



Competency-Based
Competitive Events
Written Exam

2020 HS ICDC
Booklet Number _____

Marketing Cluster Exam

AAM - Apparel and Accessories Marketing Series Event
ASM - Automotive Services Marketing Series Event
BSM - Business Services Marketing Series Event
BTDM - Buying and Merchandising Team Decision Making Event
FMS - Food Marketing Series Event
IMCE - Integrated Marketing Campaign–Event
IMCP - Integrated Marketing Campaign–Product
IMCS - Integrated Marketing Campaign–Service
MCS - Marketing Communications Series Event
MTDM - Marketing Management Team Decision Making Event
PSE - Professional Selling Event
RMS - Retail Merchandising Series Event
SEM - Sports and Entertainment Marketing Series Event
STDM - Sports and Entertainment Marketing Team Decision Making Event

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have _____ minutes to complete all questions.

CAUTION: Posting these materials on a website is a copyright violation.

This comprehensive exam was developed by the MBA Research and Curriculum Center exclusively for DECA's 2019-2020 Competitive Events Program. Items in this exam were written expressly for use at DECA's ICDC. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels.



Copyright © 2020 by Marketing & Business Administration Research and Curriculum Center®, Columbus, Ohio (dba MBA Research). Each individual test item contained herein is the exclusive property of MBA Research. Items are licensed to DECA only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized is prohibited. **Possession of this exam, without written authorization, under any other circumstances is a copyright violation.** Posting to inter- or intranet sites is specifically forbidden unless written permission is obtained prior to posting. Report violations to DECA at 703.860.5000 and MBA Research at 800.448.0398.

DECA Inc. will impose sanctions on chapters and chartered associations for violations of this policy up to and including disqualification of competitors and chapters from further participation.

1. If a judge determines that two individuals are not qualified to enter into a contract with one another, which basic contractual element is missing?
 - A. Legality
 - B. Consideration
 - C. Agreement
 - D. Capacity
2. Phillip is a real estate agent working with a client who is selling his/her home. Another agent in Phillip's office locates a buyer willing to pay the asking price for the client's home, but Phillip doesn't tell his client about the prospective buyer. Instead, Phillip is hoping to sell the home to his own sister—at a discounted price. Phillip has violated the _____ responsibility of his agency relationship with the seller.
 - A. accounting
 - B. confidentiality
 - C. fiduciary
 - D. obedience
3. A local discount store mails weekly flyers to customers to inform them of upcoming sales. The discount store shares the cost of producing the flyers with the product manufacturers, who benefit from the increased product visibility. This is an example of which channel management task?
 - A. Providing marketing information
 - B. Promoting products
 - C. Negotiating with customers
 - D. Reducing discrepancies
4. Which of the following is an example of a producer in a channel of distribution:
 - A. Mercedes-Benz Automobile Co.
 - B. Local car dealership
 - C. Hertz Car Rental Co.
 - D. Car dealership customers
5. Order tracking software and automatic order systems are both examples of technologies in channel management that can
 - A. ensure the involvement of all supply chain members.
 - B. guarantee customer satisfaction.
 - C. increase efficiency along the supply chain.
 - D. replace traditional customer service activities.
6. Jennifer goes to garage sales on weekends and purchases items that she can resell online, usually for more money than she paid at the garage sales. As a result of unauthorized sellers like Jennifer, traditional retailers lose money and customers. This is an example of an ethical dilemma related to
 - A. a slotting distribution channel.
 - B. an organized distribution system.
 - C. the black market.
 - D. the gray market.
7. A pet food manufacturer learns that its products are not being sold at the price agreed upon by the company and its retailers. The tension that results is an example of a _____ channel conflict.
 - A. forward
 - B. sideways
 - C. horizontal
 - D. vertical
8. A minor league sports team displays the logo of a local business on its jerseys in exchange for sponsorship money. This collaboration is an example of a(n)
 - A. public relations campaign.
 - B. supply chain.
 - C. customer support network.
 - D. affinity partnership.
9. Which of the following is wise advice for someone making a presentation to an audience of analytical communicators:
 - A. Begin the presentation with an ice-breaker. Involve the audience in group activities.
 - B. Allow time for the audience to share personal stories. Focus on appearing friendly.
 - C. Present the results, not the process of arriving at them. Focus on starting and finishing on time.
 - D. Present detailed facts, figures, and data. Be prepared for difficult questions.

10. Which of the following is the most likely reason why salespeople often include visual or graphic aids in their sales presentations:
- A. So that they don't have to talk as much
 - B. To overcome communication barriers
 - C. To help establish that the presentation is factual
 - D. So that they don't have to worry about what they wear
11. Shimon just finished writing a detailed report for his supervisor. Next, he plans to write an executive summary for the report. Which of the following is the most likely reason why Shimon completed the full report before starting on the executive summary:
- A. Shimon knows more about the report's contents now that it is done.
 - B. Executive summaries tend to have much more detail than a full report.
 - C. Executive summaries help guide the writer through writing the full report.
 - D. Shimon knows that corporate executives will read the executive summary first.
12. One way to contribute to a positive and productive staff meeting is to
- A. listen to everyone, even if you don't work directly with them.
 - B. avoid asking questions about topics that you are unfamiliar with.
 - C. only pay attention to your body language when you are speaking.
 - D. make sure you speak quietly when having a private conversation with a coworker.
13. Gillian is a customer service associate for a small retailer. Which of the following would be an effective method for Gillian to prepare herself to handle customer inquiries:
- A. Learn how to refer customers to online support forums
 - B. Become knowledgeable about local restaurants and entertainment
 - C. Learn how to transfer calls to upper management
 - D. Become knowledgeable about her company's products and policies
14. Which of the following statements best describes recent trends in customer-business relationships:
- A. Customers don't care what company they buy from as long as they get the lowest price.
 - B. Customers have a difficult time distinguishing among different companies.
 - C. Customers don't worry about the timing of their purchases because prices don't often go up or down.
 - D. Customers do business with companies they trust rather than shopping around for the best price.
15. Kelli is 14 years old and loves being outdoors. Based on this information, which of the following products likely has the most utility to Kelli:
- A. Tickets to a play
 - B. Wireless earbuds
 - C. An off-road pickup truck
 - D. Hiking boots
16. A company conducting business in China is required to pay Chinese taxes. These taxes are an example of a(n) _____ factor impacting the business.
- A. political
 - B. competitive
 - C. economic
 - D. social
17. Lauryn wants to start a business selling fresh, locally grown produce for a premium price out of the back of her truck. She is allowed to do so because of which of the following characteristics of private enterprise systems:
- A. Limited government control
 - B. Private property
 - C. Freedom in the marketplace
 - D. The profit motive
18. Two years ago, Jude purchased a \$450 laptop computer for work. Jude likes his laptop so much that he's thinking about getting another one for his home office. When he goes to the electronics store, however, the same laptop that he purchased for \$450 two years ago is now \$500. This increase in price can best be explained by
- A. behavior modeling.
 - B. balance of trade.
 - C. deflation.
 - D. inflation.

19. Which of the following is the base currency in the exchange-rate quotation USD/EUR = 0.88:
- A. Euro
 - B. 1.12
 - C. U.S. dollar
 - D. 0.88
20. Employees who show initiative on the job often receive
- A. criticism from their boss.
 - B. less complex tasks.
 - C. more challenging work.
 - D. personal motivation.
21. Which of the following is a way to know that you might be experiencing burnout:
- A. You struggle to keep track of your time and tasks.
 - B. Your schedule is packed, and you have little free time.
 - C. You lose interest in the activities you once enjoyed doing.
 - D. You cannot maintain healthy professional relationships.
22. Which of the following people is most likely an optimist:
- A. Phillip frequently complains that his boss assigns him too much work.
 - B. Anthony looks at his feet and avoids making eye contact with people on the street.
 - C. Rachel always demonstrates respect, even when she disagrees with someone.
 - D. Carly refuses to accept responsibility for her mistakes at work.
23. Lauren manages a team with diverse personality types. She wants to make sure that she maximizes the contributions of all personality types when it comes to problem solving. To accomplish this, she should schedule a combination of group brainstorming sessions to benefit the _____ and one-on-one meetings for the benefit of the _____.
- A. managers; assistants
 - B. extraverts; introverts
 - C. introverts; extraverts
 - D. assistants; managers
24. Which of the following is a positive effect that can result from conflict in the workplace:
- A. Coworkers challenge one another to work harder.
 - B. Coworkers spend less time gossiping.
 - C. Coworkers show decreased stress levels.
 - D. Coworkers complete the tasks from a group project separately.
25. Which of the following best explains the relationship of intrinsic and extrinsic motivation in most developed countries:
- A. Intrinsic motivation and extrinsic motivation are equally effective.
 - B. Extrinsic motivation is generally more effective than intrinsic motivation.
 - C. Intrinsic motivation is generally more effective than extrinsic motivation.
 - D. Extrinsic motivation and intrinsic motivation are not effective.
26. As the group leader for her history project, Maggie is responsible for keeping her group on track—but she's having trouble motivating her team members. How could she improve team morale and inspire her group to keep working hard?
- A. Scold the group for its poor work ethic
 - B. Praise the group for its efforts
 - C. Assign a new group leader
 - D. Complain to her teacher
27. Which of the following is the last step in the process of considering conflicting viewpoints:
- A. Be open-minded.
 - B. Be patient.
 - C. Show respect.
 - D. Reflect.
28. What information do you need in order to calculate the future value of money?
- A. Present value, return on investment, credit score, interest rate
 - B. Present value, interest rate, length of time in years, number of compounding periods of interest per year
 - C. Interest rate, return on investment, inflation rate, credit score
 - D. Interest rate, inflation rate, number of compounding periods of interest per year, length of time in years

29. One way to evaluate the health of your personal finances is to subtract the total value of your liabilities from the total value of your assets, resulting in your overall
- A. cash inflow.
 - B. credit score.
 - C. net worth.
 - D. cash outflow.
30. To help protect yourself from identity theft, you should only give out your _____ to certain businesses or government agencies that have the right to it, such as motor vehicle departments, tax departments, and income-reporting businesses.
- A. date of birth
 - B. tax identification number
 - C. home address
 - D. email password
31. According to its balance sheet, Chilly Willy's Ice Cream Shoppe has a number of different assets, including its building, current ice cream inventory, equipment, accounts receivable, etc. Why aren't all of these different assets listed together on the business's balance sheet?
- A. Balance sheets only contain information about costs related to operations.
 - B. Assets and liabilities are listed separately on a balance sheet.
 - C. Balance sheets only contain information about money spent in the last year.
 - D. Current assets and fixed assets are listed separately on a balance sheet.
32. A manager might analyze budget variances to
- A. evaluate the progress of a new employee.
 - B. determine the need to divert money.
 - C. assess the market for a product in development.
 - D. project sales numbers over a five-year period.
33. Before leading a focus group discussion, Jill makes sure that participants understand all aspects of the research and agree to its terms. Jill is
- A. breaking confidentiality.
 - B. using big data.
 - C. obtaining informed consent.
 - D. acting unethically.
34. A marketing research company recently debuted a new type of customer experience survey for a drugstore makeup brand. During the survey, participants were shown an Internet simulation of a drugstore and asked to explore the products on the simulated shelves. By observing how the survey participants reacted to certain simulated products, the company was able to gain valuable insight into customer purchasing behavior. This is an example of
- A. global positioning services (GPS) being used in marketing.
 - B. unethical sales practices in the modern retail industry.
 - C. the use of technology in marketing-information management.
 - D. the use of data analysis software to enhance information sorting.
35. Developing a profile of the typical customer, analyzing business sales, describing the target market, and forecasting trends are all goals of
- A. public relations.
 - B. marketing research.
 - C. supply chain management.
 - D. managerial accounting.
36. The marketers at Titan Trucking want to know how many customers have rented a truck for three or more days. Which type of marketing-research data will they likely use?
- A. Primary quantitative
 - B. Secondary external
 - C. Primary qualitative
 - D. Secondary internal

