

Chapter 12 Dimensions of Marketing Strategy

True/False Questions

1) Once idea development is completed, the next step in the product development process is business analysis.

True False

2) During commercialization, the firm gears up for full-scale production, distribution, and promotion.

True False

3) The store at the local gas station sells coffee, soft drinks, donuts, and batteries. These are considered shopping products.

True False

4) Profits are negative in the growth stage of the product life cycle.

True False

5) Nike and Puma are manufacturer brands.

True False

6) The perceived value of a product by consumers is an important consideration when pricing that product.

True False

7) Penetration pricing is less flexible than price skimming.

True False

8) Chicos puts all its summer clothing on sale in late July. This is an example of price discounting.

True False

9) Avon and Herbalife use direct marketing to sell their products.

True False

10) Inventory decisions, product deterioration, and theft control are tasks in the risk-taking

function of wholesaling.

True False

11) Distribution channels for consumer products and business products are the same.

True False

12) Convenience products generally use selective distribution.

True False

13) Railroads are a cost-effective method of transportation for many products.

True False

14) Advertising is direct, two-way communication with buyers and potential buyers.

True False

15) Google AdWords only charges companies when users purchase a product.

True False

16) The most flexible promotional method is personal selling.

True False

17) Latosha is a salesperson at a Kmart store. In this role, she is a support salesperson.

True False

18) When focusing on a company's activities and products, it is best to use direct selling.

True False

Multiple Choice Questions

19) The Office Superstore surpasses all the competing office stores in the area because it offers the largest variety of products to meet customer expectations. As a result, this company fulfills the dimension of value associated with the product element of the marketing mix. Which of the following statements is true regarding what The Office Superstore must do in terms of the other dimensions of the marketing mix?

A) It can ignore the other dimensions of the marketing mix.

B) It must maintain acceptable, and, if possible, distinguishable differences in the other

dimensions of the marketing mix.

- C) It must equal the competitors in the other dimensions of the marketing mix.
- D) It can ignore pricing and distribution, but it must excel at promotion or its value associated with the product element of the marketing mix won't be known to customers.
- E) It can ignore distribution and promotion, but it must excel in pricing or no one will buy its products.

20) Which of the following is the stage in the product development process where most new product ideas are rejected because they seem inappropriate for an organization?

- A) idea development
- B) business analysis
- C) test marketing
- D) product development
- E) idea screening

21) Which of the following stages of the product development process assesses a product's compatibility in the market place?

- A) idea development
- B) business analysis
- C) test marketing
- D) commercialization
- E) idea screening

22) Sun Dane Inc., a tire manufacturing company, is in the process of developing a new product. Its R&D team has shortlisted the idea of a tire fitted with a sheet to keep off dirt. It is in the process of transforming the idea into an actual model. Sun Dane is currently in the _____ stage.

- A) idea development
- B) business analysis
- C) test marketing
- D) commercialization
- E) product development

23) Before introducing a new product, a prototype is created at the _____ stage.

- A) idea development
- B) product commercialization
- C) test marketing
- D) product development
- E) idea generation

24) Deli Dish, a new restaurant focused on offering delicious food that is also healthy, employs a team of nutritionists, doctors, food critics, and chefs that work together to come up with healthy, balanced, and tasty recipes for the restaurant. Which of the following steps in the product development process does this scenario best describe?

- A) idea screening
- B) business analysis
- C) test marketing
- D) idea development
- E) commercialization

25) Marin's Cleaning Supplies Company has an idea for a cleaner that is universal and can clean any surface type. This could simplify the cleaning process for homeowners, as well as janitors and other professional cleaners. When doing a business analysis, the most important question this company should consider when deciding whether to develop this product is:

- A) "can the firm afford to produce this new product?"
- B) "will enough customers want to replace their existing cleaning supplies with this product?"
- C) "are there any uses for this product in other industries?"
- D) "does this product contain any ingredients that can harm the environment or customers?"
- E) "how will the product affect the firm's sales, costs, and profits?"

26) _____ is a trial minilaunch of a product in limited areas that represent the potential market.

- A) Idea screening
- B) Test marketing
- C) Concept testing
- D) Business analysis
- E) Commercialization

27) Supreme Sandwiches, a nationwide sandwich shop chain, introduces a new sandwich in the Midwest to try out its marketing strategy before offering the product across the country. Thus, this sandwich shop is in the _____ stage of the product development process.

