care, a dental hygiene products manufacturer, has come up with three types of toothpastes for different segments—whitening toothpaste for individuals who buy for aesthetic reasons, strawberry-flavored toothpaste for those concerned with the taste, and germ-control toothpaste for those looking to protect their teeth all day long. On what basis has it segmented the market?
A. demographic
B. geographic
C. socioeconomic
D. benefit
E. sociocultural

69. _____ segmentation is the grouping of customers on the basis of attributes sought in a product.
A. Benefit
B. Geographic
C. Socioeconomic
D. Demographic
E. Lifestyle

70. Momentum, a brand of sports cars, launched an advertising campaign with a tagline that states, "Our cars outperform most cars on the road even before you step on the accelerator." In this scenario, the company is using _____ segmentation as it targets its product to satisfy consumers who want to satisfy performance needs.
A. benefit
B. demographic
C. geographic
D. socioeconomic

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71. WristTactical, a watch manufacturer, specializes in manufacturing tactical watches for Navy divers. The company launched an ad campaign that stressed the water-resistant and endurance characteristics of its watches. In this scenario, WristTactical is making use of _____ segmentation.
A. benefit
B. demographic
C. geographic
D. behavioristic
E. socioeconomic

72. The fact that some consumers want flavored bottled water and others want it with added minerals provides an opportunity for _____ segmentation.
A. socioeconomic
B. benefit
C. geographic
D. psychographic
E. demographic

73. Which of the following is a primary variable considered in benefit segmentation?
A. attributes sought
B. income
C. lifestyle
D. birth era
E. marital status

74. According to the market coverage alternatives, _____ involves ignoring segment differences and offering just one product or service for the entire market.
A. bait-and-switch marketing
B. concentrated marketing
C. micromarketing
D. neuromarketing
E. undifferentiated marketing

75. Frosty Inc., a beverage manufacturer, only had one product in its line and was targeting all types of customers. With respect to the market coverage alternatives, which of the following best characterizes the approach used by the company?
A. concentrated marketing
B. undifferentiated marketing
C. bait-and-switch marketing
D. niche marketing
E. psychographic marketing

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76. Which of the following is true of undifferentiated marketing?
A. It involves selecting one segment and attempting to capture a large market share.
B. It involves offering just one product or service to the entire market.
C. It involves creating a niche for a special product line.
D. It involves customizing products for various target segments.
E. It involves developing and offering a product for a specific market segment.

77. With respect to the market coverage alternatives, _____ involves developing separate marketing strategies for a number of segments.
A. differentiated marketing
B. undifferentiated marketing
C. concentrated marketing
D. buzz marketing
E. B2B marketing

78. Mars Inc., a car manufacturer, offers cheap coupes, medium-priced sedans, as well as expensive sports cars. The company identifies and develops various products for several segments. This scenario is an illustration of
A. concentrated marketing.
B. loyalty marketing.
C. buzz marketing.
D. bait-and-switch marketing.
E. differentiated marketing.

79. Chill, a beverage manufacturer, offers varied versions of its products that include diet, cherry-flavored, vanilla-flavored, and caffeine-free versions in addition to its original product. With respect to market coverage alternatives, the given scenario reflects the company's decision to cater to
A. a concentrated market.
B. a differentiated market.
C. a buzz market.
D. an undifferentiated market.
E. a mass market.

80. _____ is used when the firm selects one segment and attempts to capture a large share of the market.
A. Mass marketing
B. Undifferentiated marketing
C. Concentrated marketing
D. Differentiated marketing
E. Bait-and-switch marketing

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81. Concentrated marketing involves focusing marketing efforts on
A. different countries.
B. one particular segment.
C. mass markets.
D. various segments.
E. different counties.

82. Star Furniture designs and sells bedroom furniture for people who are over six feet tall, in an attempt to capture a large share of this relatively small target market. Which of the following strategies is the company employing in this scenario?
A. differentiated marketing
B. bait-and-switch marketing
C. undifferentiated marketing
D. concentrated marketing
E. mass marketing

83. Pluto Inc., a high-end car manufacturer, makes only 12 cars per year. The company caters to the "super-rich" and manufacturers only on order. In this scenario, Pluto is using a(n)_____ marketing strategy.
A. differentiated
B. undifferentiated
C. concentrated
D. mass
E. loyalty

84. Which of the following is true of concentrated marketing strategies?
A. They are used to promote multiple products in varied markets.
B. They are used as a precursor to undifferentiated marketing.
C. They usually involve only a single segment.
D. They attempt to catch a minority share in the market.
E. They are synonymous with undifferentiated marketing strategies.

85. Outlander Inc. is a manufacturer of laptop computers. It plans on manufacturing computers that are targeted to users interested in video games. The computers are optimized for high-definition gaming and, hence, are expensive. By attempting to achieve a large share of a single market segment, which of the following types of marketing strategies has Outlander adopted?
A. bait-and-switch marketing
B. undifferentiated marketing
C. concentrated marketing
D. buzz marketing
E. differentiated marketing

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86. _____ has been defined as "the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition."
A. Branding
B. Proximity mapping
C. Drip marketing
D. Segmentation
E. Positioning

87. Which of the following is true of product positioning?
A. It does not focus on a product's competitors.
B. It is not possible to position a service.
C. It focuses purely on customers.
D. It involves creating a competitive advantage.
E. It is usually synonymous with market integration.

88. A brand's market position refers to its
A. relative market share.
B. location on store shelves.
C. image in the mind of the customers.
D. distribution intensity.
E. stage in the product lifecycle.

89. _____ relates to the image of a product and/or brand relative to competing products or brands.
A. Segmentation
B. Positioning
C. Neuromarketing
D. Branding
E. Merchandising

90. Momentum, a car manufacturer, positions one of its convertibles as "the best natural tanning tool known to man." This scenario would reflect a positioning strategy based on
A. product attributes and benefits.
B. cultural symbols.
C. product user.
D. price/quality.
E. product class.

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91. The tagline on an ad for Baker Grill, a manufacturer of gas grills, reads, "The Ultimate Durable Grill." Baker Grill is using a positioning strategy based on
A. product class.
B. product attributes and benefits.
C. price/quality.
D. competitor.
E. cultural symbol.

92. MusC, a whey protein supplement, is positioned as a zero-carb muscle recovery drink. MusC is using a _____ positioning strategy.
A. product class
B. product attributes and benefits
C. price/quality
D. competitor
E. cultural or national symbol

93. Flash Parcel Service (FPS) built its advertising campaign around the slogan, "Our business quality speaks the language of speed." The company positioned its services based on the speed with which it delivers the service. With respect to the positioning strategies, this positioning strategy of FPS is based on
A. cultural symbols.
B. demographics.
C. product class.
D. product attributes.
E. socioeconomics.

94. Appeal Automobiles introduced a new car into the market. The company stressed that the new car had side door air bags in an attempt to attract new buyers. Its focus on safety illustrates a strategy of positioning by
A. cultural or national symbols.
B. demographics.
C. price-value.
D. product attributes and benefits.
E. competitor.

95. Henry's Supermarkets has been very effective in positioning itself as stores that offer superior products at a discounted rate. With respect to the positioning strategies, its strategy reflects positioning based on
A. benefit.
B. applications.
C. use.
D. price/quality.
E. product class.

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96. The Quarter Burger is a hamburger sold by the international fast-food chain Sammy's Burgers. It was given the name because it contains a patty that weighs a quarter of a pound. The burger is sold for $1 on weekdays. With reference to the various positioning strategies, Sammy's quarter-pound burger is positioned by
A. competition.
B. demographics.
C. product user.
D. price/quality.
E. product class.

97. Treat Corp., a manufacturer of packaged soups, launched an ad campaign that provided quick and easy recipes using Treat's products on the back of the soup packets. This is an example of positioning by
A. product class.
B. product use.
C. price/quality.
D. competitor.
E. cultural symbol.

98. Saturn Inc., a fruit juice manufacturer, came up with an advertising campaign based around the slogan, "It's a wholesome meal." The ad speaks about the nutritious content of the fruit juice and how it can assist in losing weight. With respect to the positioning strategies, this is an example of positioning by
A. quality.
B. use or application.
C. product class.
D. competition.
E. cultural symbols.

99. Athletic shoes advertised specifically to be used on tennis courts, for running, or for walking are using positioning strategy based on
A. price/quality.
B. use or application.
C. product class.
D. demographics.
E. cultural symbols.

100. To encourage more people to use mass transit, ads from providers of mass transportation compare the ease and comfort of riding mass transit with the difficulties of driving in congested traffic and parking headaches. With respect to the positioning strategies, these mass transportation providers are making use of positioning by
A. product class.
B. product user.
C. price/quality.
D. applications.
E. cultural symbols.

