

# T.Y.B.COM COMMERCE V MCQs SET 02

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1. Good marketing is no accident, but a result of careful planning and \_\_\_\_\_.
  - a. **execution**
  - b. selling
  - c. strategies
  - d. tactics
2. Marketing is both an “art” and a “science”—there is constant tension between the formulated side of marketing and the \_\_\_\_\_ side.
  - a. **creative**
  - b. selling
  - c. management
  - d. behaviour
3. The most formal definition of marketing is \_\_\_\_\_.
  - a. meeting needs profitably
  - b. identifying and meeting human and social needs
  - c. the 4Ps (Product, Price, Place, Promotion)
  - d. **An organizational function and a set of processes for creating, communicating, and delivering, value to customers, and for managing customer relationships in ways that benefit the organization and its stake holders.**
4. Marketing management is \_\_\_\_\_.
  - a. managing the marketing process
  - b. monitoring the profitability of the company’s products and services
  - c. developing marketing strategies to move the company forward
  - d. **the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value**
5. \_\_\_\_\_ goods constitute the bulk of most countries’ production and marketing efforts.
  - a. Durable
  - b. Impulse
  - c. **Physical**
  - d. Service
6. \_\_\_\_\_ can be produced and marketed as product.
  - a. **Information**
  - b. Celebrities
  - c. Durable goods
  - d. Organizations
7. When product performance is more than customer expectations, it results in \_\_\_\_\_.
  - a. **Customer Delight**
  - b. Customer Satisfaction
  - c. Customer Dissatisfaction
  - d. Customer Loyalty

8. \_\_\_\_\_ Concept of marketing assumes that customers will prefer those products which are aggressively promoted.
- Purchasing
  - Selling**
  - Marketing
  - Societal
9. \_\_\_\_\_ Concept of marketing starts with identifying customer wants and ends up with satisfaction of those wants.
- Societal
  - Product
  - Marketing**
  - Production
10. \_\_\_\_\_ Concept of marketing aims at a balance between society's welfare, customer satisfaction and company's profits.
- Selling
  - Production
  - Marketing
  - Societal**
11. \_\_\_\_\_ Strategy refers to introduction of new products in the markets.
- Market Development
  - Market Penetration
  - Market Segmentation
  - Product Development**
12. \_\_\_\_\_ is the outcome of large scale production and distribution of goods.
- Marketing Research
  - Marketing Intelligence System
  - Economies of Scale**
  - Market Penetration
13. \_\_\_\_\_ is the incremental value of a brand over and above its physical assets.
- Brand Name
  - Brand Equity**
  - Brand Image
  - Brand Loyalty
14. \_\_\_\_\_ Marketing differentiates a firm from its competitors.
- Strategic**
  - Social
  - Relationship
  - Integrated
15. \_\_\_\_\_ refers to subdividing a larger market into smaller markets.
- Market Segmentation**
  - Niche Marketing
  - Marketing Research
  - Marketing Intelligence

16. \_\_\_\_\_ marketing refers to marketing to small segment of market.
- Small
  - Niche**
  - Special
  - Social Media
17. \_\_\_\_\_ data refers to the data which is readily available.
- Primary
  - Tertiary
  - Secondary**
  - Outdated
18. In \_\_\_\_\_ segmentation, consumers are classified on the basis of life style and personality traits.
- Demographic
  - Geographic
  - Physiological
  - Psychographic**
19. \_\_\_\_\_ involves gathering, recording and analysing, data about specific marketing problems.
- Marketing Research**
  - Marketing Information System
  - Research and Development
  - Marketing Segmentation
20. Marketing decision support system is an important component of \_\_\_\_\_.
- Marketing Segmentation
  - Marketing Information System**
  - Marketing Research
  - Brand Research
21. The basis of marketing operations is the coordination of four key variables, namely: product, price, place and \_\_\_\_\_.
- Positioning
  - Publicity
  - Promotion**
  - Physical Evidence
22. \_\_\_\_\_ refers to set of products which are offered for sale by a firm.
- Product Price,
  - Product Design
  - Product Selling
  - Product Mix**
23. At introductory stage of product life cycle, advertising is undertaken to \_\_\_\_\_.
- Earn Profit
  - Sell the Products to Masses
  - Remind the Customer
  - Create Awareness**