- A) idea screening
- B) commercialization
- C) concept testing
- D) business analysis
- E) test marketing

28) _____ is the full introduction of a complete marketing strategy and the launch of a product.

- A) Idea development
- B) Product development
- C) Commercialization
- D) Test marketing
- E) Idea screening

29) Michael goes to the grocery store to buy a gallon of milk for his cereal and coffee. In this scenario, the gallon of milk is an example of a _____ product.

- A) convenience
- B) shopping
- C) specialty
- D) generic
- E) difficult-to-obtain

30) Sarah went to the grocery store to buy a few items for an upcoming birthday party she is throwing. While she is waiting in the checkout line, she sees a magazine with an article about her favorite actress. She ends up buying it along with her other items. This magazine is an example of a(n) _____ product.

- A) shopping
- B) convenience
- C) processed
- D) specialty
- E) accessory

31) Before buying a new stereo, Christopher goes to several stores and searches online to compare competitive products in terms of price, features, quality, and style. In this scenario, the stereo is an example of a _____ product.

- A) convenience
- B) specialty
- C) capital
- D) luxury
- E) shopping

32) Theo is a hockey player on a men's league team. During a recent game, Theo took a slap shot and broke his stick. When he goes to the sporting goods store to replace it, he will most likely consider the price of the stick as well as its quality because he wants to avoid another broken stick. He is willing to go to several stores if necessary to find the quality and price he wants. The hockey stick in this scenario is an example of a _____ product.

- A) convenience
- B) shopping
- C) specialty
- D) generic
- E) difficult-to-obtain

33) Motorcycles are an example of _____ products.

- A) convenience
- B) shopping
- C) specialty
- D) generic
- E) difficult-to-obtain

34) Jiao has recently gotten engaged. She wants to buy a wedding dress designed by Pnina Tornai. As an avid viewer of *Say Yes to the Dress*, she knows that Kleinfeld Bridal has the largest selection of dresses by this designer. Even though she lives in Colorado, she makes the arrangements to travel to New York to buy her dress at Kleinfeld. In this scenario, the wedding dress is _____ product.

- A) a specialty
- B) a shopping
- C) an inconvenient
- D) a convenience
- E) a competitive

35) Auto Assemblers buys light bulbs to provide light for its workers who build cars on an assembly line. In this scenario, the light bulbs are an example of a _____ product.

- A) specialty
- B) technical
- C) business
- D) convenience
- E) consumer

36) Business products such as lumber, cotton, and iron ore are classified as

- A) major equipment.
- B) supplies.
- C) accessory equipment.
- D) raw materials.
- E) component parts.

37) Earth-moving equipment, stamping machines, and robotic equipment used on auto assembly lines are examples of

- A) major equipment.
- B) supplies.
- C) accessory equipment.
- D) industrial services.
- E) component parts.

38) In the process of assembling cars, Auto Assembly uses tires, window glass, batteries, and spark plugs, among other things. These items can be classified as

- A) major equipment.
- B) component parts.
- C) accessory equipment.
- D) processed materials.
- E) raw materials.

39) Model Homes Inc. produces trailers and other factory-made homes. Paint is an example of _____ for this house-building company.

- A) major equipment
- B) office supplies
- C) accessory equipment
- D) processed material
- E) raw material

40) All of the following are examples of industrial services EXCEPT

- A) cleaning supplies.
- B) marketing research.
- C) exterminating.
- D) security.
- E) financial services.

41) Corolla, Camry, Highlander, and Rav 4 are vehicles in Toyota's

- A) product line.
- B) marketing mix.
- C) product position.
- D) product width.
- E) product innovation.

42) A product _____ is all the products offered by an organization.

- A) line
- B) group
- C) mix
- D) width
- E) list

43) Medical Products Inc. has just developed a new home examination kit that allows customers to perform most of the functions a doctor performs at an annual physical at home. Currently, this product is experiencing negative profits, and the company is spending a great deal of money on advertising to make consumers aware of the product. As a result, this product is most likely in the _____ stage of the product life cycle.