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101. Pluto Inc., a fruit juice manufacturer, launches an ad that contains the slogan, "Try our fruit juices and get the freshness of real fruit," to position itself against the category. In this scenario, Pluto Inc. is positioning its juices based on
A. product class.
B. product use.
C. product price.
D. product competition.
E. product applications.

102. When Bauer Smith opened a men's shoe store, he decided to carry a full line of shoes in the larger, hard-to-find sizes. Today, his shoe store caters to professional basketball, baseball, and football players who often order a dozen pairs in a single visit. With respect to the positioning strategies, the shoe store uses positioning by
A. demographics.
B. cultural symbols.
C. product user.
D. competition.
E. product class.

103. Premium Sports Apparels came up with an ad for shorts that are specially designed for athletes. The ad, which was featured in a sports magazine, shows how these shorts do not shrink over time and are made of a light fabric that helps keep the wearer dry and cool. With respect to positioning strategies, the company is using positioning by
A. product user.
B. product demographics.
C. cultural symbols.
D. product class.
E. distribution intensity.

104. Yummy Soups positioned itself as better tasting and more appropriate to the adult palate to gain an advantage over Magic Soups, another packaged soup manufacturer. In the given scenario, which of the following positioning strategies has Yummy Soups used?
A. demographics
B. cultural symbols
C. competitor
D. price
E. product class

105. The use of comparative advertising has become increasingly more common. Which of the following positioning strategies does this reflect?
A. positioning by product user
B. positioning by product class
C. positioning by competitor
D. positioning by price/quality
E. positioning by cultural symbol

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106. When travelers think of Gallivant Airlines, an Australian airline, the first thing that comes to their mind is the kangaroo. In the given scenario, the strong association between the kangaroo and Gallivant Airlines indicates that the airline is receiving the benefit of positioning by
A. product class.
B. use/application.
C. cultural symbol.
D. product attribute.
E. competitor.

107. Motor Corp., an automobile manufacturer, launched an ad campaign that stated, "We are yet to reach the industry leader's position, so we try harder." In this scenario, the company is positioning itself based on
A. price/quality.
B. use or application.
C. competition.
D. product class.
E. distribution intensity.

108. Jolly Green Giant, the Keebler elves, and Mr. Peanut are all examples of positioning by
A. price/quality.
B. use or application.
C. product class.
D. distribution intensity.
E. cultural symbols.

109. Venus Corporation engaged in a multimillion-dollar campaign to alter its image among many of its customers. The company's customers had a perception that the company was simply a hardware manufacturer. Venus wants customers to see it as a services and technology provider. In this scenario, Venus is
A. using a repositioning strategy.
B. segmenting the market into niche sectors.
C. adopting a concentrated strategy.
D. adopting an undifferentiated strategy.
E. employing product class segmentation.

110. Initially, Flash Parcel Service (FPS) built its advertising campaign around the slogan, "Our business quality speaks the language of speed." Back then, the company was trying to make the customers aware of the speed with which it delivers the service. Later, FPS modified its slogan and designed new ads to make customers aware of the different aspects of its delivery such as reliability, cost-efficiency, and punctuality. By moving away from promoting itself as simply a parcel delivery company, FPS has
A. used a repositioning strategy.
B. employed product class positioning.
C. engaged in positioning with cultural symbols.
D. adopted an undifferentiated strategy.
E. employed geographic segmentation.

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111. Which of the following is true of repositioning?
A. It occurs only in companies that enjoy a monopolistic market structure.
B. It usually occurs due to a boom in the company's sales.
C. It must be practiced only during an economic downturn situation.
D. It involves avoiding any alterations with the brand's existing position.
E. It is aimed to stem a decline in sales or counter stagnant sales.

112. Which of the following marketing-mix elements is best referred to as a bundle of benefits or values that satisfies the needs of consumers?
A. price
B. promotion
C. people
D. product
E. process

113. Offerings, which may come in the form of a service, a cause, or even a person, represent which aspect of the marketing mix?
A. price
B. promotion
C. people
D. product
E. process

114. The meaning a consumer attributes to a product or brand and what he or she experiences in purchasing it is known as
A. functional utility.
B. product quality.
C. brand extension.
D. product symbolism.
E. product utility.

115. Which of the following best defines branding?
A. It involves creating new product lines within a company in order to expand and develop the company's product portfolio.
B. It includes making use of more than one marketing channel to reach a huge number of customers and to cover a large geographical area.
C. It primarily involves marketing through a mobile device which assists the customers with personalized information.
D. It features building and maintaining a favorable identity and image of the company and/or its products or services in the mind of the consumer.
E. It involves hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.

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116. Brand identity is best defined as
A. a method of defining the percentage of loyal, impulsive, and need-based customers for a particular product.
B. the process of hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.
C. a combination of the name, logo, symbols, design, packaging, and image of associations held by consumers.
D. the process of creating new product lines within a company to expand and develop the company's product portfolio.
E. a combination of print, guerilla, broadcast, and outdoor advertising to promote a company's products.

117. Which of the following is true of brand equity?
A. It is a tangible asset that adds value to a service.
B. It allows the seller to use undifferentiated marketing.
C. It enables the seller to hide product successes from its competition.
D. It is goodwill that results from a favorable impression.
E. It allows the seller to stop all promotional activities and redirect its funds to other areas of operation.

118. Which of the following best defines brand equity?
A. It is a process of varying the width of the product range with the company to modify the return on investment of the company.
B. It is a process which calculates the percentage of loyal, impulsive, need-based customers, and wandering customers for a particular product.
C. It is an intangible asset of added value or goodwill that results from the favorable image and/or the strength of consumer attachment to a company name.
D. It is the process of hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.
E. It is combination of using print, guerilla, broadcast, and outdoor advertising to promote a company's products.

119. The marketing mix variable that deals with what a consumer must give up in order to purchase a product or service is
A. packaging.
B. price.
C. promotion.
D. distribution.
E. production.

120. Which of the following is true about packaging?
A. The package cannot be used as a branding tool.
B. The package lacks in offering benefits like economy and storage.
C. The package is what the consumer must give up to purchase a product.
D. The package is often the consumer's first exposure to the product.
E. The package must not divulge information relating to its contents.

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121. Promotional expenditures on advertising, sales promotion, and personal selling
A. are the three main components of marketing mix.
B. are incomes that must be covered in a firm's pricing structure.
C. contribute to a product's cost and price, which in turn will affect a company's return on investment.
D. are expenses that must be covered as they help by creating demand for a product.
E. are examples of fixed costs on an organization's income statement.

122. Which of the following statements about the interaction of pricing with advertising and promotion is true?
A. The positive relationship between high relative advertising and price levels is weakest for products in the introductory stage of the product lifecycle.
B. The positive relationship between high relative advertising and price levels is weakest for products that are market leaders.
C. Companies with high-quality products suffer the least, in terms of return on investment, with inconsistent advertising and pricing strategies.
D. Brands with low relative advertising budgets are able to charge premium prices.
E. High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices.

123. _____ are sets of interdependent organizations involved in the process of making a product or service available for consumption.
A. Marketing channels
B. Marketing segments
C. Marketing facilitators
D. Marketing sectors
E. Marketing programs

124. Dezine Inc. is a company that sells women's fashionable clothing through ballroom costume parties. It targets women who are too busy to go to stores to shop. The company avoids using wholesalers and retailers in its selling process. Dezine is utilizing a(n)
A. direct channel of distribution.
B. indirect channel of distribution.
C. bait-and-switch marketing channel.
D. direct-response advertising medium.
E. reseller channel.

125. Breeze Corp., a manufacturer of ceiling fans, sells its products to retailers who in turn sell them to the final consumers. In the given scenario, the manufacturer of Breeze ceiling fans is using a(n)
A. geographic market segmentation.
B. indirect channel of distribution.
C. single channel medium.
D. direct-response advertising medium.
E. demographic market segmentation.

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126. _____ are programs designed to persuade the retailer to promote a manufacturer's products.
A. Promotional pull strategies
B. Bait marketing strategies
C. Buzz marketing strategies
D. Promotional push strategies
E. Switch marketing strategies

127. Mars Inc., a manufacturer of cat food in Texas, places an ad in a publication aimed at veterinarians. The ad explains why they should recommend Mars's cat food to the owners of the cats they treat. This scenario is an illustration of
A. demographic segmentation.
B. a promotional pull strategy.
C. a loyalty marketing strategy.
D. a bait marketing strategy.
E. a promotional push strategy.