24. \_\_\_\_\_ is a process of extending an existing brand name to other brands.
- Brand Equity
  - Brand Image
  - Brand Extension**
  - Brand Packaging
25. \_\_\_\_\_ is the incremental value of a business above the value of its physical assets due to the market position achieved by its brand.
- Brand Image
  - Brand Equity**
  - Brand Extension
  - Brand Packaging
26. \_\_\_\_\_ gives a distinctive identity to the brand.
- Brand Positioning**
  - Brand Loyalty
  - Brand Equity
  - Brand Packaging
27. In \_\_\_\_\_ pricing strategy, large firms charge low prices to kill competition in the market.
- Predatory**
  - Penetration
  - Skimming
  - Trial
28. At the decline stage of product life cycle, a business firm may resort to \_\_\_\_\_.
- Price Increase
  - Price Cuts**
  - Aggressive Advertising
  - Creating Awareness
29. \_\_\_\_\_ is the perception of the brand in the minds of the customers.
- Brand Equity
  - Brand Loyalty
  - Brand Image**
  - Brand Positioning
30. Why is China very attractive to marketers around the world?
- because it represents a collective approach to marketing in contrast to the traditional individualist approach used in the United States and other western cultures
  - Chinese consumers are very brand loyal
  - they are the heaviest users of the Internet
  - because of its massive population, rising income, and emerging youth market**
31. \_\_\_\_\_ is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.
- Marketing
  - Consumer behaviour**
  - Psychographics
  - Demographics

32. One primary function of Harriet's job is to study individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of her company's products and services to satisfy needs and the impacts that these processes have on the consumer and society. Harriet works in the field of \_\_\_\_\_.
- a. social psychology
  - b. cognitive psychology
  - c. management
  - d. consumer behaviour**
33. Which of the following is NOT an application of consumer behaviour?
- a. marketing strategy
  - b. human resource management**
  - c. regulatory policy
  - d. informed consumers
34. Thomas wants to gain a useable understanding of consumer behaviour in order to help him become a more effective marketing manager. Which application of consumer behaviour does this represent?
- a. marketing strategy**
  - b. regulatory policy
  - c. social marketing
  - d. resource management
35. \_\_\_\_\_ is the application of marketing strategies and tactics to alter or create behaviours that have a positive effect on the targeted individuals or society as a whole.
- a. Social marketing**
  - b. Consumer behaviour
  - c. Regulation
  - d. Ethical marketing
36. Mia is concerned how her marketing activities will affect individual consumers as well as society at large. Mia is implementing \_\_\_\_\_.
- a. regulated marketing
  - b. ethical marketing
  - c. proactive marketing
  - d. social marketing**
37. Most economically developed societies are legitimately referred to as \_\_\_\_\_ societies.
- a. marketing
  - b. proactive
  - c. consumption**
  - d. competitive
38. To survive in a competitive environment, an organization must provide its target customers more \_\_\_\_\_ than is provided to them by its competition.
- a. product
  - b. service
  - c. value**
  - d. attention

39. The difference between all the benefits derived from a total product and all the costs of acquiring those benefits is known as \_\_\_\_\_.
- position
  - consumer behaviour
  - customer value**
  - equity
40. Laurie saved for six months to have enough money to buy a new designer outfit to wear to a special party. She had to travel to a larger city to purchase this outfit, but it was worth it to her because it made her feel beautiful and confident. The difference between the benefits Laurie perceived from this purchase and the cost to her to acquire these benefits describes her \_\_\_\_\_.
- consumer behaviour
  - customer value**
  - motivation
  - equity difference
41. It is critical that a firm consider value from which perspective?
- the competition's
  - the firm's
  - the customer's**
  - the government's
  - the industry's
42. Which of the following statements is true regarding the overall model of consumer behaviour?
- It is sufficiently detailed so as to predict particular behaviours.
  - Family and culture are internal influences on consumer behaviour.
  - Personality, emotions, and attitudes represent external influences on consumer behaviour.
  - A consumer's self-concept and lifestyle influence his or her needs and desires.**
43. \_\_\_\_\_ refers to the speed at which marketing decisions and actions are taken
- Process
  - Procedures
  - Productivity
  - Pace**
44. \_\_\_\_\_ refers to the protective covering of the product used in safely handling goods
- Organising
  - Positioning
  - Branding
  - Packing**
45. \_\_\_\_\_ suggested product, pricing, place, promotion all these in a company represents "Market Mix".
- Neilsen
  - Philip Kotler
  - Neil Borden**
  - Stephen Morse
46. This P is not a part of the 7Ps of marketing mix. \_\_\_\_\_.
- Promotion
  - Price
  - People
  - Purpose**

