

Name \_\_\_\_\_

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 1) When Kia offers a new car model with the same features as a comparable Toyota or Ford and provides a longer warranty, Kia is following a more-for-less strategy. 1) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.****Refer to the scenario below to answer the following questions.**

Khaled Khan began making wooden writing utensils as a hobby until Elham Nasr recognized Khaled's talent. Elham immediately ordered 250 pens and pencils of various styles to be displayed in his shop's showcase. Within three months, the writing utensils were a hit! Khaled had never thought of marketing his talent but Elham's enthusiasm and the recent sales were enough to change his mind.

With limited resources, Khaled contacted three additional specialty shops within 100 miles. He explained his manufacturing processes and engraving options to each. All three shops' owners placed a trial order. Within two months, just prior to the holiday season, each shop owner placed an additional order. Khaled was ecstatic!

"I figured business would slow down after that," Khaled stated, "but in February I was contacted by Elmore Distributors. At that point, I had to make a huge decision about how far I wanted to go with this business."

Elmore Distributors provided products for school fundraisers in a seven-state area. Herb was offered a two-year contract and immediate inclusion in Elmore's promotional flyer. Khaled accepted the offer and, along with it, the responsibility to produce thousands of wooden pens and pencils.

"I had to get a grip on the magnitude of this project!" Khaled added. "I couldn't grow out of control. I was already working to capacity."

Khaled decided to place his major focus on the large contract with Elmore. However, to avoid placing his total emphasis with one customer, Khaled continued nurturing his four previously established accounts without targeting any additional customers.

"At this point, I had set up an assembly line in a rented building," Khaled explained. "I had to hire three full-time employees to work the line while I managed the customer orders and purchased materials." Khaled paused. "But I can't take the Elmore project for granted. It might not always be there. I'll have to have a good alternate plan if that day comes."

- 2) In the scenario, how does Khaled segment his market? 2) \_\_\_\_\_  
A) geographically  
B) demographically  
C) usage rate  
D) income  
E) loyalty status
- 3) Which positioning strategy offers consumers a "good deal" by offering equivalent-quality products or services at a lower price? 3) \_\_\_\_\_  
A) same-for-less  
B) less-for-much-less  
C) more-for-the-same  
D) more-for-less  
E) all-or-nothing

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 4) A market rarely exists for products that offer less and therefore cost less. 4) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 5) Bee Promotions tailors its advertising and promotional services to the needs and preferences of individual customers. Which of the following terms does NOT apply to this type of marketing? 5) \_\_\_\_\_
- A) customized
  - B) concentrated
  - C) mass customization
  - D) markets-of-one
  - E) one-to-one
- 6) Successful niche marketing relies on a firm's \_\_\_\_\_ and its \_\_\_\_\_. 6) \_\_\_\_\_
- A) competitive advantage in comparison to mass-market companies; affordable pricing
  - B) marketing strategy; services
  - C) individual relationships with customers; positioning
  - D) greater knowledge of customers' needs; special reputation
  - E) superior products; value network partners

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 7) Explain the four major steps in designing a customer-driven marketing strategy.

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 8) Shopping for the Rich and Famous is a buying service that helps wealthy clients find the best buys in exclusive clothing, high-end cars, travel, and financial services. This firm most likely uses income segmentation. 8) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 9) \_\_\_\_\_ marketing tailors brands and promotions to the needs and wants of specific cities, neighborhoods, and even stores. 9) \_\_\_\_\_
- A) Differentiated
  - B) Individual
  - C) Undifferentiated
  - D) Local
  - E) Niche
- 10) "Less-for-much-less" positioning involves meeting consumers' \_\_\_\_\_. 10) \_\_\_\_\_
- A) lower quality requirements at the lowest possible price
  - B) quality performance requirements at a lower price
  - C) high quality requirements at the lowest possible price
  - D) high quality requirements at a discounted rate
  - E) lower quality requirements in exchange for a lower price

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 11) At a recent marketing seminar, the featured speaker stated that a target market consists of a set of buyers who share common needs or characteristics that the company decides to serve. This is a correct definition. 11) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 12) When it first opened for business, Home Depot claimed to offer better products at lower prices. 12) \_\_\_\_\_  
This value proposition is called \_\_\_\_\_.  
A) more-for-the-same  
B) more-for-more  
C) same-for-less  
D) more-for-less  
E) same-for-more

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 13) Though the use of mass marketing has been widespread in the past 100 years, for centuries consumers were served as individuals as businesses practiced individual marketing. 13) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 14) Many marketers believe that \_\_\_\_\_ variables are the best starting point for building marketing segments. 14) \_\_\_\_\_  
A) family size  
B) gender  
C) beneficial  
D) age  
E) behavioral
- 15) Mass marketers, such as Carrefour, often ignore market segment differences and target the whole market with one offer. What is their approach to segmenting? 15) \_\_\_\_\_  
A) undifferentiated marketing  
B) micromarketing  
C) target marketing  
D) concentrated marketing  
E) differentiated marketing

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 16) Your company wants to move away from mass marketing and engage in customer-driven marketing. The four steps to take, in order, are market segmentation, marketing positioning, differentiation, and targeting. 16) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 17) When the size, purchasing power, and profiles of a market segment can be determined, it possesses the requirement of being \_\_\_\_\_. 17) \_\_\_\_\_  
A) accessible  
B) measurable  
C) observable  
D) substantial  
E) actionable