- A) growth
- B) decline
- C) introductory
- D) maturity
- E) intermediate

- 44) During the _____ stage of the product cycle, a firm tries to strengthen its position in the market by emphasizing the product's benefits and identifying market segments that want these benefits.
- A) growth
 - B) decline
 - C) introductory
 - D) maturity
 - E) intermediate
- 45) During the _____ stage of the product life cycle, a product's profits peak and then start to decline.
- A) death
 - B) decline
 - C) maturity
 - D) growth
 - E) introductory
- 46) Globotech has developed a smartphone with a state-of-the-art camera to allow customers to use their phones as their main photo and video device. This smartphone is currently experiencing the declining sales curve and declining profits that are characteristic of the maturity stage. Which of the following is likely a reason for this decline in sales and profits?
- A) limited consumer awareness
 - B) limited product acceptance
 - C) too much money spent on research and development
 - D) lack of emphasis on the product's benefits
 - E) severe competition
- 47) If a company is eliminating certain models of a product and cutting back on expenditures, the product is most likely in the _____ stage of the product life cycle.
- A) growth
 - B) intermediate
 - C) introductory
 - D) decline
 - E) maturity
- 48) Which of the following marketing activities helps position a product appropriately for its target market?
- A) researching
 - B) producing
 - C) branding
 - D) distributing
 - E) pricing

49) A _____ is a brand that is legally protected from use by any other firm.

- A) brand mark
- B) trademark
- C) manufacturer's brand
- D) generic brand
- E) private-label brand

50) Pyramid Builders, an architectural firm, uses a pyramid as a distinctive design that is part of its brand. This pyramid is an example of a

- A) generic brand.
- B) private distributor brand.
- C) trademark.
- D) brand mark.
- E) manufacturer brand.

51) Peanut butter is an example of a

- A) generic product.
- B) private distributor brand.
- C) shopping product.
- D) brand name.
- E) manufacturer brand.

52) Tiffany is a doctor who prescribes medication to patients for a variety of ailments. Since she knows that most insurance companies will only cover lower priced versions of these medications, she prescribes mostly _____ pharmaceuticals.

- A) brand name
- B) manufacturer brand
- C) private distributor brand
- D) generic
- E) trademarked

53) Private distributor brands are

- A) identified by a manufacturer from the point of production to the point of purchase.
- B) used to reduce the efficiency of production.
- C) owned and controlled by a wholesaler or retailer.
- D) owned and controlled by a manufacturer.
- E) characterized by the absence of a brand name.

54) Which of the following is true regarding a product's packaging?

- A) Product packaging does not influence consumers' attitudes and buying decisions.
- B) It is estimated that consumers' eyes linger for more than 5 seconds on each package on an average shopping trip.
- C) Packaging only performs one main function, product protection.
- D) Organizations should frequently change the designs on their highly popular products to maintain consumer interest.
- E) Consumers are willing to pay more for certain packaging attributes, such as clearly stated nutrition and ingredient labeling.

55) Campbell's Soup is required by law to include the ingredients, nutrition facts, suggestions for use in recipes, and the manufacturer's contact information on its product packaging. This presentation of important information on the package is known as

- A) quality control.
- B) labeling.
- C) branding.
- D) trademarking.
- E) packaging standards.

56) The _____ reflects the degree to which a good, service, or idea meets the demands and requirements of customers.

- A) brand name
- B) product packaging
- C) product labeling
- D) product quality
- E) brand mark

57) Sharp Edge is a kitchen knife manufacturer that produces knives that never need to be sharpened. This is an example of

- A) product labeling.
- B) level of quality.
- C) consistency of quality.
- D) customer service.
- E) proper packaging.

58) Service quality is judged by _____, not by _____.

- A) sales of the product; the product label
- B) service providers; consumers
- C) consumers; service providers
- D) consumer product safety organizations; consumers
- E) market research; sales of the product

59) The financial value placed on an object involved in an exchange between a buyer and a seller is known as its

- A) price.
- B) discount.
- C) comparable value.
- D) negotiated value.
- E) nominal value.

60) Which key element of the marketing mix directly relates to the generation of revenue and profits?

- A) product
- B) distribution
- C) place
- D) promotion
- E) price

61) It took Gamer Central years to develop its new video game, establish channels through which to distribute this game, and design and implement its advertising campaign for the game.