37. A local summer camp has experienced declining enrollment for the past five years. The managers of the camp believe that the decline is due to a lack of awareness, so they run extensive marketing campaigns throughout the spring to encourage camp enrollment. What the managers don't know, however, is that the local population has experienced a plummeting birth rate—due to fewer and fewer young families moving to the area. This is an example of an organization
- A. failing to define its true problem through market research.
 - B. clarifying its problem through situation analysis.
 - C. using secondary data to complete a research study.
 - D. developing research objectives in response to a problem.
38. The Supra Shampoo company is administering an online survey to gather consumers' opinions about a new hair product. What type of research data is the company collecting?
- A. Nonsubjective
 - B. Quantitative
 - C. Unreliable
 - D. Qualitative
39. In which of the following circumstances would a company decide to use a sample when performing marketing research:
- A. The market in which the business is opening includes 1,200 people.
 - B. The target population is males ages 18-34 across the nation.
 - C. The results of the study have serious consequences.
 - D. The target population is French professors at one university.
40. In which of the following situations is a call report a useful source of data:
- A. When a sales appointment does not result in a sale
 - B. When a business has few customers
 - C. When the overall economy is declining
 - D. When a competitor releases a popular new product
41. A consumer products manufacturer wanted to collect feedback on a new product release, so it held focus groups and conducted personal interviews with customers. In other words, the manufacturer most likely collected _____ data.
- A. qualitative
 - B. impersonal
 - C. quantitative
 - D. statistical
42. The following question appeared on a survey: "Do you buy organic milk and butter?" This question is poorly designed because it
- A. is asking two different things.
 - B. uses neutral language.
 - C. has a single focus.
 - D. is inappropriately narrow.
43. Which of the following is an important question to ask when screening initial (raw) marketing data:
- A. Is the information complete?
 - B. Does the information confirm our research hypothesis?
 - C. Was the coding of this information done correctly?
 - D. Why did survey respondents give the answers that they did?
44. One of the best ways to monitor customer "buzz" in the modern world is through
- A. social media analytics.
 - B. direct mail surveys.
 - C. traditional focus groups.
 - D. phone surveys.
45. Beth-Anne is a zoologist who specializes in chimpanzees. Her current research project involves observing the relationship between mother chimpanzees and their children. She hopes that her project will help her better understand the complex behavioral patterns of chimpanzee communities. Beth-Anne is conducting _____ research.
- A. applied
 - B. basic
 - C. quantitative
 - D. problem-oriented

46. Ryan works in marketing at a telecommunications company. His current assignment involves conducting research on customers' TV viewing preferences. He designs a survey to send to customers in the mail, holds a focus group to learn more about his customers' television activity, and recruits participants for a formal study using an in-home data tracking device. Ryan is displaying which of the following good research practices:
- A. Reevaluating the research question as needed
 - B. Defining and articulating a research question
 - C. Engaging in research planning before starting
 - D. Using multiple types of research methods
47. Which of the following is an internal factor influencing a business's buying behavior:
- A. The economy
 - B. Business size
 - C. Technology
 - D. Competition
48. Marketers adjust the elements of the marketing mix to attract a particular
- A. product/service.
 - B. target market.
 - C. market economy.
 - D. divisional structure.
49. Which of the following forms of segmentation involves focusing on customers' lifestyles and personalities:
- A. Behavioral segmentation
 - B. Psychographic segmentation
 - C. Geographic segmentation
 - D. Demographic segmentation
50. Which of the following is a key subject that should be covered by a situation analysis:
- A. Financial plans
 - B. Marketing objectives
 - C. Product strategy
 - D. Collaborators
51. A management team performs a SWOT analysis and sees a big technological change coming in their industry. They believe that their competitors will not be ready to adjust to this change quickly. The management team sets new strategic goals to begin adapting for the coming change before their competitors do. This is an example of using a SWOT analysis to convert a _____ into a(n) _____.
- A. threat; opportunity
 - B. weakness; strength
 - C. weakness; opportunity
 - D. strength; opportunity
52. While conducting secondary research prior to writing a report, Vijay finds an article that strongly supports his thesis statement. Unfortunately, the source doesn't list any references. What should Vijay do?
- A. Try to validate the information in other ways
 - B. Trust the information unless it is from an online source
 - C. Assume the information is not valid
 - D. Look at claims made by different authors on the same website
53. Jamil is creating a website for his startup business. What service should Jamil use to store files, publish online, and be visible to Internet users?
- A. Website design
 - B. Personal branding
 - C. Web hosting
 - D. Domain purchasing
54. Which of the following statements best describes the relationship of data warehouses and data marts:
- A. A data mart is more helpful than a data warehouse because a data mart can utilize information from any department.
 - B. A data mart contains data from multiple subject areas and is a more complex form of a data warehouse.
 - C. A data mart takes more time to process than a data warehouse because a data mart includes a larger amount of data.
 - D. A data mart contains data on a single subject and is a simpler form of a data warehouse.

55. Which of the following measures of central tendency is the most influenced by outliers at the extremes of a data set:
- A. Median
 - B. Mode
 - C. Mean
 - D. Range
56. Natalie started painting her bedroom, using paint that was left over from another of her remodeling projects. Halfway through, she realized that she didn't have enough paint. If Natalie had planned ahead for the project, she would not have
- A. experienced the negative effects of cutting corners.
 - B. lost focus on the project goal.
 - C. forgotten to consider her budget.
 - D. lost the engagement of her project's stakeholders.
57. A textbook publisher used to release a new edition of each book every three years. Now, it uses project management to release new updates to its digital textbooks every month. This is an example of how _____ lead(s) to the need for projects.
- A. increased competition
 - B. technological advancements
 - C. globalization
 - D. communication problems
58. You are the purchasing agent for a small restaurant, and you need to find a new vegetable supplier. You have four choices from which to choose: Vendor Q, Vendor X, Vendor Y, and Vendor Z. Your aunt owns the farm from which Vendor Q gets its vegetables. Vendor X's quotation most closely matches your restaurant's requirements. Vendor Y's quotation includes a gift certificate to a local store. Your manager's brother owns Vendor Z. Which vendor should you choose?
- A. Vendor Y
 - B. Vendor X
 - C. Vendor Z
 - D. Vendor Q
59. Process performance management (PPM) gives businesses the opportunity to
- A. check the quality of employee compensation packages.
 - B. monitor the interactions of supervisors and subordinates.
 - C. compare their finished products to competitors' products.
 - D. correct production issues before they become problems.
60. The BMY company requires employees to frequently change passwords to access customer records. BMY is attempting to
- A. provide IT training to employees.
 - B. eliminate employee access to data.
 - C. encrypt sensitive customer data.
 - D. protect against data breaches.
61. Zane sets a goal to run a half marathon next summer. What can he do to keep this goal front-of-mind?
- A. Change it frequently
 - B. Write it down
 - C. Set a reminder
 - D. Buy new shoes
62. Marianne is looking for a new job. Her friend Zach has offered to set up a coffee meeting between Marianne and his mother, who works in the field in which Marianne is interested. However, Marianne isn't sure that the coffee meeting will be worth her time—she is busy and would prefer to spend that time updating her résumé. Should Marianne take Zach up on his offer?
- A. Yes; Marianne could learn more about her preferred career field and any unadvertised openings.
 - B. Yes; Marianne could tell Joey's mother about her own work experience and ask for an interview.
 - C. No; Marianne would hear outdated information because jobs and career fields change quickly.
 - D. No; Marianne should focus on developing her résumé as the sole strategy for her job search.
63. Zola is writing a follow-up letter to a potential employer after her recent interview. Which of the following would be most appropriate to include in the letter:
- A. A reinforcement of how Zola's experience can help the company reach its goals
 - B. A desired salary and Zola's research regarding current compensation trends
 - C. A copy of Zola's résumé to ensure the employer sees all of her accomplishments
 - D. A question regarding the company's vacation package so Zola can make plans

64. Companies that implement a clear chain of command often experience a _____ workflow with less _____.
- A. smoother; communication
 - B. more flexible; redundancy
 - C. smoother; redundancy
 - D. more flexible; communication
65. Which of the following is a job duty for advertisers:
- A. Negotiating with vendors
 - B. Persuading people to buy what the company is selling
 - C. Running product tests
 - D. Managing crises that may threaten reputations
66. Which of the following is an example of a price:
- A. A checking account
 - B. An investment goal
 - C. An interest rate
 - D. A financial report
67. Companies are rarely charged with predatory pricing because it is
- A. difficult to establish that companies are working together or colluding.
 - B. legal to charge different prices in different neighborhoods.
 - C. legal to display an "original price" that is over one year old.
 - D. difficult to prove a company's intentions for setting prices.
68. Which of the following is a reason a company might set a low price on a new product:
- A. To increase its return on investment
 - B. To generate the maximum profit
 - C. To increase its market share
 - D. To generate an exclusive image
69. Discovering new product opportunities, developing marketing plans and strategies, coordinating the product mix, and sustaining successful products for as long as possible are all examples of activities associated with which business function?
- A. Marketing-information management
 - B. Product/Service management
 - C. Knowledge management
 - D. Inventory management
70. Jamison always camps out overnight to get in line for the newest technology releases. Jamison is a(n)
- A. late adopter.
 - B. ideal employee.
 - C. early adopter.
 - D. social laggard.
71. Graphics and design, size, safety, and environmental impact are all ethical considerations associated with
- A. advertising campaigns.
 - B. product packaging.
 - C. press release schedules.
 - D. product labeling.
72. Marshall noticed that his college campus had a problem: too many cars and not enough parking. To generate possible solutions, Marshall first thought about what would make the problem worse (more students with parking passes, fewer buses to class, etc.). What idea generation technique did Marshall use?
- A. Forced questioning
 - B. Starbursting
 - C. Relay brainstorming
 - D. Reverse brainstorming
73. Which of the following is a potential drawback of using brainstorming to generate new ideas in business:
- A. Unrealistic suggestions
 - B. Fresh perspectives
 - C. Unequal participation
 - D. Efficient use of time
74. No matter where you purchase a universal serial bus (USB) cable, you know that it will fit into your computer or other device. This is because of
- A. consumer education about technology products.
 - B. effective product advertising.
 - C. the use of public relations in the tech industry.
 - D. standards and grades in product marketing.