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 18) LaGrange Florists segments markets into groups of nonusers, ex-users, potential users, first-time users, and regular users of its flowers and services. This firm uses usage rate as its segmentation approach. 18) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 19) Rasheed has compiled a list of things that make segments more attractive. Which one of the following items should NOT be on the list? 19) \_\_\_\_\_
- A) few substitute products
  - B) competition with superior resources
  - C) financial resources
  - D) lack of powerful suppliers to control prices
  - E) relative power of buyers

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 20) List three variables not applicable to the consumer market that may be used to segment business markets. 20) \_\_\_\_\_
- 21) What factors may impact segment attractiveness? 21) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 22) Procter & Gamble mass produces an all-purpose floor cleaner, mass distributes it and mass promotes it. This firm uses \_\_\_\_\_ marketing. 22) \_\_\_\_\_
- A) differentiated
  - B) traditional
  - C) undifferentiated
  - D) segmented
  - E) none of the above

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 23) When a company chooses a target marketing strategy, its choices are influenced by factors related to company resources, the degree of product variability, and the product's life-cycle stage. 23) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 24) Developing a strong position within several segments creates more total sales than \_\_\_\_\_ marketing across all segments. 24) \_\_\_\_\_
- A) niche
  - B) individual
  - C) undifferentiated
  - D) differentiated
  - E) target

- 25) Segmenting voters as either blue collars or white collars is an example of \_\_\_\_\_. 25) \_\_\_\_\_
- A) psychographic segmentation
  - B) intermarket segmentation
  - C) occasion segmentation
  - D) demographic segmentation
  - E) A and B

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 26) Why do international markets need to be segmented?

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 27) Lexus targets wealthy consumers with similar needs and buying behaviors, even though the consumers are located in different countries. This is an example of \_\_\_\_\_ segmentation. 27) \_\_\_\_\_
- A) intermarket
  - B) psychographic
  - C) targeting
  - D) life-cycle
  - E) loyalty
- 28) By studying its less loyal buyers, a company can detect which brands are most \_\_\_\_\_ its own. 28) \_\_\_\_\_
- A) overlooked with
  - B) complementary to
  - C) used with
  - D) similar to
  - E) competitive with
- 29) Sanguine Services practices a marketing strategy where its limited resources are used to go after a large share of two small niches. Sanguine practices a(n) \_\_\_\_\_ strategy. 29) \_\_\_\_\_
- A) concentrated
  - B) mass
  - C) undifferentiated
  - D) differentiated
  - E) geographically dispersed

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 30) Explain how market variability impacts the choice of a target-marketing strategy. 30) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 31) Which difficult-to-sustain positioning strategy attempts to deliver the "best-of-both"? 31) \_\_\_\_\_
- A) less-for-much-less
  - B) more-for-less
  - C) more-for-more
  - D) more-for-the-same
  - E) same-for-less

- 32) Through talking to numerous competitors at a regional trade show, you learn that most of them use the most popular base for segmenting markets. What is it? 32) \_\_\_\_\_
- A) behavioral
  - B) geographic
  - C) gender
  - D) psychographic
  - E) demographic

- 33) Neiman Marcus claims superior quality, performance, and style. The owners provide the most upscale products and services and charge a higher price to cover the higher costs. What type of positioning does Neiman Marcus use? 33) \_\_\_\_\_
- A) more-for-the-same
  - B) more-for-more
  - C) the-same-for-less
  - D) more-for-less
  - E) repositioning

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 34) Why might demographic segmentation be the most common type of segmentation? 34) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 35) Marketers of automobiles, financial services, and travel are most likely to use which of the following types of segmentation? 35) \_\_\_\_\_
- A) income
  - B) occasion
  - C) usage rate
  - D) benefits sought
  - E) gender

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 36) A product's position is the way the product is defined by the retailers who sell it to target markets. It is how it is defined on important attributes—the place the product occupies in the retailers' minds relative to competing products. 36) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 37) As You Like It, Inc., customizes its offers to each individual consumer. This practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations is referred to as \_\_\_\_\_ marketing. 37) \_\_\_\_\_
- A) differentiated
  - B) niche
  - C) mass
  - D) undifferentiated
  - E) micro

- 38) Consumer and business marketers use many of the same variables to segment markets. Business marketers use all of the following EXCEPT \_\_\_\_\_. 38) \_\_\_\_\_
- A) brand personalities
  - B) operating characteristics
  - C) situational factors
  - D) purchasing approaches
  - E) personal characteristics

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 39) Explain how companies identify attractive market segments and choose a target marketing strategy.

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 40) There are many exceptions to the geographic segmentation assumption, that consumers in nations close to one another will have many common behaviors and traits. 40) \_\_\_\_\_

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 41) If Tang promotes a year-round campaign that "Tang isn't just a summertime drink," what type of segmentation is being used? 41) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 42) The division of buyers into groups based on their knowledge, attitudes, uses, or responses to a product is \_\_\_\_\_ segmentation. 42) \_\_\_\_\_
- A) demographic
  - B) psychographic
  - C) age and life cycle
  - D) behavioral
  - E) geographic
- 43) Which group determines a product's position relative to competing products? 43) \_\_\_\_\_
- A) manufacturers
  - B) consumers
  - C) retailers
  - D) suppliers
  - E) wholesalers
- 44) Used Auto specializes in lower quality vehicles, with a few dents, priced a great deal lower than other used cars. Used Auto has chosen to position their products with a \_\_\_\_\_ strategy. 44) \_\_\_\_\_
- A) more-for-the same
  - B) more-for-less
  - C) same-for-less
  - D) less-for-much-less
  - E) A or C

