BASICS OF MARKETING

MCQ FOR CHAPTER III, IV & V

1. When a company strives to appeal to multiple well defined market segments with a strategy tailored to each segment, it is applying
   a. undifferentiated marketing                   b. **differentiated marketing**
   c. concentrated marketing                   d. the majority fallacy

2. A firm is abusing segmentation when it
   a. becomes too efficient
   b. is consumer oriented
   c. is generating too much profit
   **d. becomes short run oriented rather than long run oriented**

3. Which of the following is not a criterion for successful market segmentation?
   a. **there must be difference among consumers**
   b. each segment must be located within a geographical area
   c. there must be consumer similarities within each segment identified
   d. a segment must be large enough to cover costs

4. A consumer goods marketer produces multiple brands of shampoo that are positioned for consumers with dyed hair, dandruff, oily hair or dry hair. This strategy illustrates
   a. undifferentiated marketing                   b. **differentiated marketing**
   c. concentrated marketing                   d. mass marketing

5. During which step of the marketing segmentation, targeting, and positioning process does the firm “develop a marketing mix for each segment?”
   a. market segmentation                   b. **market targeting**
   c. market positioning
   d. The firm does not go through the “development” during any of the above steps.

6. In terms of goods and services, the function of marketing is to ________________ demand
   a. Plan                   b. **create**
   c. price                   d. promote

7. Branding is concerned with ______________ component of four ‘P’.
   a. Promotion                   b. Place
   c. Price
   **d. Product**

8. A product’s position is located in the minds of ________________.
   a. Advertiser                   b. salesman
   c. **consumer**
   d. all of these
9. Narrowly focused markets that are defined by some special interest are termed as ______________.
   a. Target markets  b. mass markets  c. niche markets  d. undifferentiated markets.

10. The fundamental service benefit for which a customer is buying a product is __________.
    a. Core benefit  b. basic benefit  c. intrinsic benefit  d. ultimate benefit

11. The product that exceeds customers’ expectations due to value addition is __________.
    a. basic product  b. core product  c. expected product  d. augmented product

12. Product that surpasses all possible augmentations and transformation is called __________.
    a. Potential product  b. basic product  c. expected product  d. augmented product

13. Tangible goods that can be used many times are __________.
    a. Non-durable  b. durable  c. services  d. basic goods

14. What usually directs a consumer behaviour towards attaining his / her needs is a __________.
    a. Stimuli  b. motive  c. need  d. desire

15. ________________ is the process of evaluating each market segment’s attractiveness and selecting one or more segments to enter.

16. Another word for complete segmentation is:
    a. macromarketing.   b. micromarketing.  c. niche marketing.  d. mass marketing

17. When Campbell Soup makes Cajun gumbo soup for Louisiana and Mississippi and nacho cheese soup for Texas and California, it is practicing ____________ segmentation.
    a. geographic  b. demographic  c. psychographic  d. behavioral variable
18. All of the following are major variables that can be used to segment business markets EXCEPT:
   a. operating characteristics.  
   b. psychographics.  
   c. demographics.  
   d. situational factors.

19. It is a fact that there are 32.5 million left-handed people in the India. However, most marketers do not attempt to appeal to or design products for this group because there is little in the way of census data about this group. Therefore, this group fails in one of the requirements for effective segmentation. Which of the following is most likely to apply in this case?
   a. actionable  
   b. substantial  
   c. differentiable  
   d. measurable

20. Micromarketing includes:
   a. segment marketing and niche marketing.  
   b. mass marketing and demographic marketing.  
   c. local marketing and individual marketing.  
   d. individual marketing and self-marketing.

21. When companies market products on the basis of what the product’s attributes will do for a given segment of consumers, they are using a powerful form of behavioral segmentation known as:
   a. occasion segmentation.  
   b. benefit segmentation.  
   c. user status segmentation.  
   d. usage rate segmentation.