47. The process of setting a low initial price for attracting a large number of buyers quickly to cover a large market share is known as \_\_\_\_\_.
- Going-Rate Pricing
  - Penetration Pricing**
  - Value Based Pricing
  - Skimming Pricing
48. Forward pricing refers to pricing products based on the expected product costs during the \_\_\_\_\_ stage of the product life cycle.
- Introduction
  - Growth
  - Maturity**
  - Decline
49. A strong brand commands \_\_\_\_\_.
- Intense Consumer Loyalty**
  - Intense Employer Loyalty,
  - Intense Employee Loyalty
  - Intense Employer-Employee Loyalty
50. A Good can be categorized as tangible or \_\_\_\_\_.
- Raw Material
  - Services
  - Commodities
  - Intangible**
51. We can use \_\_\_\_\_ for the equity of the brand name to address segment needs even better.
- Sub-Branding**
  - Labelling
  - Packaging
  - Brand Bonding
52. \_\_\_\_\_ refers to extra incentive that the channel intermediaries get to stock and promote the products.
- Push Commission**
  - Full Incentives
  - Pull Incentives
  - Extra Credit Period
53. The main objective of advertising is to \_\_\_\_\_.
- Increase Sales
  - Create Awareness**
  - Decrease Sales
  - Increase Profit
54. \_\_\_\_\_ involves preparing and placing attractive displays of a new product.
- Salesmanship
  - Sales Promotion
  - Merchandising**
  - Advertising

55. \_\_\_\_\_ is a form of consumer-oriented promotion techniques.
- a. Trade Discount
  - b. Dealer Conferences
  - c. Dealers Benefit
  - d. **Exchange Offers**
56. \_\_\_\_\_ facilitates detailed information to the prospective customers.
- a. **Trade Fair**
  - b. Trade Discount
  - c. Advertising
  - d. Sponsorships
57. \_\_\_\_\_ helps in protecting the goods from damage during transportation.
- a. Tracking
  - b. **Packaging**
  - c. Insurance
  - d. Sponsorships
58. \_\_\_\_\_ is an unpaid form of promotion-mix.
- a. Advertising
  - b. Salesmanship
  - c. **Publicity**
  - d. Insurance
59. \_\_\_\_\_ channel is also called as 'zero-level' marketing channel.
- a. Multiple
  - b. Multi-Level
  - c. Indirect
  - d. **Direct**
60. The word ethics is derived from \_\_\_\_\_ word 'Ethos'.
- a. **Greek**
  - b. German
  - c. Latin
  - d. Italian
61. Ethics is a branch of \_\_\_\_\_.
- a. Science and Technology
  - b. **Philosophy**
  - c. Psychology
  - d. Sociology
62. Harmful products like cigarettes are promoted through \_\_\_\_\_ ads.
- a. Advocacy
  - b. Social
  - c. **Surrogate**
  - d. Political
63. \_\_\_\_\_ Pricing helps to wipe out competition from the market.
- a. Differential
  - b. Premium
  - c. Skimming
  - d. **Predatory**



64. \_\_\_\_\_ is a consumer Organisation in India.
- CGSI**
  - AAAI
  - ASI
  - HPI
65. \_\_\_\_\_ organisation assists the consumers in legal matters.
- Social
  - Consumer**
  - Political
  - Ethical
66. \_\_\_\_\_ brand is marketed by Mondelez International.
- Mercedes
  - McDonald
  - Cadbury Dairy Milk**
  - Patanjali
67. \_\_\_\_\_ defence strategy involves launching of an offence against the competitor before the latter starts an offence.
- Pre-emptive**
  - Flanking
  - Position
  - Organised
68. Cloner strategy is followed by market \_\_\_\_\_.
- Leader
  - Follower**
  - Challenger
  - Competitor
69. \_\_\_\_\_ attack is a combination of frontal and flank attack.
- Flank
  - Frontal
  - Encirclement**
  - Pre-Emptive
70. \_\_\_\_\_ is not a data mining functionality.
- Clustering and Analysis
  - Selection and interpretation**
  - Classification and regression
  - Characterization and Discrimination
71. \_\_\_\_\_ is an essential process where intelligent methods are applied to extract data patterns.
- Data Warehousing
  - Data Mining**
  - Data Base
  - Data Structure