- 45) When Positive Image, Inc., caters to clothing, cosmetics, and toiletries markets, it is most likely using which type of segmentation? 45) \_\_\_\_\_  
A) behavior  
B) geographic  
C) psychographic  
D) gender  
E) age and life cycle
- 46) Pendergraft Pet Supplies divides the pet market according to the owners' race, occupation, income, and family life cycle. What type of segmentation does Pendergraft use? 46) \_\_\_\_\_  
A) demographic  
B) psychographic  
C) behavioral  
D) geographic  
E) lifestyle
- 47) As in consumer segmentation, many marketers believe that \_\_\_\_\_ and \_\_\_\_\_ segmentation provide the best basis for segmenting business markets. 47) \_\_\_\_\_  
A) geographic; demographic  
B) age and life-cycle; psychographic  
C) user status; user loyalty  
D) benefits; buying behavior  
E) income; usage rate

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 48) In what ways might a marketer be able to gain competitive advantage through channel differentiation? 48) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 49) Which type of segmentation centers on the use of the word *when*, such as *when* consumers get the idea to buy, *when* they actually make their purchase, or *when* they use the purchased item? 49) \_\_\_\_\_  
A) behavioral  
B) occasion  
C) psychographic  
D) impulse  
E) emergency

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 50) Developing a stronger position within several segments creates more total sales than undifferentiated marketing across all segments. 50) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 51) Which type of differentiation is used to gain competitive advantage through the way a firm designs its distribution coverage, expertise, and performance? 51) \_\_\_\_\_  
A) channel      B) services      C) price      D) product      E) people



- 52) Which of the segmenting strategies carries higher-than-average risks in consumer markets? 52) \_\_\_\_\_  
A) undifferentiated  
B) mass  
C) multiple-segment  
D) concentrated  
E) differentiated
- 53) When an effective program can be designed for attracting and serving a chosen segment, the segment is best described as \_\_\_\_\_. 53) \_\_\_\_\_  
A) measurable  
B) accessible  
C) differentiable  
D) reachable  
E) actionable
- 54) Companies need to consider many factors when choosing a market-targeting strategy. Which strategy is best depends on company \_\_\_\_\_. 54) \_\_\_\_\_  
A) opinion  
B) customers  
C) products  
D) resources  
E) marketing budget
- 55) A brand difference is worth establishing and promoting to the extent that it satisfies all of the criteria below EXCEPT which one? 55) \_\_\_\_\_  
A) affordable      B) noticeable      C) distinctive      D) divisible      E) important
- 56) When a company identifies the parts of the market it can serve best and most profitably, it is practicing \_\_\_\_\_. 56) \_\_\_\_\_  
A) segmenting  
B) differentiation  
C) market targeting  
D) mass marketing  
E) concentrated marketing
- 57) Aly and Hassan own two retail stores, one in Dubai and one in Sharjah. Though the cities are only a few kilometres apart, the consumers at both stores are very different demographically. Aly and Hassan alter the product offerings between both locations in an effort to cater to both demographic groups. This is an example of \_\_\_\_\_. 57) \_\_\_\_\_  
A) local marketing  
B) psychographic segmentation  
C) micromarketing  
D) demographic segmentation  
E) A and C
- 58) A company or store gains a(n) \_\_\_\_\_ by differentiating its products and delivering more value. 58) \_\_\_\_\_  
A) competitive advantage  
B) efficiency advantage  
C) positioning advantage  
D) cost advantage  
E) synergy

- 59) Through market segmentation, companies divide large, heterogeneous markets into smaller segments that can be reached more \_\_\_\_\_ with products and services that match their unique needs. 59) \_\_\_\_\_
- A) efficiently
  - B) effectively
  - C) intensely
  - D) indirectly
  - E) both A and B
- 60) What does USP stand for? 60) \_\_\_\_\_
- A) unique services practice
  - B) unique selling proposition
  - C) unique sales pitch
  - D) unique selling product
  - E) unique strategic practice
- 61) The move toward individual marketing mirrors the trend in consumer \_\_\_\_\_. 61) \_\_\_\_\_
- A) self-imaging
  - B) self-conceptualization
  - C) self-marketing
  - D) tastes
  - E) customizing
- 62) MTV targets the world's teenagers, who have similar needs and buying behavior even though they are located in different countries. This is called \_\_\_\_\_ segmentation. 62) \_\_\_\_\_
- A) political and legal
  - B) intermarket
  - C) cultural
  - D) individual
  - E) cross-cultural

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 63) Compare and contrast four major segmenting strategies.

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 64) Clusters of marketable groups of customers with similar likes, dislikes, lifestyles, and purchase behaviors can be identified by multivariable segmentation systems that merge and analyze geographic, demographic, lifestyle, and behavioral data. 64) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 65) Marketers must be most careful to guard against which of the following when using age and life cycle segmentation? 65) \_\_\_\_\_
- A) cultural bias
  - B) traditional marketing
  - C) gender bias
  - D) stereotyping
  - E) underestimating

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

66) How can a company analyze loyalty patterns in its market? 66) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

67) You have just created the "perfect" ad. It communicates the full mix of benefits upon which the brand is differentiated and positioned. This full positioning of the brand is called \_\_\_\_\_. 67) \_\_\_\_\_

- A) target marketing
- B) value profiling
- C) capturing the consumers' attention
- D) its value proposition
- E) differentiated marketing

68) Which type of statement first states the product's membership in a category and then shows its point-of-difference from other members of the category? 68) \_\_\_\_\_

- A) positioning statement
- B) differentiation statement
- C) statement of intent
- D) mission statement
- E) vision statement

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

69) Describe how marketers use multiple-segmenting bases to their advantage.