75. Rachel recently purchased a new laptop computer. The salesperson explained to her that the manufacturer would cover repairs or replacements for any hardware issues within one year of her purchase. This is an example of a(n) _____ warranty.
- A. full
 - B. limited
 - C. implied
 - D. understood
76. RJ's Ice Cream prides itself on its variety of unique ice cream flavors. The brand advertises its "100 flavors" on all of its ice cream cartons, which come in various sizes to meet the needs of every customer. Based on this information, you could say that RJ's Ice Cream has a _____ product mix.
- A. consistent
 - B. shallow
 - C. deep
 - D. broad
77. An insurance company offers customers a discount when they purchase both a homeowners policy and an automobile policy. The deal benefits customers by providing them with two needed products for less; it benefits the company by bringing in more customers and encouraging more sales. This is an example of _____.
- A. sales volume analysis.
 - B. product bundling.
 - C. product awareness.
 - D. channel management.
78. The soft-drink brand Coca-Cola is branded by the company that produces it. In other words, Coca-Cola's producers make all decisions regarding the use of its brand. Coca-Cola is a(n) _____ brand.
- A. individual
 - B. private
 - C. family
 - D. manufacturer's
79. Shay's Styles Unlimited uses testimonials from satisfied customers to attract new clients to the hair salon. In other words, Shay's Styles Unlimited uses _____ to position and build its brand.
- A. internal feedback
 - B. employees
 - C. customer voice
 - D. celebrity endorsements
80. Phoebe's Fashion is a children's clothing boutique that specializes in high-end, brand-name products that are difficult to find in other retailers. Many of the clothing items that the store carries have been worn by the children of famous actors and sports stars. The boutique hopes that its customers associate the brand with elevated status and exclusivity. In other words, the boutique is using a _____ positioning strategy.
- A. problem and solution
 - B. benefit/attribute
 - C. celebrity-driven
 - D. competitor-based
81. On his way to work every morning, Randy sees a billboard for a local law firm. The billboard is a(n) _____ for the law firm.
- A. brand ambassador
 - B. attitude survey
 - C. customer touchpoint
 - D. center-of-influence
82. To spread awareness of its commitment to sustainability, a large retail company partnered with an environmental nonprofit to run "go-green" advertisements. This is an example of _____ promotion.
- A. secondary
 - B. product
 - C. primary
 - D. institutional
83. Which of the following activities is an example of a pull promotional strategy:
- A. A dealer incentive
 - B. A merchandising allowance
 - C. A sales contest
 - D. A humorous television advertisement
84. During the past five years, the Produce Select grocery store chain has begun investing more money in social media campaigns and online ads and less money in traditional print advertisements. The company has found that today's customers are more likely to notice ads on their smartphones than in their mailbox. Produce Select has realized the impact of _____ on the promotion function.
- A. technology
 - B. demographic changes
 - C. customer feedback
 - D. history

85. After seeing a commercial for health supplements on TV, Jennie started taking extra vitamins every day without consulting her doctor. The commercial promised that Jennie would have more energy and sleep better, with no negative side effects. But after one week of taking the supplements, Jennie felt drowsy, bloated, and sick. It turned out that the vitamins were seriously hurting her digestive system and weren't meant to be taken on a daily basis—which is what the commercial said to do! This example demonstrates the importance of
- A. not trusting television commercials.
 - B. taking vitamins according to the instructions.
 - C. avoiding health supplements at all costs.
 - D. truthfulness in promotion.
86. Which of the following is a form of broadcast media:
- A. Television
 - B. Billboards
 - C. Magazines
 - D. Newspapers
87. When Kaitlin walked into her local discount store, she wasn't sure exactly what she was going to buy; all she knew was that she needed shampoo. When Kaitlin noticed a sign advertising a new, chemical-free shampoo and conditioner set, she decided to try the brand and grabbed two sets. Kaitlin was influenced by a
- A. product demonstration.
 - B. free-standing insert.
 - C. point-of-sale promotion.
 - D. business-to-business promotion.
88. When a scandal involving a large bank's CEO became public, the bank's public relations team went into immediate action. The team released public statements, provided an information hotline for the media, and publicly apologized for the bank's involvement in the scandal. These public relations activities are forms of
- A. community relations.
 - B. crisis management.
 - C. philanthropy.
 - D. media tours.
89. The students in Jaclyn's advertising class were tasked with designing a print advertisement for a local business. When she showed her teacher her first draft, Jaclyn's teacher told her that the ad was too busy and distracting to the eye. One way that Jaclyn could improve her ad is by adding more
- A. illustrations.
 - B. copy.
 - C. white space.
 - D. headlines.
90. Kelly's Bake Shop recently hired an advertising agency to review the business's marketing strategies. The ad agency determined that the business's various promotional materials were disjointed and lacked a cohesive look and feel. As a result, customers were unsure what the brand really represented. Kelly's Bake Shop failed to consider _____ when planning its promotional materials.
- A. color contrast
 - B. typography
 - C. white space
 - D. design consistency
91. Press conferences, speaking engagements, search-engine optimization, and website management are all activities associated with
- A. advertising.
 - B. quality management.
 - C. public relations.
 - D. marketing.
92. Before news of the company's upcoming merger reached employees, the public relations team at Carroll and Connelly Bank released an organization-wide statement informing staff about the impending changes. This is an example of _____-facing public relations.
- A. internal
 - B. community
 - C. customer
 - D. external

93. Which of the following statements best describes the selling function:
- A. Selling is impersonal communication.
 - B. Selling is planned communication.
 - C. Selling should not focus on gaining repeat customers.
 - D. The goal of selling is to trick customers into buying.
94. Reinhart's Bakery purchases thousands of pounds of flour each year from a local mill. Reinhart's Bakery is considered a(n) _____ customer.
- A. group
 - B. industrial
 - C. individual
 - D. personal
95. A business may offer financial discounts for things such as early payment or buying in bulk. These discount policies are categorized as _____ policies.
- A. installation
 - B. selling-activity
 - C. terms-of-sale
 - D. service
96. Salesforce.com is an online customer relationship management (CRM) tool that helps salespeople keep track of important customer data and stay in touch with their clients. Salesforce.com is a form of _____ that has influenced the selling function.
- A. customer behavior
 - B. changing demographics
 - C. technology
 - D. public attitude
97. Salespeople who take the time to properly acquire information on their products enjoy many benefits, including
- A. decreased confidence in their sales ability.
 - B. greater credibility with customers.
 - C. guaranteed sales success.
 - D. less accuracy in sales presentations.
98. The SafeRide infant car seat comes with a water-resistant lining to prevent foods, liquids, and other messes from damaging the material. Based on this information, you could say that the car seat's water-resistant lining is a(n) _____ product benefit.
- A. obvious
 - B. exclusive
 - C. hidden
 - D. unique
99. What should a salesperson prepare before meeting with a customer?
- A. A list of all the personal questions the salesperson will ask the customer to discover his/her needs
 - B. A report on each customer's financial history, so that the salesperson will know if s/he can afford the product
 - C. The sales "pitch"—what the salesperson will say about the product to convince the customer to buy
 - D. A detailed script that the salesperson will recite about the product by reading PowerPoint slides
100. Ryan goes to the grocery store every week and buys food to feed his family. Ryan's purchases are most likely driven by which need in Maslow's Hierarchy of Needs:
- A. Physiological
 - B. Safety
 - C. Belonging
 - D. Self-actualization



KEY

2020 HS ICDC

Marketing Cluster Exam

AAM - Apparel and Accessories Marketing Series Event
ASM - Automotive Services Marketing Series Event
BSM - Business Services Marketing Series Event
BTDM - Buying and Merchandising Team Decision Making Event
FMS - Food Marketing Series Event
IMCE - Integrated Marketing Campaign–Event
IMCP - Integrated Marketing Campaign–Product
IMCS - Integrated Marketing Campaign–Service
MCS - Marketing Communications Series Event
MTDM - Marketing Management Team Decision Making Event
PSE - Professional Selling Event
RMS - Retail Merchandising Series Event
SEM - Sports and Entertainment Marketing Series Event
STDM - Sports and Entertainment Marketing Team Decision Making Event

CAUTION: Posting these materials on a website is a copyright violation.

This comprehensive exam was developed by the MBA Research and Curriculum Center exclusively for DECA's 2019-2020 Competitive Events Program. Items in this exam were written expressly for use at DECA's ICDC. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels.



Copyright © 2020 by Marketing & Business Administration Research and Curriculum Center®, Columbus, Ohio (dba MBA Research). Each individual test item contained herein is the exclusive property of MBA Research. Items are licensed to DECA only for use as configured within this exam, in its entirety. Use of individual items for any purpose other than as specifically authorized is prohibited.

Possession of this exam, without written authorization, under any other circumstances is a copyright violation. Posting to inter- or intranet sites is specifically forbidden unless written permission is obtained prior to posting. Report violations to DECA at 703.860.5000 and MBA Research at 800.448.0398.

DECA Inc. will impose sanctions on chapters and chartered associations for violations of this policy up to and including disqualification of competitors and chapters from further participation.

1. D

Capacity. The parties entering into a contract must have the mental capacity to understand what they are agreeing to. Children and adolescents under 18, for example, are typically not mature enough to understand a contract, so they typically do not have the legal capacity to enter into a contract. Instead, an adult may have to sign the contract on their behalf. The consideration element requires that both parties get something out of the deal. The agreement element requires that all parties agree to the deal. The legality element requires that the purpose of the contract falls within the law.

SOURCE: BL:002

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 218]. Boston, MA: Cengage Learning, Inc.

2. C

Fiduciary. Phillip's client, known in an agency relationship as the principal, has authorized him to act on the client's behalf. Phillip's fiduciary responsibilities to the principal include the duty to act solely in the best interest of the principal, rather than for any other person or entity's benefit, including his sister. Confidentiality, accounting, and obedience are all aspects of the real estate agent's fiduciary responsibilities to the principal, but they are not illustrated in this example.

SOURCE: BL:072

SOURCE: Miller, R.L. (2020). *Business law today: The essentials* (12th ed.) [p. 218]. Boston, MA: Cengage Learning, Inc.

3. B

Promoting products. Promoting a product, especially a new one, can be expensive. When a producer sells its products through intermediaries, the costs and responsibilities associated with product promotion can be shared. Retailers often assume a large portion of promotion responsibilities. Think about your local supermarkets and discount stores—most likely, they produce weekly flyers featuring a variety of products available or on sale. These retailers may share expenses with some of the products' manufacturers. Shared promotion activities within the channel can lower channel members' individual costs while producing the same results. This example does not demonstrate the channel management tasks of providing marketing information, negotiating with customers, or reducing discrepancies.

SOURCE: CM:001

SOURCE: LAP-CM-002—Chart Your Channels (Channel Management)

4. A

Mercedes-Benz Automobile Co. A channel of distribution begins with a producer and ends with an ultimate consumer or industrial user. A producer makes or provides goods and services. An example of a producer is the Mercedes-Benz Automobile Company, a manufacturer of cars. A local car dealership and a rental car service are both examples of intermediaries or middlemen. They operate between the producer and the user to help in the movement of goods and services. Car dealership customers are an example of ultimate consumers.

SOURCE: CM:003

SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

5. C

Increase efficiency along the supply chain. Technology can be used to increase efficiency along the supply chain, resulting in decreased delivery lead times and increased customer satisfaction. Two examples of technologies that can do this are order tracking software and automatic order systems. Order tracking software allows companies to see where materials and orders are at any given time. Automatic order systems can place orders for needed supplies or products as soon as stock runs low. These technologies help increase efficiency, but they do not necessarily guarantee customer satisfaction—and they shouldn't replace traditional customer service activities. Unfortunately, technology cannot ensure the involvement of all members of a supply chain in channel management activities.

SOURCE: CM:004

SOURCE: Ingram, D. (2019). *Channel management techniques*. Retrieved August 27, 2019, from <https://smallbusiness.chron.com/channel-management-techniques-3072.html>

6. D

The gray market. The gray market involves the buying and selling of products through channels other than what was originally intended (an organized, authorized distribution system). For example, an individual or business that purchases an item and then resells it to make a profit is participating in the gray market. The gray market, while not illegal, poses several ethical dilemmas for companies and individuals. Items that are sold on the gray market cannot be tracked by manufacturers or producers, making it difficult for the makers of a product to understand how their product is being used (or abused). Where gray markets thrive, authorized retailers end up losing money and customers to unauthorized gray market sellers. The black market, on the other hand, *is* illegal—and involves the buying and selling of controlled commodities such as narcotics or guns through illegal trade. Jennifer is not participating in the black market in this example. There is no such thing as a slotting distribution channel.