72. The \_\_\_\_\_ refers to extracting knowledge from larger amount of data.
- a. Data Abstraction
  - b. Data Warehouse
  - c. Database
  - d. **Data Mining**
73. Data mining is \_\_\_\_\_.
- a. An extraction of explicit, known and potentially useful knowledge from information.
  - b. **A non-trivial extraction of implicit, previously unknown and potentially useful information from data.**
  - c. An essential process where intelligent methods are applied to extract data patterns that is also referred to database.
  - d. An essential process where intelligent methods are applied to extract data that is also referred to data sets.
74. Two fundamental goals of Data Mining are \_\_\_\_\_.
- a. Analysis and Description
  - b. Data cleaning and organizing the data
  - c. **Prediction and Description**
  - d. Data cleaning and organizing the data
75. The demand for goods in India and services in India depends largely on?
- a. **Agriculture**
  - b. Rainfall
  - c. Inflation
  - d. Income
76. What is not true about digital marketing?
- a. Digital marketing is any form of marketing products or services that involves electronic devices.
  - b. Digital marketing can be done online
  - c. **Digital marketing cannot be done online**
  - d. Digital marketing is often referred to as online marketing, internet marketing or web marketing.
77. \_\_\_\_\_ is an example of business-to-business services offered by Google which gains advertising revenue through hosted videos.
- a. Google AdWords pay per click sponsored link advertising
  - b. Google Apps Business Application Suite
  - c. **YouTube Brand Channel**
  - d. Google Search application providing online website services for website owners
78. The main objective of branding is which of the following?
- a. To have potential customers recognize your logo and marketing materials
  - b. **To earn trust from your customers**
  - c. Promotional materials that match and coordinate
  - d. Having a unique tag line
79. Green marketing is a part of \_\_\_\_\_.
- a. Social marketing
  - b. Service marketing
  - c. **Relationship marketing**
  - d. Rural marketing

80. What is a base of Green Marketing?
- Greenhouse gas reduction market
  - Capital Flow
  - Programme
  - Product**
81. \_\_\_\_\_ defines what the brand thinks about the consumer, as per the consumer.
- Brand attitude**
  - Brand positioning
  - Brand relationship
  - Brand image
82. \_\_\_\_\_ includes all that is linked up in memory about the brand. It could be specific to attributes, features, benefits or looks of the brand.
- Brand attitude
  - Brand Associations**
  - Brand relationship
  - Brand image
83. Close up, Doordarshan, Frooti, Babool, Fair and Lovely, Band-aid and Ujala are the examples of \_\_\_\_\_.
- Descriptive Brand Name**
  - Suggestive Brand Name
  - Free Standing Brand Name
  - Evocative Brand Name
84. Whisper, Visa, Tropicana, Surf, Limca, Crush, Denim are examples of \_\_\_\_\_.
- Descriptive Brand Name
  - Suggestive Brand Name**
  - Free Standing Brand Name
  - Evocative Brand Name
85. Watches sold as a Jewellery is related to \_\_\_\_\_.
- Titan Raga
  - Tanishq**
  - Swatch
  - GoldPlus
86. Vaseline- petroleum jelly sold as lip salve and moisturizer, is an example of \_\_\_\_\_
- Benefit related positioning
  - Positioning by usage occasion and time of use
  - Category related positioning**
  - Price Quality positioning
87. "Jod jo tootega nahin" tagline is related with brand \_\_\_\_\_
- M-Seal
  - Fevikwik
  - Fevicol**
  - Ambuja cement

88. Lifebuoy – kills the germs you cannot see, is an example of \_\_\_\_\_
- a. Emotional benefit related to positioning
  - b. Functional benefit related positioning**
  - c. Usage occasion related to positioning
  - d. Health-related positioning
89. Which is not an example of Positioning by usage occasion and time of use?
- a. Listerine – night time rinse
  - b. Nescafe – Great start to the morning
  - c. NIIT (Inspired.....life begins at NIIT)**
  - d. Domino's (When families are having fun)
90. Who suggested product, pricing, place, promotion all these in a company represents "Market Mix"?
- a. Stephen Morse
  - b. Neilsen
  - c. Philip Kotler
  - d. Neil Borden**
91. This P is not a part of the 7Ps of marketing mix?
- a. Promotion
  - b. Price
  - c. People
  - d. Purpose**
92. Marketing of product and service in which the offer itself is not intended to make any monetary profit is called\_\_\_\_\_.
- a. Profit marketing
  - b. Virtual marketing
  - c. Digital marketing
  - d. Non-profit marketing**
93. The process of setting a low initial price for attracting a large number of buyers quickly to cover a large market share is known as\_\_\_\_\_.
- a. Going-rate pricing
  - b. Penetration pricing**
  - c. Value based pricing
  - d. Skimming pricing
94. Sensitivity of demand to change in price is known as\_\_\_\_\_.
- a. Cost-plus price
  - b. Break-even price
  - c. Price elasticity**
  - d. Inelastic

