

Multiple Choice Questions

1. According to the marketing and promotions process model, the marketing process begins with the:
 - A. development of the marketing mix.
 - B. development of a marketing strategy and analysis.
 - C. development of the promotional mix.
 - D. determination of the target market.
 - E. establishment of marketing objectives.

2. A(n) _____ is a document that evolves from an organization's overall corporate strategy and serves as a guide for specific marketing programs and policies.
 - A. strategic marketing plan
 - B. integrated marketing communications plan
 - C. situation analysis
 - D. opportunity analysis
 - E. competitive plan

3. _____ is a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.
 - A. Strategic marketing plan
 - B. Integrated marketing communications plan
 - C. Situation analysis
 - D. Opportunity analysis
 - E. Competitive plan

4. _____ are defined as external 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 opportunities
- B. Market segments
- C. Competitive advantages
- D. Market strengths
- E. Market plans

5. To reach tweens (8-12 year olds), Jell-O brand gelatin marketers introduced X-treme Jell-O in wild berry, green apple, and watermelon flavors. The ads describe the gelatin flavors as "Jell-O with an attitude" because these fruit flavors "will bite you back." Jell-O has defined tweens as:

- A. part of an undifferentiated market.
- B. aggregated market.
- C. a response-stimulus market.
- D. the mass market for gelatin.
- E. a market segment.

6. China is the world's second-largest beer market after the U.S. It is also one of the fastest growing with annual growth of 10 percent. Anheuser-Busch responded to this _____ in China when it established Budweiser Wulhan International Brewing in central China. There it brews Budweiser and Budweiser Ice which are sold to the local market.

- A. market opportunity
- B. market aggregation
- C. competitive advantage
- D. market strength
- E. market threat

7. Anyone who has ever attended a state fair understands how complicated the ticketing system can be. Attendees buy a number of tickets and then turn them in to various ride operators. One ride may require three tickets, another five, and another two. The system was complicated for workers and for consumers. A company named Funtastic has developed a SmartCard that is purchased at the ticket booth for any amount customers want to spend. Each ride requires one swipe of the card, and the amount of the ride is deducted electronically from the card's total. Funtastic has recognized a:

- A. market opportunity.
- B. market segment.
- C. competitive advantage.
- D. market strength.
- E. market threat.

8. There are many different types of medicines for relieving allergy symptoms, and there are several that offer 24-hour relief, but only Alavert comes in a quick-dissolving form that can be easily swallowed without water. The maker of Alavert hopes the fact that it dissolves and enters the system more quickly than other brands will create a:

- A. market aggregation.
- B. market segment.
- C. competitive advantage.
- D. market strength.
- E. market threat.

9. Offering quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices etc. are ways of:

- A. achieving competitive advantage.
- B. market segmentation.
- C. mass marketing.
- D. exploiting market opportunity.
- E. undifferentiated marketing.

10. _____ is something unique or special a firm possesses or does that gives it an edge over its competitors.

- A. Brand quality
- B. Brand equity
- C. A competitive advantage
- D. Brand power
- E. A market opportunity

11. Today many people take an aspirin at their doctor's recommendation as preventive medicine. The maker of Bayer aspirin has added calcium to its aspirin. The calcium is also often recommended by doctors to help maintain bone density. There are many types of aspirin on the market, but only one brand that contains calcium. For Bayer, this calcium additive is an example of:

- A. brand quality.
- B. brand equity.
- C. a competitive advantage.
- D. brand power.
- E. a market opportunity.

12. The first step in the target marketing process is to:

Refer: Figure 2-2

- 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.

13. 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. identifies markets with unfulfilled needs.
- E. positions products in the minds of prospects and customers.

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

- A. target marketing.
- B. competitive advantage.
- C. positioning.
- D. market segmentation.
- E. branding.

15. Dividing the market into units such as nation, states, town, counties etc. is known as:

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

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

- A. Family size
- B. Occasions
- C. Cities
- D. Age
- E. Gender

17. Geographic segmentation is about dividing:

- A. consumers based on lifestyle.
- B. markets based on location.
- C. consumers based on usage.
- D. consumers based on income.
- E. markets based on benefit the product has to offer.

18. Ramen has recently come up with instant soup packets which it advertises 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.

19. Bubba's Frozen Barbecue Sandwiches contain pork drenched with a vinegar-based barbecue sauce. It would not be popular in Texas where barbecue lovers want goat meat, or in the Carolinas where a mustard-based sauce is preferred. Given this information, Bubba's should use _____ segmentation.

- A. demographic
- B. buying condition
- C. personality
- D. geographic
- E. behavioristic

20. General Foods' determination that Southerners preferred milder mustard than those in the Northeast led the company to develop a new "Southern Style Mustard." This strategy best exemplifies:

- A. geographic segmentation.
- B. lifestyle segmentation.
- C. concentrated marketing.
- D. usage segmentation.
- E. undifferentiated marketing.

21. When retail buyers told the people who sold Duck Tape brand duct tape that tweens and teens were significant purchasers of the tape and used it to repair skateboards and other extreme sports equipment, the makers of Duck Tape introduced duct tape in wild neon colors specifically for this market because research showed this market liked fun colors. By targeting tweens and teens that skateboard and engage in other extreme sports, the maker of Duck Tape used _____ segmentation.

- A. geographic
- B. sociocultural
- C. behavioristic
- D. socioeconomic
- E. demographic

22. Division of the market based on age, sex, family size, income, and other measurable characteristics is known as:

- A. demographic segmentation.
- B. psychographic segmentation.
- C. quantified aggregation.
- D. lifestyle aggregation.
- E. undifferentiated marketing.

23. An ad for Shangri-La Travel Agency offers trips especially designed for grandparents and their grandchildren to enjoy together. This example illustrates the use of _____ segmentation.

- A. geographic
- B. demographic
- C. lifestyle
- D. behavioristic
- E. personality

24. Ads for consumer finance companies are often aimed at people making annual salaries of \$25,000 or less. Consumer finance companies are using _____ segmentation.

- A. geographic
- B. demographic
- C. lifestyle
- D. behavioristic
- E. personality

25. Kyle wrote a book for new dads to help them take care of the babies when the wives are away. It is highly recommended that Kyle employ _____ to divide the market.

- A. geographic segmentation
- B. demographic segmentation
- C. psychographic segmentation
- D. socio economic segmentation
- E. cultural segmentation

26. Dividing the market on the basis of personality and/or lifestyles is referred to as _____.

- A. geographic segmentation
- B. demographic segmentation
- C. psychographic segmentation
- D. socio economic segmentation
- E. behavioural segmentation

27. Gatorade sports drink has defined its target market as 18-34 year old males who are active in sports. Which two bases of segmentation is Gatorade employing?

- A. Benefit and demographic
- B. Psychographic and geographic
- C. Demographic and psychographic
- D. Geographic and benefit
- E. Benefit and psychographic

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

- A. Leisure marketing
- B. Psychographic segmentation
- C. Benefit segmentation
- D. Demographic segmentation
- E. Behavioristic segmentation

29. Company X is a non-profit organization, that employs a large number of underprivileged people. It sells art and handicrafts made by these individuals at reasonable prices. Company X defines its market segment as people who believe in helping others and feel good about it. It uses _____ segmentation.