128. An ad in *Blossom*, a publication for retail florists, promotes Burgundy Lace tulips as a product that will enhance any spring bouquet that florists sell to consumers. The ad for Burgundy Lace tulips is an example of
A. trade advertising.
B. a promotional pull strategy.
C. digital advertising.
D. national advertising.
E. bait-and-switch advertising.

129. With _____, advertising expenditures and promotional efforts are directed toward the ultimate consumer.
A. promotional pull strategies
B. promotional push strategies
C. trade advertising
D. market harvesting strategies
E. B2B advertising

130. Which of the following is true of a promotional pull strategy?
A. It involves spending very little money on advertising.
B. Its goal is to create demand among consumers.
C. It is synonymous with trade advertising.
D. Its promotional efforts are directed toward retailers.
E. Its promotional efforts are directed toward wholesalers.

131. When Coca-Cola targeted end consumers across the global market with the ad campaign that they should "Taste the Feeling" to remind consumers that drinking a Coca-Cola makes everyday moments more special, it was using a
A. promotional pull strategy.
B. promotional push strategy.
C. trade advertising.
D. price/quality positioning.
E. direct selling.

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Chapter 02 Test Bank Key

1. Market opportunities are areas where the company believes that customer needs and opportunities are being satisfied.

FALSE

Market opportunities are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

2. A market can rarely be viewed as one large, homogeneous group of customers; rather, it consists of many heterogeneous groups, or segments.

TRUE

A market can rarely be viewed as one large homogeneous group of customers; rather, it consists of many heterogeneous groups, or segments. In recent years, many companies have recognized the importance of tailoring their marketing to meet the needs and demand trends of different market segments.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

3. Dominating channels of distribution is one way of creating a competitive advantage

TRUE

Ways to achieve a competitive advantage include having quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices, or dominating channels of distribution. Competitive advantage can also be achieved through advertising that creates and maintains product differentiation and brand equity.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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4. Marketers often go after the entire market with one product, brand, or service offering to create the maximum impact.

FALSE

Marketers rarely go after the entire market with one product, brand, or service offering. Rather, they pursue a number of different strategies, breaking the market into segments and targeting one or more of these segments for marketing and promotional efforts.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

5. In a typical target marketing process, the stage of segmenting the market is immediately followed by positioning one's product or service through effective marketing strategies.

FALSE

A typical target marketing process involves four basic steps: identifying markets with unfulfilled needs, segmenting the market, targeting specific segments, and positioning one's product or service through marketing strategies.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-02 Define target marketing.
Topic: Target Markets

6. Target market identification isolates consumers with similar lifestyles, needs, and the like, and increases the knowledge of their specific requirements.

TRUE

Target market identification isolates consumers with similar lifestyles, needs, and the like, and increases our knowledge of their specific requirements. The more marketers can establish this common ground with consumers, the more effective they will be in addressing these requirements in their communications programs.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-02 Define target marketing.
Topic: Target Markets

7. The more marketers segment the market, the less precise is their understanding of it.

FALSE

The more marketers segment the market, the more precise is their understanding of it. Market segmentation is dividing a market into distinct groups that (1) have common needs and (2) will respond similarly to a marketing action.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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8. In the geographic segmentation approach, markets are divided into units based on consumers' occupations and lifestyles.

FALSE

In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods. Consumers often have different buying habits depending on where they reside.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

9. When a market is segmented based on personality, lifecycles, and/or lifestyles, it is referred to as demographic segmentation.

FALSE

When marketers divide the market on the basis of personality, lifecycles, and/or lifestyles, it is referred to as psychographic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

10. The determination of lifestyles is usually based on an analysis of the activities, interests, and opinions (AIOs) of consumers.

TRUE

The determination of lifestyles is usually based on an analysis of the activities, interests, and opinions (AIOs) of consumers. These lifestyles are then correlated with the consumers' product, brand, and/or media usage.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

11. Segmenting the market based on consumers' product or brand usage and the degree of use is an example of behavioristic segmentation.

TRUE

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation. For example, product or brand usage, degree of use (heavy vs. light), and/or brand loyalty are combined with demographic and/or psychographic criteria to develop profiles of market segments.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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12. Industrial marketers refer to the 80–20 rule, meaning that 20 percent of their buyers account for 80 percent of their sales volume.

TRUE

A few consumers may buy a disproportionate amount of many products or brands.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

13. Differentiated marketing is used when the firm selects one segment and attempts to capture a large share of this market.

FALSE

Differentiated marketing involves marketing in a number of segments, developing separate marketing strategies for each. Concentrated marketing is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

14. The positioning by competitor approach positions a product by associating it with a particular user or group of users.

FALSE

Positioning a product by associating it with a particular user or group of users is positioning by product user. The competition approach positions the product by comparing it and the benefit it offers versus the competition.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Target Markets

15. Premium brands positioned at the high end of the market usually use the price/quality approach to positioning.

TRUE

Marketers often use price/quality characteristics to position their brands. One way they do this is with ads that reflect the image of a high-quality brand where cost, while not irrelevant, is considered secondary to the quality benefits derived from using the brand. Premium brands positioned at the high end of the market use this approach to positioning.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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16. When positioning by product class, marketers only position against brands, and not against other product categories.

FALSE

Often the competition for a product comes from outside the product class. Rather than positioning against another brand, an alternative strategy is to position oneself against another product category.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

17. Repositioning of a product usually occurs because of declining or stagnant sales.

TRUE

Repositioning a product usually occurs because of declining or stagnant sales or because of anticipated opportunities in other market positions. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

18. Strong symbolic features and social and psychological meaning may be more important than functional utility for many products.

TRUE

For many products, strong symbolic features and social and psychological meaning may be more important than functional utility. For example, designer clothing such as Versace, Gucci, and Prada is often purchased on the basis of its symbolic meaning and image, particularly by teenagers and young adults.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

19. Brand equity refers to the tangible assets earned through a product's functional purpose.

FALSE

Brand equity can be thought of as an intangible asset of added value or goodwill that results from the favorable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

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20. A marketer with an integrated marketing communications (IMC) perspective is likely to link high relative ad expenditures with premium prices, and low relative ad expenditures with low prices.

TRUE

High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices. These results obviously support the IMC perspective that one voice must be conveyed.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

21. Trade advertising focuses on sales promotion efforts directed toward the ultimate consumer.

FALSE

Trade advertising focuses on wholesalers and retailers and motivates them to purchase products for resale to their customers. An alternative strategy is a promotional pull strategy, which spends money on advertising and sales promotion efforts directed toward the ultimate consumer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

22. Most consumer-product companies distribute through direct channels.

TRUE

Most consumer-product companies distribute through indirect channels, usually a network of wholesalers and/or retailers.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

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23. According to the marketing and promotions process model, the marketing process begins with the

A. development of the brand equity.
B. development of a marketing strategy.
C. development of the promotional mix.
D. determination of the promotional budget.
E. establishment of a nano-campaign marketing strategy.

As the marketing and promotions process model shows, the marketing process begins with the development of a marketing strategy and analysis in which the company decides the product or service areas and particular markets where it wants to compete.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

24. According to the marketing and promotions process model, in which of the following stages does the company decide the product or service areas and particular markets where it wants to compete?

A. development of a marketing strategy and analysis
B. development of the target marketing process
C. allocation of advertising budget
D. development of the marketing planning program
E. creation of a positioning strategy

As the marketing and promotions process model shows, the marketing process begins with the development of a marketing strategy and analysis in which the company decides the product or service areas and particular markets where it wants to compete. The company must then coordinate the various elements of the marketing mix into a cohesive marketing program that will reach the target market effectively.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

25. The Manischewitz company broadened its marketing efforts to capture more of the mainstream market following a(n) _____, which identified favorable demand trends for ethnic foods.

A. positioning strategy
B. opportunity analysis
C. budget analysis
D. promotional push strategy
E. promotional pull strategy

Market opportunities are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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26. _____ is a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.

A. Matrix analysis
B. Micro analysis
C. Situation analysis
D. Opportunity analysis
E. Competitive analysis

Marketing strategy is based on a situation analysis—a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

27. When Coca-Cola wanted to regain market share for its vitaminwater product lines, it based its marketing strategy on a _____, or a detailed assessment of the current marketing conditions facing the company, its product lines, and its individual brands.

A. matrix analysis
B. micro analysis
C. situation analysis
D. challenge analysis
E. competitive analysis

Marketing strategy is based on a situation analysis—a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

28. Which of the following is best defined as areas where there are favorable demand trends, customer needs and wants are not being satisfied, and where a company thinks it can compete effectively?