22. ___________ exists when all consumers have almost the same preferences and the market reflects no natural segments.
   a. Clustered preferences  
   b. Diffused preferences  
   c. Homogenous preferences  
   d. None of the above

23. Crack, an famous ointment from Paras Pharmaceuticals is an example of _______
   a. Mass marketing  
   b. Local marketing  
   c. Niche marketing  
   d. None of the above

24. There are many large companies like IBM that have lost a chunk of their market share to nichers. Such form of confrontations have been termed as ________
25. The movie Spiderman 3 was launched in India in five different languages, including Bhojpuri. It is an example of:

   a. Local marketing   b. Niche marketing   c. Mass marketing   d. None of the above

26. Ruff and tuff jeans product of Arvind Mills is an example of
   a. Local marketing   b. Niche marketing   c. Mass marketing   d. Individual marketing

27. Readiness stage and attitude towards product are major segmentation variable in which category?

28. The magazine "Magic Pot" published by the Malayala Manorma Group in India is targeted at
   a. College students   b. Nursery and primary school children   c. Higher secondary school children   d. None of the above

29. Sachet marketing was designed to specifically target the '__________ market'.
   a. Top of the pyramid   b. Mid-point of the pyramid   c. Bottom of the pyramid   d. All of above are false

30. The magazine _________ is targeted as the magazine of woman of substance.
   a. Femina   b. Cosmopolitan   c. Vogue   d. None of the above

31. The target market selection in which there is no or little synergy among the various segments but each state to be a money maker is
   a. Selective specialization   b. Product specialization
   c. Market specialization   d. Full market coverage

32. When the focus is on making a single product and selling it to several different market segments, it is
   a. Selective specialization   b. Product specialization
33. When the focus is to meet the needs of a specific customer group, it is
   a. Selective specialization  b. Product specialization
   c. **Market specialization**  d. Full market coverage

34. Sunshine Conservatories has launched a series of ads in which it attempts to demonstrate its products superiority on selected attributes relative to competitive brands. It is attempting to ________ its product.
   a. Segment  b. Profile  c. Promote  d. **Position**

35. The core product:
   a. Is what you buy in the shops — minus its packaging.
   b. **Represents the central meaning of the product and conveys its essence.**
   c. Places flesh on the bones of the product essence.
   d. Is a physical and tangible thing.

36. The product mix may be divided:
   a. Into a number of product items.
   b. **Into a number of product lines.**
   c. Into a number of product variants.
   d. Into a number or specialty products as compared with the number of convenience products.

37. The product mix should have depth, width and:
   a. Convenience  b. Clarity  c. **Consistency**  d. line

38. Mercedes offers the SLK, CLK, ‘A’ and ‘B’ series. These are product ________ which together make up the product ________.
   a. Items, depth  b. Lines, depth  c. **Lines, width**  d. Items, width

39. If Irn Bru came in three sizes and two formulations (regular and hi-energy) then the depth of Irn Bru would be:
   a. 3  b. 2  c. **6**  d. 4

40. The depth of a product mix is measured by the average number of:
b. Convenience products as compared with the number of specialty products.
c. Different product lines offered by the company.
d. Different products offered in each product line.
e. Specialty products as compared with the number of convenience products.

41. The AIO (activities, interests, opinions) questions are used for analyzing which of the following types of segmentation?
   a. Benefit  b. Psychographic  c. behavioral  d. Psychoanalytic

42. A noodle marketer promotes his product as a ‘pure vegetarian and nourishing food’ is applying the concept of ____________ segmentation.
   a. Benefit  b. Psychographic  c. geographic  demographic

43. The ad campaign of MRF – ‘The power of knowledge’ is an example of ______________ 
   a. positioning for user category  b. positioning for usage occasion  
   c. positioning on product features  d. positioning against another product

44. The ad campaign of Kellog’s corn flakes for breakfast is an example of ______________ 
   a. positioning for user category  b. positioning for benefit  
   c. positioning on product features  d. positioning on specific product feature

45. “Made in Germany” is an example of 
   a. positioning by price  b. positioning as per quality  
   c. positioning as per product class  d. positioning as per target market

46. Positioning is what a manufacturer does to the ________________.
   a. product  b. media  c. quality  d. mind of prospect

47. ‘Environmentally friendly’ this is an example of positioning as per ____________.
   a. attribute  b. price  c. quality  d. target market

48. Low priced ‘PARKER’pen is an example of ________________.
   a. stretching down  b. stretching up  c. line filling  d. line stretching

49. The strategy of choosing one attribute to excel at to create competitive advantage is
known as (the):

a. **unique selling proposition.**

b. underpositioning.

c. overpositioning.

d. confused positioning.