95. Which among these is concerned with pricing policies for late entrants to a market?
- a. **Market Penetration**
  - b. Marketing Research
  - c. Market Skimming
  - d. Marketing Skills
96. Which among these is not the nature and characteristic of a service?
- a. Intangibility
  - b. **Durability**
  - c. Variability
  - d. Perishability
97. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?
- a. The demand for services tends to be more elastic than the demand for goods
  - b. **Cost-oriented pricing is more difficult for services.**
  - c. Comparing prices of competitors is more difficult for service consumers
  - d. Consumers are less able to stockpile services by taking advantage of discount prices
98. Charging customers different prices for essentially the same service is called\_\_\_\_\_.
- a. **Price discrimination**
  - b. Supply and demand.
  - c. Complementary
  - d. Substitutes.
99. Marketing problems caused by inseparability include all of the following except for\_\_\_\_\_.
- a. The service provides a physical connection to the service
  - b. The involvement of the customer in the production process
  - c. **Service standardization and quality control are difficult to achieve.**
  - d. The involvement of other customers in the production process
100. Which of the following statements pertain to inseparability is false?
- a. **As customer contact increases, the efficiency of the firm decreases.**
  - b. Customers can affect the type of service desired
  - c. Customers can affect the length of the service transaction.
  - d. Customers can affect the cycle of demand
101. Results in the practice of too narrowly defining one's business
- A. Services marketing
  - B. Marketing management
  - C. Marketing myopia
  - D. Customer experience
- ANSWER: C

102. A buyer's perception of value is considered a trade-off between
- A. Product value and psychic cost.
  - B. Total customer value and total customer cost
  - C. Image value and energy cost
  - D. Service value and monetary cost.
- ANSWER: D
103. Services are characterized by all of the following characteristics except for
- A. Intangibility.
  - B. Homogeneity
  - C. Perishability.
  - D. Inseparability
- ANSWER: B
104. Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:
- A. Intangibility
  - B. Inseparability.
  - C. Perishability.
  - D. Heterogeneity.
- ANSWER: A
105. Services that occur without interruption, confusion, or hassle to the customer is called
- A. Seamless service
  - B. Service audit.
  - C. Functional service
  - D. Departmental service
- ANSWER: A
106. The mental energy spent by customers to acquire service is referred to as \_\_\_\_.
- A. Image costs
  - B. Monetary price.
  - C. Energy costs
  - D. Psychic costs.
- ANSWER: C
107. The unique service characteristic that reflects the interconnection between the service firm and its customer is called
- A. Intangibility
  - B. Inseparability
  - C. Homogeneity
  - D. Perishability
- ANSWER: B
108. Marketing problems caused by inseparability include all of the following except for
- A. The service provides a physical connection to the service
  - B. The involvement of the customer in the production process
  - C. Service standardization and quality control are difficult to achieve.
  - D. The involvement of other customers in the production process
- ANSWER: C

109. Which of the following statements pertain to inseparability is false?

- A. As customer contact increases, the efficiency of the firm decreases.
- B. Customers can affect the type of service desired
- C. Customers can affect the length of the service transaction.
- D. Customers can affect the cycle of demand

ANSWER: A

110. The centralized mass production of services is difficult due to

- A. Inseparability.
- B. Intangibility.
- C. Homogeneity.
- D. Perishability.