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

70) Niche marketing offers smaller companies an opportunity to compete by focusing their limited resources on serving niches that may be unimportant to or overlooked by larger companies. 70) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

71) Many firms make an effort to identify smaller, better-defined target groups by using \_\_\_\_\_. 71) \_\_\_\_\_

- A) loyalty segmentation
- B) positioning
- C) multiple segmentation bases
- D) user rates
- E) mass marketing

72) When a business market segment is large or profitable enough to serve, it is termed \_\_\_\_\_. 72) \_\_\_\_\_

- A) measurable
- B) accessible
- C) substantial
- D) differentiable
- E) actionable

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

73) Because Cruise Ships International currently has limited financial and personnel resources, it should avoid concentrated or niche marketing until resources are again substantial. 73) \_\_\_\_\_

74) Mass marketing is becoming a marketing principle for the 21<sup>st</sup> century. 74) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

75) When Burger King targets children, teens, adults, and seniors with different ads and media, it is practicing \_\_\_\_\_ segmentation. 75) \_\_\_\_\_

- A) demographic
- B) psychographic
- C) generational
- D) age and life cycle
- E) behavioral

76) Using concentrated marketing, the marketer goes after a \_\_\_\_\_ share of \_\_\_\_\_. 76) \_\_\_\_\_

- A) small; a small market
- B) moderate; local
- C) small; a large market
- D) large; the mass market
- E) large; one or a few niches

77) The markets you have chosen to serve in four GCC countries can be effectively reached and served. You would tell the marketing manager that these segments are \_\_\_\_\_. 77) \_\_\_\_\_

- A) accessible
- B) profitable
- C) actionable
- D) measurable
- E) substantial

78) It is considered socially irresponsible when the marketing of adult products spills over into the \_\_\_\_\_ segment. 78) \_\_\_\_\_

- A) minority
- B) elderly
- C) child
- D) animal
- E) senior

79) Demographic variables are so frequently used in market segmentation because they \_\_\_\_\_. 79) \_\_\_\_\_

- A) involve fewer attributes to consider than other methods do
- B) create more easily reached segments than other methods do
- C) create smaller segments than other methods do
- D) do not involve stereotypes
- E) are easy to measure in comparison to many other methods

80) When firms use symbols, colors, or characters to convey their personalities, they are using \_\_\_\_\_ differentiation. 80) \_\_\_\_\_

- A) image
- B) company
- C) reputation
- D) subliminal
- E) people

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

81) Explain the four major segmenting variables for consumer markets.

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 82) Even though several options are available at any one time, there \_\_\_\_\_ to segment a market. 82) \_\_\_\_\_
- A) is a most effective way
  - B) is one single best way
  - C) are limited ways
  - D) is no single way
  - E) are four ways

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 83) How can a company learn about its marketing weaknesses? 83) \_\_\_\_\_

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 84) For simplicity's sake, most marketers generally limit their segmentation analysis to one or a few variables. 84) \_\_\_\_\_
- 85) Research about and planning for loyalty status as a segmentation approach is generally not useful or practical for most firms. 85) \_\_\_\_\_
- 86) Gender segmentation has long been used in clothing, cosmetics, toiletries, and magazines. 86) \_\_\_\_\_
- 87) In evaluating different market segments, a firm should look at three factors: segment size and growth, segment structural attractiveness, and company objectives and resources. 87) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 88) A marketer focuses on several commonalities among all consumers. This marketer appears to be engaging in \_\_\_\_\_. 88) \_\_\_\_\_
- A) differentiated marketing
  - B) concentrated marketing
  - C) segmented marketing
  - D) undifferentiated marketing
  - E) mass customization
- 89) In marketing his writing utensils to his four specialty-shop customers, Khaled is using \_\_\_\_\_ marketing. 89) \_\_\_\_\_
- A) mass
  - B) individual
  - C) mass customization
  - D) undifferentiated
  - E) niche
- 90) Most attempts to target children and minority groups provide \_\_\_\_\_ to target customers. 90) \_\_\_\_\_
- A) education
  - B) harm
  - C) benefits
  - D) disadvantages
  - E) expenses

- 91) In general, a company should enter segments only in which it can \_\_\_\_\_ and \_\_\_\_\_. 91) \_\_\_\_\_
- A) offer superior value; ship faster
  - B) offer superior value; gain advantages over competitors
  - C) identify behaviors; understanding spending power
  - D) offer lower prices; ship faster
  - E) gain advantages over competitors; differentiate its products

- 92) Birrel wanted to increase sales, hence they targeted males in the campaign "man up and drink birrel". This approach is \_\_\_\_\_ segmentation. 92) \_\_\_\_\_
- A) user status
  - B) demographic
  - C) behavioral
  - D) usage rate
  - E) benefit

- 93) The Jalil Group hires better employees than the competition by conducting lengthy searches and interviews. Management also trains employees much better than competitors do. The Jalil Group has gained a strong competitive advantage through \_\_\_\_\_ differentiation. 93) \_\_\_\_\_
- A) channel
  - B) people
  - C) services
  - D) product
  - E) image

