

Presenters:

Justin Beneke Carolyn Fischer Sharon Rao



1. Welcome
2. Time and venues for exam
3. Material to learn
4. Format of the exam
5. Format of today's presentation
6. Where to get revision resources



Where do I find the questions?

» www.beneke.co.za/marketing/index.htm «



1. This is not an official session.
2. We are not here to 'fight the good fight' for Kotler and his buddy Armstrong.
3. If you want a first class pass for Marketing I, you need to know the textbook very well.

You can, however, safely ignore the stories and examples relating to the U.S. market



1. Try to work quickly through the MCQs... you need to complete one MCQ per minute.
2. If you get stuck on a particular MCQ, move on! Don't waste precious time – it isn't worth it.
3. If you are able to narrow down your answer to two, or even three, options – guess! In short, you simply can't get marks for blank answers.



So, what do you do if you have left your studying for BUS210S until the last minute?

Which areas should you concentrate on?



MULTIPLE CHOICE QUESTION 1

According to the American Marketing Association, marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. In other words, marketing plans and executes the:

- ◆ a. marketing mix
- ◆ b. market niche strategy
- ◆ c. customerization strategy
- ◆ d. product life cycle
- ◆ e. broad and task environments



MULTIPLE CHOICE QUESTION 2

Gofish.com is an Internet marketplace that provides information on what fish are abundant, where the best fish are coming from, weather trends that may impact fishing, etc. In 2000, it became a marketplace that connects people who have fish to sell with retailers who sell fish to consumers. Transactions at gofish.com would occur in the _____ domain.

- ◆ a. B2C
- ◆ b. A2B
- ◆ c. C2C
- ◆ d. B2B
- ◆ e. C2B



MULTIPLE CHOICE QUESTION 3

The fact that people can get their local newspapers over the Internet, read the latest edition of Business 2.0 magazine, and keep up with stock quotes represent a change in the _____ environments.

- ◆ a. natural, demographics, economic, and technological
- ◆ b. political-legal, social-cultural, and natural
- ◆ c. social-cultural and technological
- ◆ d. political-legal and social-cultural
- ◆ e. economic, social-cultural, political-legal, and natural



MULTIPLE CHOICE QUESTION 4

Sometimes development and changes in one area of the macroenvironment impact another area of the macroenvironment. Which of the following is an example of changes in the technological environment that will most significantly impact the natural environment?

- ◆ a. the decrease in consumer-related legislation in the U.S. over the past decade
- ◆ b. the development of micromarketing
- ◆ c. the increasing educational level in the U.S.
- ◆ d. the creative destruction of innovative technology
- ◆ e. the advent of telecommuting



MULTIPLE CHOICE QUESTION 5

Which of the following statements describes a trend in the technological environment?

- ◆ a. The degree of regulation for technological changes is diminishing.
- ◆ b. There are a decreasing number of opportunities for innovation.
- ◆ c. Many companies are putting money into copying competitors rather than innovating.
- ◆ d. Because there are so many innovations, the time lag between new ideas and their implementation has increased over the last decade.
- ◆ e. Research funding and effort are being directed toward developing innovative breakthroughs at the expense of basic research.



MULTIPLE CHOICE QUESTION 6

A mattress company that advertises its mattress will provide you "With the best night's sleep of your life", is aiming to provide its customers with:

- ◆ a. a value proposition
- ◆ b. satisfaction
- ◆ c. a value-delivery product
- ◆ d. a superior value chain
- ◆ e. total quality marketing



MULTIPLE CHOICE QUESTION 7

- ◆ If a discount store wanted to determine how its retail clerks would respond to a customer who was in a wheelchair, their best choice of tool would be to:
- ◆ a. institute a complaint and suggestion system
 - ◆ b. use role playing
 - ◆ c. conduct several customer satisfaction surveys
 - ◆ d. do exit interviews with customers
 - ◆ e. use ghost shoppers



MULTIPLE CHOICE QUESTION 8

Which of the following are NOT an example of a core business process?

- ◆ a. customer service
- ◆ b. customer acquisition and retention
- ◆ c. promotion
- ◆ d. inventory management
- ◆ e. new-product realization



MULTIPLE CHOICE QUESTION 9

A company that experiences a high customer churn has:

- ◆ a. a high rate of customer acquisition as well as a high rate of customer defection
- ◆ b. a consistent method of maximizing customer satisfaction
- ◆ c. relied heavily on customer input to make it a high-performance company
- ◆ d. adopted a strategy of customer individualization
- ◆ e. a high rate of customer acquisition and a high satisfaction rating with these new customers



MULTIPLE CHOICE QUESTION 10

The nurse at the clinic where you sought treatment for a sinus infection calls you the next day to see if you are feeling better. She also asks you if you are satisfied with the clinic's service. This is an example of _____ marketing.