50. At one time, firms scattered their marketing efforts (a “shotgun” approach) to reach consumers. Today, a firm is more likely to use:

a. a “bazooka” approach, where special effects are used to “explode” into the buyer’s consciousness.

b. a “knife” approach, where the firm tries to “cut” to the most important product advantage.

c. a “rifle” approach, where the firm focuses on the buyers who have greater interest in the values that the firm creates best.

d. a “pistol” approach, where the firm realizes that it has multiple chances to gain consumer interest.

51. ___________ is a promise made in a highly competitive manner which positions the product clearly in the minds of consumer.

a. USP

b. POP

c. value addition

d. product appeal

52. An unbranded and undifferentiated commodity is called as _______________ product.

a. customized

b. augmented

c. customized

d. generic

53. A product that exceeds customer’s expectations due to value addition is ___________ product.

a. customized

b. augmented

c. customized

d. generic

54. Goods that customers usually purchase frequently with minimum efforts are __________ goods.

a. convenience

b. shopping

c. speciality

d. unsought

55. A/An _______ is a new product that the customer is not yet aware of.
a. **unsought good**  b. invention  c. addition  d. product expansion

56. All of the following would be considered to be in a company’s microenvironment **EXCEPT**:

a. marketing channel firms.  
b. **political forces**.  
c. publics.  
d. customer markets.

57. ______________ help the company to promote, sell, and distribute its goods to final buyers.

a. Marketing intermediaries  
b. Competitor networks  
c. Suppliers  
d. Service representatives

58. The type of customer market that buys goods and services for further processing is called a:

a. **business market**.  
b. consumer market.  
c. government market.  
d. reseller market.

59. If your company were to make a product, such as a suit of clothes, and sell that product to a retailer, your company would have sold to the __________ market.

a. reseller  
b. business  
c. government  
d. service

60. A ______________ is any group that has an actual or potential interest in or impact on an organization’s ability to achieve its objectives.

a. competitive set  
b. marketing intermediary  
c. supplier  
d. public

61. Marketing segmentation should be followed by the targeting and product positioning activities for effective planning and implementation of the

a. **Marketing Plans**  
b. Business Control  
c. Marketing Process  
d. None of these

62. Your marketing department is currently researching the size, density, location, age, and occupations of your target market. Which environment is being researched?

a. **demographic**  
b. psychographic  
c. economic  
d. geographic  
e. cultural

63. The __________ environment consists of factors that affect consumer purchasing power and spending patterns.
64. Companies that do not keep up to date with the ________ environment may miss new product and market opportunities and find their current products outdated.
   a. natural   b. political  c. technological  d. economic

65. A society’s basic values, perceptions, preferences, and behaviors are all part of its ________ environment.
   a. social   b. cultural  c. political  d. cultural-economic  e. natural

66. The groups within a company such as top management, finance, and R&D are called the ________
   a. culture   b. diversity  c. internal environment  d. climate

67. Nothing happens until people buy something, and they cannot do so without access to products. Which of the following move the product from producer to buyers?
   a. financial intermediaries  b. physical distribution firms  c. marketing service firms

68. The ________ environment consists of factors that affect consumer purchasing power and spending patterns.
   a. social-cultural   b. political-legal  c. technological  d. economic

69. Marketing Environment analysis helps to –
   a. Avoid costly mistakes of reacting too slowly  b. Identify tomorrow’s opportunities
   c. Both a and b  d. None of the above

70. The main demographic force that marketers monitor is(are) ________.
   a. suppliers   b. competitors  c. communication  d. population

71. Company’s microenvironment does not include
   a. The company  b. The marketing intermediaries  c. Demographic forces  d. the suppliers

72. Consumers primary motivation does not include
   a. ideals  b. leadership  c. achievement  d. self-expression
73. Supplies such as lubricants, coal, paper and pencils are best classified as

a. operating supplies  

b. repair and maintenance supplies

c. business advisory services  

d. consumer specialty products

74. Product quality level is considered as part of ________________ product.

a. actual  

b. augmented  

c. de-augmented  

d. customer value

75. Product line stretching in which company serves middle market wants, to enter in low priced product as well as high priced product line is called