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 94) Consumers position products in their minds in order to simplify the buying process. 94) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 95) Procter & Gamble sells six brands of laundry detergent in the United States, each designed for one of six laundry segments which Procter & Gamble has identified. Together, these six brands take 62% of market share. Which of the following is a disadvantage of Procter & Gamble's differentiated marketing strategy? 95) \_\_\_\_\_
- A) lost sales that would have been made with an undifferentiated marketing strategy across all segments
  - B) lack of resources to succeed in an attractive segment
  - C) increased costs for separate marketing plans for each brand
  - D) other suppliers controlling pricing
  - E) lost customer loyalty due to lack of brand loyalty

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 96) Why do marketers segment the market? 96) \_\_\_\_\_

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 97) Why do businesses segment their markets?

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 98) When H&M customizes its merchandise store by store to meet shopper needs, it is practicing \_\_\_\_\_ 98) \_\_\_\_\_
- A) niche marketing
  - B) social segmentation
  - C) psychographic marketing
  - D) local marketing
  - E) individual marketing

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 99) Your assignment at work is to divide buyers into different groups based on social class, lifestyle, and personality characteristics. After a planning session with the marketing and sales staff, you issue a memo to upper management recommending psychographic segmentation. You are right on target. 99) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 100) When Pacific Fisheries groups its customers as countries by regions such as Asia, Australia, or New Zealand, it is using which segmenting base? 100) \_\_\_\_\_
- A) political and legal factors
  - B) benefits sought
  - C) geographic location
  - D) demographics
  - E) economic factors
- 101) If Khaled produced a variety of styles of pens and pencils with various wood types and engravings that he tailored specifically to each individual's order, he would be practicing \_\_\_\_\_. 101) \_\_\_\_\_
- A) mass customization
  - B) undifferentiated marketing
  - C) micromarketing
  - D) local marketing
  - E) concentrated marketing
- 102) Today, the low cost of setting up shop \_\_\_\_\_ makes it even more profitable to serve very small niches. 102) \_\_\_\_\_
- A) in malls in major cities
  - B) on the Internet
  - C) far from competitors
  - D) in mail-order catalogs
  - E) near major competitors
- 103) Markets can be segmented into groups of nonusers, ex-users, potential users, first-time users, and regular users of a product. This method of segmentation is called \_\_\_\_\_. 103) \_\_\_\_\_
- A) loyalty status
  - B) usage rates
  - C) benefit
  - D) behavior
  - E) user status

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 104) Why must marketers guard against stereotypes when using age and life cycle segmentation? 104) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 105) In target marketing, the issue is not really who is targeted, but rather \_\_\_\_\_ and for \_\_\_\_\_. 105) \_\_\_\_\_  
A) how; where  
B) where; how long  
C) why; what  
D) why; how long  
E) how; what
- 106) You have discovered that the segments you are targeting are conceptually distinguishable and respond differently to different marketing mix elements and programs. These segments are \_\_\_\_\_. 106) \_\_\_\_\_  
A) differentiable  
B) reachable  
C) observable  
D) measurable  
E) accessible

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 107) Today, most companies have moved away from mass marketing and are being choosier about the customers with whom they wish to build relationships. 107) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 108) What competitive positioning can attack a more-for-more strategy by introducing a brand offering with comparable quality at a lower price? 108) \_\_\_\_\_  
A) same-for-less  
B) more-for-less  
C) less-for-much-less  
D) all-or-nothing  
E) more-for-the-same

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 109) Because there is such variation among the economies of countries around the world, it is not practical to segment international markets on the basis of economic factors. 109) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 110) Which of the listed choices is NOT a positioning task? 110) \_\_\_\_\_  
A) selecting an overall positioning strategy  
B) surveying frequent users of the product  
C) identifying a set of possible competitive advantages upon which to build a position  
D) effectively communicating and delivering the chosen position to the market  
E) selecting the right competitive advantages



**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

111) Explain the concept of positioning for competitive advantage.

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

112) What is the following an example of? "To busy, mobile professionals who need to always be in the loop, BlackBerry is a wireless connectivity solution that gives you an easier, more reliable way to stay connected to data, people, and resources while on the go." 112) \_\_\_\_\_

- A) concentrated segmentation
- B) competitive advantage
- C) responsible target marketing
- D) positioning statement
- E) service differentiation

113) The answer to the customer's question "Why should I buy your brand?" is found in the \_\_\_\_\_. 113) \_\_\_\_\_

- A) pricing and promotion structure
- B) quality image
- C) differentiation
- D) customer services
- E) value proposition

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

114) When might be the best time for a marketer to use geographic segmentation? 114) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

115) Under what circumstances can local marketing be quite effective? 115) \_\_\_\_\_

- A) when pronounced regional and local differences in demographics and lifestyles are present
- B) when pronounced local differences in lifestyles are present
- C) when regional and local differences in demographics and lifestyles are similar
- D) when pronounced regional differences in demographics are present
- E) all of the above

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

116) Cairo Gifts divides its markets into units of nations, regions, and cities. Cairo Gifts uses geographic segmentation. 116) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

117) A product's position is based on important attributes as perceived by \_\_\_\_\_. 117) \_\_\_\_\_

- A) consumers
- B) market conditions
- C) managers
- D) competitors
- E) suppliers

