

Knowledge Test Bank

Here are a series of questions to test your basic knowledge of marketing.

- Complete these questions in your own time.
- Attempt the questions without the aid the textbook.
- Check your answers with the textbook once you have completed the task.
- Check your understanding of those you did not get right.

1. STP examines the relationship between:

- A) Strategy, tactics and performance
- B) Service, tactics and performance
- C) Segmentation, targeting and positioning
- D) Segmentation, tactics and performance
- E) Selling, trade and performance

2. Which of the following is an industrial product?

- A) Shopping goods
- B) A luxury car
- C) Plant and equipment
- D) An impulse purchase
- E) None of the above

3. The macro factors are often described by a mnemonic. Which of the following is often used as a mnemonic for the macro factors?

- A) PESTLE
- B) DESK
- C) PET
- D) EVOD
- E) QUOTA

4. The action when two companies join to form a third company is known as:

- A) A strategic alliance
- B) A joint venture
- C) A takeover
- D) A merger
- E) An acquisition

5. A brand owned by a department store or supermarket is often referred to as:

- A) An individual brand

- B) An own-label brand
- C) A family brand
- D) A co-brand
- E) A sub brand

6. The product life cycle is often described as having four components – introduction, growth, maturity and decline. However, there is another component that refers to giving the product a ‘new lease of life’. What is that known as?

- A) Rejuvenation
- B) Extenuating
- C) New development
- D) Repeat purchasing
- E) Value added

7. A small specialist market is often referred to as a:

- A) Mass customised market
- B) Niche market
- C) Consumer market
- D) Value added market
- E) None of the above

8. An example of direct marketing is:

- A) A letter targeted to a named current customer
- B) A mass market television commercial
- C) A news story in a major newspaper
- D) Merchandising
- E) A buy one get one free in-store offer

9. Which of the following companies has its main activity as the provision of a service?

- A) Johnson & Johnson pharmaceuticals
- B) Coca-Cola
- C) Holiday Inn hotels
- D) Ford motor company
- E) Heinz foods

10. A customer makes an instant decision to purchase a product that they have just seen, such as a chocolate bar at a supermarket checkout. What is this commonly known as?

- A) A shopping purchase
- B) An impulse purchase

- C) An uncommon purchase
- D) A high involvement purchase
- E) None of the above

11. What are the original 4Ps of the marketing mix?

- A) Performance, Penalty, Perception and Process
- B) Product, Price, Promotion and Place
- C) Probe, Participants, Position and Process
- D) Packaging, Personnel, Price and Product
- E) Persuasion, Positioning, Preservation and Psychology

12. What are the three additional Ps of the marketing mix sometimes called the service mix?

- A) Physical Evidence, Process and Performance
- B) Physical Evidence, Process and Persuasion
- C) Physical Evidence, Process and People (Participants)
- D) Physical Evidence, Process and Personnel
- E) Permanency, Protection and People

13. Price skimming is used when:

- A) The retailer seeks to gain a large proportion of the market
- B) The retailer sets a variable price to reflect differences within the competitive market
- C) The retailer has bundled several products together and is charging one price
- D) The retailer sets a relatively high price during the early stages of a life cycle to attract customers in obtaining a new product
- E) None of the above

14. Which of the following factors can influence pricing of a product or service?

- A) Cost of production or service delivery
- B) Government policy
- C) The level of competition
- D) Economic trends
- E) All of the above

15. The macro environmental factors are normally used to identify:

- A) Those factors that are internal to the organization
- B) Those factors that only related to the organization's politics
- C) Those factors that are external to the organization
- D) Those factors that can be fully controlled by the organization
- E) Those factors controlled by the government

16. A potential market is a group of consumers who:

- A) Have an interest in a defined market offer
- B) Have sufficient income to purchase a defined market offer
- C) Have access to a particular market offer
- D) Have interest, income and access to a particular market offer
- E) Have already bought the market offer

17. Brand loyalty is more likely to occur when the brand is:

- A) Well known
- B) A limited private label brand
- C) A low-involvement purchase
- D) A durable product
- E) Not seen as risky

18. Which of the following is not an industrial product or service?

- A) Components
- B) Plant
- C) Consumables
- D) Business Services
- E) Shopping goods

19. Which of the following is not a key factor in channel management selection?

- A) Selection of the outlet
- B) Motivation of channel members
- C) Evaluation of the level of efficiency
- D) Withdrawal from the marketplace
- E) Selection of the channel itself

20. A joint venture is when one company:

- A) Is granted the rights on an intangible element of a product by another
- B) Combines value chain activities with another to gain a market advantage
- C) Combines with another to form a new company
- D) Sets up a shop within a department store
- E) Acquires another and changes its brand name

21. Which of the following can be described as a barrier to trade?

- A) Quotas.
- B) Import tariff
- C) Transit tariff
- D) Buy local legislation
- E) All of the above

