



Sample/practice exam 2015, questions and answers - Module 3, fall

Principles Of Business (University of California, Berkeley)



Module 3 Exam – Cover Sheet

Instructions

- This is an exam. Do not talk.
- Your books, notes, and electronic devices must be put completely away, out of sight.
- **Do not open the exam** until you are told to begin.
- Once you leave the exam room, you may not return. No bathroom or other breaks during the exam
- Turn in your Scantron in the folder for your Discussion Section number.
- Keep the questions when you leave.
- If you do not have a Scantron form/pencil, take your seat, raise your hand and wait with your \$10
- Any contravention of these instructions will lead to your ejection from the exam with zero points
- While you are waiting to begin, enter the following information on your Scantron:

LINE:	INFO TO ENTER:	EXPLANATION:
Name:	LAST, First, Middle	Make sure your family name comes first
Subject:	1234-5678	Your Student ID Number
Test No.:	See question 38	This is your test version (ABCD) and unique ID number (0 to 9999)
Date:	3	This is the module number for this exam
Hour (Period):	101, 102, 103, etc.	This is your Discussion Section number – see below

Section	Day / Time	GSI Name
101	Tu 8-9A	Josie Sullivan
102	Tu 9-10A	Josie Sullivan
103	Tu 10-11A	Andrea Soto
104	Tu 11-12P	Andrea Soto
105	Tu 12-1P	Claire Bianchi
106	W 8-9A	Steven Truong
107	W 10-11A	Claire Bianchi
108	W 11-12P	Elaine Zhuang
109	W 12-1P	Elaine Zhuang
110	W 1-2P	Rajat Gulati
111	Th 8-9A	Chris Dulgarian
112	Th 9-10A	Mitya Voloshchuk
113	Th 10-11A	Mitya Voloshchuk
114	Th 11-12P	Vijay Bhatnagar
115	Th 12-1P	Vijay Bhatnagar
116	Th 1-2P	Chris Dulgarian
117	Tu 1-2P	Steven Truong
118	Tu 2-3P	Akshay Yadav
119	W 2-3P	Rajat Gulati
120	Th 2-3P	Akshay Yadav

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1. Which of these is a reason companies want to understand the percentage of customers who reach each stage in the marketing funnel?
 - a. To determine optimal pricing to drive acquisition conversion
 - b. To evaluate marketing effectiveness in driving customer conversion across the funnel
 - c. To identify the most attractive customer segments to target with marketing
 - d. To identify the celebrity who would be the best brand ambassador
2. Finish this sentence: Companies that are focused on the Market Penetration quadrant of the Product/Market Expansion Matrix
 - a. Are trying to find more people like their current target audience to sell their current products to
 - b. Are trying to find new products to sell to their current target audience
 - c. Are trying to find new target audiences to sell new products to
 - d. Are trying to find new target audiences to sell their current products to
3. An organization's mission is important because it:
 - a. Defines its financial goals
 - b. Details the specific metrics that will be used to evaluate performance
 - c. Motivates employees and attracts recruits
 - d. Details the tactics used to achieve its goals
4. Through the strategic planning process, departments including Marketing align their objectives, initiatives and tactics to support the overall business objectives. Imagine one of Amazon's strategic objectives is to grow average revenue per customer. An example of a Marketing objective to help achieve this business objective would be:
 - a. Get customers to buy one more item each time they place an order
 - b. Get customers to write reviews of each product they buy
 - c. Create an Amazon loyalty program
 - d. Let customers pick up their orders at convenient locations instead of having them delivered
5. Marketing has important financial and non-financial objectives. Which of these could be one of Match.com's non-financial marketing objectives?
 - a. Increase the percentage of users who have paid memberships
 - b. Increase the percentage of users who have gone on a date with someone they met on Match.com in the past month
 - c. Increase the percentage of paying members who renew their memberships
 - d. Increase the percentage of users who refer friends that become paying members
6. Kayak segments its customers based on how many trips they take a year involving air travel. This approach is an example of which type of segmentation:
 - a. Psychographic-based segmentation
 - b. Demographic-based segmentation
 - c. Behavioral-based segmentation
 - d. Needs-based segmentation