- 118) Shampoo marketers characterize buyers as light, medium, or heavy product users. This is \_\_\_\_\_ 118) \_\_\_\_\_  
segmentation.  
A) user status  
B) usage rate  
C) benefit  
D) psychographic  
E) occasions
- 119) Which of the following is the most logical reason for Procter & Gamble offering products that 119) \_\_\_\_\_  
compete with one another on the same supermarket shelves?  
A) Different people want a greater selection.  
B) Retailers request it.  
C) It creates healthy competition.  
D) Procter & Gamble has little competition.  
E) Different people want different mixes of benefits from the products they buy.
- 120) Few people can afford the best in everything they buy. At times everyone needs a product with less 120) \_\_\_\_\_  
quality or performance with a correspondingly lower price. In this case a consumer would  
purchase a product positioned with a \_\_\_\_\_ strategy.  
A) same-for-less  
B) all-or-nothing  
C) less-for-much-less  
D) more-for-less  
E) more-for-the-same
- 121) Consumers can show their allegiance to brands, stores, or companies. Marketers can use this 121) \_\_\_\_\_  
information to segment consumers by \_\_\_\_\_.  
A) user status  
B) loyalty status  
C) usage rate  
D) brand preference  
E) store type
- 122) \_\_\_\_\_ marketing is the narrowest marketing strategy. 122) \_\_\_\_\_  
A) Differentiated  
B) Segmented  
C) Mass  
D) Local  
E) Undifferentiated

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 123) In what ways might a marketer engage in socially responsible target marketing?

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 124) When competitors use differentiated or concentrated marketing, \_\_\_\_\_ marketing can be disastrous. 124) \_\_\_\_\_
- A) undifferentiated
  - B) customized
  - C) concentrated
  - D) localized
  - E) differentiated

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 125) Why might a marketer of laundry detergent be interested in viewing a positioning map? 125) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 126) Which of the following statements illustrates why stereotypes should be avoided when using age and life cycle segmentation? 126) \_\_\_\_\_
- A) Old women love to shop; young women love it more!
  - B) Most 10-year-old boys are mischievous.
  - C) Some 70 year olds use wheelchairs; others play tennis.
  - D) The majority of 20 year olds have to work; the same holds true for 30 and 40 year olds.
  - E) both C and D

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 127) XYZ Computers, Inc., a business with limited resources, is a market nicher. How might XYZ benefit from this? 127) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 128) Target marketing sometimes generates controversy and concern. Issues usually involve the targeting of \_\_\_\_\_ consumers with \_\_\_\_\_ products. 128) \_\_\_\_\_
- A) elderly; expensive
  - B) vulnerable; marketing
  - C) vulnerable or disadvantaged; controversial or potentially harmful
  - D) unexpected; deceptive
  - E) young; appealing
- 129) Ford Motor Company emphasizes "Quality First — Ford Tough" in its truck products. In doing so, the company has developed a differentiation strategy based on \_\_\_\_\_. 129) \_\_\_\_\_
- A) positioning
  - B) products
  - C) image
  - D) people
  - E) services

- 130) When marketers at Procter & Gamble selected the Millennials, a demographic that includes college students, as an untapped group of potential customers for their Febreze line of products, they were executing which step in the process of designing a customer-driven marketing strategy? 130) \_\_\_\_\_
- A) differentiation
  - B) mass marketing
  - C) market segmenting
  - D) targeting
  - E) positioning

**ESSAY. Write your answer in the space provided or on a separate sheet of paper.**

- 131) Imagine that you are presenting a workshop on the Requirements for Effective Segmentation. Briefly describe the five items that will help your audience understand your topic.

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 132) When a company interacts one-on-one with large numbers of customers to create customer-unique value by designing products and services tailor-made to individual needs, it is following \_\_\_\_\_. 132) \_\_\_\_\_
- A) localization
  - B) one-to-one marketing
  - C) mass customization
  - D) mass marketing
  - E) differentiated marketing
- 133) A company or market offer can be differentiated along the lines of product, image, services, channels, or \_\_\_\_\_. 133) \_\_\_\_\_
- A) prices
  - B) nonprice factors
  - C) location
  - D) customer service
  - E) people
- 134) Consumers position products and services \_\_\_\_\_. 134) \_\_\_\_\_
- A) only reluctantly
  - B) based on nearby competitors' positions
  - C) with or without the help of marketers
  - D) generally after consulting friends who use them
  - E) after marketers put marketing mixes in place

**TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.**

- 135) Demographic segmentation uses different marketing approaches for different time periods of people's lives and different family situations. 135) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 136) Superior Auto Sales, a chain of high-end used car dealerships, wants to sum up its company positioning and brand positioning in a formal way. Superior's management would use a \_\_\_\_\_ statement. 136) \_\_\_\_\_
- A) competitive
  - B) company
  - C) vision
  - D) positioning
  - E) mission
- 137) When East Port Shipping uses segmented marketing, it targets several segments and designs separate offers for each one. This approach is called \_\_\_\_\_ marketing. 137) \_\_\_\_\_
- A) niche
  - B) differentiated
  - C) target
  - D) undifferentiated
  - E) individual

**SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.**

- 138) What is one major assumption made by marketers who choose to use an undifferentiated marketing strategy? 138) \_\_\_\_\_
- 139) BMW allows customers to design their own vehicle from a set of options on BMW's website. What is this called? 139) \_\_\_\_\_