However, the game's price can be set or changed in a few minutes. This reflects the fact that

- A) the product's viability depends on it fitting within standard pricing parameters.
- B) pricing is the least important variable in the marketing mix.
- C) the quantity demanded goes up as the price goes up.
- D) the longer the other marketing mix variables take, the higher the price of the product must be set.
- E) price is probably the most flexible variable in the marketing mix.

62) LCG Inc., a mobile manufacturing company, is launching its new product in the market. The managers at LCG want to price the product in a way that would enable the company to recover the investments made toward developing the product in the quickest way possible. Which pricing strategy would be most effective for LCG Inc.?

- A) price skimming
- B) price comparing
- C) odd pricing
- D) reference pricing
- E) price discounting

63) Auto Elite produces luxury cars with heated leather seats, sleek design features, and expensive technology that includes giving drivers a 360-degree view of the exterior of the car while they are driving. The pricing strategy that would most likely be associated with these cars is

- A) penetration pricing.
- B) price discounting.
- C) psychological pricing.
- D) price skimming.
- E) emotional pricing.

64) Dynamix Computers initially charged a low price for its new computer to gain a larger market share. Which of the following pricing strategies did Dynamix Computers use in this scenario?

- A) prestige pricing
- B) symbolic pricing
- C) psychological pricing
- D) price skimming
- E) penetration pricing

65) When Apple Appliances Inc. releases new products, it often uses price skimming and sets the initial price at the highest possible price that buyers are willing to pay. Which of the following is a reason Apple Appliances Inc. would choose price skimming instead of penetration pricing?

- A) to help its appliances enter the market and gain market share rapidly
- B) price skimming is more flexible than penetration pricing
- C) to prevent competitors from entering the market shortly after its appliances have been introduced
- D) to drive competitors out of business
- E) it is easier to raise a penetration price than to lower a skimming price

66) When a company sets a low price for a new product to discourage competition from entering the market, it is using the _____ strategy.

- A) even/odd pricing
- B) price skimming
- C) psychological pricing
- D) penetration pricing
- E) symbolic pricing

67) _____ encourages consumers to make purchases based on emotion rather than rational considerations about the price.

- A) Price skimming
- B) Discount pricing
- C) Penetration pricing
- D) Seasonal-discount pricing
- E) Psychological pricing

68) Classic Cosmetics Company sells its eye shadow for \$24.99 rather than \$25. Thus, it is using

- A) price skimming.
- B) penetration pricing.
- C) even/odd pricing.
- D) rational pricing.
- E) discount pricing.

69) Floral Fragrance, a high-end perfume manufacturer, charges high prices for its perfume because customers associate high prices with superior quality. This is an example of

- A) price skimming.
- B) penetration pricing.
- C) even/odd pricing.
- D) prestige pricing.
- E) rational pricing.

70) If a company's goal is to develop an image of having high-quality luxury products, it should employ _____ strategy.

- A) a penetration pricing
- B) a price discounting
- C) an even/odd pricing
- D) a prestige pricing
- E) an inclusive pricing

71) Because consumers associate a drug's price with potency, some pharmaceutical companies use the _____ strategy to price their over-the-counter drugs.

- A) penetration pricing
- B) even/odd pricing
- C) symbolic/prestige pricing
- D) discounting
- E) price dipping

72) Pet Palace, a local pet store, places its own brand of dog food next to the more established brands. Doing so makes it obvious that Pet Palace's dog food is less expensive than the other brands, thus making it look like a better deal to customers. This is an example of

- A) penetration pricing.
- B) even/odd pricing.
- C) price dipping.
- D) discounting.
- E) reference pricing.

73) Buy It All Wholesale Club sells items in large volumes, which allows it to sell items for less per unit. This is known as a _____ discount.

- A) seasonal
- B) reference
- C) quantity
- D) promotional
- E) temporary

74) _____ are often employed to boost sales.

- A) High prices
- B) Permanent price reductions
- C) Reference prices
- D) Symbolic/prestige prices
- E) Discounts

75) After Halloween, Sugar Shack, a large candy store, places all the Halloween candy on sale for 75 percent off. This is an example of

- A) a seasonal discount.
- B) reference pricing.
- C) even/odd pricing.
- D) a quantity discount.
- E) a promotional discount.

