

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 b. growth c. product development
 - d. maturity e. decline

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