ANSWER: D

111. Solutions used to minimize the marketing problems attributed to heterogeneity include

- A. Standardizing or customizing the service
- B. Using multi-site locations
- C. Stressing tangible clues
- D. Appealing to different market segments with different demand patterns

ANSWER: A

112. The unique service characteristic that deals specifically with the inability to inventory services is

- A. Inseparability
- B. Intangibility
- C. Homogeneity
- D. Perishability

ANSWER: D

113. Which of the following strategies increases the supply of service available to consumers?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

ANSWER: B

114. Customer satisfaction can be defined by comparing

- A. Predicted service and perceived service
- B. Predicted service and desired service
- C. Desired service and perceived service
- D. Adequate service and perceived service

ANSWER: C

115. The demand strategy in which service providers utilize their downtime by marketing to different segments with different demand patterns is associated with which of the following?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

ANSWER: C

116. The \_\_\_\_\_ dimension is an assessment of the firm's consistency and dependability in service performance  
A. Empathy.  
B. Responsiveness.  
C. Assurance  
D. Reliability.  
ANSWER: D
117. Which of the following would not be considered a tangible clue?  
A. The appearance of employees  
B. The appearance of the firm's physical facilities  
C. The smile on an employee's face  
D. The quality of instruction in an educational setting.  
ANSWER: D
118. Minimizing the amount of role conflict and role ambiguity experienced by employees will help reduce the size of this gap is known as \_\_\_\_\_.  
A. Knowledge gap.  
B. Standards gap  
C. Delivery gap.  
D. Communications gap  
ANSWER: C
119. Fixing the right price for services offered is difficult because of .....  
A. perishability.  
B. heterogeneity.  
C. inseparability.  
D. intangibility.  
ANSWER: D
120. The world's largest industry in the private sector and highest projected generator of jobs is \_\_\_\_  
A. The hospitality industry  
B. Health services  
C. Professional services.  
D. Business services  
ANSWER: D
121. Focusing the firms marketing efforts toward the existing customer base is called  
A. Excellent customer service  
B. Conquest retention  
C. Customer retention  
D. Courteous retention  
ANSWER: C
122. The pursuit of new customers, as opposed to the retention of existing ones, is called  
A. Services marketing  
B. B2B marketing  
C. Conquest marketing  
D. Consumer marketing  
ANSWER: C



123. The consumer decision process consists of
- A. Stimulus, problem awareness, and purchase stages
  - B. Pre-purchase, consumption, and post-purchase stages
  - C. Problem awareness, evaluation of alternatives, and post-purchase behaviour
  - D. Stimulus, information search, and post-purchase behaviour
- ANSWER: B
124. Which of the following statements is not true?
- A. Service purchases are perceived as riskier than goods purchases
  - B. The participation of the consumer in the service process increases the amount of perceived risk.
  - C. The variability in services increases the perceived risk associated with the Purchase
  - D. Consumers of services have less pre-purchase information versus goods
- ANSWER: B
125. Service consumers tend to be more brand loyal than goods consumers because
- A. More choices are available
  - B. Brand loyalty lowers the amount of perceived risk
  - C. Each service provider provides many brands
  - D. Location of the provider is the major driver in the consumer selection process
- ANSWER: B
126. Competitor intelligence should be gathered
- A. Once a year.
  - B. Twice a year.
  - C. Continuously
  - D. When competition is more.
- ANSWER: C
127. Which of the following is not a benefit of customer satisfaction?
- A. The firm is more insulated from price competition.
  - B. The firm provides a positive work environment for its employees
  - C. Positive word-of-mouth is generated from satisfied customers
  - D. Satisfied customers make purchases more frequently
- ANSWER: B
128. The service industry has several emerging trends that organisations need to be aware of. Which of these should organisations keep a lookout for?
- A. New competitors entering the marketplace
  - B. Advances in the internet
  - C. Heightened customer expectations
  - D. Advances in e-commerce.
- ANSWER: A
129. The zone of tolerance is defined by the difference between
- A. Expected service and desired service.
  - B. Predicted service and desired service
  - C. Desired service and adequate service.
  - D. Predicted service and perceived service
- ANSWER: D