A. market segmentations
B. marketing channels
C. marketing stubs
D. market economics
E. market opportunities

Market opportunities are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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29. A situational analysis

A. does not include an assessment of a company's product lines.
B. usually starts with a positioning strategy.
C. does not include an assessment of the conditions facing the company.
D. typically involves creating branding strategies.
E. includes an assessment of a company's individual brands.

A marketing strategy is based on a situation analysis—a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

30. During a routine market study conducted by CL Foods, it was noted that Chinese and Indian food products were in high demand in American society. In order to take advantage of such a demand, CL Foods manufactured and sold these food items locally. In this scenario, the company is taking advantage of a

A. market opportunity.
B. market aggregation.
C. market assimilation.
D. marketing buzz.
E. market threat.

In the above scenario CL Foods is taking advantage of a marketing opportunity. Market opportunities are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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31. FunZone Inc. identified and developed a SmartCard that can be used at fair grounds to make the ticketing process easier. The company found that the existing system was complicated and highly time-consuming. The SmartCard was easy to operate and each swipe would deduct the cost of a ride automatically. According to the given scenario, FunZone has recognized a

A. market opportunity.
B. marketing buzz.
C. marketing engagement.
D. marketing channel.
E. market threat.

In the above scenario, FunZone has identified a market opportunity. Market opportunities are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

32. There are several medicines that relieve allergy-related symptoms but only Sensitine comes in a quick dissolving form that can be easily swallowed without water. The manufacturer of Sensitine hopes the fact that it dissolves and enters the system more quickly than other brands will create a

A. market aggregation.
B. marketing assimilation.
C. competitive advantage.
D. cross-merchandising strategy.
E. market disintermediation.

An important aspect of marketing strategy development is the search for a competitive advantage, something special a firm does or has that gives it an edge over competitors.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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33. _____ can be achieved through advertising that creates and maintains product differentiation and brand equity, as with the long-running advertising campaign for Michelin tires, which stressed security and performance.

A. Market aggregation
B. Marketing assimilation
C. Brand extensions
D. Competitive advantage
E. Market disintermediation

An important aspect of marketing strategy development is the search for a competitive advantage, something special a firm does or has that gives it an edge over competitors.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 2 Medium
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

34. Offering quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices, or dominating channels of distribution are ways of

A. achieving a competitive advantage.
B. practicing cross-merchandising strategy.
C. creating market space.
D. practicing bait-and-switch marketing.
E. establishing a marketing stub.

Ways to achieve a competitive advantage include having quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices, or dominating channels of distribution.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

35. _____ is defined as something unique or special a firm possesses or does that gives it an edge over other firms in a similar industry.

A. Competitor indexing
B. Switch marketing
C. Competitive advantage
D. Marketing stub
E. Bait-and-switch marketing

An important aspect of marketing strategy development is the search for a competitive advantage, something special a firm does or has that gives it an edge over competitors.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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36. The strong brand images of Apple, Samsung, Nike, BMW, and McDonald's give them a _____ in their respective markets.

A. competitive advantage
B. market opportunity
C. micro advantage
D. macro analysis
E. marketing challenge

An important aspect of marketing strategy development is the search for a competitive advantage, something special a firm does or has that gives it an edge over competitors.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 1 Easy
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

37. John & Bauer Inc., manufacturers of health drugs, are the manufacturers of a painkiller called JB Revive. The painkiller is unique as it contains calcium, and it is quite unlike any other painkiller in the market. The addition of calcium led to an increase in sales of the medicine as well. In this scenario, the addition of calcium gives the company a

A. market engagement.
B. cross-merchandising opportunity.
C. competitive advantage.
D. marketing assimilation.
E. competitive index.

In the above scenario, the addition of calcium gives the company a competitive advantage. An important aspect of marketing strategy development is the search for a competitive advantage, something special a firm does or has that gives it an edge over competitors. Ways to achieve a competitive advantage include having quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices, or dominating channels of distribution.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-01 Describe the role of advertising and promotion in an organization's integrated marketing program.
Topic: Elements of a Marketing Strategy

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38. The first step in the target marketing process is to

A. develop positioning strategies.
B. request government approval.
C. determine whether to use a market segmentation strategy or a mass marketing strategy.
D. identify markets with unfulfilled needs.
E. develop new products.

The target marketing process involves four basic steps: identifying markets with unfulfilled needs, segmenting the market, targeting specific segments, and positioning one's product or service through marketing strategies.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-02 Define target marketing.
Topic: Target Markets

39. The market segmentation process

A. divides a market into distinct groups that have heterogeneous needs.
B. divides a market into distinct groups that will respond similarly to marketing actions.
C. offers one version of the product to all markets.
D. creates products for several markets that have independent needs.
E. positions products in the minds of prospects and customers.

Market segmentation is dividing up a market into distinct groups that (1) have common needs and (2) will respond similarly to a marketing action.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

40. Directing a company's efforts toward one or more groups of customers who share common needs is known as

A. cross-merchandising.
B. competitor indexing.
C. mass customization.
D. target marketing.
E. cross-branding.

Market segmentation is dividing up a market into distinct groups that (1) have common needs and (2) will respond similarly to a marketing action.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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41. _____ is dividing a market into distinct groups that (1) have common needs, and (2) will respond similarly to a marketing action.

A. Market segmentation
B. Competitor indexing
C. Mass customization
D. Cross merchandising
E. Cross-branding

Market segmentation is dividing up a market into distinct groups that (1) have common needs and (2) will respond similarly to a marketing action.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

42. Dividing the market into units such as nations, states, counties, or even neighborhoods is known as

A. demographic segmentation.
B. psychographic segmentation.
C. quantified aggregation.
D. lifestyle aggregation.
E. geographic segmentation.

In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

43. Which of the following is a geographic variable for segmentation of the market?

A. family size
B. occasions
C. counties
D. age
E. gender

In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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44. Which of the following is a geographic segmentation variable?

A. income
B. neighborhood
C. sex
D. education
E. involvement

In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

45. Delish Inc., a food manufacturer, introduced an instant soup specially designed for and advertised in the colder regions of Asia and Europe. This is an example of

A. demographic segmentation.
B. psychographic segmentation.
C. sociocultural segmentation.
D. geographic segmentation.
E. undifferentiated marketing.

The above scenario is an illustration of geographic segmentation. In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods. Consumers often have different buying habits depending on where they reside. Regional differences may exist in regard to food, drinks, attitudes toward foreign products, and the like.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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46. Brown's Frozen BBQ Sandwiches are made with goat meat drenched in a sweet onion sauce. These sandwiches would not be popular in Texas, where people prefer beef, or in Miami, where a mustard-based sauce is preferred. Which of the following segmentation approaches would be best for the company, based on its desire to target specific regions?

A. demographic
B. socioeconomic
C. personality
D. geographic
E. behavioristic

In the above scenario, Brown's should utilize a geographic segmentation strategy. In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods. Consumers often have different buying habits depending on where they reside. Regional differences may exist in regard to food, drinks, attitudes toward foreign products, and the like.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

47. Brown's Foods determined that Southerners preferred milder mustard than those in the Northeast. This led the company to develop a new "Southern Style Mustard." This strategy best exemplifies

A. geographic segmentation.
B. lifestyle segmentation.
C. socioeconomic segmentation.
D. demographic segmentation.
E. usage segmentation.

The above scenario is an illustration of geographic segmentation. In the geographic segmentation approach, markets are divided into different geographic units. These units may include nations, states, counties, or even neighborhoods. Consumers often have different buying habits depending on where they reside. Regional differences may exist in regard to food, drinks, attitudes toward foreign products, and the like.

AACSB: Reflective Thinking
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Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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48. Which of the following is a primary variable of demographic segmentation?

A. lifestyle
B. personality
C. region
D. marital status
E. involvement

Dividing the market on the basis of demographic variables such as age, sex, family size, education, income, and social class is called demographic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

49. Division of the market based on age, gender, household size, and other measurable characteristics is known as

A. demographic segmentation.
B. psychographic segmentation.
C. socioeconomic segmentation.
D. geographic segmentation.
E. undifferentiated segmentation.

Dividing a market on the basis of demographic variables such as age, gender, race, and life stage is called demographic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

50. Jim's Inc., a travel agency in Texas, offers trips that are designed specifically for couples. In this scenario, the company is using _____ segmentation.

A. geographic
B. demographic
C. lifestyle
D. behavior
E. personality

In the above scenario, Jim's Inc. is using a demographic segmentation strategy. Dividing a market on the basis of demographic variables such as age, sex, family size, education, income, and social class is called demographic segmentation.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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51. Venus Finance aired a series of ads that targeted people born between 1980 and 1994. In this scenario, the company is using a _____ segmentation strategy.