- ◆ a. accountable
- ◆ b. basic
- ◆ c. partnership
- ◆ d. proactive
- ◆ e. reactive



MULTIPLE CHOICE QUESTION 11

Which of the following is an example of one of the elements a company would use to shape its mission?

- ◆ a. the form and number of the company's strategic business units
- ◆ b. the organizational vision
- ◆ c. its current operational processes
- ◆ d. the geographical location of its facilities
- ◆ e. the diversity of its employees



MULTIPLE CHOICE QUESTION 12

The _____ scope for Harley-Davidson would include any big bike rider without consideration of his or her demographics.

- ◆ a. industry
- ◆ b. vertical
- ◆ c. market-segment
- ◆ d. competence
- ◆ e. products and application



MULTIPLE CHOICE QUESTION 13

E. J. Gallo, the world's largest wine maker, grows its own grapes to produce wine, which it pours into Gallo-made bottles, which are topped with caps produced in Gallo's aluminum plant, and then are transported by Gallo trucks to resellers. Gallo has a broad _____ scope.

- ◆ a. industry
- ◆ b. vertical
- ◆ c. market-segment
- ◆ d. competence
- ◆ e. products and applications



MULTIPLE CHOICE QUESTION 14

The market for rechargeable batteries are experiencing a rapid growth. It seems that everyone has realized the financial and environmental advantages of rechargeable batteries. The leading seller in the rechargeable industry is the Millennium brand. According to the Boston Consulting Group matrix, Millennium brand rechargeable batteries is an example of a:

- ◆ a. star
- ◆ b. question mark
- ◆ c. exclamation point
- ◆ d. cash cow
- ◆ e. growth stock



MULTIPLE CHOICE QUESTION 15

Clorox household products unit produces products and has a large market share in an industry that is growing slowly. Which of the following is an appropriate strategy if this SBU is to continue to yield a large positive cash flow?

- ◆ a. build
- ◆ b. hold
- ◆ c. harvest
- ◆ d. divest
- ◆ e. diversify



MULTIPLE CHOICE QUESTION 16

Within the United States, Macedonians, Brazilians, Lutherans, and Eskimos are all examples of:

- ◆ a. social classes
- ◆ b. subcultures
- ◆ c. psychographically defined groups
- ◆ d. geographically defined groups
- ◆ e. cultures



MULTIPLE CHOICE QUESTION 17

Lou is constantly begging his mother to buy him a pair of in-line skates because the most popular boys at his school all have pairs. His mother contends that he'll just break something if she buys him the skates. For Lou, the most popular boys in his school are an example of a:

- ◆ a. subculture
- ◆ b. reference group
- ◆ c. social class
- ◆ d. demographic group
- ◆ e. culture



MULTIPLE CHOICE QUESTION 18

Marketers attempt to identify opinion leaders by:

- ◆ a. locating the social strata the opinion leader occupies
- ◆ b. identifying geographic and cultural determinants
- ◆ c. finding the associative group the opinion leader is affiliated with
- ◆ d. studying how the opinion leaders influence the purchase of specific product groups
- ◆ e. identifying the demographic and psychographic characteristics of opinion leaders



MULTIPLE CHOICE QUESTION 19

A sports car manufacturer considered marketing to a market segment made up of individuals separated from their spouses but not yet divorced. However, investigation of the segment showed this group of individuals could not be reached by any specific media. In effect, this group was not a(n) _____ market.

- ◆ a. accessible and substantial
- ◆ b. measurable, differentiable, and accessible
- ◆ c. accessible, differentiable, and actionable
- ◆ d. actionable, differentiable, and substantial
- ◆ e. substantial and actionable



MULTIPLE CHOICE QUESTION 20

A marketer who selected a _____ segmentation strategy would find this segmentation strategy has the greatest amount of risk associated with it.

- ◆ a. selective specialization
- ◆ b. single-segment concentration
- ◆ c. full market coverage
- ◆ d. market specialization
- ◆ e. product specialization



MULTIPLE CHOICE QUESTION 21

The number of different product lines offered by a company is termed the product mix's:

- ◆ a. depth
- ◆ b. length
- ◆ c. flexibility
- ◆ d. width
- ◆ e. consistency



MULTIPLE CHOICE QUESTION 22

The most important retail marketing decision a retailer has to make is to:

- ◆ a. choose a positioning strategy
- ◆ b. identify its target market
- ◆ c. choose the service level it wants to support
- ◆ d. select the product assortment
- ◆ e. develop an effective store atmosphere



MULTIPLE CHOICE QUESTION 23

Which of the following is an example of a good mission statement?