- A. demographic
- B. geographic
- C. psychographic
- D. benefit
- E. socio economic

30. 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.

31. An ad for Nivea Visage Wrinkle Control states that the cream allows women to "give their skin back its own wrinkle control." It shows a woman in her forties using the product. This ad is using _____ segmentation.

- A. behavioristic and benefit
- B. benefit and demographic
- C. psychographic and behavioristic
- D. geographic and benefit
- E. demographic and psychographic

32. Crest 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 germi-check toothpaste for those looking to protect their teeth all day long. On what basis has it segmented the market?

- A. Demographic
- B. Geographic
- C. Socio economic
- D. Benefit
- E. Socio cultural

33. Crossings is the name of a book club designed to appeal to conservative Christians. It sells inspirational fiction and nonfiction books that express moral values consistent with the views of these Christians. Crossings uses _____ segmentation.

- A. psychographic
- B. demographic
- C. behavioristic
- D. usage
- E. geographic

34. The ad for the Disney Institute at Walt Disney World describes vacations during which an individual can immerse him or herself in the joys of gardening for a week and take classes with horticulturists. This is an example of _____ segmentation.

- A. psychographic
- B. demographic
- C. behavioristic
- D. usage
- E. geographic

35. _____ 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

36. Research shows that about two-thirds of the new insurance policies Prudential sells will be to current policyholders. This information indicates a(n) _____ segmentation would be appropriate for Prudential to use along with demographic and psychographic segmentation.

- A. benefit
- B. geographic
- C. SRI
- D. behavioristic
- E. VALS

37. New York Telephone uses _____ segmentation to segment consumers in terms of how much leisure telephone calling they do. It advertises on "Nick at Night" and MTV when it wishes to target the group it calls "chatterboxes."

- A. behavioristic
- B. benefit
- C. demographic
- D. geographic
- E. VALS

38. Which of the following bases for segmentation is employed when consumers are grouped according to their use of a product or service (heavy versus light)?

- A. Behavioristic
- B. Demographic
- C. Benefit
- D. Lifestyle
- E. Psychographic

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

- A. demographic segmentation variables.
- B. the iceberg principle.
- C. the benefit rule.
- D. the rule of equity.
- E. the 80-20 rule.

40. _____ 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

41. The 80-20 rule states that:

- A. around 80 percent of the firm'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.
- D. only about 80 percent of the people remember the firm'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".

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

- A. Benefit
- B. Geographic
- C. VALS
- D. Demographic
- E. Lifestyle

43. An advertising campaign stating that BMW "outperforms most cars on the road even before you step on the accelerator" is an example of _____ segmentation.

- A. benefit
- B. demographic
- C. geographic
- D. VALS
- E. SRI

44. The ad for Tempur-Pedic's weight control mattress describes the mattress as "a perfect refuge from the cares of the day." This description indicates that the mattress maker is using _____ segmentation to define its market.

- A. benefit
- B. demographic
- C. geographic
- D. behavioristic
- E. SRI

45. The fact that some consumers want pure bottled water while some want flavored bottle water and still others want bottled water with added minerals provides an opportunity for _____ segmentation in the bottled water market.

- A. behavioristic
- B. benefit
- C. geographic
- D. psychographic
- E. demographic

46. Volvo's strategy of emphasizing the safety of its cars in their advertising reflects a positioning strategy based on:

- A. benefit segmentation.
- B. demographic segmentation.
- C. psychographic segmentation.
- D. positioning by competitor.
- E. positioning by product class.

47. _____ involves ignoring segment differences and offering just one product or service for the entire market.

- A. Marketing mix
- B. Positioning
- C. Concentrated marketing
- D. Synchro marketing
- E. Undifferentiated marketing

48. When Coca-Cola only had one product in its line and was targeting everyone, the company was employing:

- A. concentrated marketing.
- B. undifferentiated marketing.
- C. market atomization.
- D. niche marketing.
- E. benefit segmentation.

49. When MetaboLife first came on the market, its only product was a weight-loss pill that was guaranteed to energize the user by causing a greater level of physical activity, which would help in burning calories. This was its only product, and it was marketed to anyone who wanted to lose weight or have more energy. This means, that its target market was virtually anyone breathing because very few people like their current weight, and everyone could use a little more energy. MetaboLife used:

- A. concentrated marketing.
- B. undifferentiated marketing.
- C. market atomization.
- D. niche marketing.
- E. demographic segmentation.

50. _____ involves developing separate marketing strategies for a number of segments.

- A. Differentiated marketing
- B. Undifferentiated marketing
- C. Concentrated marketing
- D. Behavioristic segmentation
- E. Geographic segmentation

51. L'Oreal, the giant cosmetics manufacturer, targets the luxury market with Helena Rubinstein and Lancôme brands. Its less expensive brands like Elseve and L'Oreal are sold by discount retailers. L'Oreal uses:

- A. concentrated marketing.
- B. undifferentiated marketing.
- C. market atomization.
- D. synchro marketing.
- E. differentiating marketing.

52. Coca-Cola's offerings of diet, cherry-flavored, vanilla-flavored, and caffeine-free versions of its product in addition to its original product reflect the company's decision to serve:

- A. concentrated markets.
- B. differentiated markets.
- C. a demographic segment.
- D. an undifferentiated market.
- E. geographic segmentation.

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

- A. Positioning
- B. Undifferentiated marketing
- C. Concentrated marketing
- D. Differentiated marketing
- E. Branding

54. Concentrated marketing is based around focusing marketing efforts on:

- A. different countries.
- B. one particular segment.
- C. mass market.
- D. a number of segments.
- E. a particular country.

55. Astrid Furniture designs and sells bedroom furniture for people who are over six-feet tall which is a relatively small target market. Astrid is employing which targeting strategy?

- A. Differentiated marketing
- B. Synchro marketing
- C. Undifferentiated marketing
- D. Concentrated marketing
- E. Mass marketing

56. "Thirteen percent of all American males are shorter than 5'6". A retail store that sells exclusively to men of this size is using:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.
- D. market atomization.
- E. demographic segmentation.

57. When Bruce Teilhaber opened his 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 appreciate the variety and quality of shoes Tielhaber carries and often order a dozen new pairs in a single visit. This shoe store uses:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.
- D. market atomization.
- E. demographic segmentation.

58. When Rolls Royce attempts to capture a large market share of the \$300,000 car buying market and only that market, it is an example of:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.
- D. market atomization.
- E. demographic segmentation.

59. _____ is 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. Target marketing
- B. Benefit segmentation
- C. Undifferentiated marketing
- D. Demographic segmentation
- E. Positioning

60. Product positioning is about:

- A. the perception of a product from the view of competitors.
- B. the position of the product on the shelf of a retail store.
- C. the way the product is packed.
- D. developing a perception about a product or service in the mind of the consumers.
- E. shelf life of a product.