SOURCE: CM:006

SOURCE: WiseGeek.com. (2003-2019). *What is the gray market?* Retrieved August 28, 2019, from <https://www.wisegeek.com/what-is-the-gray-market.htm>

7. D

Vertical. Conflicts can arise among members of a distribution channel at any level. When a conflict arises among members at the same level in a channel (e.g., two different wholesalers of a certain product), it is called a horizontal conflict. When a conflict arises among members at different levels in a channel (e.g., a manufacturer and a retailer), it is called a vertical conflict. The example described here is a vertical channel conflict, because the conflict occurred among members of different levels in the distribution channel. Channel conflicts are not referred to as “sideways” or “forward” conflicts.

SOURCE: CM:008

SOURCE: Mack, S. (2019, March 5). *Horizontal & vertical marketing conflicts*. Retrieved August 29, 2019, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

8. D

Affinity partnership. Affinity partnerships are strategic relationships formed among companies or organizations for mutual benefit. A sports team displaying a business logo on its jerseys is an example of an affinity partnership. The sports team benefits from the sponsorship money, while the business benefits from the increased brand exposure. This collaboration is not an example of a supply chain, which is a system of processes involved in the production and distribution of a product. It is not an example of a customer support network or a public relations campaign.

SOURCE: CM:021

SOURCE: Bhasin, H. (2018, March 9). *Affinity marketing and its benefits to marketers*. Retrieved August 29, 2019, from <https://www.marketing91.com/affinity-marketing/>

9. D

Present detailed facts, figures, and data. Be prepared for difficult questions. Analytical communicators respond well to data and are detail-oriented. They sometimes appear critical or pessimistic due to their focus on determining the “right” approach to the topic or problem. This can lead them to ask difficult questions about how a presenter arrived at his/her conclusions. Analytical communicators often consider personal stories and friendliness to be off-topic or of lesser importance. They also have a tendency to work best alone and not in groups.

SOURCE: CO:084

SOURCE: Zellman, M. (2019). *Four effective styles of communication in the workplace*. Retrieved December 13, 2019, from <https://smallbusiness.chron.com/four-effective-styles-communication-workplace-15280.html>

10. B

To overcome communication barriers. Visual or graphic aids help in overcoming a number of communication barriers that may arise during a sales presentation, including information overload, processing and retention, language barriers, and time constraints. Salespeople should always explain the information presented in the graphic aids, so graphic aids do not necessarily limit how much a salesperson talks during a presentation. Graphic and visual aids are just as falsifiable as any other information. Even with graphic aids, a salesperson should ensure that her/his appearance is professional and appropriate for the presentation s/he is giving.

SOURCE: CO:087

SOURCE: Brookins, M. (2019). *Visual aids to overcome barrier to communication*. Retrieved September 23, 2019, from <https://smallbusiness.chron.com/visual-aids-overcome-barriers-communication-10134.html>

11. A

Shimon knows more about the report's contents now that it is done. Even a well-planned report can change significantly during the writing process. By writing the executive summary after completing his report, Shimon can make sure that the summary reflects the specifics presented in the report. Summaries are not intended to contain a lot of detail. Although Shimon wrote his full report first, some people choose to write the executive summary before the full report so that the summary can serve as a guide when writing the rest of the report. While some executive summaries are written for corporate executives, not all of them are.

SOURCE: CO:091

SOURCE: Dickinson, C. (2018). *Should you write the executive summary first or last?* Retrieved September 24, 2019, from <https://captureplanning.com/articles/92131.cfm>

12. A

Listen to everyone, even if you don't work directly with them. Giving everyone the opportunity to speak, even if you disagree with them or don't work directly with them, creates a positive environment in which everyone feels free to share their ideas. Listening to everyone and asking questions, even about topics that you are unfamiliar with, can also foster an environment in which people are open to new ideas, leading to better decision-making for the group. Body language can communicate a good deal about how you feel, even without saying a word. Staff meetings are not a time for private conversations. Ideally, if you have something to say, you should say it to the entire group—and your comments should focus on topics that are part of the meeting agenda.

SOURCE: CO:063

SOURCE: Means, T. (2019). *Business communication* (3rd ed.) [Lesson 13-3]. Boston, MA: Cengage Learning, Inc.

13. D

Become knowledgeable about her company's products and policies. Customers typically expect company representatives to be knowledgeable about the company's products and policies. Therefore, an important way for Gillian to gain a customer's trust is to answer the customer's inquiries about products and policies appropriately and correctly. Becoming knowledgeable about local restaurants and entertainment may help in customer relationships but is not as important as knowing about the company you work for. Transferring calls to upper management is not the best way to handle customer inquiries. You should do everything you can to assist the customer. If needed, you can seek the answer from upper management yourself and not transfer calls to them. Online support forums are a great way for customers to find information. However, if they have made an inquiry to you, it is important that you try to find the answer and not simply direct them to find the answer themselves.

SOURCE: CR:006

SOURCE: Ingram, T.N., LaForge, R.W., Avila, R.A., Schwepker, Jr., C.H., & Williams, M.R. (2020). *SELL* (6th ed.) [pp. 36-37]. Boston, MA: Cengage Learning, Inc.

14. D

Customers do business with companies they trust rather than shopping around for the best price. For a growing number of goods and services, price is no longer a factor in customers' buying decisions. Prices have stabilized to the point where a customer can purchase a product for about the same amount from one company as they can from another. Even if prices go up or down, prices among competitors remain mostly the same. This allows customers to engage in "relationship buying" instead of shopping around to see if a competitor is offering a different price. Customers tend to pick a company and stay with it as long as they are satisfied with their treatment. This means they tend to choose a familiar company over an unfamiliar one, even if there is a slight difference in prices. Price similarities among competitors does not mean that prices don't go up and down, just that there is little difference between one company's price and that of another.

SOURCE: CR:016

SOURCE: LAP-CR-016—Know When To Hold 'Em (Nature of Customer Relationship Management)

15. D

Hiking boots. Utility is the ability a product has to satisfy customer wants or needs. Because Kelli loves being outdoors, hiking boots would have a great amount of utility to her; they would allow her to do something she loves. Wireless earbuds and tickets to a play are unrelated to Kelli's interests, so they probably wouldn't have as much utility to her. While an off-road pickup truck might allow Kelli to be outdoors, she is only 14 and not likely to be able to legally drive a car. Therefore, the truck would not have utility to her.

SOURCE: EC:004

SOURCE: LAP-EC-013—Use It (Economic Utility)

16. A

Political. All companies are subject to a variety of laws—including tax laws—no matter where they conduct business. These laws and regulations are political factors impacting business operations. Another key external factor that businesses must pay attention to is competition. Businesses can't control their competition, but they certainly must strive to stay competitive. Economic factors include such things as inflation, interest rates, changing incomes, etc. Examples of social factors affecting the business environment are changing values, changing family roles, lifestyle and fashion trends, and shifts in demographics.

SOURCE: EC:105

SOURCE: LAP-EC-105—What's Shakin'? (Factors Affecting the Business Environment)

17. C

Freedom in the marketplace. In a private enterprise system, markets, not the government, answer the economic questions of what, how, and for whom to produce. People are allowed to choose what to produce, how to sell it, and what prices to charge. Private enterprise also includes private property, limited government control, and the profit motive, but these are not described in this instance.

SOURCE: EC:009

SOURCE: LAP-EC-015—People Power (The Private Enterprise System)

18. D

Inflation. Inflation is a steady rise in the price levels of goods and services over time. Inflation may occur when demand exceeds supply or when productivity declines and costs of labor go up. Deflation, on the other hand, is a steady decline in the general price levels of goods and services over time. Balance of trade is the difference between the value of a nation's exports and its imports. Behavior modeling is an instructional method in which trainees are given a specific model of behavior, told the consequences of failure to perform in that manner, provided opportunities to practice the behavior, and evaluated using the behavior. The increasing cost of Jude's laptop is likely due to inflation, not balance of trade, deflation, or behavior modeling.

SOURCE: EC:083

SOURCE: LAP-EC-083—Up, Up, and Away (Inflation)

19. C

U.S. dollar. The currency on the left of the slash is the base currency. It always equals one unit (in this case, one U.S. dollar). The currency on the right of the slash is the quote currency or counter currency. It always equals what one unit of the base currency will buy (in this case, 0.88 Euros). According to this quote, since one U.S. dollar only buys 0.88 Euros, the U.S. dollar is worth less than the Euro.

SOURCE: EC:100

SOURCE: LAP-EC-100—Get Your Money's Worth (Exchange Rate)

20. C

More challenging work. Employees who show initiative are often given more challenging work since they can be trusted to complete it. Employees who show initiative are demonstrating personal motivation, not receiving it. A boss is not likely to criticize an employee for showing initiative unless s/he is doing the work incorrectly or taking over other employees' responsibilities.

SOURCE: EI:024

SOURCE: LAP-EI-240—Hustle! (Taking Initiative at Work)

21. C

You lose interest in the activities you once enjoyed doing. Burnout is a type of exhaustion that is usually caused by too much stress. When you experience burnout, you may become physically and mentally unable to continue on at the same pace. It can permanently alter your opinion toward your career or hobbies, making you lose interest in activities you once loved and spent hours doing. Having a packed schedule and little free time does not necessarily imply burnout. Struggling to keep track of your time and tasks is also not necessarily burnout. Struggling to maintain healthy professional relationships is also not necessarily related to burnout.

SOURCE: EI:077

SOURCE: LAP-EI-077—Commit to It! (Managing Commitments in a Timely Manner)

22. C

Rachel always demonstrates respect, even when she disagrees with someone. Optimistic people are generally respectful of other people and their opinions, even if they are different than their own. Avoiding eye contact, frequently complaining, and refusing to accept responsibility are all examples of pessimistic behaviors—not optimistic behaviors.

SOURCE: EI:019

SOURCE: LAP-EI-003—Opt for Optimism (Positive Attitude)

23. B

Extraverts; introverts. Extraverts often work more successfully with others, while introverts often prefer to work alone or in one-on-one situations. Introverts often find group meetings less useful or productive than extraverts do. Managers and assistants are not directly associated with any particular personality types.

SOURCE: EI:104

SOURCE: Merit Career Development. (2019). *Leverage personality differences in the workplace*. Retrieved December 13, 2019, from <http://meritcd.com/blogs/navigating-personality-differences-in-the-workplace/>

24. A

Coworkers challenge one another to work harder. Friendly competition can be a good thing in the workplace if it results in coworkers challenging each other to work harder, faster, or better. As long as the conflict doesn't escalate to a confrontation, limit other workers' ability to complete their tasks, or become a distraction, conflict alone can have a positive effect in the workplace. Coworkers spending less time gossiping may be good for the work environment but does not necessarily relate to conflict. Group projects require collaboration as opposed to the separation that can occur from conflict. Conflict can also create divisions or cliques among coworkers that can have very negative effects on productivity.

SOURCE: EI:015

SOURCE: LAP-EI-007—Stop the Madness (Conflict Resolution in Business)

25. C

Intrinsic motivation is generally more effective than extrinsic motivation. Intrinsic motivation comes from within the individual and is a result of the work or task itself. Extrinsic motivation comes from outside the individual and her/his work or task. In most developed countries, people tend to have access to basic necessities like food and shelter. As a result, extrinsic motivation isn't as effective as intrinsic motivation.

SOURCE: EI:059

SOURCE: LAP-EI-059—Raise Them Up (Motivating Others)

26. B

Praise the group for its efforts. Giving praise and recognition is one of the best ways to motivate people to continue working hard. If Maggie wants to improve team morale, she should praise her team members for the work they have done on the project so far. Scolding the group, assigning a new group leader, or complaining to her teacher would not inspire Maggie's group members to work hard; it would most likely discourage them.