A. geographic
B. demographic
C. socioeconomic
D. behavioristic
E. personality

In the above scenario, Venus Finance is using a demographic segmentation strategy. Dividing a market on the basis of demographic variables such as age, sex, family size, education, birth era, income, and social class is called demographic segmentation.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

52. When , targets the 34 percent of the population who are 50+, it is using a _____ segmentation strategy.

A. demographic
B. socioeconomic
C. behavior
D. personality
E. geographic

Dividing a market on the basis of demographic variables such as age, sex, family size, education, birth era, income, and social class is called demographic segmentation.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

53. Which of the following is a variable of the demographic segmentation strategy?

A. personality
B. marital status
C. values
D. lifestyle
E. region

Dividing a market on the basis of demographic variables such as age, sex, marital status, birth era, and family size is called demographic segmentation. The variables used for segmentation here could be gender and lifecycle stage.

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Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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54. Enliven, a sports drink manufacturer, has identified its preferred target market as men between the ages of 18 and 22 who are currently in high school or college and active in sports. Which of the following types of segmentation is Enliven using in this scenario?

A. benefit and demographic
B. psychographic and geographic
C. geographic and psychographic
D. socioeconomic and psychographic
E. demographic and psychographic

In the above scenario, Enliven is using both demographic and psychographic segmentation strategy. Dividing the market on the basis of demographic variables such as age, sex, family size, education, income, and social class is called demographic segmentation. Psychographic segmentation includes dividing people on the basis of activities and interests, like sports activity.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

55. Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as

A. geographic segmentation.
B. demographic segmentation.
C. psychographic segmentation.
D. socioeconomic segmentation.
E. behavioral segmentation.

Dividing the market on the basis of personality, values, and/or lifestyles is referred to as psychographic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

56. _____ divides a market on the basis of lifestyles.

A. Geographic segmentation
B. Psychographic segmentation
C. Benefit segmentation
D. Demographic segmentation
E. Socioeconomic segmentation

Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as psychographic segmentation.

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Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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57. Merry Inc. is a nonprofit organization that employs a large number of underprivileged people. It sells art and handicrafts made by these individuals at reasonable prices. Merry's target market consists of people who believe in helping others. It uses _____ segmentation.

A. geographic
B. psychographic
C. benefit
D. socioeconomic
E. demographic

In the above scenario, Merry Inc. is using a psychographic strategy. Dividing the market on the basis of personality, values, and/or lifestyles is referred to as psychographic segmentation.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

58. With respect to psychographic segmentation of markets, AIO stands for

A. activities, innovation, and opinions.
B. activities, interests, and opportunities.
C. activities, innovations, and opportunities.
D. activities, interests, and opinions.
E. actions, interests, and opinions.

The determination of lifestyles is usually based on an analysis of the activities, interests, and opinions (AIOs) of consumers. These lifestyles are then correlated with the consumers' product, brand, and/or media usage.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

59. Which of the following is a primary variable used in psychographic segmentation?

A. income
B. lifestyles
C. education
D. marital status
E. age

Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as psychographic segmentation.

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Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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60. Pluto Inc., a car manufacturer, makes high-end, expensive sports cars. The company targets people who live life in the fast lane and are generally considered to have flashy personalities. In this scenario, Pluto is using _____ segmentation.

A. benefit
B. psychographic
C. socioeconomic
D. undifferentiated
E. demographic

The above scenario is an illustration of psychographic segmentation. Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as psychographic segmentation.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

61. Which of the following is a primary variable defined in psychographic segmentation?

A. personality
B. income
C. education
D. family size
E. gender

Dividing the market on the basis of personality, lifecycles, and/or lifestyles is referred to as psychographic segmentation. The determination of lifestyles is usually based on an analysis of the activities, interests, and opinions (AIOs) of consumers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

62. _____ segmentation divides consumers into groups according to their usage, loyalties, or buying responses to a product.

A. Benefit
B. Geographic
C. Demographic
D. Behavioristic
E. Psychographic

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation.

AACSB: Analytical Thinking
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Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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63. A company that divides its target markets based on their perceived level of loyalty is using

A. benefit segmentation.
B. geographic segmentation.
C. socioeconomic segmentation.
D. behavioristic segmentation.
E. outlet segmentation.

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

64. Which of the following types of segmentation is employed when consumers are grouped according to their usage and buying responses to a product or service?

A. behavioristic
B. demographic
C. benefit
D. socioeconomic
E. psychographic

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

65. Degree of usage as a basis of segmentation is best reflected by

A. the VALS principle.
B. the iceberg principle.
C. the mirror image rule.
D. the rule of equity.
E. the 80–20 rule.

Degree of use relates to the fact that a few consumers may buy a disproportionate amount of many products or brands. Industrial marketers refer to the 80–20 rule, meaning 20 percent of their buyers account for 80 percent of their sales volume.

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Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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66. _____ segmentation is most closely related to the 80–20 rule, which states that 80 percent of a company's business comes from 20 percent of its customers.

A. Geographic
B. Behavioristic
C. Demographic
D. Psychographic
E. Benefit

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation. Degree of use relates to the fact that a few consumers may buy a disproportionate amount of many products or brands. Industrial marketers refer to the 80–20 rule, meaning 20 percent of their buyers account for 80 percent of their sales volume.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

67. The 80–20 rule states that

A. around 80 percent of a company's sales comes from 20 percent of the customers.
B. only 80 percent of a market can be segmented.
C. market segmentation works well only 80 percent of the time, unlike market assimilation which works 20 percent of the time.
D. only about 80 percent of the people remember the company's positioning of a product while the remaining 20 percent create their own positioning for a particular product.
E. about 80 percent of corporations do not understand the actual meaning of the term "market segmentation."

Dividing consumers into groups according to their usage, loyalties, or buying responses to a product is behavioristic segmentation. Degree of use relates to the fact that a few consumers may buy a disproportionate amount of many products or brands. Industrial marketers refer to the 80–20 rule, meaning 20 percent of their buyers account for 80 percent of their sales volume.

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Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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68. Dental Care, a dental hygiene products manufacturer, has come up with three types of toothpastes for different segments—whitening toothpaste for individuals who buy for aesthetic reasons, strawberry-flavored toothpaste for those concerned with the taste, and germ-control toothpaste for those looking to protect their teeth all day long. On what basis has it segmented the market?

A. demographic
B. geographic
C. socioeconomic
D. benefit
E. sociocultural

In the above scenario, Dental Care is using a benefit segmentation strategy. In purchasing products, consumers are generally trying to satisfy specific needs and/or wants. They are looking for products that provide specific benefits to satisfy these needs. The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

69. _____ segmentation is the grouping of customers on the basis of attributes sought in a product.

A. Benefit
B. Geographic
C. Socioeconomic
D. Demographic
E. Lifestyle

The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

70. Momentum, a brand of sports cars, launched an advertising campaign with a tagline that states, "Our cars outperform most cars on the road even before you step on the accelerator." In this scenario, the company is using _____ segmentation as it targets its product to satisfy consumers who want to satisfy performance needs.

A. benefit
B. demographic
C. geographic
D. socioeconomic

The above scenario is an illustration of benefit segmentation. The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

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Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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71. WristTactical, a watch manufacturer, specializes in manufacturing tactical watches for Navy divers. The company launched an ad campaign that stressed the water-resistant and endurance characteristics of its watches. In this scenario, WristTactical is making use of _____ segmentation.

A. benefit
B. demographic
C. geographic
D. behavioristic
E. socioeconomic

The above scenario is an illustration of benefit segmentation. The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

72. The fact that some consumers want flavored bottled water and others want it with added minerals provides an opportunity for _____ segmentation.

A. socioeconomic
B. benefit
C. geographic
D. psychographic
E. demographic

The above scenario is an illustration of benefit segmentation. The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

73. Which of the following is a primary variable considered in benefit segmentation?

A. attributes sought
B. income
C. lifestyle
D. birth era
E. marital status

The grouping of consumers on the basis of attributes sought in a product is known as benefit segmentation and is widely used.

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Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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74. According to the market coverage alternatives, _____ involves ignoring segment differences and offering just one product or service for the entire market.

A. bait-and-switch marketing
B. concentrated marketing
C. micromarketing
D. neuromarketing
E. undifferentiated marketing

Undifferentiated marketing involves ignoring segment differences and offering just one product or service to the entire market.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

75. Frosty Inc., a beverage manufacturer, only had one product in its line and was targeting all types of customers. With respect to the market coverage alternatives, which of the following best characterizes the approach used by the company?