61. 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 life cycle.

62. _____ is the process of building a brand whereas _____ is about putting the brand in the mind of the customer.

- A. Positioning; branding
- B. Branding; positioning
- C. Marketing; positioning
- D. Targeting; branding
- E. Segmenting; positioning

63. BMW's positioning of its convertible as "the ultimate tanning machine" would reflect a positioning strategy based on:

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

64. The headline on the ad for Broilmaster Grill read, "The Most Durable Grill Known to Man." Broilmaster is using a positioning strategy based on:

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

65. Isopure positions itself as a zero-carb muscle recovery drink. Isopure is using a _____ positioning strategy.

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

66. United Parcel Service (UPS) built its advertising campaign around the slogan, "moving at the speed of business." This slogan was an example of a positioning strategy based on:

- A. cultural symbols.
- B. demographics.
- C. price-value.
- D. product attribute and benefit.
- E. competitor.

67. The manufacturer of Mercedes-Benz autos stressed that the car had side door air bags in an attempt to attract new buyers. Its focus on safety illustrated a strategy of positioning by:

- A. cultural symbols.
- B. demographics.
- C. price-value.
- D. product attribute and benefit.
- E. competitor.

68. Wal-Mart has been very effective in positioning itself as a store that offers quality products at a very good price. Their strategy reflects positioning based on:

- A. benefit segmentation.
- B. demographic segmentation.
- C. psychographic segmentation.
- D. price/quality.
- E. product class.

69. McDonald's Big &Tasty burger was advertised as a juicy quarter-pounder with lettuce, tomatoes, and all the trimmings that can be purchased for \$1 from McDonald's Dollar Menu. The Big & Tasty burger and other items on the Dollar Menu are positioning by:

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

70. Campbell's ads contain quick and easy recipes that can be made using Campbell's soups. This is an example of positioning by:

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

71. The Florida Orange Juice Commission's advertising campaign based around the slogan, "It's not just for breakfast anymore," reflected positioning by:

- A. product user.
- B. use or application.
- C. product class.
- D. competitor.
- E. cultural symbol.

72. Athletic shoes advertised for tennis courts, running, or for walking are using positioning based on:

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

73. To encourage more people to use mass transit, ads from metropolitan transportation services compare the ease and comfort of riding mass transit with the difficulties of congested traffic and parking headaches. These urban bus and subway services are using positioning by:

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

74. Digital cameras, computers, and high-quality printers are allowing people to take and process their photographs. An owner of a film-processing store could advertise the benefits of professional photograph finishing when compared to printer copies, which will fade over time. The film-processing store could use positioning by:

- A. product class.
- B. product demographics.
- C. product user.
- D. competitor.
- E. cultural symbol.

75. When Bruce Teilhaber opened his 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 appreciate the variety and quality of shoes Teilhaber carries and often order a dozen new pairs in a single visit. The shoe store uses positioning by:

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

76. An ad for Gaylord shorts found in *Runner's World* magazine shows how the shorts do not bind and are made of a light fabric that helps keep the wearer dry and cool. Gaylord is using positioning by:

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

77. Which of the following would constitute a positioning strategy focusing on the competitor?

- A. BMW—"The Ultimate Driving Machine"
- B. Red Roof Inns—"Equal Value at a Lower Price"
- C. Oneida flatware—"Your Table Is Ready"
- D. Coca-Cola—"The Real Thing"
- E. Broilmaster grill—"The Most Durable Grill Known to Man"

78. Progresso soup positioned itself as better tasting and more appropriate to the adult palate to gain a competitive advantage over Campbell's soup. Progresso used positioning by:

- A. product attributes.
- B. cultural symbols.
- C. competitor.
- D. product user.
- E. product class.

79. The use of comparative advertising has become more and 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

80. When many frequent travelers think of Australian-based Qantas Airlines, the first thing that comes to mind is the koala bear. Because of this strong association, Qantas is receiving the benefit of positioning by:

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

81. The use of the gecko lizard in the Geico Direct insurance company commercials indicates a positioning strategy based on:

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

82. _____ involves altering or changing a product's or brand's position.

- A. Market segmentation
- B. Market targeting
- C. Positioning.
- D. Target marketing
- E. Repositioning

83. _____ is often difficult to accomplish due to previously entrenched attitudes toward the product or brand.

- A. Positioning by cultural symbols
- B. Positioning by price/quality
- C. Positioning by product attributes
- D. Repositioning
- E. Positioning by product user

84. Unisys Corporation engaged in a multi-million dollar campaign to alter its perceptions among many of its customers that it was simply a hardware manufacturer. Unisys wants customers to see it as a services and technology provider. Unisys was:

- A. using a repositioning strategy.
- B. segmenting the market in new, more profitable ways.
- C. adopting a concentrated strategy.
- D. adopting an undifferentiated strategy.
- E. employing lifestyle segmentation.

85. Years ago United Parcel Service (UPS) ran an ad campaign based around the slogan, "moving at the speed of business." Later, UPS introduced a new slogan, "What can brown do for you?" The new ads are designed to make customers aware of the different services besides fast delivery that UPS offers. By moving away from promoting itself as simply a delivery company, UPS has:

- A. used a repositioning strategy.
- B. segmented the market in new, more profitable ways.
- C. adopted a concentrated strategy.
- D. adopted an undifferentiated strategy.
- E. employed lifestyle segmentation.

86. Initially, Crush orange drink was marketed to teenagers, but when Cadbury Beverages acquired the drink, it was already marketing Sunkist orange drink to teens. Cadbury used _____ to move Crush toward a drink for the whole family to enjoy.

- A. positioning by cultural symbols
- B. positioning by price/quality
- C. positioning by product attributes
- D. repositioning
- E. positioning by product category

87. _____ is a bundle of benefits or values that satisfies the needs of consumers.

- A. Product use positioning
- B. Market
- C. Value
- D. Product
- E. Channel

88. 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.

89. _____ 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.

- A. Positioning
- B. Repositioning
- C. Segmentation
- D. Branding
- E. Targeting

90. _____ consists of the combination of the name, logo, symbols, design, packaging, and image of associations held by consumers.

- A. Marketing mix
- B. Promotional mix
- C. Brand identity
- D. Positioning
- E. Product symbolism

91. How does strong brand equity benefit the seller?

- A. Product quality becomes completely irrelevant.
- B. It allows the seller to use undifferentiated marketing.
- C. It enables the seller to hide product success from its competition.
- D. It allows the seller to achieve higher sales volume and/or profit.
- E. It allows the seller to stop all promotional activities and redirect its funds to other areas of operation.

92. _____ is the intangible asset of added value or goodwill that results from the favorable image, impressions, differentiation, and/or strength of a consumer's attachment to a company's name or trademark.

- A. Product affiliation
- B. Product symbolism
- C. Brand equity
- D. Brand symbolism
- E. Trademark recognition

93. The marketing mix variable that deals with what a consumer must give up to purchase a product or service is:

- A. product.
- B. price.
- C. promotion.
- D. distribution.
- E. production.

