



Competency-Based
Competitive Events
Written Exam
for State/Province Use

Test Number 1271
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 MBA Research exclusively for DECA's 2022-2023 Competitive Events Program. Items have been randomly selected from the MBA Research Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.



Copyright © 2023 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. Permission for reprinting is granted to DECA chartered associations authorized by DECA Inc.

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. A pharmaceutical company accidentally included a mildly poisonous substance in a popular over-the-counter drug. As a result, many users got sick and the company was faced with a lawsuit. Which of the following torts was most likely cited as a reason for the lawsuit?
 - A. Defamation
 - B. Strict liability
 - C. Invasion of privacy
 - D. Negligence

2. Environmental regulations are often developed to encourage businesses to participate in
 - A. resource identification.
 - B. ethical contracts.
 - C. recycling programs.
 - D. law enforcement.

3. The total number of members in a channel is called
 - A. distribution pattern.
 - B. channel width.
 - C. channel length.
 - D. distribution intensity.

4. Walter's Waterland Amusement Park mailed discount coupons to all the people who moved into the area during the past year. The company has targeted a market based on
 - A. demographics.
 - B. geographics.
 - C. economics.
 - D. psychographics.

5. When a big manufacturer holds a large share of the market, and it prohibits all of its dealers from carrying its competitors' products, the manufacturer is engaging in an illegal activity called
 - A. tying agreements.
 - B. selective distribution.
 - C. channel control.
 - D. exclusive dealing.

6. A foreign business legally obtains a license to make products, and then sells the items for low prices to businesses in the country where the license originated. This is an example of
 - A. equitable competition.
 - B. the gray market.
 - C. a strategic alliance.
 - D. social responsibility.

7. What information should a business provide its suppliers to ensure that products will be available to meet demand?
 - A. Cash flow analysis
 - B. Annual report
 - C. Sales forecast
 - D. Media schedule

8. What might result if a manufacturer begins to sell directly to large businesses rather than through traditional wholesalers?
- A. Vertical channel conflict
 - B. Reverse distribution
 - C. Exclusive distribution
 - D. Horizontal channel conflict
9. Which of the following information should be shared immediately with all staff:
- A. A customer has complained about the service they received.
 - B. An employee of the business may soon be transferred out of town.
 - C. A customer has requested that the business extend its hours.
 - D. An employee of the business has been caught shoplifting.
10. Which of the following is typically the primary purpose of an introduction during a presentation:
- A. To summarize the talk
 - B. To share a funny story
 - C. To gain the audience's attention
 - D. To provide supporting details
11. When writing informational messages, business employees should explain the situation and include sufficient data for the recipient to be able to
- A. contact the business.
 - B. agree with the content.
 - C. make a decision.
 - D. read the message.
12. Using a table to present or summarize data in a written document is most appropriate when
- A. it is important to build credibility and impress the audience.
 - B. the data are too complex to describe in the body of the text.
 - C. the report does not require a bibliography.
 - D. it is placed in the appendices of a complex report.
13. What type of business policy is most likely to attract customers to the business?
- A. Delivery
 - B. Product
 - C. Credit
 - D. Return
14. It's helpful to look at problems with difficult customers as
- A. obstacles.
 - B. annoyances.
 - C. chances to earn a raise.
 - D. unresolved opportunities.

15. Marcy is ready to buy a new computer, and she has saved up enough money to buy the model she wants. This is an example of
A. supply.
B. market price.
C. demand.
D. elasticity.
16. The Cole Company deliberately set its prices very low to drive its primary competitor out of business. This is an example of an unethical practice called
A. captive pricing.
B. bait-and-switch.
C. price lining.
D. predatory pricing.
17. One way that the gross domestic product (GDP) can be increased is by
A. decreasing levels of productivity.
B. creating a trade deficit.
C. having imports exceed exports.
D. increasing labor and capital resources.
18. Which of the following makes globalization more difficult:
A. New technologies
B. Terrorist threats
C. Faster transportation
D. Stronger infrastructures
19. Because of a major trade alliance, businesses in certain countries lower prices and offer new products to face off against businesses in other countries. This is an example of how trade alliances can lead to
A. negative effects for consumers.
B. competition.
C. higher wages.
D. lost jobs.
20. Susie is not happy with her job, because her coworkers are always telling her she doesn't do her share of the work. Susie's feelings are the result of
A. consideration.
B. lack of skill.
C. cooperation.
D. negative feedback.
21. Which of the following is a reason why someone might have trouble adapting to new circumstances:
A. Missed opportunities
B. Objectivity
C. Empathy
D. Contentment

22. Which of the following is a belief you should have about your own behavior if you want to be assertive:

- A. Passive behavior is a good response to aggression.
- B. You have the right to choose the way you respond to your circumstances.
- C. You have the right to be aggressive in some circumstances.
- D. Circumstances determine the way you should behave.