A. concentrated marketing
B. undifferentiated marketing
C. bait-and-switch marketing
D. niche marketing
E. psychographic marketing

In the above scenario, Frosty Inc. is using an undifferentiated marketing strategy. Undifferentiated marketing involves ignoring segment differences and offering just one product or service to the entire market.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

76. Which of the following is true of undifferentiated marketing?

A. It involves selecting one segment and attempting to capture a large market share.
B. It involves offering just one product or service to the entire market.
C. It involves creating a niche for a special product line.
D. It involves customizing products for various target segments.
E. It involves developing and offering a product for a specific market segment.

Undifferentiated marketing involves ignoring segment differences and offering just one product or service to the entire market.

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Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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77. With respect to the market coverage alternatives, _____ involves developing separate marketing strategies for a number of segments.

A. differentiated marketing
B. undifferentiated marketing
C. concentrated marketing
D. buzz marketing
E. B2B marketing

Differentiated marketing involves marketing in a number of segments, developing separate marketing strategies for each.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

78. Mars Inc., a car manufacturer, offers cheap coupes, medium-priced sedans, as well as expensive sports cars. The company identifies and develops various products for several segments. This scenario is an illustration of

A. concentrated marketing.
B. loyalty marketing.
C. buzz marketing.
D. bait-and-switch marketing.
E. differentiated marketing.

The above scenario is an illustration of differentiated marketing. Differentiated marketing involves marketing in a number of segments, developing separate marketing strategies for each.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

79. Chill, a beverage manufacturer, offers varied versions of its products that include diet, cherry-flavored, vanilla-flavored, and caffeine-free versions in addition to its original product. With respect to market coverage alternatives, the given scenario reflects the company's decision to cater to

A. a concentrated market.
B. a differentiated market.
C. a buzz market.
D. an undifferentiated market.
E. a mass market.

The above scenario reflects Chill's decision to cater to a differentiated market. Differentiated marketing involves marketing in a number of segments, developing separate marketing strategies for each.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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80. _____ is used when the firm selects one segment and attempts to capture a large share of the market.

A. Mass marketing
B. Undifferentiated marketing
C. Concentrated marketing
D. Differentiated marketing
E. Bait-and-switch marketing

Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

81. Concentrated marketing involves focusing marketing efforts on

A. different countries.
B. one particular segment.
C. mass markets.
D. various segments.
E. different counties.

Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

82. Star Furniture designs and sells bedroom furniture for people who are over six feet tall, in an attempt to capture a large share of this relatively small target market. Which of the following strategies is the company employing in this scenario?

A. differentiated marketing
B. bait-and-switch marketing
C. undifferentiated marketing
D. concentrated marketing
E. mass marketing

The above scenario is an illustration of concentrated marketing. Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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83. Pluto Inc., a high-end car manufacturer, makes only 12 cars per year. The company caters to the "super-rich" and manufacturers only on order. In this scenario, Pluto is using a(n)_____ marketing strategy.

A. differentiated
B. undifferentiated
C. concentrated
D. mass
E. loyalty

The above scenario is an illustration of concentrated marketing. Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

84. Which of the following is true of concentrated marketing strategies?

A. They are used to promote multiple products in varied markets.
B. They are used as a precursor to undifferentiated marketing.
C. They usually involve only a single segment.
D. They attempt to catch a minority share in the market.
E. They are synonymous with undifferentiated marketing strategies.

Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

85. Outlander Inc. is a manufacturer of laptop computers. It plans on manufacturing computers that are targeted to users interested in video games. The computers are optimized for high-definition gaming and, hence, are expensive. By attempting to achieve a large share of a single market segment, which of the following types of marketing strategies has Outlander adopted?

A. bait-and-switch marketing
B. undifferentiated marketing
C. concentrated marketing
D. buzz marketing
E. differentiated marketing

In the above scenario, Outlander has adopted a concentrated marketing strategy. Concentrated marketing is used when a firm selects one segment and attempts to capture a large share of the market.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-03 Discuss the role of market segmentation in an IMC program.
Topic: Target Markets

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86. _____ has been defined as "the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition."

A. Branding
B. Proximity mapping
C. Drip marketing
D. Segmentation
E. Positioning

Positioning has been defined as "the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition."

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Target Markets

87. Which of the following is true of product positioning?

A. It does not focus on a product's competitors.
B. It is not possible to position a service.
C. It focuses purely on customers.
D. It involves creating a competitive advantage.
E. It is usually synonymous with market integration.

Positioning has been defined as "the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition."

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Target Markets

88. A brand's market position refers to its

A. relative market share.
B. location on store shelves.
C. image in the mind of the customers.
D. distribution intensity.
E. stage in the product lifecycle.

The position of the product, service, or even store is the image that comes to mind and the attributes consumers perceive as related to it.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Target Markets

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89. _____ relates to the image of a product and/or brand relative to competing products or brands.

A. Segmentation
B. Positioning
C. Neuromarketing
D. Branding
E. Merchandising

Positioning relates to the image of a product and/or brand relative to competing products or brands. The position of the product or brand is the key factor in communicating the benefits it offers and differentiating it from the competition.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Target Markets

90. Momentum, a car manufacturer, positions one of its convertibles as "the best natural tanning tool known to man." This scenario would reflect a positioning strategy based on

A. product attributes and benefits.
B. cultural symbols.
C. product user.
D. price/quality.
E. product class.

In the above scenario, Momentum is using a positioning strategy based on product attributes. A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

91. The tagline on an ad for Baker Grill, a manufacturer of gas grills, reads, "The Ultimate Durable Grill." Baker Grill is using a positioning strategy based on

A. product class.
B. product attributes and benefits.
C. price/quality.
D. competitor.
E. cultural symbol.

In the above scenario, Baker Grill is using a positioning strategy based on product attributes and benefits. A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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92. MusC, a whey protein supplement, is positioned as a zero-carb muscle recovery drink. MusC is using a _____ positioning strategy.

A. product class
B. product attributes and benefits
C. price/quality
D. competitor
E. cultural or national symbol

In the above scenario, MusC is using a strategy based on product attributes and benefits. A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

93. Flash Parcel Service (FPS) built its advertising campaign around the slogan, "Our business quality speaks the language of speed." The company positioned its services based on the speed with which it delivers the service. With respect to the positioning strategies, this positioning strategy of FPS is based on

A. cultural symbols.
B. demographics.
C. product class.
D. product attributes.
E. socioeconomics.

In the above scenario, Flash Parcel Service is using a positioning strategy based on product attributes. A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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94. Appeal Automobiles introduced a new car into the market. The company stressed that the new car had side door air bags in an attempt to attract new buyers. Its focus on safety illustrates a strategy of positioning by

A. cultural or national symbols.
B. demographics.
C. price-value.
D. product attributes and benefits.
E. competitor.

The above scenario is an illustration of a positioning strategy based on product attributes and benefits. A common approach to positioning is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 2 Medium
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

95. Henry's Supermarkets has been very effective in positioning itself as stores that offer superior products at a discounted rate. With respect to the positioning strategies, its strategy reflects positioning based on

A. benefit.
B. applications.
C. use.
D. price/quality.
E. product class.

In the above scenario, Henry's Supermarkets is using a positioning strategy based on price. Marketers often use price/quality characteristics to position their brands. One way to use price/quality characteristics for positioning is to focus on the quality or value offered by the brand at a very competitive price.

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Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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96. The Quarter Burger is a hamburger sold by the international fast-food chain Sammy's Burgers. It was given the name because it contains a patty that weighs a quarter of a pound. The burger is sold for $1 on weekdays. With reference to the various positioning strategies, Sammy's quarter-pound burger is positioned by

A. competition.
B. demographics.
C. product user.
D. price/quality.
E. product class.

The above scenario is an illustration of a positioning strategy based on price. Marketers often use price/quality characteristics to position their brands. One way to use price/quality characteristics for positioning is to focus on the quality or value offered by the brand at a very competitive price.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

97. Treat Corp., a manufacturer of packaged soups, launched an ad campaign that provided quick and easy recipes using Treat's products on the back of the soup packets. This is an example of positioning by

A. product class.
B. product use.
C. price/quality.
D. competitor.
E. cultural symbol.

The above scenario is an illustration of a positioning strategy based on product use. One way to communicate a specific image or position for a brand is to associate it with a specific use or application. While this strategy is often used to enter a market on the basis of a particular use or application, it is also an effective way to expand the usage of a product.