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7. A brand's value proposition is primarily used internally. Its positioning is used to guide external communications. These two have many elements in common, and differ in one key aspect. Unlike a value proposition, a positioning includes:
 - a. Tablestakes and differentiators that add credibility
 - b. Specific metrics for measuring performance
 - c. A timeframe for delivering results
 - d. Names of competitors the brand wants to be like
8. Companies that have direct interaction with end users, like hotels, restaurants, and retailers have great insights into customer needs, brand preferences, purchase behavior, and more. Which of these is an example of information that every retailer has about its customers:
 - a. How many items they typically purchase at a time
 - b. What their favorite TV show is
 - c. What magazines they subscribe to
 - d. Whether they have homeowners' insurance
9. The best way for Yelp to find out its unaided awareness among consumers is to:
 - a. Have employees dressed in Yelp t-shirts stand in high traffic areas in major cities and ask people which review sites come to mind
 - b. Conduct research without revealing who is behind it and ask people which review sites come to mind
 - c. Subtract the percentage of first time visitors to the Yelp website from 100% and call that unaided awareness
 - d. Run a contest for Yelp frequent users to refer friends to Yelp's Facebook page and ask everyone who comes whether they had heard of Yelp before
10. Which of these might Instacart try to increase loyalty among its users?
 - a. Run TV ads about its services
 - b. Get a celebrity spokesperson to be the face of the brand
 - c. Sponsor a cooking show on the Food Network
 - d. Create its own rewards program for frequent users
11. A consumer who has a Banana Republic credit card and loyally shops there whenever the store runs storewide sales of at least 30% off would fit into which quadrant of the Customer Relationship Group framework?
 - a. Butterfly
 - b. True Friend
 - c. Barnacle
 - d. Strangers
12. The main marketing challenge for brands that fall in the Cash Cow quadrant of the BCG Growth Share Matrix is:
 - a. Increasing market share
 - b. Maintaining growth
 - c. Increasing loyalty
 - d. Staying relevant

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13. Businesses in different quadrants of the Growth-Share Matrix receive different levels and types of marketing investment. If you're working in a Question Mark business like Amazon Home Services, which competes with Angie's List and Yelp, you are likely to

- a. Have a smaller marketing budget than colleagues working in a Dog business
- b. Focus your marketing spending on increasing share
- c. Focus your marketing spending on increasing relevance
- d. Focus your marketing spending on building sustainable advantage

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14. When it comes to increasing revenues, Coca-Cola has many choices. If they were to create a line of salty snacks to sell to beverage customers, that would be an example of a decision to grow according to which of the quadrants of the Product/Market Expansion Matrix:

- a. Product Development
- b. Market Development
- c. Diversification
- d. Market Penetration

15. Read this potential positioning statement for Snapchat's advertising business:

For advertisers looking to reach tightly knit communities, Snapchat is an exciting new social ad platform that delivers higher engagement and conversion because only Snapchat presents personal, tiny, disappearing messages that mimic real conversations.

Which of these is the key benefit in this positioning statement?

- a. Advertisers
- b. Higher engagement and conversion
- c. Personal, tiny, disappearing messages
- d. Social ad platform

16. Mastercard's successful and long-running marketing campaign is: "There are some things money can't buy. For everything else, there's MasterCard." This is a clever and non-traditional way of reminding consumers of Mastercard's:

- a. Customer segmentation
- b. Value proposition
- c. Marketing mix
- d. Product-market expansion strategy

17. The 4 P's represent the levers that marketers pull to achieve their objectives. Which of these is an example of Snapple's use of the PLACE lever?

- a. Providing Real Facts in its bottle caps
- b. Offering Peach Tea flavor
- c. Offering in 12-pack variety packs
- d. Selling in Safeway stores

18. A driver who has a few brands of gas he thinks are best for his car and chooses based on which one is easiest to get into when he needs to fill up falls into which quadrant of the Customer Relationship Group Framework?

- a. True Friend
- b. Stranger
- c. Butterfly
- d. Barnacle

19. The scandal surrounding Volkswagen's falsification of the performance of its clean diesel engine technology (aka Dieselgate) has ramifications for VW as well as other carmakers. From the perspective of an all-electric car manufacturer like Tesla, which quadrant of the SWOT analysis does Dieselgate belong in?

- a. Strengths S W
- b. Weaknesses
- c. Opportunities O T
- d. Threats

20. Amazon generates over 90% of its revenue from just 6 countries. They are actively working to penetrate India and China. Their efforts to grow in new countries are examples of growth through which quadrant of the Product/Market Expansion Matrix?

- a. Product Development
- b. Market Development
- c. Diversification
- d. Market Penetration

* 21. With its new Fairlife brand of milk, Coca-Cola is targeting younger adults who aspire to wholesome, mindful living. Based on just this information, what type of segmentation underlies Fairlife's marketing?