SOURCE: EI:014

SOURCE: LAP-EI-141—Gimme Five! (Recognizing/Rewarding Others)

27. D

Reflect. After learning everything you can about different viewpoints, you should take some time to carefully reflect by asking yourself questions such as, "How has this information influenced my opinion on the topic?" Being patient, showing respect, and being open-minded are all steps that you should take before reflecting on what you have learned.

SOURCE: EI:136

SOURCE: LAP-EI-136—Pick a Side (Considering Conflicting Viewpoints)

28. B

Present value, interest rate, length of time in years, number of compounding periods of interest per year. The formula for the future value of money is $\text{Future Value} = \text{Present Value} \times [1 + (i/n)]^{(n \times t)}$ where i = the interest rate, n = the number of compounding periods of interest per year, and t = the number of years between the present and the specified future date. The future value of money helps you determine how much a current amount of money will grow over a specified amount of time. If, for example, you invest \$100 at a fixed rate today, you can use the future value of money formula to determine how much that \$100 will increase by a specific date in the future. You do not need a credit score, the rate of inflation, or the return on investment to calculate the future value of money.

SOURCE: FI:062

SOURCE: Corporate Finance Institute. (2015-2019). *Time value of money*. Retrieved September 24, 2019, from <https://corporatefinanceinstitute.com/resources/knowledge/valuation/time-value-of-money/>

29. C

Net worth. Net worth is the difference between the value of all assets and the value of all liabilities. Your net worth is a good indicator of your financial health, especially if you track it over time and compare it to a benchmark of your choice. Credit bureaus assess a variety of factors—including your payment history, total debt, mix of credit types, etc.—to calculate your credit score. Cash inflow is a measure of how much money will flow into a business, while cash outflow measures how much money will flow out.

SOURCE: FI:562

SOURCE: Ryan, J.S., & Ryan, C. (2017). *Personal financial literacy* (3rd ed.) [Lesson 4.1b]. Boston, MA: Cengage Learning, Inc.

30. B

Tax identification number. Identity theft refers to the use of personal information to commit crimes including fraud. The types of information most frequently used to commit identity theft are bank account numbers, credit card numbers, and tax identification numbers (e.g., SSN in the U.S., SIN in Canada, Identifikationsnummer in Germany, etc.). If you are ever asked to provide your tax identification number to a person or business, you should ask why they need it and which law gives them the right to obtain that information. A person's date of birth and home address are types of personal information that many more businesses and individuals might have a right to ask for. An email password is not a piece of information that any business or government agency should ask for.

SOURCE: FI:073

SOURCE: Ryan, J.S., & Ryan, C. (2017). *Personal financial literacy* (3rd ed.) [Lesson 9.1c]. Boston, MA: Cengage Learning, Inc.

31. D

Current assets and fixed assets are listed separately on a balance sheet. Balance sheets compare the total amount that a company owns with the total amount that a business owes. It demonstrates the basic accounting equation ($\text{Assets} = \text{Liabilities} + \text{Equity}$) as it pertains to the specific assets and liabilities of a business. On a balance sheet, current assets (those intended to be converted into cash within one year) are listed separately from fixed assets (those not intended to be converted into cash within a year). Inventory is a current asset, for example, while the value of a building owned by a company is a fixed asset. Assets and liabilities are also listed separately on a balance sheet. Balance sheets list the value of all assets, not only those purchased in the last year. Operating expenses are detailed in either the income statement or the cash flow statement, but not the balance sheet.

SOURCE: FI:093

SOURCE: LAP-FI-010—The Right Balance (The Nature of Balance Sheets)

32. B

Determine the need to divert money. A budget variance is the difference between a budgeted amount and the actual amount. By analyzing budget variances, a manager can determine whether a company is on target with its estimated revenue and costs. If there is a large enough unfavorable cost variance, a manager may choose to divert funds from other areas to cover the additional costs. Analyzing budget variances will not likely provide enough information to evaluate the progress of a new employee, assess the market for a product in development, or project sales numbers over a five-year period.

SOURCE: FI:106

SOURCE: LAP-FI-106—Money Tracks (Nature of Budgets)

33. C

Obtaining informed consent. Informed consent is a voluntary agreement to participate in research. It ensures that participants have a clear idea of what the research entails and obtains their permission to use the information in the intended way. Jill is obtaining informed consent from her focus group. Jill is not using big data, breaking confidentiality, or acting unethically.

SOURCE: IM:025

SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing-Information Management)

34. C

The use of technology in marketing-information management. Marketing professionals use technology in a variety of ways to better collect, organize, and analyze marketing information. Examples of modern technology used in marketing-information management include virtual reality and simulations (like the example above), global positioning services (GPS), eye tracking, data analysis software, and brain-imaging technology. Simulations such as the one described above allow marketers to test new products and concepts virtually instead of in real retail locations, which would cost much more money. This is not an example of unethical sales practices in the retail industry. Neither global positioning services (GPS) nor data analysis software is described in this example.

SOURCE: IM:183

SOURCE: KnowThis.com. (2019). *Research trends: Other research technologies*. Retrieved September 6, 2019, from <http://www.knowthis.com/marketing-research/research-trends-other-technologies/>

35. B

Marketing research. Marketing research is the systematic gathering, recording, and analyzing of data about a specific issue, situation, or concern—and is a valuable source of insight. Marketing research allows companies to develop a profile of the typical customer, analyze its sales, describe its ideal target market, and forecast sales and trends. These are all goals of marketing research, not public relations, supply chain management, or managerial accounting. Public relations is a function of business designed to establish and maintain positive relationships between the business and its various publics. Supply chain management is a career area in which employees supervise the complete process of getting products into the marketplace. Managerial accounting is a type of accounting that involves preparing and reporting financial data to internal users, usually managers, who need financial information to control day-to-day operations and to make financial decisions and plans affecting the business.

SOURCE: IM:010

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

36. D

Secondary internal. Secondary research contains data that have already been collected for some reason other than the research project at hand. Internal data are secondary data that already exist in the organization's own "in-house" information system. If marketers want to know customer or sales data, these are likely found within the company's existing information. External data are secondary data that already exist outside the organization. The data that Titan Trucking wants would not be external. Primary research collects data specifically for the project at hand. Primary data, whether qualitative or quantitative, would not be necessary for this research project because the data already exist.

SOURCE: IM:281

SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)

37. A

Failing to define its true problem through market research. Any marketing research study, regardless of its purpose, hinges on the clear and correct definition of the problem at hand. Defining the problem is important because spending time addressing the wrong problem wastes important resources. When a business wastes resources researching or addressing the wrong problem, it may be too late to capitalize on new opportunities, or the business may miss out on timely solutions to pressing problems. In this example, the summer camp clearly failed to define its true problem. The managers did not engage in any market research to determine the true cause of declining enrollment and ended up wasting valuable time and effort. The summer camp did not clarify its problem through situation analysis, which is exploratory research conducted to provide a more complete understanding of the problem. Similarly, they did not develop research objectives or use secondary data while researching their problem. These activities could have helped the summer camp determine the true cause of declining enrollment.

SOURCE: IM:282

SOURCE: LAP-IM-282—What's the Problem? (Marketing Research Problems)

38. D

Qualitative. Supra's survey, which the company is using to gather opinions, will yield qualitative data. Quantitative data are specific, measurable data, not general opinions, thoughts, or feelings. There is no indication that the data that the company is collecting is unreliable. Opinions are subjective rather than nonsubjective (unbiased and unemotional).

SOURCE: IM:284

SOURCE: LAP-IM-284—Better by Design (Marketing Research Design)

39. B

The target population is males ages 18-34 across the nation. Market researchers should use samples when it would be very difficult or impossible to generate research from the entire population. It would be difficult to contact and survey every male ages 18-34 across an entire nation, so the company should use a sample. If the market only includes 1,200 people, a census is possible. If the results of a study have serious consequences, a sample might not be enough to ensure consumers' health and safety. A small target population such as French professors at a university could be researched using a census rather than a sample.

SOURCE: IM:285

SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

40. A

When a sales appointment does not result in a sale. Not every sales call results in a sale, so each call does not always have a sales invoice to provide information about the interaction. In these cases, a call report can provide useful data about the interaction. The number of customers a business has is not necessarily related to call reports. Call reports are not related to overall economic decline. Call reports do not provide any useful data regarding competitors' marketing strategies.

SOURCE: IM:184

SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

41. A

Qualitative. Information that is descriptive and non-statistical in nature is known as qualitative data. In the personal-interview method for gathering qualitative data, a researcher sits down with a respondent one-on-one to ask questions and record the answers. This method is often used when researchers are just starting to explore a certain issue and want to obtain as much information as possible. Conducting focus groups is another popular way for businesses to collect useful qualitative data. In this method, one or two researchers moderate a group discussion that usually includes anywhere from six to 12 participants (all members of the target market). Focus groups are often used to gauge reactions to new products or marketing ideas. Quantitative data are numbers and statistics—hard facts. Companies gather quantitative data through surveys, customer tracking, and test marketing, among other methods.

SOURCE: IM:289

SOURCE: LAP-IM-017—Hunting and Gathering (Data-Collection Methods)

42. A

Is asking two different things. Good survey questions should have a single focus. The survey question provided should be split into two separate items: "Do you buy organic milk?" and "Do you buy organic butter?" When a question has more than one focus, respondents may respond inaccurately or become confused. Good survey questions should also use neutral language and be appropriately broad or narrow in scope.

SOURCE: IM:418

SOURCE: Creative Research Systems. (2016). *Survey design software*. Retrieved August 30, 2019, from <https://www.surveysystem.com/sdesign.htm>

43. A

Is the information complete? Data validation involves looking at raw marketing data to ensure that it was gathered properly. Data that are incomplete, fraudulent, or inaccurate should be discarded immediately. An example of incomplete data is a survey that was not finished by the respondent or that was finished fraudulently by the interviewer. The actual content of the data is irrelevant when doing initial screening. Screeners should not be concerned about why the survey respondents responded how they did, or whether the information confirms or denies a certain hypothesis. Coding of the data is done after the initial screening for completeness, not before.

SOURCE: IM:062

SOURCE: Udepurkar, S. (2013, October 16). *Data analysis—market research*. Retrieved August 30, 2019, from <https://www.slideshare.net/sachinudepurkar/data-analysis-market-research>

44. A

Social media analytics. Social media is a powerful marketing research tool for today's brands. Customers use social media to discover new products, review products they have used, and interact with their favorite brands. By monitoring customer activity on social media, companies can evaluate what is popular about their brand and what is not. Direct mail surveys, traditional focus groups, and phone surveys may be useful in other situations, but not for monitoring customer "buzz" in today's dynamic, hyper-connected world.

SOURCE: IM:469

SOURCE: RazorSocial. (2019). *The social media analytics tools and tactics guide*. Retrieved August 30, 2019, from <https://www.razorsocial.com/social-media-analytics-tools/>

45. B

Basic. There are two distinct types of research—basic and applied. Basic research seeks to build knowledge and understanding, whereas applied research seeks to solve a problem or answer a specific question. Both types of research are valuable for different situations. In this example, Beth-Anne is attempting to build greater understanding of chimpanzees rather than solve a specific problem; she is conducting basic research rather than applied research. "Quantitative" is a term that is generally used to describe a type of data, not a type of research. "Problem-oriented" is another way to describe applied research.