76) B&B, a store that sells cosmetics, hair products, and perfume, sent out an advertisement to its customers to let them know that, for the month of December, the price for all eye liners has been reduced from \$20 to \$12. This is an example of

- A) a quantity discount.
- B) a seasonal discount.
- C) a promotional discount.
- D) symbolic/prestige pricing.
- E) price skimming.

77) Holiday Emporium has employed a quantity discount. Which of the following describes how Holiday Emporium might do this?

- A) Holiday Emporium puts its gingerbread, pine tree, and eggnog scented candles on sale after Christmas is over.
- B) Holiday Emporium sends advertisements to its customers letting them know that, for the month of June, all tealights are on sale.
- C) Holiday Emporium prices its candles artificially high to give the impression that they are of high quality.
- D) Holiday Emporium offers a candle of the month that is \$5 less expensive than all the other candles.
- E) Holiday Emporium offers customers one free candle for every three candles they buy.

78) 47 Avenue buys shoes for men, women, and children from a large producer and sells them directly to end users. In this scenario, 47 Avenue is a

- A) manufacturer.
- B) retailer.
- C) financier.
- D) wholesaler.
- E) customer.

79) Wedding Flavors markets its themed wedding favors, table numbers, and decor via its catalog and website. This is an example of

- A) direct selling.
- B) direct marketing.
- C) wholesaling.
- D) intermediary selling.
- E) indirect marketing.

80) Justin markets kitchen accessories, such as can openers, garlic presses, and apple corers and slicers, by going to people's homes and giving face-to-face sales presentations. This is known as

- A) direct selling.
- B) direct marketing.
- C) in-store retailing.
- D) wholesaling.
- E) intermediary selling.

81) Television Haven buys televisions from a manufacturer and then sells them to department stores. Television Haven is most likely a

- A) retailer.
- B) producer.
- C) consumer.
- D) wholesaler.
- E) marketer.

82) In a survey of business managers, a disruption in the _____ was viewed as the number-one crisis that could decrease revenue.

- A) marketing mix
- B) direct sales
- C) marketing channel
- D) wholesaler functions
- E) supply chain

83) Farmers who sell their fruit and vegetables to consumers at roadside stands or farmer's markets use a _____ consumer marketing channel.

- A) channel A
- B) channel B
- C) channel C
- D) channel D
- E) channel E

84) Which of the following types of consumer marketing channels is used for products such as college textbooks, automobiles, and appliances?

- A) channel A
- B) channel B
- C) channel C
- D) channel D
- E) channel E

85) Which of the following types of consumer marketing channels is used for the distribution of products like refrigerators, televisions, soft drinks, cigarettes, clocks, watches, and office products?

- A) channel A
- B) channel D
- C) channel C
- D) channel B
- E) channel E

86) Services are usually distributed through _____ marketing channels.

- A) channel B
- B) channel E
- C) channel D
- D) channel C
- E) channel A

87) Golden Ticket Chocolates go through an agent, a wholesaler, and a retailer before they get to the consumer. Thus, these chocolates use

- A) channel A.
- B) channel D.
- C) channel E.
- D) channel C.
- E) channel B.

88) Emily makes handmade jewelry and sells it to consumers at craft fairs. This is an example of the _____ marketing channel.

- A) agent-to-wholesaler-to-retailer
- B) producer-to-consumer
- C) retailer-to-consumer
- D) merchant-to-wholesaler
- E) middleman-to-producer

89) Since services usually require the customer's presence and participation, they are usually distributed through

- A) direct marketing channels.
- B) indirect channels.
- C) a wholesaler.
- D) an agent.
- E) a retailer and a wholesaler.

90) A major distribution decision is how widely to distribute a product—that is, how many and what type of outlets should carry it. The intensity of market coverage depends on the

- A) product.
- B) place.
- C) price.
- D) buyer behavior.
- E) marketing intermediaries.

91) _____ distribution makes a product available in as many outlets as possible.

- A) Selective
- B) Intensive
- C) Relaxed
- D) Exclusive
- E) Sporadic

92) Garrett's Gum tries to make its chewing gum available at every location where a consumer might desire to purchase it, including grocery stores, gas stations, office vending machines, and transportation hubs. Thus, Garrett's Gum is distributing its gum

- A) selectively.
- B) intensively.
- C) weakly.
- D) exclusively.
- E) sporadically.