- ◆ a. GCC will provide superior products at a fair price to our customers, while supporting our local community and providing our employees and stockholders with the opportunity to achieve their personal objectives.
- ◆ b. ABC Corporation will produce the highest quality products with the best service and the most affordable prices in the industry.
- ◆ c. Rosita's will provide the world's best pizza to its customers.
- ◆ d. Operating ethically, XYZ Corporation will dominate its industry with low cost products. We will seek to operate in only a limited number of industries. However, in those industries we will undercut the prices and provide better service than our competitors.
- ◆ e. All of the above are examples of good mission statements.



MULTIPLE CHOICE QUESTION 24

_____ is the total of the discounted lifetime values of all of the firm's customers.

- ◆ a. Discounted CLV
- ◆ b. Generic value
- ◆ c. Value integrity
- ◆ d. Customer integrity
- ◆ e. Customer equity



MULTIPLE CHOICE QUESTION 25

The theory that a man buys a Corvette as a substitute mistress reflects the motivational theory espoused by:

- ◆ a. Abraham Maslow
- ◆ b. Sigmund Freud
- ◆ c. Max Weber
- ◆ d. Frederick Herzberg
- ◆ e. Frederick Taylor



MULTIPLE CHOICE QUESTION 26

The term triad market refers to the:

- ◆ a. Pacific Rim nations of South Korea, Singapore, and Hong Kong
- ◆ b. United States, Japan, and Western Europe
- ◆ c. three continents in the eastern hemisphere
- ◆ d. United States, Canada, and Mexico
- ◆ e. three most technologically advanced countries in the world-the United States, Japan, and Germany



MULTIPLE CHOICE QUESTION 27

When John Deere's ads say, "Nothing runs like a Deere," this is an example of the brand conveying which level of meaning?

- ◆ a. attributes
- ◆ b. values
- ◆ c. features
- ◆ d. benefits
- ◆ e. personality



MULTIPLE CHOICE QUESTION 28

An advertiser on a limited budget that schedules media so that a heavy dose of advertising is followed by a period of no advertising is using a pattern called:

- ◆ a. bursting
- ◆ b. continuity
- ◆ c. pulsing
- ◆ d. concentration
- ◆ e. flighting



MULTIPLE CHOICE QUESTION 29

Which of the following is the best definition of trend?

- ◆ a. A trend is unpredictable and short-lived.
- ◆ b. A trend has no social, economic, and political significance whatsoever.
- ◆ c. Trends are large social, economic, political and technological changes that are slow to form but once in place, influence us for some time.
- ◆ d. A trend is a set of beliefs and values that shape peoples' perception of reality.
- ◆ e. A trend is a direction or sequence of events that have some momentum and durability.



MULTIPLE CHOICE QUESTION 30

Once a company has identified its competitors and their strategies, the next step in analyzing the competition is to:

- ◆ a. determine competitors' objectives
- ◆ b. analyze competitors' strengths and weaknesses
- ◆ c. anticipate competitors' responses when their market share is attacked
- ◆ d. choose which competitors to attack
- ◆ e. determine whether the competition uses an offensive or a defensive strategy



MULTIPLE CHOICE QUESTION 31

Ruth loves running and other forms of cardiovascular exercise. She is interested in healthy eating, taking vitamins, and drinking plenty of water. In her opinion, it is a person's duty to take care of his or her body. This description of Ruth reflects her:

- ◆ a. self-concept
- ◆ b. personality
- ◆ c. social class
- ◆ d. lifestyle
- ◆ e. demographics



MULTIPLE CHOICE QUESTION 32

The process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world is called:

- ◆ a. impression
- ◆ b. perception
- ◆ c. cognition
- ◆ d. comprehension
- ◆ e. conviction



MULTIPLE CHOICE QUESTION 33

While shopping for groceries, Phil asks himself, "What would the children really like for dinner tonight?" In this case, the children's role in the buying decision would be as:

- ◆ a. initiators and influencers
- ◆ b. influencers and users
- ◆ c. deciders and influencers
- ◆ d. gatekeepers, influencers, deciders, and users
- ◆ e. initiators, influencers, deciders, and users



MULTIPLE CHOICE QUESTION 34

In a recent promotional campaign, Kodak advertised that it sold magic because its cameras were a way to capture time. With this advertising theme, Kodak had a(n) _____ concept of competition.