130. Customers ultimately determine the services by.....
- A. The type of competitors.
  - B. The levels of marketing effectiveness and operational efficiency
  - C. The cycle of fluctuations
  - D. The price of the competitors.
- ANSWER: B
131. During a service recovery effort, the employee promptly refunded the customers money but threw the money at the customer. As a result, the recovery effort violated the customers \_\_\_\_\_ justice need
- A. Interactional
  - B. Ethical.
  - C. Social.
  - D. Procedural
- ANSWER: C
132. Soft technologies refer to
- A. Flexible rules that can be bent to meet customer needs.
  - B. The personal touches that ultimately lead to customer satisfaction.
  - C. Guidelines that permit employee empowerment
  - D. Hardware that facilitates the production of a standardized
- ANSWER: B
133. The \_\_\_\_\_ is calculated by dividing the activity time by the number of locations at which the activity is performed.
- A. Service cost per meal
  - B. Maximum output per hour
  - C. Process time.
  - D. Activity time.
- ANSWER: C
134. Which of the following is not a step in the construction process of a service blueprint?
- A. Obtaining scripts from both customers and employees
  - B. Segmenting customers based on the content of the script.
  - C. Identify steps in the process where the system can go awry.
  - D. Calculating the time frame for the service execution.
- ANSWER: C
135. A volume-oriented positioning strategy is achieved by
- A. Reducing divergence.
  - B. Increasing complexity
  - C. Reducing complexity.
  - D. Increasing divergence
- ANSWER: D
136. A buyer's perception of value is considered a trade-off between
- A. Product value and psychic cost
  - B. Total customer value and total customer cost.
  - C. Image value and energy cost
  - D. Service value and monetary cost.
- ANSWER: D

137. Total customer value consists of all of the following components except  
A. Product value.  
B. Service value.  
C. Image value  
D. Personnel value.  
ANSWER: D
138. Total customer cost consists of all of the following components except  
A. Monetary cost  
B. Social cost.  
C. Time cost.  
D. Energy cost.  
ANSWER: B
139. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?  
A. The demand for services tends to be more elastic than the demand for goods  
B. Cost-oriented pricing is more difficult for services  
C. Comparing prices of competitors is more difficult for service consumers.  
D. Self-service is a viable competitive alternative.  
ANSWER: D
140. \_\_\_\_\_ is a firm view toward planning its operations according to market needs  
A. Marketing orientation  
B. Marketing functions.  
C. Marketing department.  
D. Marketing forecast.  
ANSWER: A
141. Which of the following is not a criterion for effective price discrimination?  
A. The segments should be identifiable, and a mechanism must exist to price them differently.  
B. Different groups of consumers should have similar responses to price.  
C. Segments should be large enough to be profitable  
D. Incremental revenues should exceed incremental costs.  
ANSWER: B
142. Service firms often find themselves in a three-cornered fight between  
A. Engineering, production, and accounting  
B. Marketing, finance, and human resources  
C. Operations, accounting, and marketing  
D. Human resources, marketing and operations  
ANSWER: D
143. Customer frustration resulting from receiving poor service is most similar to  
A. Image costs.  
B. Monetary price  
C. Energy costs.  
D. Psychic costs.  
ANSWER: D

144. Among many services, the demand for medical services tends to be \_\_\_\_\_.

- A. Inelastic.
- B. Elastic.
- C. Substitute demand
- D. Price cross elastic demand

ANSWER: A

145. Customer competencies can be described as

- A. Consumer expectations pertaining to the service delivery process and the final outcome
- B. Customer perceptions regarding the quality of the outcome
- C. Customer abilities that enable them to properly evaluate the servicescape.
- D. The ability to interact effectively with other

ANSWER: C

146. Costs that are planned and are accrued during the operating period regardless of the level of production and sales are called

- A. Direct variable costs
- B. Fixed costs.
- C. Average costs
- D. Marginal costs.

ANSWER: B

147. The technique that allows consumers to either buy Service A and Service B together on purchase one service separately is called

- A. Long-term bundling
- B. Mixed bundling
- C. Price bundling.
- D. Product bundling

ANSWER: C

148. Which pricing strategies encourage the customer to expand his/her dealings with the service provider?

- A. Relationship pricing
- B. Price bundling.
- C. Benefit-driven pricing.
- D. Efficiency pricing.

ANSWER: A

149. Do studies suggest that price is more likely to be used as a cue to quality under the following conditions?

- A. When alternatives are of bad products
- B. When the company new to the market
- C. When a price is the primary differential information available
- D. When a customer does not have knowledge

ANSWER: C

150. The primary role of a service firm for the customer in the communication mix is to

- A. Confuse customers.
- B. Inform and remind customers
- C. Oppose the competitor s claim
- D. Persuade the dealers.

