

SIR ARTHUR LEWIS COMMUNITY COLLEGE

DIVISION OF TECHNICAL EDUCATION AND MANAGEMENT STUDIES

EXAMINATION SESSION : May 2001, Final Examination

TUTOR(S) : Mr. Matthew St. Paul

PROGRAMME TITLE(S) : Management Studies

PROGRAMME CODE(S) : MAN326

COURSE TITLE : Marketing Management

COURSE CODE : MKN312

CLASS(ES) : Year One

DATE : 9th May 2001

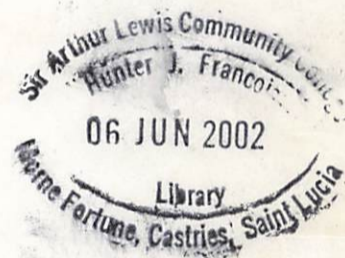
COMMENCEMENT TIME : 9:00 a.m.

DURATION : 3 Hours

INVIGILATOR(S) :

ROOM(S) :

#M13



INSTRUCTIONS

- This paper contains two (2) sections A and B.
- **Section A**
Part One - 36 Multiple Choice Questions Answer all
Part Two - 14 True/False Questions Answer all
- Answer Three (3) Questions from **Section B**
- Please return the examination paper along with your written answers to the invigilator at the end of the examination.

SECTION A

Part One

THIRTY-SIX (36) MULTIPLE CHOICE

1. Under the BCG growth-share matrix, the market growth rate provides :
 - a. a measure of the company's strength in the market
 - b. the primary information for investment/divestiture decisions
 - c. a measure of market attractiveness
 - d. a measure of profitability for all products

2. The decision to phase out an SBU and use the resources elsewhere in the company is called a _____ strategy.
 - a. build
 - b. harvest
 - c. hold
 - d. divest

3. Under the product/market expansion grid, the strategy of making more sales to present customers without altering the products is called :
 - a. market penetration
 - b. market development
 - c. product development
 - d. diversification

4. In competing for target consumers to serve, a company must complete a four step process better than its competitors. All of the following are steps in targeting consumers except :
 - a. demand measurement and forecasting
 - b. market segmentation
 - c. market targeting
 - d. all of the above are steps

5. The key to successful product positioning requires the company to create a competitive advantage by :
 - a. outspending the competition in advertising
 - b. giving the consumers more value than they are offered by the competition
 - c. offering the best possible product at the lowest possible price
 - d. all of the above

6. Recognition that the US is not a melting pot for a single, homogeneous culture, although its population is still 84 percent white, underscores which of the following trends?
 - a. The changing are structure of the population
 - b. The changing American family
 - c. Geographic shifts in population
 - d. Increasing ethnic and racial diversity

7. During times of economic downturn, the watchword for many marketers is :
 - a. the customer is always right
 - b. value marketing
 - c. advertise or die
 - d. Engel's law

8. Which of the following is not a trend in the natural environment of concern to marketers?
 - a. A shortage of raw materials
 - b. Changing consumer spending patterns
 - c. The increased cost of energy
 - d. Increased pollution

9. Taking a defensive approach to managing existing products rather than bear the expense of introducing new technologies is typical of which trend in the technological environment?
- The fast pace of technological change
 - High R and D budgets
 - Concentration on minor improvements
 - Increased regulation
10. That marketers may have some chance influencing or changing secondary beliefs but not core beliefs held by a target market underscores which characteristic of the cultural environment?
- The persistence of cultural values
 - Shifts in secondary cultural values
 - People's view of themselves
 - People's view of organisations
11. In studying consumers, the central question for marketers is :
- "How do consumers get their money?"
 - "How do consumers set their budgets for disposable income?"
 - "How do consumers respond to various marketing stimuli the company might use?"
 - "How do consumers perceive their role in developing brand loyalty?"
12. A major reason for the changing of traditional purchasing roles for families is that :
- the economic conditions are slowly changing all family buying
 - more women than ever hold jobs outside the home
 - children are becoming major economic forces in their own right as wage earners
 - men and women now shop together or "shop 'til you drop" for entertainment purposes
13. All of the following are stages in the buyer decision process except :
- awareness
 - information search
 - evaluation of alternatives
 - purchase decision
14. The buying process starts with :
- attitude formation
 - need recognition
 - belief awareness
 - demand formulation
15. If Jennifer intends to buy her favorite brand of camera but her best friend persuades her to buy the lowest-priced camera, then which of the following can be said to have influenced her purchase decision?
- Purchase intention
 - The self-concept
 - Attitudes of others
 - Unexpected situational factors
16. Which of the following is an important reason for satisfying customers?
- Satisfied customers cost less to retain than attracting new customers
 - Satisfied customers often buy the product again
 - Satisfied customers talk favorably to others about the product
 - All of the above
17. In terms of adopter groups, those who rarely lead, but do adopt new ideas before the average person are called :
- innovators
 - early adopters
 - early majority
 - late majority