94. When developing a _____, costs, competition, demand factors, and perceived value must be taken into consideration.

- A. target market
- B. channel of distribution
- C. promotional mix
- D. pricing strategy
- E. segmentation strategy

95. Promotional expenditures on advertising, sales promotion, and personal selling:

- A. are not relevant when determining a pricing structure.
- B. are incomes that must be covered in a firm's pricing structure.
- C. contribute to a product's cost and price and thus make it harder to sell.
- D. are expenses that must be covered but can also help reduce costs by creating demand for a product.
- E. are examples of fixed costs on an organization's income statement.

96. 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 life cycle.
 - 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 are damaged the least, in terms of return on investment, by 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.

97. Marketing _____ are the set of interdependent organizations involved in the process of making a product or service available for consumption.
- A. channels
 - B. hierarchies
 - C. facilitators
 - D. consumers
 - E. programs

98. Doncaster is a company that sells fashionable women's clothing through wardrobe parties. It targets women who are too busy to go to stores to shop. Doncaster is utilizing a(n):
- A. direct channel of distribution.
 - B. indirect channel of distribution.
 - C. marketing intermediary.
 - D. direct-response advertising medium.
 - E. reseller channel.

99. Hunter ceiling fans are sold to retailers who then sell them to ultimate consumer. The manufacturer of Hunter ceiling fans is using a(n):
- A. direct channel of distribution.
 - B. indirect channel of distribution.
 - C. multiple-level channel.
 - D. direct-response advertising medium.
 - E. reseller channel.

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

- A. Promotional pull strategies
- B. Spot television campaigns
- C. Spot radio campaigns
- D. Promotional push strategies
- E. Progressive adherence policies

101. An ad in a publication aimed at veterinarians explaining why they should recommend Eukanuba cat food to the owners of all the cats they treat is an example of:

- A. consumer advertising.
- B. a promotional pull strategy.
- C. a harvesting strategy.
- D. a consumer promotion.
- E. a promotional push strategy.

102. An ad in *Floral Management*, a publication for retail florists, promotes Redwood Grove tulips as a product that will enhance any spring bouquet that the florists sell to ultimate consumers. The ad for Redwood Grove tulips is an example of:

- A. trade advertising.
- B. a promotional pull strategy.
- C. a harvesting strategy.
- D. a consumer promotion.
- E. a promotional inertia strategy.

103. 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. non-intermediary marketing

104. An ad for Aricept, a prescription-only drug for patients in the early stages of Alzheimer's disease, was published in a *Better Homes & Gardens* magazine. Since the ad encouraged consumers to ask their doctors about this drug and whether it would help them or someone they knew, the drug company that placed the ad is using:

- A. trade advertising.
- B. a promotional pull strategy.
- C. a harvesting strategy.
- D. a consumer promotion.
- E. a promotional push strategy.

105. A company with a limited promotional budget and few funds for advertising and promotion is likely to use:

- A. a promotional pull strategy.
- B. a promotional push strategy.
- C. a brand equity strategy.
- D. a gravity-oriented strategy.
- E. any of the above.

Chapter 02 The Role of IMC in the Marketing Process **Answer Key**

Multiple Choice Questions

1. (p. 42) According to the marketing and promotions process model, the marketing process begins with the:

- A. development of the marketing mix.
- B.** development of a marketing strategy and analysis.
- C. development of the promotional mix.
- D. determination of the target market.
- E. establishment of marketing objectives.

As the 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. (Refer: Figure 2-1)

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Introduction

2. (p. 43) A(n) _____ is a document that evolves from an organization's overall corporate strategy and serves as a guide for specific marketing programs and policies.

- A.** strategic marketing plan
- B. integrated marketing communications plan
- C. situation analysis
- D. opportunity analysis
- E. competitive plan

A strategic marketing plan usually evolves from an organization's overall corporate strategy and serves as a guide for specific marketing programs and policies.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Marketing Strategy and Analysis

3. (p. 43) _____ is a detailed assessment of the current marketing conditions facing the company, its product lines, or its individual brands.

- A. Strategic marketing plan
- B. Integrated marketing communications plan
- C. Situation analysis**
- D. Opportunity analysis
- E. Competitive plan

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Marketing Strategy and Analysis

4. (p. 43) _____ are defined as external 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 opportunities**
- B. Market segments
- C. Competitive advantages
- D. Market strengths
- E. Market plans

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Opportunity Analysis

5. (p. 43) To reach tweens (8-12 year olds), Jell-O brand gelatin marketers introduced X-treme Jell-O in wild berry, green apple, and watermelon flavors. The ads describe the gelatin flavors as "Jell-O with an attitude" because these fruit flavors "will bite you back." Jell-O has defined tweens as:

- A. part of an undifferentiated market.
- B. aggregated market.
- C. a response-stimulus market.
- D. the mass market for gelatin.
- E.** a market segment.

From the situation analysis, a firm develops an understanding of the market and the various opportunities it offers, the competition, and the market segments or target markets the company wishes to pursue.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Marketing Strategy and Analysis

6. (p. 43) China is the world's second-largest beer market after the U.S. It is also one of the fastest growing with annual growth of 10 percent. Anheuser-Busch responded to this _____ in China when it established Budweiser Wulhan International Brewing in central China. There it brews Budweiser and Budweiser Ice which are sold to the local market.

- A.** market opportunity
- B. market aggregation
- C. competitive advantage
- D. market strength
- E. market threat

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Opportunity Analysis

7. (p. 43) Anyone who has ever attended a state fair understands how complicated the ticketing system can be. Attendees buy a number of tickets and then turn them in to various ride operators. One ride may require three tickets, another five, and another two. The system was complicated for workers and for consumers. A company named Funtastic has developed a SmartCard that is purchased at the ticket booth for any amount customers want to spend. Each ride requires one swipe of the card, and the amount of the ride is deducted electronically from the card's total. Funtastic has recognized a:

- A. market opportunity.
- B. market segment.
- C. competitive advantage.
- D. market strength.
- E. market threat.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Opportunity Analysis

8. (p. 44) There are many different types of medicines for relieving allergy symptoms, and there are several that offer 24-hour relief, but only Alavert comes in a quick-dissolving form that can be easily swallowed without water. The maker of Alavert hopes the fact that it dissolves and enters the system more quickly than other brands will create a:

- A. market aggregation.
- B. market segment.
- C. competitive advantage.
- D. market strength.
- E. market threat.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Competitive Analysis

9. (p. 44) Offering quality products that command a premium price, providing superior customer service, having the lowest production costs and lower prices etc. are ways of:

- A. achieving competitive advantage.
- B. market segmentation.
- C. mass marketing.
- D. exploiting market opportunity.
- E. undifferentiated marketing.

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Competitive Analysis

10. (p. 44) _____ is something unique or special a firm possesses or does that gives it an edge over its competitors.