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Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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98. Saturn Inc., a fruit juice manufacturer, came up with an advertising campaign based around the slogan, "It's a wholesome meal." The ad speaks about the nutritious content of the fruit juice and how it can assist in losing weight. With respect to the positioning strategies, this is an example of positioning by

A. quality.
B. use or application.
C. product class.
D. competition.
E. cultural symbols.

The above scenario is an illustration of a positioning strategy based on use or application. One way to communicate a specific image or position for a brand is to associate it with a specific use or application. While this strategy is often used to enter a market on the basis of a particular use or application, it is also an effective way to expand the usage of a product.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

99. Athletic shoes advertised specifically to be used on tennis courts, for running, or for walking are using positioning strategy based on

A. price/quality.
B. use or application.
C. product class.
D. demographics.
E. cultural symbols.

The above scenario is an illustration of a positioning strategy based on use or application. One way to communicate a specific image or position for a brand is to associate it with a specific use or application. While this strategy is often used to enter a market on the basis of a particular use or application, it is also an effective way to expand the usage of a product.

AACSB: Reflective Thinking
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Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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100. To encourage more people to use mass transit, ads from providers of mass transportation compare the ease and comfort of riding mass transit with the difficulties of driving in congested traffic and parking headaches. With respect to the positioning strategies, these mass transportation providers are making use of positioning by

A. product class.
B. product user.
C. price/quality.
D. applications.
E. cultural symbols.

The above scenario is an illustration of a positioning strategy based on product class. Often the competition for a product comes from outside the product class. For example, airlines know that while they compete with other airlines, trains and buses are also viable alternatives.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

101. Pluto Inc., a fruit juice manufacturer, launches an ad that contains the slogan, "Try our fruit juices and get the freshness of real fruit," to position itself against the category. In this scenario, Pluto Inc. is positioning its juices based on

A. product class.
B. product use.
C. product price.
D. product competition.
E. product applications.

The above scenario is an illustration of a positioning strategy based on product class. The competition for a product comes from outside the product class. For example, Dole fruit juices encourage consumers to "drink their fruits," claiming that 8 ounces of juice is the equivalent of two fruits and V8 promotes drinking one's vegetables. Rather than positioning against another brand, an alternative strategy is to position oneself against another product category.

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Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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102. When Bauer Smith opened a men's shoe store, he decided to carry a full line of shoes in the larger, hard-to-find sizes. Today, his shoe store caters to professional basketball, baseball, and football players who often order a dozen pairs in a single visit. With respect to the positioning strategies, the shoe store uses positioning by

A. demographics.
B. cultural symbols.
C. product user.
D. competition.
E. product class.

In the above scenario, Bauer Smith used a positioning strategy based on product user. Positioning a product by associating it with a particular user or group of users is an approach to positioning. An example would be the Globe Shoes ad that emphasizes identification or association with a specific group of skateboarders.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

103. Premium Sports Apparels came up with an ad for shorts that are specially designed for athletes. The ad, which was featured in a sports magazine, shows how these shorts do not shrink over time and are made of a light fabric that helps keep the wearer dry and cool. With respect to positioning strategies, the company is using positioning by

A. product user.
B. product demographics.
C. cultural symbols.
D. product class.
E. distribution intensity.

In the above scenario, Premium Sports Apparels used a positioning strategy based on product user. Positioning a product by associating it with a particular user or group of users is an approach to positioning. An example would be the Globe Shoes ad that emphasizes identification or association with a specific group of skateboarders.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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104. Yummy Soups positioned itself as better tasting and more appropriate to the adult palate to gain an advantage over Magic Soups, another packaged soup manufacturer. In the given scenario, which of the following positioning strategies has Yummy Soups used?

A. demographics
B. cultural symbols
C. competitor
D. price
E. product class

In the above scenario, Yummy Soups used a positioning strategy based on competitors. Competitors may be as important to positioning strategy as a firm's own product or services. Advertisers used to think it was a cardinal sin to mention a competitor in their advertising. However, in today's market, an effective positioning strategy for a product or brand may focus on specific competitors. This approach is similar to positioning by product class, although in this case the competition is within the same product category.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

105. The use of comparative advertising has become increasingly more common. Which of the following positioning strategies does this reflect?

A. positioning by product user
B. positioning by product class
C. positioning by competitor
D. positioning by price/quality
E. positioning by cultural symbol

Competitors may be as important to positioning strategy as a firm's own product or services. Advertisers used to think it was a cardinal sin to mention a competitor in their advertising. However, in today's market, an effective positioning strategy for a product or brand may focus on specific competitors. This approach is similar to positioning by product class, although in this case the competition is within the same product category.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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106. When travelers think of Gallivant Airlines, an Australian airline, the first thing that comes to their mind is the kangaroo. In the given scenario, the strong association between the kangaroo and Gallivant Airlines indicates that the airline is receiving the benefit of positioning by

A. product class.
B. use/application.
C. cultural symbol.
D. product attribute.
E. competitor.

The above scenario is an illustration of a positioning strategy based on cultural symbols. An additional positioning strategy uses cultural symbols to differentiate brands. By associating the brand with a meaningful symbol, the brand is easily identifiable and differentiated from others.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

107. Motor Corp., an automobile manufacturer, launched an ad campaign that stated, "We are yet to reach the industry leader's position, so we try harder." In this scenario, the company is positioning itself based on

A. price/quality.
B. use or application.
C. competition.
D. product class.
E. distribution intensity.

The above scenario is an illustration of a positioning strategy based on competitors. Competitors may be as important to positioning strategy as a firm's own product or services. Advertisers used to think it was a cardinal sin to mention a competitor in their advertising. However, in today's market, an effective positioning strategy for a product or brand may focus on specific competitors.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

108. Jolly Green Giant, the Keebler elves, and Mr. Peanut are all examples of positioning by

A. price/quality.
B. use or application.
C. product class.
D. distribution intensity.
E. cultural symbols.

Each of these symbols has successfully differentiated the product it represents from competitors' products.

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Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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109. Venus Corporation engaged in a multimillion-dollar campaign to alter its image among many of its customers. The company's customers had a perception that the company was simply a hardware manufacturer. Venus wants customers to see it as a services and technology provider. In this scenario, Venus is

A. using a repositioning strategy.
B. segmenting the market into niche sectors.
C. adopting a concentrated strategy.
D. adopting an undifferentiated strategy.
E. employing product class segmentation.

In the above scenario, Venus is using a repositioning strategy. Repositioning a product usually occurs because of declining or stagnant sales or because of anticipated opportunities in other market positions. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

110. Initially, Flash Parcel Service (FPS) built its advertising campaign around the slogan, "Our business quality speaks the language of speed." Back then, the company was trying to make the customers aware of the speed with which it delivers the service. Later, FPS modified its slogan and designed new ads to make customers aware of the different aspects of its delivery such as reliability, cost-efficiency, and punctuality. By moving away from promoting itself as simply a parcel delivery company, FPS has

A. used a repositioning strategy.
B. employed product class positioning.
C. engaged in positioning with cultural symbols.
D. adopted an undifferentiated strategy.
E. employed geographic segmentation.

In the above scenario, Flash Parcel Service used a repositioning strategy. Repositioning a product usually occurs because of declining or stagnant sales or because of anticipated opportunities in other market positions. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

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111. Which of the following is true of repositioning?

A. It occurs only in companies that enjoy a monopolistic market structure.
B. It usually occurs due to a boom in the company's sales.
C. It must be practiced only during an economic downturn situation.
D. It involves avoiding any alterations with the brand's existing position.
E. It is aimed to stem a decline in sales or counter stagnant sales.

Repositioning is a positioning strategy that involves altering or changing a product's or brand's position. Repositioning a product usually occurs because of declining or stagnant sales or because of anticipated opportunities in other market positions.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-04 Describe positioning and repositioning strategies.
Topic: Positioning

112. Which of the following marketing-mix elements is best referred to as a bundle of benefits or values that satisfies the needs of consumers?

A. price
B. promotion
C. people
D. product
E. process

A product is not just a physical object; it is a bundle of benefits or values that satisfies the needs of consumers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

113. Offerings, which may come in the form of a service, a cause, or even a person, represent which aspect of the marketing mix?

A. price
B. promotion
C. people
D. product
E. process

A product is anything that can be marketed and that, when used or supported, gives satisfaction to the individual.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

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114. The meaning a consumer attributes to a product or brand and what he or she experiences in purchasing it is known as

A. functional utility.
B. product quality.
C. brand extension.
D. product symbolism.
E. product utility.

The term refers to what a product or brand means to consumers and what they experience in purchasing and using it.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

115. Which of the following best defines branding?

A. It involves creating new product lines within a company in order to expand and develop the company's product portfolio.
B. It includes making use of more than one marketing channel to reach a huge number of customers and to cover a large geographical area.
C. It primarily involves marketing through a mobile device which assists the customers with personalized information.
D. It features building and maintaining a favorable identity and image of the company and/or its products or services in the mind of the consumer.
E. It involves hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.