**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

- 140) Which of the following is NOT a drawback of local marketing? 140) \_\_\_\_\_
- A) It can create logistics problems.
  - B) A brand's overall image might be diluted through too much variation.
  - C) It can drive up manufacturing costs.
  - D) It can drive up marketing costs by reducing economies of scale.
  - E) Supporting technologies are expensive.
- 141) What are the four steps, in order, to designing a customer-driven marketing strategy? 141) \_\_\_\_\_
- A) market segmentation, differentiation, positioning, and targeting
  - B) market alignment, market segmentation, differentiation, and market positioning
  - C) market segmentation, targeting, differentiation, and positioning
  - D) positioning, market segmentation, mass marketing, and targeting
  - E) market recognition, market preference, market targeting, and market insistence
- 142) ByWay Ventures chose a differentiated marketing strategy. The company had to weigh \_\_\_\_\_ against \_\_\_\_\_ when selecting this strategy. 142) \_\_\_\_\_
- A) geographic segmentation; demographic segmentation
  - B) increased sales; increased costs
  - C) sales analysis; sales
  - D) extra research; costs
  - E) attitudes; perceptions

- 143) To evaluate the different market segments your company serves, you would look at all of these factors EXCEPT which one? 143) \_\_\_\_\_
- A) company resources
  - B) company values
  - C) segment size
  - D) segment growth
  - E) segment structural attractiveness
- 144) Your firm has decided to localize its products and services to meet local market demands. A good approach to use would be \_\_\_\_\_ segmentation. 144) \_\_\_\_\_
- A) geographic
  - B) end-use
  - C) benefit
  - D) customer
  - E) image

## Answer Key

Testname: UNTITLED3

- 1) FALSE
- 2) C
- 3) A
- 4) FALSE
- 5) B
- 6) D
- 7) The first step is market segmentation: dividing a market into smaller groups of buyers with distinct needs, characteristics, or behaviors, who might require separate products or marketing mixes. The company identifies different ways to segment the market and develops profiles of the resulting market segments. The second step is market targeting: evaluating each market segment's attractiveness and selecting one or more of the market segments to enter. The third step is differentiation: actually differentiating the firm's market offering to create superior customer value. Finally, the last step is market positioning: arranging for a market offering to occupy a clear, distinctive, and desirable place relative to competing products in the minds of consumers.
- 8) TRUE
- 9) D
- 10) E
- 11) TRUE
- 12) D
- 13) TRUE
- 14) E
- 15) A
- 16) FALSE
- 17) B
- 18) FALSE
- 19) B
- 20) Operating characteristics, purchasing approaches, situational factors, and personal characteristics can all be used to segment business markets but not consumer markets.
- 21) The number of competitors, substitute products, power of buyers, and powerful suppliers may impact segment attractiveness.
- 22) C
- 23) TRUE
- 24) C
- 25) A
- 26) Few companies have either the resources or the will to operate in all, or even most, of the countries that dot the globe. Different countries, even those that are close together, can vary greatly in their economic, cultural, technological, and political makeup. International firms need to group their world markets into segments with distinctive buying needs and behaviors.
- 27) A
- 28) E
- 29) A
- 30) If most buyers have the same tastes, buy the same amounts, and react the same way to marketing efforts, undifferentiated marketing may be appropriate, for example.
- 31) B
- 32) E
- 33) B
- 34) Demographic segmentation is often based on observable features, making demographic segmentation easier than other types.
- 35) A
- 36) FALSE
- 37) E

## Answer Key

Testname: UNTITLED3

- 38) A
- 39) To target the best market segments, the company first evaluates each segment's size and growth characteristics, structural attractiveness, and compatibility with company objectives and resources. It then chooses one of four marketing strategies – ranging from very broad to very narrow targeting. The seller can ignore segment differences and target broadly using undifferentiated marketing. This involves mass-producing, mass-distributing, and mass-promoting nearly the same product in approximately the same way to all consumers. Or the seller can adopt differentiated marketing – developing different market offers for several segments. Concentrated marketing involves focusing on only one or a few market segments. Finally, micromarketing is the practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations. Micromarketing includes local marketing and individual marketing. Which targeting strategy is best depends on company resources, product variability, product life cycle stage, market variability, and competitive marketing strategies.
- 40) TRUE
- 41) Occasion segmentation is being used in this scenario.
- 42) D
- 43) B
- 44) D
- 45) D
- 46) A
- 47) D
- 48) Firms that practice channel differentiation gain competitive advantage through the way they design their channel's coverage, expertise, and performance. Such factors as the level of customer service, speed of delivery, packaging, transportation type, etc., may play a role in channel differentiation.
- 49) B
- 50) TRUE
- 51) A
- 52) D
- 53) E
- 54) D
- 55) D
- 56) C
- 57) E
- 58) A
- 59) E
- 60) B
- 61) C
- 62) B
- 63) An undifferentiated marketing strategy ignores market segment differences and targets the whole market with one offer. This mass-marketing strategy focuses on what is common in the needs of consumers rather than on what is different. In contrast, a differentiated strategy targets several market segments and designs separate offers for each. Companies hope for higher sales and a stronger position within each market segment. Concentrated or niche marketing goes after a large share of one or a few segments or niches instead of going after a share of a large market. These niches may be overlooked by or be unimportant to other companies. Niching offers smaller companies an opportunity to compete by focusing their limited resources more effectively. Using micromarketing, a company can tailor products and marketing programs to suit the tastes of specific individuals and locations. It includes local and individual marketing.
- 64) TRUE
- 65) D
- 66) A company can learn about loyalty patterns by studying its own loyal customers.
- 67) D
- 68) A