- A. Brand quality
- B. Brand equity
- C. A competitive advantage
- D. Brand power
- E. A market opportunity

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Competitive Analysis

11. (p. 44) Today many people take an aspirin at their doctor's recommendation as preventive medicine. The maker of Bayer aspirin has added calcium to its aspirin. The calcium is also often recommended by doctors to help maintain bone density. There are many types of aspirin on the market, but only one brand that contains calcium. For Bayer, this calcium additive is an example of:

- A. brand quality.
- B. brand equity.
- C.** a competitive advantage.
- D. brand power.
- E. a market opportunity.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-01 To understand the marketing process and the role of advertising and promotion in an organization's integrated marketing program.

Topic: Competitive Analysis

12. (p. 46) The first step in the target marketing process is to:

Refer: Figure 2-2

- 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-02 To understand the concept of target marketing in an integrated marketing communications program.

Topic: The Target Marketing Process

13. (p. 47) 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. identifies markets with unfulfilled 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

14. (p. 47) Directing a company's efforts towards one or more groups of customers who share common needs is known as:

- A. target marketing.
- B. competitive advantage.
- C. positioning.
- D.** market segmentation.
- E. 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: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

15. (p. 48) Dividing the market into units such as nation, states, town, counties etc. 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

16. (p. 48) Which of the following is a geographic variable for segmentation of the market?
- A. Family size
 - B. Occasions
 - C.** Cities
 - 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 neighbourhoods.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

17. (p. 48) Geographic segmentation is about dividing:

- A. consumers based on lifestyle.
- B.** markets based on location.
- C. consumers based on usage.
- D. consumers based on income.
- E. markets based on benefit the product has to offer.

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

18. (p. 48) Ramen has recently come up with instant soup packets which it advertises 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.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

19. (p. 48) Bubba's Frozen Barbecue Sandwiches contain pork drenched with a vinegar-based barbecue sauce. It would not be popular in Texas where barbecue lovers want goat meat, or in the Carolinas where a mustard-based sauce is preferred. Given this information, Bubba's should use _____ segmentation.

- A. demographic
- B. buying condition
- C. personality
- D. geographic**
- E. behavioristic

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

20. (p. 48) General Foods' determination that Southerners preferred milder mustard than those in the Northeast led the company to develop a new "Southern Style Mustard." This strategy best exemplifies:

- A. geographic segmentation.**
- B. lifestyle segmentation.
- C. concentrated marketing.
- D. usage segmentation.
- E. undifferentiated marketing.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

21. (p. 50) When retail buyers told the people who sold Duck Tape brand duct tape that tweens and teens were significant purchasers of the tape and used it to repair skateboards and other extreme sports equipment, the makers of Duck Tape introduced duct tape in wild neon colors specifically for this market because research showed this market liked fun colors. By targeting tweens and teens that skateboard and engage in other extreme sports, the maker of Duck Tape used _____ segmentation.

- A. geographic
- B. sociocultural
- C. behavioristic
- D. socioeconomic
- E.** demographic

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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

22. (p. 50) Division of the market based on age, sex, family size, income, and other measurable characteristics is known as:

- A.** demographic segmentation.
- B. psychographic segmentation.
- C. quantified aggregation.
- D. lifestyle aggregation.
- E. undifferentiated marketing.

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

23. (p. 50) An ad for Shangri-La Travel Agency offers trips especially designed for grandparents and their grandchildren to enjoy together. This example illustrates the use of _____ segmentation.

- A. geographic
- B. demographic**
- C. lifestyle
- D. behavioristic
- E. personality

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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

24. (p. 50) Ads for consumer finance companies are often aimed at people making annual salaries of \$25,000 or less. Consumer finance companies are using _____ segmentation.

- A. geographic
- B. demographic**
- C. lifestyle
- D. behavioristic
- E. personality

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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

25. (p. 50) Kyle wrote a book for new dads to help them take care of the babies when the wives are away. It is highly recommended that Kyle employ _____ to divide the market.

- A. geographic segmentation
- B. demographic segmentation**
- C. psychographic segmentation
- D. socio economic segmentation
- E. cultural segmentation

Dividing the market on the basis of demographic variables such as age, sex, family size, education, income, life cycle stage and social class is called demographic segmentation. The variables used for segmentation here could be gender and lifecycle stage.

AACSB: Analytic

Bloom's: Remember

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

26. (p. 50) Dividing the market on the basis of personality and/or lifestyles is referred to as _____.

- A. geographic segmentation
- B. demographic segmentation
- C. psychographic segmentation**
- D. socio economic segmentation
- E. behavioural segmentation

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

27. (p. 48; 50) Gatorade sports drink has defined its target market as 18-34 year old males who are active in sports. Which two bases of segmentation is Gatorade employing?

- A. Benefit and demographic
- B. Psychographic and geographic
- C. Demographic and psychographic**
- D. Geographic and benefit
- E. Benefit and psychographic

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

28. (p. 50) _____ divides a market on the basis of lifestyles.

- A. Leisure marketing
- B. Psychographic segmentation**
- C. Benefit segmentation
- D. Demographic segmentation
- E. Behavioristic segmentation

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

29. (p. 50) Company X is a non-profit organization, that employs a large number of underprivileged people. It sells art and handicrafts made by these individuals at reasonable prices. Company X defines its market segment as people who believe in helping others and feel good about it. It uses _____ segmentation.

- A. demographic
- B. geographic
- C. psychographic**
- D. benefit
- E. socio economic

Dividing the market on the basis of personality and/or lifestyles is referred to as psychographic segmentation. Psychographic segmentation has been increasingly more popular with the advent of the values and lifestyles (VALS) program. (Refer: Figure 2-4)

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

30. (p. 51) 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

31. (p. 50; 52) An ad for Nivea Visage Wrinkle Control states that the cream allows women to "give their skin back its own wrinkle control." It shows a woman in her forties using the product. This ad is using _____ segmentation.

- A. behavioristic and benefit
- B. benefit and demographic**
- C. psychographic and behavioristic
- D. geographic and benefit
- E. demographic and psychographic

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

32. (p. 52) Crest 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 germi-check toothpaste for those looking to protect their teeth all day long. On what basis has it segmented the market?

- A. Demographic
- B. Geographic
- C. Socio economic
- D. Benefit**
- E. Socio cultural

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

33. (p. 50) Crossings is the name of a book club designed to appeal to conservative Christians. It sells inspirational fiction and nonfiction books that express moral values consistent with the views of these Christians. Crossings uses _____ segmentation.

- A. psychographic
- B. demographic
- C. behavioristic
- D. usage
- E. geographic

Dividing the market on the basis of personality 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. These lifestyles are then correlated with the consumers' product, brand, and/or media usage. For many products and/or services, lifestyles may be the best discriminator between use and non-use, accounting for differences in food, clothing, and car selections, among numerous other consumer behaviors.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

34. (p. 50) The ad for the Disney Institute at Walt Disney World describes vacations during which an individual can immerse him or herself in the joys of gardening for a week and take classes with horticulturists. This is an example of _____ segmentation.

- A. psychographic
- B. demographic
- C. behavioristic
- D. usage
- E. geographic

Dividing the market on the basis of personality 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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

35. (p. 52) _____ 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

36. (p. 52) Research shows that about two-thirds of the new insurance policies Prudential sells will be to current policyholders. This information indicates a(n) _____ segmentation would be appropriate for Prudential to use along with demographic and psychographic segmentation.