Branding is about building and maintaining a favorable identity and image of the company and/or its products or services in the mind of the consumer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

116. Brand identity is best defined as

A. a method of defining the percentage of loyal, impulsive, and need-based customers for a particular product.
B. the process of hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.
C. a combination of the name, logo, symbols, design, packaging, and image of associations held by consumers.
D. the process of creating new product lines within a company to expand and develop the company's product portfolio.
E. a combination of print, guerilla, broadcast, and outdoor advertising to promote a company's products.

The brand identity consists of the combination of the name, logo, symbols, design, packaging, and image of associations held by consumers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

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117. Which of the following is true of brand equity?\

A. It is a tangible asset that adds value to a service.
B. It allows the seller to use undifferentiated marketing.
C. It enables the seller to hide product successes from its competition.
D. It is goodwill that results from a favorable impression.
E. It allows the seller to stop all promotional activities and redirect its funds to other areas of operation.

Brand equity can be thought of as an intangible asset of added value or goodwill that results from the favorable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark. Brand equity allows a brand to earn greater sales volume and/or higher margins than it could without the name, providing the company with a competitive advantage.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

118. Which of the following best defines brand equity?

A. It is a process of varying the width of the product range with the company to modify the return on investment of the company.
B. It is a process which calculates the percentage of loyal, impulsive, need-based customers, and wandering customers for a particular product.
C. It is an intangible asset of added value or goodwill that results from the favorable image and/or the strength of consumer attachment to a company name.
D. It is the process of hiring commercial market research agents to conduct a thorough market research before entering a market with unique products.
E. It is combination of using print, guerilla, broadcast, and outdoor advertising to promote a company's products.

One important role of advertising in respect to branding strategies is creating and maintaining brand equity, which can be thought of as an intangible asset of added value or goodwill that results from the favorable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark.

AACSB: Analytical Thinking
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119. The marketing mix variable that deals with what a consumer must give up in order to purchase a product or service is\

A. packaging.
B. price.
C. promotion.
D. distribution.
E. production.

The price variable refers to what the consumer must give up to purchase a product or service.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

120. Which of the following is true about packaging?

A. The package cannot be used as a branding tool.
B. The package lacks in offering benefits like economy and storage.
C. The package is what the consumer must give up to purchase a product.
D. The package is often the consumer's first exposure to the product.
E. The package must not divulge information relating to its contents.

The package is often the consumer's first exposure to the product, so it must make a favorable first impression.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

121. Promotional expenditures on advertising, sales promotion, and personal selling

A. are the three main components of marketing mix.
B. are incomes that must be covered in a firm's pricing structure.
C. contribute to a product's cost and price, which in turn will affect a company's return on investment.
D. are expenses that must be covered as they help by creating demand for a product.
E. are examples of fixed costs on an organization's income statement.

Factors such as product quality, competition, and advertising all interact in determining what price a firm can and should charge. Studies have shown that pricing and advertising strategies go together. High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices.

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Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

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122. Which of the following statements about the interaction of pricing with advertising and promotion is true?

A. The positive relationship between high relative advertising and price levels is weakest for products in the introductory stage of the product lifecycle.
B. The positive relationship between high relative advertising and price levels is weakest for products that are market leaders.
C. Companies with high-quality products suffer the least, in terms of return on investment, with inconsistent advertising and pricing strategies.
D. Brands with low relative advertising budgets are able to charge premium prices.
E. High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices.

Factors such as product quality, competition, and advertising all interact in determining what price a firm can and should charge. Studies have shown that pricing and advertising strategies go together. High relative ad expenditures should accompany premium prices, and low relative ad expenditures should be tailored to low prices.

AACSB: Analytical Thinking
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Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

123. _____ are sets of interdependent organizations involved in the process of making a product or service available for consumption.

A. Marketing channels
B. Marketing segments
C. Marketing facilitators
D. Marketing sectors
E. Marketing programs

Marketing channels, the place element of the marketing mix, are "sets of interdependent organizations involved in the process of making a product or service available for use or consumption."

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Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

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124. Dezine Inc. is a company that sells women's fashionable clothing through ballroom costume parties. It targets women who are too busy to go to stores to shop. The company avoids using wholesalers and retailers in its selling process. Dezine is utilizing a(n)

A. direct channel of distribution.
B. indirect channel of distribution.
C. bait-and-switch marketing channel.
D. direct-response advertising medium.
E. reseller channel.

In the above scenario, Dezine is using a direct channel of distribution. A company can choose not to use any channel intermediaries but, rather, to sell to its customers through direct channels. This type of channel arrangement is sometimes used in the consumer market by firms using direct-selling programs.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Positioning

125. Breeze Corp., a manufacturer of ceiling fans, sells its products to retailers who in turn sell them to the final consumers. In the given scenario, the manufacturer of Breeze ceiling fans is using a(n)

A. geographic market segmentation.
B. indirect channel of distribution.
C. single channel medium.
D. direct-response advertising medium.
E. demographic market segmentation.

In the above scenario, Breeze Corp. used an indirect channel of distribution. Most consumer-product companies distribute through indirect channels, usually using a network of wholesalers (institutions that sell to other resellers) and/or retailers (which sell primarily to the final consumer).

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

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126. _____ are programs designed to persuade the retailer to promote a manufacturer's products.

A. Promotional pull strategies
B. Bait marketing strategies
C. Buzz marketing strategies
D. Promotional push strategies
E. Switch marketing strategies

Programs designed to persuade the trade to stock, merchandise, and promote a manufacturer's products are part of a promotional push strategy. The goal of this strategy is to push the product through the channels of distribution by aggressively selling and promoting the item to the resellers, or trade.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: Elements of a Marketing Strategy

127. Mars Inc., a manufacturer of cat food in Texas, places an ad in a publication aimed at veterinarians. The ad explains why they should recommend Mars's cat food to the owners of the cats they treat. This scenario is an illustration of

A. demographic segmentation.
B. a promotional pull strategy.
C. a loyalty marketing strategy.
D. a bait marketing strategy.
E. a promotional push strategy.

In the above scenario, Mars Inc. used a promotional push strategy. Programs designed to persuade the trade to stock, merchandise, and promote a manufacturer's products are part of a promotional push strategy. The goal of this strategy is to push the product through the channels of distribution by aggressively selling and promoting the item to the resellers, or trade.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

128. An ad in *Blossom*, a publication for retail florists, promotes Burgundy Lace tulips as a product that will enhance any spring bouquet that florists sell to consumers. The ad for Burgundy Lace tulips is an example of

A. trade advertising.
B. a promotional pull strategy.
C. digital advertising.
D. national advertising.
E. bait-and-switch advertising.

The above scenario is an illustration of trade advertising. A company may use trade advertising to interest wholesalers and retailers and motivate them to purchase its products for resale to their customers. Trade advertising usually appears in publications that serve the particular industry.

AACSB: Reflective Thinking
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Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.

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129. With _____, advertising expenditures and promotional efforts are directed toward the ultimate consumer.

A. promotional pull strategies
B. promotional push strategies
C. trade advertising
D. market harvesting strategies
E. B2B advertising

Promotional pull strategy involves spending money on advertising and sales promotion efforts directed toward the ultimate consumer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

130. Which of the following is true of a promotional pull strategy?

A. It involves spending very little money on advertising.
B. Its goal is to create demand among consumers.
C. It is synonymous with trade advertising.
D. Its promotional efforts are directed toward retailers.
E. Its promotional efforts are directed toward wholesalers.

The goal of a pull strategy is to create demand among consumers and encourage them to request the product from the retailer. Seeing the consumer demand, retailers will order the product from wholesalers (if they are used), which in turn will request it from the manufacturer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

131. When Coca-Cola targeted end consumers across the global market with the ad campaign that they should "Taste the Feeling" to remind consumers that drinking a Coca-Cola makes everyday moments more special, it was using a

A. promotional pull strategy.
B. promotional push strategy.
C. trade advertising.
D. price/quality positioning.
E. direct selling.

The goal of a pull strategy is to create demand among consumers and encourage them to request the product from the retailer. Seeing the consumer demand, retailers will order the product from wholesalers (if they are used), which in turn will request it from the manufacturer.

AACSB: Analytical Thinking
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Difficulty: 2 Medium
Learning Objective: 02-05 Identify the marketing-mix decisions that influence advertising and promotional strategy.
Topic: The Role of Advertising

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