22. In buyer behaviour what is an advocate?

- A) A person or group that could be interested in buying a product or service
- B) A person or group who have expressed interest in buying a product or service
- C) A person or group who have purchased the product or service once
- D) A person or group have purchased the product or service on more than one occasion
- E) A person or group who are particularly loyal and supportive of the product or service

23. Which of the following is not an element of the macro environment?

- A) Retired Employees
- B) Politics
- C) Society
- D) Technology
- E) Legal

24. From the following choose the key reason often cited for adapting a product for various countries.

- A) Political
- B) Cultural
- C) Economic
- D) Legal
- E) Ecological

25. Which of the following does not apply to segmenting consumer markets?

- A) Geodemographics
- B) Lifestyle analysis
- C) Demographics
- D) Buyer behaviour

E) Type of Customer

26. Which of the following is not a form of advertising?

- A) Posters
- B) Television commercials
- C) Internet banners
- D) Publicity
- E) Ambient

27. Why is customer loyalty so important to a company?

- A) It reduces costs associated with gaining new customers
- B) Loyal customers may become advocates for the product or service
- C) Improves communication through better targeting
- D) Helps the company to sustain a competitive advantage
- E) All of the above

28. An own-label brand is?

- A) One owned by supermarkets and chain stores
- B) An individual brand owned by a major manufacturer
- C) Part of a family of brands owned by a major manufacturer
- D) Where one brand is linked to another major brand
- E) All of the above

29. Which of the following is not a direct marketing activity?

- A) Door to door drops
- B) Inserts in magazines
- C) Face to face selling
- D) Telemarketing
- E) Merchandising

30. Which of the following is not a sales promotion technique?

- A) Free samples
- B) Money-off coupons
- C) Buy one get one free
- D) Polling
- E) Free send-away premium

31. An organization will brand their product or service to:

- A) Trademark and copyright the product or service being offered
- B) Create an identity for the product or service that the customer can relate to
- C) Help differentiate it from the competitors
- D) Use it as a means to communicate values, features and benefits to customers
- E) All of the above

32. For a commercial organisation the primary driver of marketing can be considered as:

- A) To sell more products/services at the highest possible price
- B) Being politically responsible
- C) Developing an international business
- D) Promoting its products
- E) All of the above

33. Social responsibility refers to companies:

- A) Acting responsibly to their customers and the wider community
- B) Acting responsibly to their shareholders
- C) Acting responsibly to government pressure
- D) Acting responsibly to the customers
- E) Acting in response to economic variables

34. Companies seek to differentiate their brands in order to:

- A) Be similar to certain competing brands
- B) Use unusual types of promotion to communicate the value of the brand
- C) Stand out from the rest of the competition in the mind of the customer
- D) Be the only brand in the marketplace
- E) None of the above

35. In terms of the product life cycle rejuvenation refers to:

- A) Extending the life of a declining product
- B) The introduction of a new product
- C) A product that had reached the maturity phase of its life
- D) A product that has been terminated
- E) A product that has yet to be introduced into the marketplace

36. Increasingly the term 'value added' is used in marketing. What does it refer to?

- A) A price that reflects the value of the product or service
- B) The product does not have a value until it is added at the point of pricing

- C) The value is added through every stage from manufacture through to after-sales service
- D) None of the above
- E) All of the above

37. Product placement is:

- A) When a product is intentionally used or seen within a movie
- B) When a product is promoted within a store
- C) A poster advertisement
- D) Another name for TV advertising
- E) Selling direct to a customer through one-to-one contact

38. Commercial organisations are increasingly incorporating ethical policies because:

- A) It is a good idea
- B) Pressure from shareholders
- C) Pressure from stakeholders
- D) Pressure from the CEO and the Board
- E) None of the above

39. A GBP £140,000 Aston Martin DB7 sports car would normally be classed as:

- A) A convenience product
- B) A luxury product
- C) A specialist product
- D) A shopping product
- E) All of the above

40. Which of the following would be considered a service provider?

- A) L'Oreal Perfumes
- B) Marlboro Cigarettes
- C) Hilton Hotels
- D) Nescafe Coffee
- E) None of the above

41. Which of the following companies is particularly renowned for its ethical policy known as their Credo?

- A) Johnson & Johnson
- B) Tylenol Inc.
- C) JG International
- D) Shell UK
- E) Marlboro Cigarettes

42. An impulse purchase is when a:

- A) Customer takes time to weigh up all the different attributes of the product on offer
- B) Customer makes an instant decision to purchase a product to fulfil a need
- C) Company is seeking to install plant and equipment
- D) A company is in negotiation with a supplier for a proposed purchase
- E) All of the above

43. Which of the following could be considered an unethical practice in many Western countries?

- A) Paying bribes to win a contract
- B) Using false images to sell a product
- C) Hard selling or pressure tactics
- D) Stereo-typing people into various categories
- E) All of the above

44. Price sensitivity normally refers to:

- A) A situation where a buyer has limited funds and thus carefully chooses a product based on price
- B) Where the price is sensitivity to economic changes
- C) Where the price is sensitive to political changes
- D) A range of products that are priced higher than others
- E) A range of products that are priced lower than others

45. A marketing plan is:

- A) A document that details requirements for a company's marketing activities over the short, medium and longer term. **Y**
- B) A document that outlines a marketing research activity
- C) A plan of the marketing function of the organization
- D) A document that looks back over past marketing activities
- E) A plan of the marketing activities within a particular industry

46. What is a major reason why some governments use a protectionist policy against foreign companies who want to market their products in that country?