18. Evaluating each market segment's attractiveness and selecting one or more of the market segments to enter is called :
- | | |
|------------------------|-----------------------|
| a. market segmentation | c. market positioning |
| b. market targeting | d. market mixing |
19. In market targeting, a firm looks all of the following factors except :
- | |
|--------------------------------------|
| a. segment size and growth |
| b. segment structural attractiveness |
| c. company objectives and resources |
| d. segment public relations value |
20. In positioning itself as providing superior value to selected target markets, a company gains:
- | | |
|--------------------|----------------------------|
| a. market position | c. competitive advantage |
| b. market offer | d. competitive distinction |
21. The strategy of choosing one attribute to excel as to create competitive advantage is known as (the) :
- | | |
|-------------------------------|-------------------------|
| a. unique selling proposition | c. overpositioning |
| b. underpositioning | d. confused positioning |
22. Decisions about product quality, features, and design relate to which of the following?
- | | |
|-----------------------|--------------|
| a. Product attributes | c. Packaging |
| b. Branding | d. Labeling |
23. Which of the following is not a level of meaning communicated by a brand?
- | | |
|---------------|------------|
| a. Attributes | c. Values |
| b. Benefits | d. Designs |
24. When a brand has achieved an impressive reputation for loyalty, performance, and quality, it can be said to have :
- | | |
|--------------------|------------------|
| a. brand endurance | c. brand bonding |
| b. brand equity | d. brand banking |
25. When a company enter a new product category for which its current brand names are not appropriate, it will likely follow which of the following brand strategies?
- | | |
|---------------------|-----------------------|
| a. New brands | c. Line extensions |
| b. Brand extensions | d. Product extensions |
26. Managing a stable of brand names within a product category to suggest different functions or benefits is called :
- | | |
|----------------------------|----------------------------------|
| a. new brand strategy | c. multi-brand strategy |
| b. line extension strategy | d. manufacturer's brand strategy |
27. Goods packaging decisions can lead to :
- | | |
|-----------------------------------|---------------------------------|
| a. protection of the product | c. instant consumer recognition |
| b. increased consumer convenience | d. all of the above |

The following information should be used to answer questions 31-33.

Friends can shop together but be motivated by different aspects of a product. *Helen* buys eyeliner but wants the benefits of beautiful looking eyes. *Janice* likes her walkman's features. *Jack* enjoys the peace of mind of the extended product warranty on his computer. *Kevin* joins a health club but wants a powerful build. *Larry* uses his new software but relies heavily on the toll free number for customer support.

28. From the information above, *Helen* is responding to which product level in her purchasing?
- a. Core product
 - b. Actual product
 - c. Augmented product
 - d. Extended product
29. According to the information above, *Kevin* appear motivated by which product level?
- a. Core product
 - b. Augmented product
 - c. Actual product
 - d. Supplementary product
30. From the information above, *Jack* appears most motivated by which product level?
- a. Actual product
 - b. Core product
 - c. Augmented product
 - d. Supplementary product
31. A detailed version of the new product idea stated in meaningful consumer terms is called a :
- a. product idea
 - b. product concept
 - c. product image
 - d. product feeling
32. Presenting new product development ideas to customers in symbolic or physical ways to measure their reactions occurs during which of the following stages?
- a. Idea generation
 - b. Concept testing
 - c. Marketing strategy
 - d. Screening
33. The stage in the new product development process that describes the target market is called:
- a. idea generation
 - b. concept development and testing
 - c. marketing strategy development
 - d. business analysis
34. In the introduction stage of the product life cycle, which of the following statements are true?
- a. Promotion spending is relatively high
 - b. Firms focus on those buyers who are most ready to purchase - usually the higher income groups
 - c. Firms must adopt one of several marketing strategies appropriate for introduction
 - d. All of the above are true

Use the following information to answer questions 35 and 36

Consolidated Diversified had a team working on new product development. *Sara*'s job was to spot good ideas and drop poor ones as soon as possible. *Sally* supervised describing the target market and planning the product's position. *Ned* oversaw Consolidated's design for manufacture-ability and assembly (DFMA) process. *Susan* reviewed goals and projections for sales against company standards. *Nathan* lined up stores that agreed to stock the product for a fee.

35. From the information above, Sara works in support of which stage in the new product development process at Consolidated?
- | | |
|--------------------|------------------------|
| a. Idea Generation | c. Idea Screening |
| b. Test Marketing | d. Product Development |
36. According to the description, Sally supervises which state in the new product development process?
- | | |
|----------------------|-----------------------------------|
| a. Idea Screening | b. Test Marketing |
| b. Commercialisation | d. Marketing Strategy Development |

Part Two

FOURTEEN (14) TRUE/FALSE

1. A product is anything that can be offered to a market to satisfy a need or want, except an intangible service.
2. Overcoming the reluctance of consumers to purchase enough of the product is characteristic of the product concept.
3. The changing world economy is the primary reason for the emergence of “hybrid products”, where design, material purchases, manufacture, and marketing may all take place in different countries.
4. Before a company sets a price, it must decide on its overall strategy for the product.
5. Companies facing too much capacity or heavy competition should adopt a current profit maximization objective in setting prices.
6. When companies set survival as their objective, they set the price high to help pay their bills on as little demand as possible.
7. If a product is positioned on non-price factors, then decisions about quality, promotion, and distribution will strongly affect price.
8. Costs establish the ceiling for the price that the company can charge for its product.
9. Market-skimming pricing makes sense under almost all conditions in effect for the pricing of innovative new products
10. Car accessories like electric windows sold at an additional price are offered under a form of optional-product pricing.
11. Attractively priced options packages on cars are example of optional-product pricing.
12. Quantity discounts are typically offered only to large customers and may even exceed the seller’s cost savings associated with the sale of the large amount.
13. Pricing three variations of a product differently, but not on the basis of the actual difference in their costs, is a form promotional pricing.
14. Promotional pricing involves pricing to enhance consumer perceptions of product quality.

SECTION B

Answer Any Three (3) questions from this section.

1. Identify and discuss the major forces now changing the marketing landscape and challenging marketing strategy.
2. Describe the marketing management process and the forces that influence it.
3. Identify and describe (a) the stages in the buyer decision process and (b) the stages in the consumer adoption process from new products
4. i. Briefly explain each of the following :
 - a) Market segmentation
 - b) Market targeting
 - c) Market positioningii. Describe how a company can position its products for maximum competitive advantage in the market place.
5. Explain the four major classifications of consumer products.
6. Describe the steps in new product development process.

END OF EXAMINATION