93) A feature of selective distribution is that it

- A) combines planned distribution systems under one management.
- B) makes a product available in as many outlets as possible.
- C) gives a middleman the sole right to sell a product in a defined geographic territory.
- D) uses only a small number of all available outlets to expose products.
- E) works best for the distribution of convenience products.

94) To maintain customer satisfaction in selling its luxury cars, Auto Elite provides salesperson assistance, technical advice, warranties, and repair services. Most of its customers buy these types of cars after shopping and comparing price, quality, and style. Auto Elite uses _____ distribution.

- A) selective
- B) intensive
- C) relaxed
- D) exclusive
- E) sporadic

95) _____ distribution exists when a manufacturer gives an intermediary the sole right to sell a product in a defined geographic territory.

- A) Exclusive
- B) Intensive
- C) Relaxed
- D) Selective
- E) Sporadic

96) High-quality items, such as musical instruments, sailboats, and airplanes, will most likely use _____ distribution.

- A) selective
- B) intensive
- C) relaxed
- D) exclusive
- E) sporadic

97) Materials handling, transportation, and warehousing are all elements of

- A) commercialization.
- B) operationalization.
- C) physical distribution.
- D) channel D marketing.
- E) departmentalization.

98) Clothing Horse, a women's clothing store in the mall, performs inventory control, stores excess products in its warehouse, and handles the products. This store makes its clothing, shoes, and accessories available when they are wanted, with adequate customer service and at minimum cost to customers. Thus, Clothing Horse is creating time and place utility by using

- A) commercialization.
- B) operationalization.
- C) physical distribution.
- D) selective distribution.
- E) departmentalization.

99) Which of the following modes of transportation offers speed and a high degree of dependability but is the most expensive?

- A) railroads
- B) trucking
- C) air transport
- D) shipping
- E) pipelines

100) America's Furniture uses _____ to ship its furniture pieces to customers because they can reach more locations. This form of transportation handles freight quickly and economically, offers door-to-door service, and is more flexible in its packaging requirements than several of the other forms of transportation.

- A) pipelines
- B) airplanes
- C) trucks
- D) railroads
- E) ships

101) The role of _____ is to communicate with individuals, groups, and organizations to facilitate an exchange directly or indirectly.

- A) branding
- B) promotion
- C) pricing
- D) distribution
- E) merchandising

102) Which of the following is an element of the promotion mix?

- A) product
- B) distribution
- C) place
- D) publicity
- E) price

103) The process of coordinating the promotion mix elements and synchronizing promotion as a unified effort is known as

- A) integrated marketing communications.
- B) assimilated promotion.
- C) unified advertising campaign.
- D) cohesive marketing strategy.
- E) test marketing campaign.

104) When Viera, an automobile company, pays a television network to air its commercial, it is using

- A) publicity.
- B) advertising.
- C) personal selling.
- D) sales promotion.
- E) packaging.

105) Which of the following promotion mix variables is best for promoting expensive products with specialized uses, such as houses?

- A) publicity
- B) advertising
- C) personal selling
- D) sales promotion
- E) packaging

106) _____ is the most flexible of the promotional methods.

- A) Publicity
- B) Advertising
- C) Packaging
- D) Sales promotion
- E) Personal selling

107) Karen's company sends her to medical conferences several times a year, so she can talk to professionals in the medical field and identify potential buyers of her company's products. Which of the following steps of the personal selling process does this scenario best describe?

- A) approaching
- B) prospecting
- C) presenting
- D) handling objections
- E) following up

108) Which of the following steps of personal selling is associated with asking a prospect to buy a product?

- A) approaching
- B) prospecting
- C) presenting
- D) closing
- E) following up

109) Venn Networks recently unveiled its new smartphone at a press conference. There was a news release about the new smartphone, and all the members of the company's top management interacted with the media during this conference. Venn Networks is using the promotional strategy of _____ in this scenario.

- A) test marketing
- B) publicity
- C) personal selling
- D) advertising
- E) distribution

110) To promote its new computer, Computech seeks out trendsetters in communities and gets them to "talk up" the computer to their friends, family, co-workers, and others. By doing this, Computech is trying to create a trend or acceptance of its product. This is called

- A) a publicity stunt.
- B) rumor publicity.
- C) guerilla advertising.
- D) buzz marketing.
- E) sales promotion.