- ◆ a. product
- ◆ b. market
- ◆ c. industry
- ◆ d. oligopoly
- ◆ e. sales



MULTIPLE CHOICE QUESTION 35

The marketing strategy plan consists of three parts. The first part consists of describing the product's:

- ◆ a. features, advantages, and benefits
- ◆ b. size, structure, and the behavior of its target market
- ◆ c. planned price, distribution strategy, and marketing budget
- ◆ d. long-run sales, profit goals, and marketing mix strategy
- ◆ e. target market composition, its long-run sales goals, and the product's planned pricing strategy



MULTIPLE CHOICE QUESTION 36

Simulated test marketing:

- ◆ a. is more expensive than controlled test marketing
- ◆ b. does not provide results that are usable in forecasting models
- ◆ c. takes place in stores so that the impact of store factors on buyer behavior can be measured
- ◆ d. gives fairly accurate results on advertising effectiveness and trial rates in a much shorter time and at a fraction of the cost of using real test markets
- ◆ e. is the least costly of all methods of consumer-goods market testing



MULTIPLE CHOICE QUESTION 37

Which of the following statements about the five adopter groups is true?

- ◆ a. Early adopters are opinion leaders.
- ◆ b. The late majority are skeptics.
- ◆ c. Laggards are tradition-bound.
- ◆ d. Innovators are venturesome.
- ◆ e. All of the above statements about the five adopter groups are true.



MULTIPLE CHOICE QUESTION 38

Market attractiveness is influenced by all of the following EXCEPT:

- ◆ a. geography
- ◆ b. income and population
- ◆ c. climate
- ◆ d. the strategic position of the company
- ◆ e. the product itself



MULTIPLE CHOICE QUESTION 39

Which statement about durable goods is true?

- ◆ a. The primary promotion tool for durable goods is reminder advertising.
- ◆ b. Marketers typically charge low markups for durable goods.
- ◆ c. The primary promotion tool for durable goods is persuasive advertising.
- ◆ d. Durable goods are consumed quickly and purchased frequently.
- ◆ e. None of the above statements about durable goods are true.



MULTIPLE CHOICE QUESTION 40

Within the last couple of years several cosmetics manufacturers have introduced non-clumping mascara. Revlon was one of those manufacturers. Revlon should use _____ advertising to increase selective demand for its non-clumping mascara.

- ◆ a. descriptive
- ◆ b. persuasive
- ◆ c. reminder
- ◆ d. informative
- ◆ e. instructive



MULTIPLE CHOICE QUESTION 41

Cardini's marinades has seen how other products have profited from sales promotion activities and wants to do some of its own sales promotions. What is the first step for Cardini's in using sales promotions?

- ◆ a. determine the value of coupons
- ◆ b. select a consumer-franchise building promotion
- ◆ c. select media to advertise its sales promotion activities
- ◆ d. decide how it's going to evaluate its sales promotion activities
- ◆ e. decide if the purpose of the sales promotion will be to increase sales or to increase brand recognition



MULTIPLE CHOICE QUESTION 42

As part of developing a sales promotion program, a marketing manager must do all of the following EXCEPT:

- ◆ a. determine the duration of the promotion
- ◆ b. set the total sales promotion budget
- ◆ c. decide on the timing of the promotion
- ◆ d. pretest the program
- ◆ e. set the conditions for participation



MULTIPLE CHOICE QUESTION 43

Which of the following statements about marketing channels is true?

- ◆ a. A Marketing-channel decisions are among the most critical decisions facing management.
- ◆ b. Market channels are sets of interdependent organizations.
- ◆ c. The marketing channels selected by a manager intimately affect all the other marketing decisions.
- ◆ d. A marketing channel is also called a trade channel or a distribution channel.
- ◆ e. All of the above statements about marketing channels are true.



MULTIPLE CHOICE QUESTION 44

Which of the following functions do members of the marketing channel typically perform as they move merchandise from one level to the next?

- ◆ a. the creation of form utility
- ◆ b. activities-based cost accounting
- ◆ c. risk taking
- ◆ d. lengthening the channel so as to provide more specialized service
- ◆ e. eliminating unnecessary channel functions



MULTIPLE CHOICE QUESTION 45

For which of the following products is its manufacturer most likely to use exclusive distribution?

- ◆ a. infant formula
- ◆ b. gardening tools
- ◆ c. cell phones
- ◆ d. expensive perfume
- ◆ e. Barbie merchandise



MULTIPLE CHOICE QUESTION 46

In a(n) _____, two or more unrelated companies put together resources or programs to exploit an emerging marketing opportunity.

- ◆ a. administered VMS
- ◆ b. horizontal marketing system
- ◆ c. contractual VMS
- ◆ d. multichannel marketing system
- ◆ e. corporate VMS



MULTIPLE CHOICE QUESTION 47

The announcer on the radio ad says, "Miracle-Gro potting mix grows plants twice as big as ordinary potting soil." This is an example of a(n) _____ appeal.