## Answer Key

Testname: UNTITLED3

- 69) Marketers rarely limit their segmenting analysis to only one or a few variables. Instead, they use multiple segmentation bases in an effort to identify smaller, better-defined target groups of consumers who share likes, dislikes, lifestyles, and purchase behaviors. Companies often begin by segmenting their markets using a single base, and then expand using other bases.
- 70) TRUE
- 71) C
- 72) C
- 73) FALSE
- 74) FALSE
- 75) D
- 76) E
- 77) A
- 78) C
- 79) E
- 80) A
- 81) Geographic segmentation divides the market into different geographic units, such as nations, regions, states, countries, cities, or neighborhoods. Many companies are localizing their products, advertising, promotion, and sales efforts, or are seeking to cultivate as-yet untapped geographic territory. Demographic segmentation divides the market into groups based on variables such as age, gender, family size, family life-cycle, income, occupation, education, religion, race, generation, and nationality. These are the most popular factors because they are easy to measure, and consumer needs, wants, and usage rates often vary closely with demographic variables. Psychographic segmentation, on the other hand, divides buyers into different groups based on social class, lifestyle, or personality characteristics. People in the same demographic group can have very different psychographic makeup. Behavioral segmentation divides buyers into groups based on their knowledge, attitudes, uses, or responses to a product. Many marketers believe that behavior variables are the best starting point for building market segments.
- 82) D
- 83) The company can learn about its marketing weaknesses by looking at customers who are shifting away from its brand.
- 84) FALSE
- 85) FALSE
- 86) TRUE
- 87) TRUE
- 88) D
- 89) E
- 90) C
- 91) B
- 92) B
- 93) B
- 94) TRUE
- 95) C
- 96) Marketers divide heterogeneous markets into smaller groups that can be reached more efficiently with products and services that match their unique tastes; firms focus on buyers it can serve best and most profitably.
- 97) By going after segments instead of the whole market, companies have a much better chance of delivering value to customers and of receiving maximum rewards for close attention to customer needs. Like consumer groups, business buyers can be segmented using geographic, demographic, benefits sought, user status, usage rate, and loyalty status segmentations. Business buyers are also segmented by the variables of operating characteristics, purchasing approaches, situational factors, and personal characteristics.
- 98) D
- 99) TRUE
- 100) C
- 101) A

## Answer Key

Testname: UNTITLED3

- 102) B
- 103) E
- 104) Not all consumers in the same age and life cycle categories share the same abilities and interests; some 40-year-olds may have more in common with typical 20-year-olds, for example, than with other 40-year-olds.
- 105) E
- 106) A
- 107) TRUE
- 108) E
- 109) FALSE
- 110) B
- 111) A product's position is the way the product is defined by consumers on important attributes — the place the product occupies in consumers' minds relative to competing products. Positioning involves implanting the brand's unique benefits and differentiation in customers' minds. To carry out effective positioning, a company must identify a set of possible competitive advantages upon which to build a problem, choose the right competitive advantages, and select an overall positioning strategy. The company must then effectively communicate and deliver the chosen position to the market.
- 112) D
- 113) E
- 114) Geographic segmentation may be especially profitable when consumers in different regions, states, counties, etc., have different buying behaviors and product or service preferences.
- 115) A
- 116) TRUE
- 117) A
- 118) B
- 119) E
- 120) C
- 121) B
- 122) D
- 123) Socially responsible marketers work to avoid purposefully targeting vulnerable or disadvantaged consumers with controversial or potentially harmful products. In addition, marketers may reconsider the marketing of adult products that may spill over into the child segment — either intentionally or unintentionally. The growth of the Internet has also presented potential problems — namely that makers of questionable products or deceptive advertisers may more readily victimize the most vulnerable audiences. Marketers can avoid becoming involved in these harmful situations as they attempt to reach vast numbers of consumers by using precise, refined targeting strategies.
- 124) A
- 125) Positioning maps show consumer perceptions of their brands versus competing products on important buying dimensions. Laundry detergent, for example, may be placed on a perceptual map based on price and cleaning power; this allows a marketer to view how consumers perceive their product with respect to others' products along those dimensions.
- 126) C
- 127) XYZ Computers will have an opportunity to compete by focusing its limited resources on serving niches that may be unimportant to or overlooked by larger competitors.
- 128) C
- 129) C
- 130) D

## Answer Key

Testname: UNTITLED3

- 131) The size, purchasing power, and profiles of the segments must be measurable. The major problem may be that the segment will be hard to identify and measure. The market segments must be accessible; that is they can be effectively reached and served. The segment must be substantial or large/profitable enough to serve. It should be the largest possible homogeneous group worth pursuing with a tailored marketing program. To be differentiable, the segments need to be conceptually distinguishable and respond differently to different marketing mix elements and programs. Finally, the segment must be actionable, meaning that effective programs can be designed for attracting and serving consumers who make up the segment.
- 132) C
- 133) E
- 134) C
- 135) FALSE
- 136) D
- 137) B
- 138) Such marketers assume that all consumers share something in common, regardless of how different the consumers may be.
- 139) This is called mass customization.
- 140) E
- 141) C
- 142) B
- 143) B
- 144) A