

Quiz (3) for Principles of Marketing (Sessions 8-11)

Major _____ Class _____ Name _____
 Score _____

I. Fill in the blanks with either “T” or “F” to mean “True” or “False” as your judgment for the following statements:

- () 1. The available market is the set of all consumers who profess some level of interest in a particular product or service.
- () 2. Selecting a small market or a few submarkets and seeking a large share of it or them is consistent with a concentrated marketing strategy.
- () 3. A product’s position is the way the product is defined by the company relative to its competition on relevant attributes.
- () 4. The actual product can have as many as five characteristics: including quality level, features, design, a brand name, and packaging.
- () 5. Brand equity is a function of brand loyalty, name awareness, perceived quality, and other strong brand associations.
- () 6. Adding more products within the line, to increase the benefit combinations available to current range of customers is called product line stretching.
- () 7. An advantage of using standard market tests is that they can be completed fairly quickly.
- () 8. In terms of the PLC, growth is a period of rapid market acceptance and increasing profits.
- () 9. Looking for ways to increase usage among present customers is the key purpose in a product modification strategy for managing products in the maturity stage of the PLC.
- () 10. An expandable market is one whose size is strongly affected by the level of industry marketing expenditures.

II. Choose one best answer out of the given choices:

1. The formula, $Q = n \times q \times p$, where n = the number of buyers in the market, q = the quantity purchased, and p = price of an average unit, is a common way to estimate:
 - a. total market demand
 - b. market potential
 - c. selective demand
 - d. area market demand
 - e. penetrated market demand
2. The chain ratio method is a variation on the equation used to forecast which of the following?
 - a. market potential
 - b. market potential for chains
 - c. total market demand
 - d. total area demand
 - e. total selective demand

3. The buying power index is based upon which three factors?
 - a. disposable personal income, wholesale sales, psychographics
 - b. disposable personal income, retail sales, population
 - c. disposable corporate income, wholesale sales, population
 - d. disposable personal income, government spending, population
 - e. disposable corporate income, government spending, population

4. Dividing buyers into groups based upon their knowledge, attitudes, uses or responses to a product is called:
 - a. geographic segmentation
 - b. demographic segmentation
 - c. psychographic segmentation
 - d. behavioral segmentation
 - e. taste-specific segmentation

5. In business markets, use of customer technologies as a segmentation variable is characteristic of which of the following?
 - a. demographic segmentation
 - b. operating variables segmentation
 - c. purchasing approaches segmentation
 - d. situational factors segmentation
 - e. personal characteristics segmentation

6. Offering features or performance not available from competitors is a type of:
 - a. product differentiation
 - b. service differentiation
 - c. personal differentiation
 - d. image differentiation
 - e. all of the above

7. If Honda uses its company name to cover such different products as its automobiles, lawn mowers, and motorcycles, it is practicing which of the following?
 - a. brand extension strategy
 - b. line extension strategy
 - c. private brand strategy
 - d. new brand strategy
 - e. selective brand strategy

8. Characteristics of a product line include:
 - a. similar function of the products in the line
 - b. marketing through the same type of outlays
 - c. falling within given prices ranges
 - d. sold to the same customer groups
 - e. all of the above

9. The stage of the new product development process whose purpose is to reduce the number of new product idea is:
 - a. idea generation
 - b. concept development and testing
 - c. marketing strategy
 - d. business analysis
 - e. screening

10. The period that shows a slowdown in sales growth because the product has achieved acceptance by most potential buyers is called:

- a. introduction
- c. product development
- d. maturity

b. growth

e. decline

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