- A. benefit
- B. geographic
- C. SRI
- D. behavioristic**
- E. VALS

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

37. (p. 52) New York Telephone uses _____ segmentation to segment consumers in terms of how much leisure telephone calling they do. It advertises on "Nick at Night" and MTV when it wishes to target the group it calls "chatterboxes."

- A. behavioristic
- B. benefit
- C. demographic
- D. geographic
- E. VALS

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

38. (p. 52) Which of the following bases for segmentation is employed when consumers are grouped according to their use of a product or service (heavy versus light)?

- A. Behavioristic
- B. Demographic
- C. Benefit
- D. Lifestyle
- E. Psychographic

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

39. (p. 52) Degree of usage as a basis of segmentation is best reflected by:

- A. demographic segmentation variables.
- B. the iceberg principle.
- C. the benefit 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.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

40. (p. 52) _____ 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: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

41. (p. 52) The 80-20 rule states that:

- A.** around 80 percent of the firm'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.
- D. only about 80 percent of the people remember the firm'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.

AACSB: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

42. (p. 52) _____ segmentation is the grouping of customers on the basis of attributes sought in a product.

- A.** Benefit
- B. Geographic
- C. VALS
- 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

43. (p. 52) An advertising campaign stating that BMW "outperforms most cars on the road even before you step on the accelerator" is an example of _____ segmentation.

- A. benefit
- B. demographic
- C. geographic
- D. VALS
- E. SRI

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

44. (p. 52) The ad for Tempur-Pedic's weight control mattress describes the mattress as "a perfect refuge from the cares of the day." This description indicates that the mattress maker is using _____ segmentation to define its market.

- A. benefit
- B. demographic
- C. geographic
- D. behavioristic
- E. SRI

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

45. (p. 52) The fact that some consumers want pure bottled water while some want flavored bottle water and still others want bottled water with added minerals provides an opportunity for _____ segmentation in the bottled water market.

- A. behavioristic
- B. benefit**
- C. geographic
- D. psychographic
- E. demographic

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

46. (p. 52) Volvo's strategy of emphasizing the safety of its cars in their advertising reflects a positioning strategy based on:

- A. benefit segmentation.**
- B. demographic segmentation.
- C. psychographic segmentation.
- D. positioning by competitor.
- E. positioning by product class.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Market Segmentation

47. (p. 53) _____ involves ignoring segment differences and offering just one product or service for the entire market.

- A. Marketing mix
- B. Positioning
- C. Concentrated marketing
- D. Synchro marketing
- E.** Undifferentiated marketing

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

48. (p. 53) When Coca-Cola only had one product in its line and was targeting everyone, the company was employing:

- A. concentrated marketing.
- B.** undifferentiated marketing.
- C. market atomization.
- D. niche marketing.
- E. benefit segmentation.

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

49. (p. 53) When MetaboLife first came on the market, its only product was a weight-loss pill that was guaranteed to energize the user by causing a greater level of physical activity, which would help in burning calories. This was its only product, and it was marketed to anyone who wanted to lose weight or have more energy. This means, that its target market was virtually anyone breathing because very few people like their current weight, and everyone could use a little more energy. MetaboLife used:

- A. concentrated marketing.
- B.** undifferentiated marketing.
- C. market atomization.
- D. niche marketing.
- E. demographic segmentation.

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

50. (p. 54) _____ involves developing separate marketing strategies for a number of segments.

- A.** Differentiated marketing
- B. Undifferentiated marketing
- C. Concentrated marketing
- D. Behavioristic segmentation
- E. Geographic segmentation

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

51. (p. 54) L'Oreal, the giant cosmetics manufacturer, targets the luxury market with Helena Rubinstein and Lancôme brands. Its less expensive brands like Elseve and L'Oreal are sold by discount retailers. L'Oreal uses:

- A. concentrated marketing.
- B. undifferentiated marketing.
- C. market atomization.
- D. synchro marketing.
- E.** differentiating marketing.

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

52. (p. 54) Coca-Cola's offerings of diet, cherry-flavored, vanilla-flavored, and caffeine-free versions of its product in addition to its original product reflect the company's decision to serve:

- A. concentrated markets.
- B.** differentiated markets.
- C. a demographic segment.
- D. an undifferentiated market.
- E. geographic segmentation.

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

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

53. (p. 54) _____ is used when the firm selects one segment and attempts to capture a large share of this market.

- A. Positioning
- B. Undifferentiated marketing
- C. Concentrated marketing**
- D. Differentiated marketing
- E. Branding

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

54. (p. 54) Concentrated marketing is based around focusing marketing efforts on:

- A. different countries.
- B. one particular segment.**
- C. mass market.
- D. a number of segments.
- E. a particular country.

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

55. (p. 54) Astrid Furniture designs and sells bedroom furniture for people who are over six-feet tall which is a relatively small target market. Astrid is employing which targeting strategy?

- A. Differentiated marketing
- B. Synchro marketing
- C. Undifferentiated marketing
- D. Concentrated marketing**
- E. Mass marketing

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

56. (p. 54) "Thirteen percent of all American males are shorter than 5'6". A retail store that sells exclusively to men of this size is using:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.**
- D. market atomization.
- E. demographic segmentation.

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

57. (p. 54) When Bruce Teilhafer opened his 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 appreciate the variety and quality of shoes Tielhaber carries and often order a dozen new pairs in a single visit. This shoe store uses:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.**
- D. market atomization.
- E. demographic segmentation.

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

58. (p. 54) When Rolls Royce attempts to capture a large market share of the \$300,000 car buying market and only that market, it is an example of:

- A. market aggregation.
- B. undifferentiated marketing.
- C. concentrated marketing.**
- D. market atomization.
- E. demographic segmentation.

The third alternative, concentrated marketing, is used when the firm selects one segment and attempts to capture a large share of this market.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-03 To recognize the role of market segmentation and its use in an integrated marketing communications program.

Topic: Selecting a Target Market

59. (p. 54) _____ is 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. Target marketing
- B. Benefit segmentation
- C. Undifferentiated marketing
- D. Demographic 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Positioning

60. (p. 54) Product positioning is about:

- A. the perception of a product from the view of competitors.
- B. the position of the product on the shelf of a retail store.
- C. the way the product is packed.
- D. developing a perception about a product or service in the mind of the consumers.**
- E. shelf life of a product.

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." 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Positioning

61. (p. 54) 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 life cycle.

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Positioning

62. (p. 55) _____ is the process of building a brand whereas _____ is about putting the brand in the mind of the customer.

- A. Positioning; branding
- B. Branding; positioning**
- C. Marketing; positioning
- D. Targeting; branding
- E. Segmenting; positioning

Jack Trout notes that a good branding strategy cannot exist without positioning. Trout further states that branding is about the process of building a brand, while positioning is about putting that brand in the mind of the consumer.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Positioning

63. (p. 55) BMW's positioning of its convertible as "the ultimate tanning machine" would reflect a positioning strategy based on:

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

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

64. (p. 55) The headline on the ad for Broilmaster Grill read, "The Most Durable Grill Known to Man." Broilmaster is using a positioning strategy based on:

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

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

65. (p. 55) Isopure positions itself as a zero-carb muscle recovery drink. Isopure is using a _____ positioning strategy.