SOURCE: IM:292

SOURCE: WiseGeek. (2003-2019). *What is the difference between basic and applied research?* Retrieved September 4, 2019, from <https://www.wisegeek.com/what-is-the-difference-between-basic-and-applied-research.htm>

46. D

Using multiple types of research methods. Mixed methods research is a research methodology that involves collecting and analyzing data from various sources using various methods. This type of research usually involves both qualitative (descriptive) and quantitative (numerical) data. Researchers who utilize various methods to gather information gain a better understanding of the topic they are studying than if they had used a single research method. Defining and articulating a research question, engaging in research planning, and reevaluating the research question as needed are also examples of good research practices; however, they are not demonstrated in this scenario.

SOURCE: IM:428

SOURCE: FoodRisc Resource Center. (2016). *Mixed methods research*. Retrieved September 4, 2019, from http://resourcecentre.foodrisc.org/mixed-methods-research_185.html

47. B

Business size. A business's size and structure can impact its buying behavior. For example, a small business probably does not have a purchasing department. Instead, the owner or manager may be in charge of the entire buying process. In large corporations, however, there may be dozens of employees whose jobs are specifically focused on purchasing (professional buyers). The economy, technology, and competition can also influence a business's buying behavior—however, they are external factors.

SOURCE: MK:014

SOURCE: LAP-MK-014—Cause and Effect (Buying Behavior)

48. B

Target market. The marketing mix is a set of four elements (i.e., product, place, promotion, price) that are combined in different ways to reach a particular target market. A target market is the specific group of customers that a business seeks to attract and on whom a business focuses its marketing efforts. A product/service is a good, service, or idea that a company offers its customers. A market economy is an economic system in which the questions of what, how, and for whom goods will be produced are answered by individuals and businesses in the marketplace. A divisional structure is an organizational design in which the firm is broken down into units according to factors such as product, process, territory, customer type, etc.

SOURCE: MP:001

SOURCE: LAP-MP-002—Pick the Mix (Nature of Marketing Strategies)

49. B

Psychographic segmentation. Psychographic segmentation separates customers into groups based on variables such as customers' personality and lifestyle—in other words, customers' individual qualities or traits and the ways in which people lead their daily lives. Behavioral factors separate markets based on rate of use, benefits derived, loyalty response, and occasion response. Geographic segmentation involves grouping customers according to where they are located. Demographic segmentation divides a market based on its physical and social characteristics such as age, gender, race, or income.

SOURCE: MP:003

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

50. D

Collaborators. The situation analysis should look at the company, the customers, the competitors, the collaborators, and the climate (external factors). These areas are sometimes known as the 5 C's. Collaborators include any partnerships or relationships that a company has. Marketing objectives and financial plans have their own respective sections of the marketing plan. Product strategy falls under the marketing strategies and programs section of the marketing plan.

SOURCE: MP:007

SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)

51. A

Threat; opportunity. Threats and opportunities are factors external to an organization, whereas strengths and weaknesses are internal. Recognizing an external factor that could potentially create risk for an organization and adjusting to use that potential issue as a chance to gain a competitive advantage is an example of converting a threat into an opportunity. Weaknesses are internal factors, which cannot be converted into opportunities or threats. While efforts should be made to match strengths to opportunities, they are not converted into them. Additionally, the scenario doesn't identify the company's strengths or weaknesses, nor whether any of its weaknesses can be turned into a strength.

SOURCE: MP:008

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 2-3a]. Boston, MA: Cengage Learning, Inc.

52. A

Try to validate the information in other ways. If you find an article that doesn't list any references, one way you could try to validate the information is by searching for information on the author. Another way would be to search for other experts who agree with the information in the article. Sometimes multiple authors of varying levels of expertise are published on the same website. There are many sources, printed or online, that offer valid information but do not necessarily list references.

SOURCE: NF:079

SOURCE: Tchangalova, N. (2014, May 27). *What is a "good" source? Determining the validity of evidence*. Retrieved August 28, 2019, from <https://myelms.umd.edu/courses/1082806/pages/what-is-a-good-source-determining-the-validity-of-evidence>

53. C

Web hosting. Websites and website files must be hosted on a server to be visible to Internet users. Personal branding and website design might help you gain customers but will not host your website for you. Domain purchasing can also help attract Internet users, but hosting on a server is required for the domain to be useful.

SOURCE: NF:042

SOURCE: Schaferhoff, N. (2019, April 25). *How to create a website*. Retrieved December 2, 2019, from <https://websitesetup.org/>

54. D

A data mart contains data on a single subject and is a simpler form of a data warehouse. A data mart is a subset of a data warehouse. A data warehouse contains information from multiple data marts. Due to the amount of information in a data warehouse, it takes longer to process. A data warehouse contains information that is more useful than the data in a data mart because it covers more departments or subject areas.

SOURCE: NF:140

SOURCE: Maayan, G.D. (2018, August 3). *The difference between a data mart and a data warehouse*. Retrieved December 13, 2019, from <https://www.dataversity.net/difference-data-mart-data-warehouse/>

55. C

Mean. The mean, often referred to as the “average” of a data set, is calculated by adding together the values of all items in a data set and then dividing by the number of items. This number can be heavily influenced by outliers because it uses all items in its calculation. Median refers to the item in a data set that occurs in the middle when the items are listed by value from the lowest to the highest. Therefore, median is much less affected by outliers than the mean. Mode refers to the item that occurs the most frequently in a data set. Since outliers, by definition, occur less frequently, they do not affect the mode. Range is the difference between the item of highest value and the item of lowest value in the data set. It is not a measure of central tendency.

SOURCE: NF:093

SOURCE: Rouse, M. (2019, July). *Statistical mean, median, mode, and range*. Retrieved December 2, 2019, from <https://searchdatacenter.techtarget.com/definition/statistical-mean-median-mode-and-range>

56. A

Experienced the negative effects of cutting corners. Any time you take a shortcut, you're taking a risk that your project will not be as good as it could be. Planning helps you foresee what could go wrong and helps prevent project failure. If Natalie had planned ahead, her painting project would have been more successful. Natalie did not necessarily lose focus on the project goal, forget to consider her budget, or lose the engagement of her project's stakeholders.

SOURCE: OP:519

SOURCE: LAP-OP-519—Plan On It! (Planning Projects)

57. B

Technological advancements. The business environment is dynamic, which means it's always changing. This is due to a globalized economy, increased competition, and constant technological advances. Businesses must maintain flexibility so that they can take advantage of new opportunities quickly and effectively. In this example, constant technological advances have increased the textbook publisher's need to use projects so it can update its product more frequently. This example is not related to increased competition, globalization, or communication problems.

SOURCE: OP:158

SOURCE: LAP-OP-158—Projected To Win (Nature of Project Management)

58. B

Vendor X. When selecting a supplier, it is important to do so ethically and without bias. By selecting the vendor that best matches the restaurant's requirements, you are making the best choice for your company and assessing each possible vendor according to objective criteria. Choosing Vendor Y because it includes a gift certificate is an example of bribery. Choosing Vendor Q or Z is an example of favoritism or nepotism.

SOURCE: OP:246

SOURCE: O'Byrne, R. (2018, November 15). *Ethics in procurement—Simple, but not always easy*. Retrieved October 11, 2019, from <https://www.logisticsbureau.com/ethics-in-procurement-simple-but-not-always-easy/>

59. D

Correct production issues before they become problems. Process performance management (PPM) enables organizations to catch issues before they become problems and take suitable corrective actions to ensure that quality won't suffer. Because PPM is the supervision of business and/or manufacturing processes to ensure their quality and efficiency, it does not relate to supervisor-subordinate interactions, competitor products, or employee compensation packages.

SOURCE: OP:163

SOURCE: LAP-OP-008—Take Control (Quality-Control Measures)

60. D

Protect against data breaches. Requiring employees to change passwords frequently is a technique companies often use to help protect against data breaches. A company eliminates employee access to data by using measures other than a routine password change. Encryption is a technique used to make data unreadable and is unrelated to password changes. Changing passwords is a simple process that does not typically require IT training.

SOURCE: OP:441

SOURCE: Sills, A. (2019, October 28). *Protect your business from a data security breach*. Retrieved December 13, 2019, from <https://www.businessknowhow.com/technology/datasecurity.htm>

61. B

Write it down. It's important to put goals on paper. If you form an idea of what you want to do but neglect to write it down, you could forget it. A written goal is something you can refer back to at any time. You can look it over to keep yourself on target as you work toward achieving it. Writing out your goals also helps you clarify them in your own mind. You shouldn't change your goals on a whim—change goals only when appropriate. Setting a reminder allows Zane to forget about his goal until closer to his deadline, which will not help him be successful. Buying new shoes might help Zane ultimately accomplish his goal, but it will not help keep his goal in the front of his mind.

SOURCE: PD:018

SOURCE: LAP-PD-016—Go for the Goal (Goal Setting)

62. A

Yes; Marianne could learn more about her preferred career field and any unadvertised openings. Discussing career opportunities with workers who are employed in jobs or fields in which you are interested has many benefits. For example, speaking with Joey's mother would give Marianne a better idea of what it is like to work in that field and an insight into potential jobs in the field, even if they aren't available yet to the public. It would be inappropriate of Marianne to use this opportunity to talk about herself and request an interview. Many career fields are changing, but that doesn't mean that Joey's mother wouldn't have valuable insight. Résumés are important in a job search, but they should not be the only tool job seekers use.

SOURCE: PD:022

SOURCE: Harwood, L., Owens, L.M.D., & Kadakia, C. (2017). *Your career: How to make it happen* (9th ed.) [Lessons 6-1, 6-2]. Boston, MA: Cengage Learning, Inc.

63. A

A reinforcement of how Zola's experience can help the company reach its goals. Thank-you notes and follow-up letters after interviews are good opportunities to clarify or reinforce information with the potential employer. Discussing salary and vacation packages in the follow-up letter is not appropriate; these conversations will likely take place during the interview or after an offer has been made. Including a copy of her résumé with the follow-up letter would be redundant, as the interviewer should already have a copy of Zola's résumé from her job application and/or interview.

SOURCE: PD:029

SOURCE: Harwood, L., Owens, L.M.D., & Kadakia, C. (2017). *Your career: How to make it happen* (9th ed.) [Lesson 12-1b]. Boston, MA: Cengage Learning, Inc.

64. C

Smoother; redundancy. Organizations with effective chains of command see a smoother workflow and tend to have fewer workflow problems such as redundancy and confusion. A strong chain of command can improve overall communication among employees, not lessen it—the chain of command ensures that communication within a company is methodical, orderly, and efficient. A chain of command does not make workflow more flexible because it implements a hierarchy that should be followed.

SOURCE: PD:252

SOURCE: LAP-PD-252—Don't Cheat the Chain (Following Chain of Command)

65. B

Persuading people to buy what the company is selling. Advertising is a big field that encompasses many different positions and job duties. Even though they may have different job duties, all advertisers work together to catch the public's attention, inform people of their products, company, or ideas, and persuade people to buy what they're selling. Negotiating with vendors is a responsibility of merchandisers and buyers. Marketing research professionals run product tests. Public relations professionals manage crises that may threaten reputations.

SOURCE: PD:024

SOURCE: LAP-PD-024—Career Opportunities in Marketing

66. C

An interest rate. A price is the amount of money paid for a good, service, or resource. Many things that are not physical goods can still have prices. An interest rate is the price that a lender charges for borrowing money. An investment goal does not necessarily have a price. A financial advisor might charge a price for helping a person set an investment goal, however. A checking account is not itself a price; although some checking accounts require a fee (price) for opening one. A financial report is not a price, even though some accountants charge prices for preparing them.