- ◆ a. moral
- ◆ b. emotional
- ◆ c. cognitive
- ◆ d. social
- ◆ e. rational



MULTIPLE CHOICE QUESTION 48

Promotional tools vary in cost effectiveness at different stages of buyer readiness. What promotional tools are most important when the buyer is in the awareness stage?

- ◆ a. advertising and personal selling
- ◆ b. personal selling and sales promotion
- ◆ c. publicity and personal selling
- ◆ d. advertising and publicity
- ◆ e. sales promotion and advertising



MULTIPLE CHOICE QUESTION 49

Public relations is particularly effective in:

- ◆ a. building awareness and brand knowledge for new and existing products
- ◆ b. reinforcing the buyer's decision
- ◆ c. developing and maintaining a long-term increase in sales
- ◆ d. enabling companies to adjust to short-term variations in the supply and demand of their markets
- ◆ e. preventing intermediaries from misusing trade promotions



MULTIPLE CHOICE QUESTION 50

An organization would choose to use a territorial sales force structure instead of another type of structure because the territorial sales force structure:

- ◆ a. allows the salesperson to specialize in product knowledge
- ◆ b. provides opportunities for computerized selling
- ◆ c. allows the sales force to engage in transformational marketing
- ◆ d. limits competition
- ◆ e. keeps travel expenses to a minimum



ANALYTICAL QUESTION 1

- ◆ CellUSave is a new cellular service provider about to launch in South Africa. The company is planning to launch and sell their services throughout the country.
- ◆ Discuss the pros and cons of using a direct marketing approach, as opposed to a mass marketing campaign.
- ◆ If the marketing director decides to pursue a mass marketing campaign, what promotional tools are likely to be most effective? Describe and debate these.



ANALYTICAL QUESTION 2

- ◆ Muffins Inc. is a respected global company that manufactures quality packaged muffins. The company is about to enter the South African market place. You have just been appointed as marketing director and your first task is to create channels of distribution to reach potential customers.
- ◆ Discuss the different distribution channels you would consider using.
- ◆ What are the difficulties inherent in each of these routes to market?



ANALYTICAL QUESTION 2

- ◆ In-depth solution available on the web
- ◆ Here, you would need to discuss the supply chain and propose a route to market
- ◆ Essentially, this could be done in three ways
 - ◆ Sell the muffins directly to customers via own stores
 - ◆ Use a wholesaler
 - ◆ Sell merchandise to retailers
- ◆ Using a wholesaler would probably prove to be the most feasible, at least initially.



ANALYTICAL QUESTION 3

- ◆ Cape Sound is a new company about to launch their business selling their own brand of sound equipment. You have just landed the job of marketing director!
- ◆ Indicate how you could use price as a strategic tool to market your products.
- ◆ Discuss the different pricing strategies that may be employed, and the pros and cons of using each.



ANALYTICAL QUESTION 3

- ◆ Again, an in-depth solution is available on the web
- ◆ Essentially, a long-term pricing strategy would involve either a market-skimming or market-penetration approach. These are discussed thoroughly in the textbooks.
- ◆ In terms of a launch price, this could be the same, higher, or lower than that defined in the long-term pricing strategy. The pros and cons of each are discussed in the solution on the web.

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ANALYTICAL QUESTION 4

- ◆ Hyundai, a manufacturer of motor vehicles, has recently diversified into consumer electronics.

Discuss the implications that this strategic move is likely to have on the Hyundai brand?

Subsequently, discuss the difference between line extensions and brand extensions. Into which category does Hyundai currently fall?

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ANALYTICAL QUESTION 4

- ◆ Yup, you've noticed a trend, an in-depth solution is available on the web
- ◆ This is a branding question, so define the brand and what benefits this holds to the marketer.
- ◆ Introduce the concept of brand equity and explain this.
- ◆ Then proceed to motivate if Hyundai's approach is indeed diluting the brand... I think so, at least.
- ◆ Lastly, discuss brand and line extensions and apply it to Hyundai's decision to diversify.

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ANALYTICAL QUESTION ADVICE

- ◆ Use marketing theory and terminology
- ◆ Don't ramble off the topic – this highly irritates the grader!
- ◆ Use shorter, rather than longer sentences. State your case as succinctly as possible.
- ◆ Don't be too opinionated/dogmatic in your views – there may be alternative viewpoints.
- ◆ Use diagrams, where possible, to illustrate your points. Remember to label them thoroughly!
- ◆ Don't be afraid to highlight and underline!

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