ANSWER: B

151. The plan for differentiating the firm from its competitors in consumers eyes is referred to as the firms
- A. Communication mix
  - B. Positioning strategy.
  - C. Publicity.
  - D. Target marketing
- ANSWER: B
152. Differentiation approaches such as competence, courtesy, reliability, and responsiveness are forms of
- A. Product differentiation
  - B. Personnel differentiation
  - C. Image differentiation
  - D. Service differentiation.
- ANSWER: B
153. The appropriate communication content during the introduction stage of the product life cycle would be
- A. Informational.
  - B. Informational and persuasive
  - C. Persuasive.
  - D. Persuasive and reminder.
- ANSWER: B
154. Which of the following is not a communication objective during the maturity and decline stages of the product life cycle?
- A. Encourage repeat purchases
  - B. Provide ongoing contact with customers
  - C. Prepare the way for personal selling efforts
  - D. Express gratitude to the existing customer base.
- ANSWER: B
155. Which one of the following communication approaches would be appropriate during the growth and maturity stages of the product life cycle?
- A. Informational.
  - B. Informational and persuasive
  - C. Persuasive.
  - D. Persuasive and reminder
- ANSWER: D
156. The primary objective of a firms communication mix during the pre-consumption choice stage is to
- A. sell the product
  - B. Minimize the perceived risk associated with the purchase
  - C. Encourage repeat purchases
  - D. Persuasively convince customers why the firms brand is superior to the competitors
- ANSWER: D
157. The perceived consequences of a consumer s purchase decision are
- A. Financial, social and performance
  - B. Social, ethical and performance.
  - C. Performance, social and ethical.
  - D. Ethical, social and psychological
- ANSWER: A

158. Tangible clues are more important when services are
- A. Highly perishable.
  - B. Tangible dominant.
  - C. Intangible dominant
  - D. Heterogeneous
- ANSWER: C
159. Which of the following communication objectives becomes the most important during the post-consumption evaluation stage
- A. Informing customers
  - B. Managing customer expectations.
  - C. Reducing consumer perceived risk
  - D. Persuading customers
- ANSWER: C
160. Branding of services becomes difficult because they are
- A. Intangible.
  - B. Heterogeneous.
  - C. Perishable.
  - D. Inseparable.
- ANSWER: A
161. Word-of-Mouth communication networks are particularly important for service firms because
- A. Service customers tend to rely more on personal than the non-personal source of information
  - B. Service firms only offer one brand of service.
  - C. Service firms can seldom afford to pay for promotional efforts.
  - D. Service customers tend to rely more on non-personal than personal sources of information
- ANSWER: A
162. The suggested communication strategy to use when the product is intangible dominant is to
- A. Create an intangible image for the product.
  - B. Create awareness for the product
  - C. Surround the product with tangible evidence.
  - D. Make sure the product is in the evoked set of
- ANSWER: C
163. \_\_\_\_\_ is an overall favourable impression or unfavourable impression based on the early stages of the service encounter.
- A. Cognitive dissonance.
  - B. Environmental stimulus
  - C. Visual pathway.
  - D. Halo effect.
- ANSWER: D
164. The advantage that the E-marketing communications carries are.....
- A. Reaching a widely dispersed audience.
  - B. Being cost-effective.
  - C. Being personalized.
  - D. More customer satisfaction.
- ANSWER: A

165. A disadvantage of e-marketing is

- A. High cost.
- B. Low reach.
- C. Loss of personal contact
- D. Less satisfaction.

ANSWER: C

166. Which of the following is not a component of service firm's physical evidence?

- A. Parking.
- B. Employee appearance
- C. Billing statements.
- D. In-house process equipment

ANSWER: D

167. One of the advantages of requiring employees to wear uniforms is that it reduces the customers' perception of\_\_\_\_\_.

- A. Intangibility.
- B. Inseparability.
- C. Heterogeneity.
- D. Socialization.

ANSWER: C

168. Which of the following is not an advantage of requiring employees to wear uniforms?

- A. Identifies the firm's personnel
- B. Provides price expectations to customers.
- C. Implies a coherent group structure
- D. Provides a physical symbol that embodies the group's ideas and attributes

ANSWER: B

169. \_\_\_\_\_ is the study of the use of physical evidence to create service environments and their influence on the perceptions and behaviours of individuals.

- A. Ergonomics
- B. Environmental psychology.
- C. Physics
- D. Physical sociology

ANSWER: B

170. Direct labour cost and sales commissions cost incurred in services are called as\_\_\_\_\_

- A. Fixed costs.
- B. Variable costs.
- C. Average costs.
- D. Marginal costs.

ANSWER: B

171. The organization must effectively plan to \_\_\_\_ fear, uncertainty and doubts that might occur in the minds of customers during the course of acquisition.

- A. Minimize
- B. Maximize
- C. Study
- D. Balance

ANSWER: A