SOURCE: PI:001

SOURCE: LAP-PI-002—The Price Is Right (Nature of Pricing)

67. D

Difficult to prove a company's intentions for setting prices. Predatory pricing refers to the practice of setting prices so low that rival companies cannot compete and are forced to leave the marketplace. However, it is difficult to prove the intentions for setting prices low. For example, setting a very low price to deplete excess supply would not be considered predatory. Charging different prices in different areas may be an example of price discrimination, but not predatory pricing. Deceptive pricing, not predatory pricing, may involve reporting "original price" as higher than it was to give the appearance of a better deal. Companies colluding or working together to set prices may be an example of price setting, not predatory pricing.

SOURCE: PI:017

SOURCE: Pride, W.M., & Ferrell, O.C. (2020). *Marketing 2020* (20th ed.) [Lesson 19-5h]. Boston, MA: Cengage Learning, Inc.

68. C

To increase its market share. Many companies set low prices to gather the largest market share they can right from the release of a new product. They might increase these prices over time after customers develop loyalty to the product. Setting low prices is not a common way of maximizing profit, increasing return on investment, or generating an exclusive image. Setting high prices would likely be a better way to accomplish these goals.

SOURCE: PI:002

SOURCE: LAP-PI-003—Make Cents (Factors Affecting Selling Price)

69. B

Product/Service management. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. Product/Service management involves many activities, such as discovering new-product opportunities, developing marketing plans and strategies for products, coordinating the product mix, sustaining successful products as long as possible, reassessing products that are not meeting expectations, and eliminating products that have become liabilities. Marketing-information management is a marketing function that involves gathering, accessing, synthesizing, evaluating, and disseminating information to aid in business decisions. Knowledge management is the process of creating, identifying, collecting, organizing, sharing, and using knowledge and knowledge sources for the benefit of the organization or business. Inventory management is the process of supervising and controlling the number of finished products a company has in stock.

SOURCE: PM:001

SOURCE: LAP-PM-017—Rapping Up Products (Nature of Product/Service Management)

70. C

Early adopter. During the growth stage of the product life cycle, a product quickly becomes established in the market. Profits improve as sales increase rapidly and costs go down. Customers who begin purchasing the product in the introduction stage are known as early adopters, because they are among the first to purchase a new product. Jamison is an example of an early adopter, not a late adopter or social laggard—someone who waits to adopt a new product or technology until practically everyone else already has. There is no indication that Jamison is an ideal employee.

SOURCE: PM:024

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

71. B

Product packaging. One key area that often presents ethical challenges for product managers is product packaging. Product managers are responsible for developing attractive, cost-effective packaging materials for their products. Graphics and design, size, safety, and environmental impact are all ethical considerations associated with product packaging, not advertising campaigns, press release schedules, or product labeling.

SOURCE: PM:040

SOURCE: LAP-PM-040—Safe and Sound (Ethics in Product/Service Management)

72. D

Reverse brainstorming. Reverse brainstorming involves looking at the "opposite" solutions to a problem and then reversing them to find solutions. In this case, Marshall thought about what would make the identified problem worse. After doing so, he could reverse those ideas to come up with a solution. Starbursting is a technique that helps visually answer questions about your product opportunity to generate ideas. Relay brainstorming is a technique in which multiple individuals from competing teams respond in a certain order without assistance from teammates. Forced questioning is a technique that uses basic question starters to develop original questions about a product opportunity.

SOURCE: PM:127

SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

73. A

Unrealistic suggestions. Brainstorming is a creative-thinking technique involving the identification of as many different ideas as possible during a certain time period. Like any idea-generation technique, there are pros and cons of brainstorming. The main benefits of brainstorming include fresh perspectives, spontaneous thinking, and equal participation among group members. On the other hand, brainstorming is time-consuming and often requires a facilitator. Furthermore, ideas that are generated through brainstorming are often unrealistic. Unequal participation is usually not a problem with brainstorming, since all group members are encouraged to get involved.

SOURCE: PM:128

SOURCE: Jansen, H. (2016, October 11). *The pros and cons of brainstorming, and the best alternatives*. Retrieved September 9, 2019, from <https://boardview.io/blog/pros-cons-brainstorming-best-alternatives/>

74. D

Standards and grades in product marketing. Standards are used to establish reliability in products. For example, the same light bulbs will fit into light sockets in Washington, Florida, and Maine. And no matter where you purchase queen-size sheets, you can assume that they will fit your queen-size mattress. Standards and grades can be used to indicate how a product can be used, where it will be sold, the product's safety, and who the user can/should be. The reason consumers know that a USB cable will fit into a device no matter where they purchased the cable is because of standards and grades—not effective product advertising, the use of public relations in the tech industry, or consumer education about technology products.

SOURCE: PM:019

SOURCE: LAP-PM-008—Raise the Bar (Grades and Standards)

75. B

Limited. A warranty is a promise made by the seller to the customer that the seller will repair or replace a product that does not perform as expected. There are several types of warranties, including limited, full, implied, and express. Full and limited warranties are two classifications of warranties based on the extent of the promises they make. Some products carry a full warranty. A full warranty states that if the product does not work properly, is defective, or does not live up to the warranty, it must be made good within a reasonable time. The company providing the warranty may not put time limits on any implied warranties the product may have. If the problem cannot be corrected in a reasonable time, the customer does not have to wait longer but may choose a refund or a replacement. The customer need only notify the warrantor to obtain repairs. A limited warranty is one that does not have all of the provisions of a full warranty. Instead of covering the entire product, it may cover specific parts, certain repairs, or a particular time period. An implied warranty is not written or stated orally. It is simply understood by both the seller and the customer that the product will perform as expected. An express warranty is a promise expressed in a specific statement concerning the quality of the product. It may be a written statement that is given to customers. "Understood" means the same thing as "implied," but is not generally a word used to describe a warranty.

SOURCE: PM:020

SOURCE: LAP-PM-004—Promises, Promises (Warranties and Guarantees)

76. C

Deep. Most businesses use four dimensions to describe their product mixes. These are width, length, depth, and consistency. Width, also called breadth, refers to the number of product lines a company carries. (A product line is a group of related products.) The business with a narrow product mix offers a limited number of product lines. A business with a broad product mix offers many product lines. There is not enough information provided in this example to determine if RJ's Ice Cream offers a narrow or broad product mix. Depth refers to the assortment of sizes, colors, flavors, and models offered in a company's product lines. This dimension is usually considered to be deep or shallow. A business with a deep product mix offers significant variation of its products. The business with a shallow product mix offers few variations within the product line. RJ's Ice Cream offers a large variety of flavors, making its product mix deep rather than shallow. Consistency refers to how closely a company's product lines are related in terms of end use, methods of distribution and production, target market, and price range. If they are closely related on any one of these factors, the product mix is said to be consistent. On the other hand, if the lines are not closely related, the product mix is considered inconsistent. There is not enough information provided to determine if RJ's Ice Cream has a consistent product mix.

SOURCE: PM:003

SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

77. B

Product bundling. Bundling is a marketing strategy that involves offering several products for sale as one combined product. When done right, product bundling can lead to increased sales for businesses and greater customer satisfaction. An example of product bundling is a homeowners and automobile insurance package for less than the price of buying each product separately. Another example is a meal from a fast-food restaurant that combines a burger, fries, and a drink for one low price. Sales volume analysis is a breakdown of sales volume data that allows a company to measure its actual sales against a number of different criteria. Product awareness refers to the target market's knowledge and understanding of a certain brand or product. Channel management refers to processes by which marketers ensure that products are distributed to customers efficiently and effectively.

SOURCE: PM:041

SOURCE: Leonard, K. (2018, October 23). *Product bundling strategy*. Retrieved September 10, 2019, from <https://smallbusiness.chron.com/product-bundling-strategy-41789.html>

78. D

Manufacturer's. A manufacturer's brand, also known as a national brand, is one that the manufacturer has assumed all the responsibility of branding. That means that the manufacturer plans to make all decisions regarding the use of that brand. A private brand, sometimes called a store brand, is a brand owned by an intermediary. What this means is that a supplier, such as Whirlpool, produces a product and places an intermediary's brand on it. In this instance, the products are household appliances, the intermediary is Sears, and the intermediary's brand is Kenmore. Family branding involves using the same brand for related products in a product line. One example of a family brand is Coach, as in Coach handbags and accessories. While each product in the Coach line is unique, they are all related and similar to each other in some ways as well. Rather than being part of a family brand, some products are individually branded. Individual branding involves using different brands for products owned by one company.

SOURCE: PM:021

SOURCE: LAP-PM-006—It's a Brand, Brand, Brand World! (Nature of Product Branding)

79. C

Customer voice. A testimonial is a statement by a customer or other identified user of a product proclaiming the benefits received from using that product. Companies use testimonials to tailor their company image to their target market. A satisfied customer's positive review is one of the most valuable tools in a company's marketing arsenal. Testimonials lend credibility to a brand's reputation and draw in new clients to a company. Shay's Styles Unlimited isn't using employees, internal feedback, or celebrity endorsements for branding purposes.

SOURCE: PM:276

SOURCE: Qualtrics. (2019). *What is voice of the customer?* Retrieved September 11, 2019, from <https://www.qualtrics.com/experience-management/customer/what-is-voice-of-customer/>

80. C

Celebrity-driven. Brand positioning involves creating a certain image or impression of a brand as compared to those of competitors' brands. Companies position their products in a certain way to attract a specific target market and distinguish themselves from similar brands. There are a variety of methods for positioning a brand. Using celebrities or "influencers" is one effective method for brand positioning. In this example, Phoebe's Fashion used its popularity with celebrity children as a tool for positioning itself with its desired target market—parents willing to spend money on high-end, brand-name products.

Benefit/Attribute positioning focuses on the company's core benefits that distinguish the brand from others. Problem and solution positioning involves positioning the company around a solution to a problem that its target market faces. Competitor-based positioning is positioning that places a company in contrast to a competitor.

SOURCE: PM:207

SOURCE: The Cult Branding Company. (2015). *How to create strong brand positioning in your market.* Retrieved September 11, 2019, from <https://cultbranding.com/ceo/create-strong-brand-positioning-strategy/>

81. C

Customer touchpoint. A customer touchpoint is any interaction between a business and a customer or a potential customer. A touchpoint can be as simple as a company advertisement or as significant as a customer calling a sales representative for product information. In this example, Randy noticing the billboard is an example of a customer touchpoint for the law firm, not an attitude survey, brand ambassador, or center-of-influence. An attitude survey is a written communication method in which employees are asked to express their feelings and opinions about their jobs and the company to management anonymously. A brand ambassador is an individual, usually an employee, who communicates the company's values, vision, and personality to those s/he has contact with. A center-of-influence is simply a dominant member of a group.

SOURCE: PM:277

SOURCE: Wots the Big Idea. (2019). *How to identify customer touchpoints.* Retrieved September 11, 2019, from <https://wotsthebigidea.com/identify-customer-touchpoints/>

82. D

Institutional. Institutional (or corporate) promotion does not attempt to sell a good or service. The primary goal of corporate promotion is to create a certain image of the company in the customers' eyes. This can be accomplished by informing customers about the company, its ideas, and its philosophy. An example of institutional promotion is informing customers of the company's interest in various social issues, such as the environment. The goal of product promotion, on the other hand, is to persuade customers to buy a particular good or service. Primary and secondary simply refer to different types of product promotion. Primary product promotion aims to stimulate demand, or desire, for an entire class of goods or services. Secondary, or selective, product promotion is used to stimulate demand for a specific brand of a product.