111) Which of the following elements of the promotion mix involves direct inducements offering added value or some other incentive for buyers to enter into an exchange?

- A) sales promotion
- B) advertising
- C) personal selling
- D) publicity
- E) public relations

112) Cassie's Craft Store offers its customers weekly mobile coupons for specific products. This is an example of

- A) advertising.
- B) buzz marketing.
- C) personal selling.
- D) publicity.
- E) sales promotion.

113) When a _____ strategy is used, a company attempts to motivate wholesalers and retailers to make the product available to their customers.

- A) test-marketing
- B) push
- C) pull
- D) skimming
- E) pricing

114) Janice is a saddle fitter for Ideal Saddles, which makes English riding saddles using premium Italian leather. Janice gives a prominent stable owner, Tara, a large discount on one of her company's custom saddles in the hope that Tara will recommend Ideal Saddles to her clients. This is an example of a(n) _____ strategy.

- A) buzz marketing
- B) pull
- C) push
- D) inducement
- E) publicity

115) A _____ strategy uses promotion to create consumer demand for a product.

- A) test-marketing
- B) push
- C) pull
- D) positioning
- E) pricing

116) When DBM, a company producing razors and shaving accessories for men, asks supermarkets to give its new razors shelf space and special displays, it is using a

- A) push strategy.
- B) pull strategy.
- C) publicity campaign.
- D) pricefixing approach.
- E) positioning strategy.

117) The exclusive use of advertising indicates a _____ strategy.

- A) test-marketing
- B) push
- C) pull
- D) positioning
- E) pricing

118) Personal selling to marketing channel members indicates a _____ strategy.

- A) test-marketing
- B) push
- C) pull
- D) positioning
- E) pricing

119) Colors, a company manufacturing cosmetics and body care products, doesn't want to pay the expensive costs of carrying celebrity sponsored perfume brands. However, since many of the company's customers want to buy these products, its refusal to carry them caused decreasing market share. As a result, the company eventually started carrying these sought after brands. This is an example of how

- A) celebrity advertising can motivate intermediaries to push their products down to their customers.
- B) negative publicity can lead to change.
- C) offering free samples of a product encourages consumers to request it from their favorite retailer.
- D) a company can combine the push and pull strategies to become more successful.
- E) consumer pull caused a company to change its practices.

120) All of the following are reasons companies use promotion EXCEPT to

- A) stimulate demand.
- B) stabilize sales.
- C) manage pricing.
- D) inform customers.
- E) reinforce customers.

121) Effective promotional positioning uses promotion to

- A) create and maintain an image of a product in buyers' minds.
- B) create an image of a product that appeals to multiple market segments.
- C) expedite product delivery.
- D) avoid focusing on small market segments.
- E) stabilize sales.

122) Bart's Beer targets its 1964 Beer toward Baby Boomers. This best exemplifies

- A) institutional advertising.
- B) promotional positioning.
- C) a push strategy.
- D) a pull strategy.
- E) publicity.

123) Clean Clothes, a manufacturer of washing machines and dryers, is experiencing a period of decreasing sales. It provides rebates and free installation to customers to

- A) push retailers to carry its products.
- B) maintain sales goals.
- C) encourage customers to learn more about the company.
- D) remind customers about the benefits of its products.
- E) assure current users that they have made the right choice.

Essay Questions

124) Out of the Wild is a company that produces a wide range of goods for people interested in adventure sports. Recently, one of the employees in its research division devised a plan for a new product called Superbag. The Superbag will be designed such that all the needs of an adventure enthusiast—tents, sleeping bags, tools, batteries, and shoes—will be provided in an extremely lightweight and ergonomically designed bag. The product has already passed the idea-screening process. What will be the next step for the management of Out of the Wild as it develops this product?

125) Ajax Computers is launching its new laptop, which is capable of highly sophisticated sound and multimedia functions. The company reportedly spent millions of dollars in developing this laptop, which will be targeted toward gaming enthusiasts, avid movie watchers, and graphics designers. Which of the two pricing strategies used for new products will be suitable for Ajax Computers in this scenario?

126) How does supply chain management create alliances between channel members in a distribution system?

127) Define the four elements of the promotion mix. What is the purpose of each? Give examples.