- A) They do not like the government of the country where the company is based
- B) They want to protect their own, often inefficient, companies from potentially cheaper imports
- C) There is no market for that product within that country
- D) The population of the country is too poor to buy imported products

E) The country could be swamped by cheaper imports

47. Logistics refers to:

- A) The efficient and effective movement and storage of goods between point of manufacture and sale
- B) The storage of goods at a retail outlet
- C) The shipping of hazardous materials
- D) The location of a retail outlet
- E) Marketing products and services through the Internet

48. Why do companies start marketing their products and services internationally?

- A) The domestic market is saturated
- B) There is a declining home market
- C) The domestic market is too small
- D) Economies of scale
- E) All of the above

49. In economic cycles a recession can be described as:

- A) The first signs of growth
- B) The point where the economy is working at full capacity
- C) A sharp prolonged slowdown in the rate of growth of GDP
- D) The point where the economy is stationary – neither growing nor declining
- E) A severe downturn in the economy

50. In marketing, physical evidence can be described as:

- A) The tangible aspects of the delivery of a product or service
- B) The assembly or flow of activities that support other element of the marketing mix
- C) The intangible aspects of a product
- D) The physical size of the product
- E) None of the above

51. Which of the following can be used to describe the difference between business marketing and consumer marketing?

- A) Type and level of purchasing knowledge required
- B) The size of orders.
- C) Technical expertise in terms of product specifications.
- D) Price flexibility through negotiation
- E) All of the above

52. Which of the following can influence the level of involvement in a purchasing decision?

- A) Self-image, for example, in the purchase of fashion item
- B) Perceived level of risk associated with the purchase
- C) Social factors particularly where there is a links to social acceptance
- D) The level of pleasure associated with the purchase of a product, for example a bar of chocolate
- E) All of the above

53. Which of the following skills are important for a sales person to do their job effectively?

- A) Be adaptable
- B) Be self-motivated
- C) Know their customers
- D) Have product knowledge
- E) All of the above

54. A niche market refers to a:

- A) A small specialist market
- B) A large mass market
- C) A large mass customised market
- D) A highly segmented market
- E) A poorly positioned market

55. Which of the following can result in the need to adapt a promotional campaign for use in another country?

- A) The country's culture
- B) The weather
- C) TV broadcast technical standards
- D) The number of TV sets in that country
- E) None of the above

56. Which of the following can result in international marketing failures?

- A) Selecting inappropriate strategic partners
- B) Inability to adapt to local market conditions
- C) Impact of emotive issues that may have an ethical or moral basis
- D) Hiring the wrong people
- E) All of the above

57. What are potentially the key elements of marketing?

- A) Transaction of goods and services
- B) Value Added
- C) Relationships
- D) The introduction and development of products and services
- E) All of the above

58. When pricing a product or service would you consider:

- A) The whole of the remainder of the marketing mix – the 6 remaining Ps
- B) What people could afford
- C) What the market could really afford
- D) The dynamics of the marketplace
- E) All of the above

59. Should marketing be socially responsible?

- A) Yes as it benefits the whole of society
- B) No because marketing is a profit centred business and it should provide only for shareholders
- C) Yes, but its main provision should be for shareholders thus increasing the value of their stake within the business
- D) Shareholders are a company's most important asset
- F) None of the above

60. Macro factors identify:

- A) Internal factors
- B) Political factors
- C) External factors
- D) Governmental factors
- E) Economic factors

61. Channel management refers to:

- A) The physical distribution of goods and services
- B) Pricing
- C) Promotion
- D) Product placement
- E) People management

62. Products are most often adapted because of:

- A) Political reasons
- B) Cultural reasons

- C) Economic reasons
- D) Customer reasons
- E) None of the above

63. Geodemographics can be used to:

- A) Segment consumer markets
- B) Influence buyer behaviour
- C) Influence pricing decisions
- D) Influence consumer lifestyles
- E) None of the above

64. Rejuvenation of a product refers to:

- A) The introduction of a new product
- B) The maturity phase of a product
- C) Extending the life a product
- D) A declining product
- E) All of the above

65. A consumer has limited funds and carefully chooses a product or service based on price. This is usually known as:

- A) Price skimming
- B) Price sensitivity
- C) Cost plus pricing
- D) Market pricing
- E) None of the above