- a. Demographic
- b. Behavioral
- c. Psychographic
- d. Price sensitivity

22. A company's marketing strategy answers several fundamental questions about its product offering. Which of these questions is addressed by marketing strategy?

- a. When will the business break even? what
- b. How will employees participate in the company's financial success? How why
- c. Will we allow employees to be in a union?
- d. Why will customers choose the company's products?

23. The classic positioning framework includes 4 key elements. Which of these is NOT one?

- a. Performance metrics
- b. Target
- c. Tablestakes and differentiators
- d. Key benefit

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24. The scandal surrounding Dieselgate obviously has ramifications for perceptions of VW's engineering capabilities and integrity. Which quadrant of VW's SWOT does Dieselgate belong in?
- a. Strengths
 - b. Weaknesses
 - c. Opportunities
 - d. Threats
25. Which of these is an example of a SMART marketing objective?
- a. Increase customer lifetime value
 - b. Increase the average order size
 - c. Be on Fortune's top 10 best places to work in America
 - d. Have half of sales come from products less than 3 years old within 18 months
26. Companies usually have a mix of financial and non-financial marketing objectives. Which of these could be a FINANCIAL marketing objective of Twitter:
- a. Increase advertising revenue per user
 - b. Improve tweet searchability
 - c. Sponsor the Grammys
 - d. Increase time spent on twitter.com and on the twitter app
27. Imagine you have an assignment to profile homeowners who have installed solar panels on their homes. If you can't find helpful information by searching Google, your best option for finding unbiased market information is to:
- a. Search Bing, Ask Jeeves and other search engines
 - b. Go to the websites of companies that supply or install solar panels to see if they have information about their customers
 - c. Stand outside Home Depot and interview customers to find and interview those who have installed solar
 - d. Search the University's library system for relevant secondary source information
28. In many ways, Snapple is in the fashion business. It comes in 40 different flavors, and many are specific to a particular region of the country while others are based on the latest fruit fad. The top 10 flavors account for most of Snapple's revenues. Which lever of the 4 P's is Snapple's 40-flavor offering an example of?
- a. Place
 - b. Price
 - c. Product
 - d. Promotion
29. Marketers use a variety of qualitative research techniques to gain insight into customers. Which of these is a type of qualitative research?
- a. Telephone surveys of users and prospects
 - b. Ethnography
 - c. Web site traffic analysis
 - d. Facebook questionnaires

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30. If Best Buy wanted to understand what aspects of its current online ordering experience its customers like, which of these research approaches would be best suited to that task?

- a. Ask store employees
- b. Focus groups with customers
- c. In-depth customer interviews
- d. A customer survey

31. Identifying the right people to include in research is one of the most important aspects of research design. Which of the following do marketers typically NOT use as a criterion for selecting research participants?

- a. Role in deciding whether to buy products like the ones being researched
- b. Involvement or interest in the product category being explored
- c. Awareness of one or more key brands in the category
- d. Membership in one or more loyalty programs

32. Outward Bound is an example of a brand with high awareness among its target audience and low trial. Which of the following tactics would improve its acquisition conversion and help move potential customers further down the marketing funnel? awareness → trial

- a. Discounts for students who take a second trip with Outward Bound
- b. Information sessions where past trip participants share their experiences with prospective participants
- c. Glossy magazine ads showing the beautiful places Outward Bound courses are offered
- d. Sponsoring girls track teams in cities with a high percentage of Outward Bound alumni

33. Which of these is probably not a market for airbnb?

- a. College students traveling in Europe
- b. Families visiting Washington, DC for spring break
- c. Millennials going skiing in Tahoe over a long weekend
- d. Top IBM customers attending a 2-day IBM-sponsored event at a golf resort in Scottsdale, Arizona

34. In the 1970s, Crocker Bank used a popular song, "We've Only Just Begun," in TV ads promoting its home mortgages. Which of these was probably one of Crocker's key reasons for using this song in the ad?

- a. Tapping into popular culture to make the bank seem more contemporary
- b. Avoiding the cost of creating their own music for the ad
- c. Appealing to young homebuyers who knew and liked the song, hoping those feelings would extend to the bank
- d. Getting the ad to market faster by using already-existing music

35. Complete this sentence: Marketers use secondary research reports to:

- a. Understand what is known about an industry or product
- b. Uncover competitive secrets
- c. Learn what consumers think of their new product ideas
- d. Evaluate their company management team