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

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

66. (p. 55) United Parcel Service (UPS) built its advertising campaign around the slogan, "moving at the speed of business." This slogan was an example of a positioning strategy based on:

- A. cultural symbols.
- B. demographics.
- C. price-value.
- D. product attribute and benefit.**
- E. competitor.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

67. (p. 55) The manufacturer of Mercedes-Benz autos stressed that the car had side door air bags in an attempt to attract new buyers. Its focus on safety illustrated a strategy of positioning by:
- A. cultural symbols.
 - B. demographics.
 - C. price-value.
 - D.** product attribute and benefit.
 - E. competitor.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

68. (p. 55) Wal-Mart has been very effective in positioning itself as a store that offers quality products at a very good price. Their strategy reflects positioning based on:
- A. benefit segmentation.
 - B. demographic segmentation.
 - C. psychographic segmentation.
 - D.** price/quality.
 - E. product class.

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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

69. (p. 55) McDonald's Big & Tasty burger was advertised as a juicy quarter-pounder with lettuce, tomatoes, and all the trimmings that can be purchased for \$1 from McDonald's Dollar Menu. The Big & Tasty burger and other items on the Dollar Menu are positioning by:
- A. competitor.
 - B. demographics.
 - C. product user.
 - D. price/quality.**
 - E. product class.

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: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

70. (p. 56) Campbell's ads contain quick and easy recipes that can be made using Campbell's soups. This is an example of positioning by:
- A. product class.
 - B. product use.**
 - C. price/quality.
 - D. competitor.
 - E. cultural symbol.

Another way to communicate a specific image or position for a brand is to associate it with a specific use or application also known as product use positioning.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

71. (p. 56) The Florida Orange Juice Commission's advertising campaign based around the slogan, "It's not just for breakfast anymore," reflected positioning by:

- A. product user.
- B. use or application.**
- C. product class.
- D. competitor.
- E. cultural symbol.

Another way to communicate a specific image or position for a brand is to associate it with a specific use or application also known as product use positioning.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

72. (p. 56) Athletic shoes advertised for tennis courts, running, or for walking are using positioning based on:

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

Another way to communicate a specific image or position for a brand is to associate it with a specific use or application also known as product use positioning.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

73. (p. 56) To encourage more people to use mass transit, ads from metropolitan transportation services compare the ease and comfort of riding mass transit with the difficulties of congested traffic and parking headaches. These urban bus and subway services are using positioning by:
- A. product class.
 - B. product user.
 - C. price/quality.
 - D. product attributes.
 - E. cultural symbols.

Positioning by 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. Amtrak has positioned itself as an alternative to airplanes, citing cost savings, enjoyment, and other advantages.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

74. (p. 56) Digital cameras, computers, and high-quality printers are allowing people to take and process their photographs. An owner of a film-processing store could advertise the benefits of professional photograph finishing when compared to printer copies, which will fade over time. The film-processing store could use positioning by:
- A. product class.
 - B. product demographics.
 - C. product user.
 - D. competitor.
 - E. cultural symbol.

Positioning by Product Class - Often 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 oz. of juice is the equivalent of two fruits V8 promotes drinking one's vegetables. Rather than positioning against another brand, an alternative strategy is to position oneself against another product category.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

75. (p. 56) When Bruce Teilhaber opened his 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 appreciate the variety and quality of shoes Tielhaber carries and often order a dozen new pairs in a single visit. The shoe store uses positioning by:
- A. product demographics.
 - B. cultural symbols.
 - C. product user.**
 - D. competition.
 - E. product class.

Positioning a product by associating it with a particular user or group of users is yet another approach. An example would be the DC Shoes ad shown in Exhibit 2-19. This ad emphasizes identification or association with a specific group, in this case, skateboarders.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

76. (p. 56) An ad for Gaylord shorts found in *Runner's World* magazine shows how the shorts do not bind and are made of a light fabric that helps keep the wearer dry and cool. Gaylord is using positioning by:
- A. product user.**
 - B. product demographics.
 - C. cultural symbol.
 - D. product class.
 - E. distribution intensity.

Positioning a product by associating it with a particular user or group of users is yet another approach. An example would be the DC Shoes ad shown in Exhibit 2-19. This ad emphasizes identification or association with a specific group, in this case, skateboarders.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

77. (p. 56) Which of the following would constitute a positioning strategy focusing on the competitor?

- A. BMW—"The Ultimate Driving Machine"
- B. Red Roof Inns—"Equal Value at a Lower Price"**
- C. Oneida flatware—"Your Table Is Ready"
- D. Coca-Cola—"The Real Thing"
- E. Broilmaster grill—"The Most Durable Grill Known to Man"

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

78. (p. 56) Progresso soup positioned itself as better tasting and more appropriate to the adult palate to gain a competitive advantage over Campbell's soup. Progresso used positioning by:

- A. product attributes.
- B. cultural symbols.
- C. competitor.**
- D. product user.
- E. product class.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

79. (p. 56) The use of comparative advertising has become more and 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: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

80. (p. 56) When many frequent travelers think of Australian-based Qantas Airlines, the first thing that comes to mind is the koala bear. Because of this strong association, Qantas is receiving the benefit of positioning by:

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

Aaker and Myers include an additional positioning strategy in which cultural symbols are used to differentiate brands. By associating the brand with a meaningful symbol, the brand is easily identifiable and differentiated from others.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

81. (p. 56) The use of the gecko lizard in the Geico Direct insurance company commercials indicates a positioning strategy based on:

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

Aaker and Myers include an additional positioning strategy in which cultural symbols are used to differentiate brands. By associating the brand with a meaningful symbol, the brand is easily identifiable and differentiated from others.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

82. (p. 57) _____ involves altering or changing a product's or brand's position.

- A. Market segmentation
- B. Market targeting
- C. Positioning.
- D. Target marketing
- E. Repositioning**

One final positioning strategy 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

83. (p. 57) _____ is often difficult to accomplish due to previously entrenched attitudes toward the product or brand.

- A. Positioning by cultural symbols
- B. Positioning by price/quality
- C. Positioning by product attributes
- D. Repositioning**
- E. Positioning by product user

One final positioning strategy 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. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

84. (p. 57) Unisys Corporation engaged in a multi-million dollar campaign to alter its perceptions among many of its customers that it was simply a hardware manufacturer. Unisys wants customers to see it as a services and technology provider. Unisys was:

- A. using a repositioning strategy.**
- B. segmenting the market in new, more profitable ways.
- C. adopting a concentrated strategy.
- D. adopting an undifferentiated strategy.
- E. employing lifestyle segmentation.