SOURCE: PR:002

SOURCE: LAP-PR-004—Know Your Options (Product and Institutional Promotion)

83. D

A humorous television advertisement. A pull strategy involves producers who promote their products directly to the ultimate consumer. A humorous television advertisement is effective in capturing the attention of ultimate consumers. They would then be interested in the product, creating demand for it from wholesalers and retailers. A merchandising allowance is a sales promotion offered to intermediaries. It is an example of a push strategy, rather than a pull strategy. A sales contest is a type of sales promotion that encourages salespeople to succeed by offering an incentive. It is a push strategy because it is not aimed at the ultimate consumer. A dealer incentive is a sales promotion that a manufacturer offers its intermediaries to prompt them to purchase and/or further promote the manufacturer's products to customers. It is an example of a push strategy because it is aimed toward intermediaries rather than ultimate consumers.

SOURCE: PR:003

SOURCE: LAP-PR-001—Spread the Word (Nature of the Promotional Mix)

84. A

Technology. Technological advancements such as the Internet—along with the growing popularity of social media networks—have greatly impacted how companies promote their brands and products over the past 20 years. It's no longer enough for companies to rely on print and television promotion alone. Customers are more connected to the digital world than ever, meaning that they are more likely to come into contact with a company online than through a newspaper or television set. In the example provided, the grocery store chain's investment in online ads demonstrates the impact of technology on promotion—not demographic changes, customer feedback, or history, although those things may also impact a company's promotional efforts.

SOURCE: PR:100

SOURCE: Lumen Learning. (2019). *Impact of technology on marketing*. Retrieved September 12, 2019, from <https://courses.lumenlearning.com/boundless-marketing/chapter/technology/>

85. D

Truthfulness in promotion. Many countries have regulations governing promotion and advertising that require companies to be honest and transparent in their messages. As demonstrated in this example, dishonesty and lack of transparency in advertising can seriously harm consumers. Besides hurting customers—and potentially losing their business—companies that aren't truthful in promotional messages often face legal consequences. It's important to take vitamins according to the instructions, but that is not specifically demonstrated in this example, since Jennie did in fact follow the commercial's instructions. It is not necessary to avoid health supplements at all costs or to lose complete trust in television commercials. However, consumers should always do their own research before trying out new products.

SOURCE: PR:101

SOURCE: Federal Trade Commission. (n.d.). *Truth in advertising*. Retrieved February 11, 2020, from <https://www.ftc.gov/news-events/media-resources/truth-advertising>

86. A

Television. Television and radio are examples of broadcast media. Broadcast media are considered “time” media, as opposed to “space” media, because their advertisements last only as long as they are on the air. A billboard is an example of out-of-home media, media that exist in the public sphere. Magazines and newspapers are publications—materials that are printed on a regular basis.

SOURCE: PR:007

SOURCE: LAP-PR-003—Ad-quipping Your Business (Types of Advertising Media)

87. C

Point-of-sale promotion. A point-of-sale promotion is any display, sign, or other visible advertisement that is placed next to a product in a retail setting to draw customers' attention. Point-of-sale promotions are extremely powerful when customers are undecided about which product to purchase—or when they are simply browsing. The display described in the example is a point-of-purchase promotion, not a free-standing insert, a product demonstration, or a business-to-business promotion. A free-standing insert is an advertising leaflet or brochure that is inserted into a magazine, newspaper, or other publication. A product demonstration involves showing customers how a product works, generally in a retail setting. Business-to-business promotion is any promotional effort directed from one business toward another.

SOURCE: PR:249

SOURCE: Waters, S. (2019, July 29). *What is a retail point-of-purchase display?* Retrieved September 12, 2019, from <https://www.thebalancesmb.com/what-is-a-retail-point-of-purchase-display-2890206>

88. B

Crisis management. Crisis management involves the ongoing managing, planning, and coordinating of resources in the event that undesirable circumstances occur. A scandal involving company leadership is an example of an undesirable circumstance that warrants immediate crisis management. Community relations, philanthropy, and media tours are other public relations activities, but they are not involved in this example. Community relations refers to a business or organization's efforts to create goodwill between it and the people in the community. Philanthropy refers to a company's charitable activities. A media tour is a trip taken by a company executive to meet with members of the press.

SOURCE: PR:250

SOURCE: Talkwalker Inc. (2019, January 15). *11 steps for PR crisis management*. Retrieved September 12, 2019, from <https://www.talkwalker.com/blog/pr-crisis-management>

89. C

White space. White space is blank space in an advertisement that is unoccupied by text or illustrations. The proper use of white space is critical for designing eye-catching, effective advertisements. When white space is lacking, advertisements tend to be cluttered and distracting to look at. When white space is effectively used, the ad draws the eye of customers to the most important text and images. If Jaclyn's ad is too busy, one way she could improve it is by adding more white space. Adding more copy (text), illustrations, or headlines would simply make the ad even more cluttered.

SOURCE: PR:014

SOURCE: Soegaard, M. (2019). *The power of white space*. Retrieved September 12, 2019, from <https://www.interaction-design.org/literature/article/the-power-of-white-space>

90. D

Design consistency. Design consistency refers to using the same colors, fonts, logos, and graphics in all of your advertising materials. Consistency is critical for advertising success because it builds a cohesive brand image in the minds of customers. A cohesive brand image will make customers more likely to remember your company. In the example, Kelly's Bake Shop failed to consider design consistency when planning its promotional materials, resulting in disjointed advertisements. Typography (the use of different font styles), white space (the strategic use of blank space), and color contrast are also important considerations when designing ads, but they are not specifically described in this example.

SOURCE: PR:251

SOURCE: h2O Media Inc. (2019). *Consistency is key: The three vital elements of a successful advertising campaign*. Retrieved September 13, 2019, from <https://h2omediainc.com/consistency-key-frequency-vital-successful-advertising/>

91. C

Public relations. Public relations is a function of business designed to establish and maintain positive relationships between the business and its various publics. There are both interactive public relations activities (e.g., press conferences, speaking engagements, special events, social media, blogs, etc.) and one-way public relations activities (e.g., newsletters, podcasts, press releases, direct mail, search-engine optimization, etc.). Quality management is the ongoing process of planning, implementing, and integrating quality into every aspect of an organization. Advertising is any form of nonpersonal presentation of ideas, images, goods, or services. Marketing is the process of creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. While some activities involved with public relations may overlap with marketing, advertising, or even quality management activities, public relations is a distinct function of business with separate goals and strategies.

SOURCE: PR:252

SOURCE: Agility PR Solutions LLC. (2019). *Public relations activities*. Retrieved September 13, 2019, from <https://www.agilitypr.com/resources/pr-glossary/public-relations-activities/>

92. A

Internal. Public relations activities can have either internal or external audiences. Internal public relations involves managing the relationship between a company and its employees. One of the most important internal tasks of a public relations team is keeping company employees informed about organizational happenings. This is especially critical during times of change, such as when a company is planning to merge with another company. Public relations activities can also be external-facing. External public relations activities include those targeting customers, the media, community members, and other businesses.

SOURCE: PR:253

SOURCE: Miller, J. (2016, July 27). *What is internal public relations?* Retrieved September 14, 2019, from <https://www.axiapr.com/blog/what-is-internal-public-relations>

93. B

Selling is planned communication. Planned communication doesn't mean you're reading off of a script. Instead, it means you've spent some time learning about your product and figuring out what makes your clients tick. That way, you know how to demonstrate your products' features in a way that speaks to your particular customers' needs. Selling is also personalized communication—not impersonal communication. Selling is personalized because it involves interaction with the customer, usually face-to-face or over the phone. Selling *should* focus on enhancing future business opportunities through repeat sales; repeat business is the heart of selling. Finally, the goal of selling is to influence purchase decisions—not to trick customers into buying products they don't truly want or need.

SOURCE: SE:017

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

94. B

Industrial. Businesses that buy from other businesses are called industrial customers. They often buy thousands of dollars' worth of equipment or materials. Individual customers, on the other hand, buy goods such as clothing and food, and services like insurance or car washes. Individual customers are individual people, whereas industrial customers are companies and organizations. "Group" and "personal" are not terms used to describe types of business customers.

SOURCE: SE:828

SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

95. C

Terms-of-sale. Terms-of-sale policies focus on the aspects of a sale with which customers are most concerned, such as discount, pricing, and credit policies. Selling-activity policies focus on providing salespeople with guidelines for interacting with customers or potential customers. They are basic directions that explain how salespeople should approach and deal with customers and how to best use their time. An installation policy would be considered a type of service policy. Service policies are designed to govern the support a company provides to customers after the sale.

SOURCE: SE:932

SOURCE: LAP-SE-932—Sell Right (Selling Policies)

96. C

Technology. Technology is critical for sales success in today's hyper-connected world. Salespeople can use technologies such as cell phones, tablets, the Internet, social media, and software to help them better serve their customers and their companies. A specific example of selling technology is Salesforce.com, an online customer relationship management program that helps salespeople better manage their clients. Salesforce.com is a form of technology that has influenced the selling function, not changing demographics, customer behavior, or public attitude.

SOURCE: SE:107

SOURCE: AllBusiness. (2019). *Seven must-have tech tools for salespeople*. Retrieved September 15, 2019, from <https://www.allbusiness.com/seven-must-have-tech-tools-for-salespeople-3871184-1.html>

97. B

Greater credibility with customers. As a salesperson, it's nerve-racking to go into a sales presentation without having all the product information. How will you answer the customer's questions? How will you help the customer understand how the product meets her/his needs? On the other hand, if you enter a sales presentation prepared with thorough product knowledge, you'll feel confident and will impress the customer with your credibility. This makes it much easier to close the sale! Salespeople who prepare appropriately also enjoy increased confidence in their sales ability—not decreased confidence—and greater accuracy in sales presentations. While nothing can guarantee sales success, salespeople who take the time to properly acquire information on their products certainly have an advantage over those who don't.

SOURCE: SE:062

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

98. A

Obvious. Obvious or apparent benefits are advantages that need little explanation by the salesperson. The customer already knows, or can easily recognize, the benefit. For example, a water-resistant car seat lining is an obvious benefit because it means less cleanup for parents. An exclusive or unique benefit is an advantage that is only available from your good or service. There is not enough information provided to determine if this is an exclusive benefit; however, water-resistant car seat linings are generally not exclusive to a single company or product. Hidden benefits are advantages that cannot be seen or understood without the assistance of a salesperson. The average customer would be able to determine the benefit of a water-resistant infant car seat without help from a salesperson, so this is not an example of a hidden benefit.

SOURCE: SE:109

SOURCE: LAP-SE-109—Find Features, Boost Benefits (Feature-Benefit Selling)

99. C

The sales “pitch”—what the salesperson will say about the product to convince the customer to buy. In many selling situations, salespeople have a sales pitch ready to give customers more information about the product, point out its benefits, and convince them to buy. Planning the sales pitch before the meeting allows the salesperson to feel more confident and relaxed when the sales meeting takes place. Salespeople should never investigate a customer's financial history—this type of research is inappropriate and invasive. Salespeople should not ask customers any personal questions; these types of inquiries may be offensive or embarrassing. Instead, salespeople should ask general, open-ended questions and allow customers to reveal information on their own terms. Salespeople should not prepare a word-for-word script to recite during the sales meeting. Effective sales meetings involve two-way conversations, not one-way lectures.

SOURCE: SE:048

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

100. A

Physiological. The lowest (or most basic) needs in Maslow's Hierarchy are physiological—the needs for air, food, drink, shelter, and sleep. By going to the grocery store to purchase food, Ryan is satisfying his physiological needs. Safety/Security, belonging, and self-actualization are all higher level needs that are not met by food.

SOURCE: SE:359

SOURCE: ProfileTree. (2018, May 10). *Maslow's hierarchy of needs: The key to understanding your target customers?* Retrieved September 16, 2019, from <https://www.profiletree.com/maslows-hierarchy-of-needs/>