a. left-market stretch  

b. down-market stretch

c. up-market stretch  

d. two-way stretch

76. The combination of values, beliefs and attitudes that is possessed by a national group or sub-group is called:

a. Religion  

b. Norms  

c. Culture  

d. Society

77. The process of monitoring and analysing the marketing environment of a company is called:

a. Situational Analysis  

b. Market Analysis  

c. Market Scanning  

d. Environmental Scanning

78. If environmental scanning is poor and a company responds by continuing to do business as usual in spite of environmental forces which might affect future performance; the company would be said to be responding through:

a. Apathy  

b. Ignorance  

c. Delay  

d. Standard

79. Convenience, performance and status are examples of ________________ variables?

a. Psychographic  

b. Demographic  

c. Purchase occasion  

d. Usage  

e. Benefits sought

80. Positioning is a choice of which of the following?

a. Retailer choice & store layout  

b. The target market & marketing assets

c. The target market & differential advantage  

d. Price & quality
81. If a company is planning a segmentation strategy, and in doing so is considering using variables like age and occupation, which of the segmentation success criteria is the company considering?

a. Effectiveness  
b. Accessibility  
c. Measurability  
d. Profitability

82. Which of the following are all Profile segmentation variables?

a. Age, Gender and income  
b. Age Gender and personality  
c. Lifestyle, age and usage  
d. Personality, lifestyle and perceptions

83. Expansion of the product mix is often prompted by:

a. Changes in the marketing environment  
b. A desire to be more innovative.  
c. The need to start a new Product Life Cycle  
d. The need to create a new position

84. Product positioning deals with:

a. How similar your competitors are to you.  
b. Gaining effective shelf placement at eye level.  
c. Trying to make the product look better than it is.  
d. The image consumers have of your product.

85. Line extensions are often done because:

a. They are a sure-fire way to beat the competition  
b. They use discounts to ensure success.  
c. They are a low-risk way to build on a brand  
d. They reduce the target markets the firm must deal with.

86. A group of products that are physically similar is called:

a. a product line.  
b. a product mix.  
c. a product concept.  
d. a product item.

87. Which of the following is not a classification of consumer goods?

a. convenience goods.  
b. shopping goods.
88. Why does a business create a unique selling point for a product?
   a. To design the look of packaging  
   b. To set the product's price  
   c. **To gain a competitive advantage**

89. What is the product portfolio of a business?
   a. Its range of products  
   b. Its marketing strategy  
   c. **Boston matrix**

90. What is the main business use of an extension strategy?
   a. To launch a product  
   b. To brand a product  
   c. **To increase sales of a product**

91. Which of the following statements about product-mix strategy is true?
   a. All of the different flavors of Jell-O gelatin would be an example of a product mix.  
   b. A store that sells nothing but t-shirts has a broad product mix. 
   c. **Adding new products to a product mix can help a company’s competitive position.**  
   d. A retailer that carries books, toys, video games, and coffee would have a deeper product mix than a store that sells only cosmetics.

92. Market segmentation based on where your target market lives.
   a. demographics  
   b. psychographics  
   c. **geographic**  
   d. product benefits

93. The clothing retailer Top Shop tries to appeal to the style-conscious, independent girl—ie. the "fashion junkie" who goes shopping every week in pursuit of the latest hot fashions. What kind of market segmentation is being used by Top Shop?
   a. socio-economic segmentation  
   b. **psychographic segmentation**  
   c. religious segmentation  
   d. demographic segmentation

94. Which of the following is an advantage of using market segmentation?
a. It saves money by avoiding the need for TV advertising.
b. It lets a business invest more in its employees.
c. It allows a business to charge higher prices.
d. It allows a business to target its promotional strategy more effectively.

95. The proportion of the market held by one company or brand is known as:
   a. market segment      b. market leadership      c. market share      d. market slice

96. In positioning statement, first thing that must be stated is
   a. target segment       b. market segmentation       c. differentiation       d. positioning

97. Company marketing mix that target market segments very broadly is called
   a. mass marketing       b. segmented marketing       c. niche marketing       d. micromarketing

98. Variables such as market and product variability plays a role in designing of
   a. positioning strategy     b. targeting strategy     c. differentiation     d. market segmentation

99. Technique for product line length in which company wants to add more product items in present range is classified as
   a. line deepening       b. line filling       c. line stretching       d. line consistency

100. Analysis of society is based on views of ourselves, others and nature is classified as
    a. demographic analysis     b. socio cultural environment analysis     c. competitors analysis
d. natural environment analysis