One final positioning strategy 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. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

85. (p. 57) Years ago United Parcel Service (UPS) ran an ad campaign based around the slogan, "moving at the speed of business." Later, UPS introduced a new slogan, "What can brown do for you?" The new ads are designed to make customers aware of the different services besides fast delivery that UPS offers. By moving away from promoting itself as simply a delivery company, UPS has:

- A. used a repositioning strategy.
- B. segmented the market in new, more profitable ways.
- C. adopted a concentrated strategy.
- D. adopted an undifferentiated strategy.
- E. employed lifestyle segmentation.

One final positioning strategy 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. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

86. (p. 57) Initially, Crush orange drink was marketed to teenagers, but when Cadbury Beverages acquired the drink, it was already marketing Sunkist orange drink to teens. Cadbury used _____ to move Crush toward a drink for the whole family to enjoy.

- A. positioning by cultural symbols
- B. positioning by price/quality
- C. positioning by product attributes
- D. repositioning
- E. positioning by product category

One final positioning strategy 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. Repositioning is often difficult to accomplish because of entrenched perceptions about and attitudes toward the product or brand.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-04 To understand the use of positioning and repositioning strategies.

Topic: Developing a Positioning Strategy

87. (p. 59) _____ is a bundle of benefits or values that satisfies the needs of consumers.

- A. Product use positioning
- B. Market
- C. Value
- D.** Product
- E. Channel

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

88. (p. 59) 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 product symbolism refers to what a product or brand means to consumers and what they experience in purchasing and using it.

AACSB: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

89. (p. 59) _____ 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.

- A. Positioning
- B. Repositioning
- C. Segmentation
- D.** Branding
- E. Targeting

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

90. (p. 59) _____ consists of the combination of the name, logo, symbols, design, packaging, and image of associations held by consumers.

- A. Marketing mix
- B. Promotional mix
- C.** Brand identity
- D. Positioning
- E. Product symbolism

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

91. (p. 59) How does strong brand equity benefit the seller?

- A. Product quality becomes completely irrelevant.
- B. It allows the seller to use undifferentiated marketing.
- C. It enables the seller to hide product success from its competition.
- D.** It allows the seller to achieve higher sales volume and/or profit.
- E. It allows the seller to stop all promotional activities and redirect its funds to other areas of operation.

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

92. (p. 59) _____ is the intangible asset of added value or goodwill that results from the favorable image, impressions, differentiation, and/or strength of a consumer's attachment to a company's name or trademark.

- A. Product affiliation
- B. Product symbolism
- C.** Brand equity
- D. Brand symbolism
- E. Trademark recognition

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 favourable image, impressions of differentiation, and/or the strength of consumer attachment to a company name, brand name, or trademark.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Product Decisions

93. (p. 60) The marketing mix variable that deals with what a consumer must give up to purchase a product or service is:

- A. product.
- 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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Price decisions

94. (p. 60) When developing a _____, costs, competition, demand factors, and perceived value must be taken into consideration.

- A. target market
- B. channel of distribution
- C. promotional mix
- D. pricing strategy**
- E. segmentation strategy

A firm must consider a number of factors in determining the price it charges for its product or service, including costs, demand factors, competition, and perceived value.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Price decisions

95. (p. 60) Promotional expenditures on advertising, sales promotion, and personal selling:

- A. are not relevant when determining a pricing structure.
- B. are incomes that must be covered in a firm's pricing structure.
- C. contribute to a product's cost and price and thus make it harder to sell.
- D.** are expenses that must be covered but can also help reduce costs 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. These results obviously support the IMC perspective that one voice must be conveyed.

AACSB: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Price decisions

96. (p. 60) 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 life cycle.
- 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 are damaged the least, in terms of return on investment, by 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. These results obviously support the IMC perspective that one voice must be conveyed.

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Price decisions

97. (p. 61) Marketing _____ are the set of interdependent organizations involved in the process of making a product or service available for consumption.

- A.** channels
- B. hierarchies
- C. facilitators
- D. consumers
- E. 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."

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Distribution Channel Decisions

98. (p. 61) Doncaster is a company that sells fashionable women's clothing through wardrobe parties. It targets women who are too busy to go to stores to shop. Doncaster is utilizing a(n):
- A.** direct channel of distribution.
 - B. indirect channel of distribution.
 - C. marketing intermediary.
 - D. direct-response advertising medium.
 - E. reseller channel.

A company can choose not to use any channel intermediaries but, rather, to sell to its customers through direct channels.

AACSB: Reflective Thinking

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Distribution Channel Decisions

99. (p. 61) Hunter ceiling fans are sold to retailers who then sell them to ultimate consumer. The manufacturer of Hunter ceiling fans is using a(n):
- A. direct channel of distribution.
 - B.** indirect channel of distribution.
 - C. multiple-level channel.
 - D. direct-response advertising medium.
 - E. reseller channel.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Distribution Channel Decisions

100. (p. 61) _____ are programs designed to persuade the retailer to promote a manufacturer's products.

- A. Promotional pull strategies
- B. Spot television campaigns
- C. Spot radio campaigns
- D. Promotional push strategies**
- E. Progressive adherence policies

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: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?

101. (p. 61) An ad in a publication aimed at veterinarians explaining why they should recommend Eukanuba cat food to the owners of all the cats they treat is an example of:

- A. consumer advertising.
- B. a promotional pull strategy.
- C. a harvesting strategy.
- D. a consumer promotion.
- E. 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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?

102. (p. 61) An ad in *Floral Management*, a publication for retail florists, promotes Redwood Grove tulips as a product that will enhance any spring bouquet that the florists sell to ultimate consumers. The ad for Redwood Grove tulips is an example of:

- A. trade advertising.
- B. a promotional pull strategy.
- C. a harvesting strategy.
- D. a consumer promotion.
- E. a promotional inertia strategy.

The 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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?

103. (p. 62) 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. non-intermediary marketing

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

AACSB: Analytic

Bloom's: Remember

Difficulty: Easy

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?

104. (p. 62) An ad for Aricept, a prescription-only drug for patients in the early stages of Alzheimer's disease, was published in a *Better Homes & Gardens* magazine. Since the ad encouraged consumers to ask their doctors about this drug and whether it would help them or someone they knew, the drug company that placed the ad is using:

- A. trade advertising.
- B. a promotional pull strategy.**
- C. a harvesting strategy.
- D. a consumer promotion.
- E. a promotional push strategy.

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

Bloom's: Analyze

Difficulty: Hard

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?

105. (p. 62) A company with a limited promotional budget and few funds for advertising and promotion is likely to use:

- A. a promotional pull strategy.
- B. a promotional push strategy.**
- C. a brand equity strategy.
- D. a gravity-oriented strategy.
- E. any of the above.

A firm with a limited promotional budget may not have the funds for advertising and sales promotion that a pull strategy requires and may find it more cost-effective to build distribution and demand by working closely with resellers.

AACSB: Analytic

Bloom's: Understand

Difficulty: Medium

Learning Objective: 02-05 To know the various decision areas under each element of the marketing mix and how they influence and interact with advertising and promotional strategy.

Topic: Developing Promotional Strategies: Push or Pull?