23. A hiring director at an engineering firm rarely hires women even though many women apply to work there, because he doesn't feel that they are as skilled as male employees. This hiring director is exhibiting a(n)

- A. typical hiring practice.
- B. impartiality.
- C. bias.
- D. objectivity.

24. Accepting blame for failure and credit for success is an indication of a person's

- A. consideration.
- B. responsibility.
- C. interpersonal skills.
- D. initiative.

25. Ann has until the end of the day to collect research for a report. Now it is mid-afternoon, and three coworkers have come into her office to ask for help with work-related problems. Ann is starting to panic, wondering if she will have the research done by her deadline. In this situation, Ann's source of stress is related to

- A. an unrealistic workload.
- B. work interruptions.
- C. difficult working relationships.
- D. unclear business policies.

26. Which of the following is a characteristic of good coaches:

- A. Aggression
- B. Patience
- C. Self-interest
- D. Creativity

27. To determine your personal vision, you must first consider

- A. specific obstacles.
- B. your values.
- C. cultural differences.
- D. others' aspirations.

28. Which of the following is an example of direct mail:

- A. Broadcasting a TV commercial
- B. Mailing a brochure to a consumer's home
- C. Developing a sales presentation
- D. Reading a manufacturer's information

29. Your annual income, inheritance, and money from the sale of an asset are all considered events that contribute toward
- A. tax liability.
 - B. tax loophole.
 - C. sales tax.
 - D. untaxable income.
30. When an individual invests in a mutual fund, they are
- A. taking on a high level of investing risk.
 - B. selecting their own investment options.
 - C. pooling their money with other investors.
 - D. purchasing corporate and government bonds.
31. What is the purpose of a code of ethics?
- A. To differentiate between different types of accounting
 - B. To limit the work that accountants can do
 - C. To provide punishments for those who break rules
 - D. To act as a framework for ethical decision-making
32. What is likely to happen if a company has sunk costs associated with a poor decision?
- A. Employees will start seeking other employment.
 - B. Employees' ethical practices will diminish over time.
 - C. The company will forgo short-term benefits for long-term rewards.
 - D. The company will look for proof to justify its decision.
33. One of the main reasons that companies gather marketing information is to be able to
- A. increase sales and profits.
 - B. track past sales trends.
 - C. answer customer complaints.
 - D. monitor inventory records.
34. What is the most significant reason why marketing research is important to businesses?
- A. It contributes to business success.
 - B. It helps the business base decisions on opinions.
 - C. It makes competitors take notice of the business.
 - D. It improves financial management.
35. Marketers use data to determine that they want to create messages that appeal to a younger target market. This is part of an overall
- A. pricing strategy.
 - B. place strategy.
 - C. product strategy.
 - D. promotional strategy.

36. Businesses that deliberately interpret marketing information inaccurately and present those findings to consumers may be guilty of using that information in an unethical way to
- A. analyze opinions.
 - B. promote products.
 - C. solve problems.
 - D. develop surveys.
37. A marketing survey that contains questions that are to be answered on a scale of 1 to 5, with 1 being the worst and 5 being the best, is an example of
- A. coding.
 - B. marking.
 - C. sorting.
 - D. tabulating.
38. Businesses can retrieve external marketing data by accessing
- A. online-based information services.
 - B. computer-generated sales reports.
 - C. accounts receivable summaries.
 - D. inventory management records.
39. If marketers do not have enough secondary data available to meet the company's needs, they must
- A. conduct primary research.
 - B. find a new project.
 - C. create data.
 - D. wait until secondary data appear.
40. To be effective in developing relationships with customers, the service that salespeople provide must
- A. meet customers' needs.
 - B. be the same for all customers.
 - C. include customers' employees.
 - D. save money for customers.
41. How research will be conducted depends on a business's
- A. products and employees.
 - B. size and industry.
 - C. industry and resources.
 - D. size and resources.
42. Which of the following research designs would be best suited to determine the reach of an advertisement in a particular target market:
- A. Focus group
 - B. Simulation
 - C. Survey
 - D. Test marketing

43. What question does establishing a sampling plan for a research project answer?
- A. When to conduct an interview
 - B. Why investigate the issue
 - C. What marketing research technique to use
 - D. How many people to survey
44. Surveys are excellent tools for data collection because they
- A. are easy to analyze.
 - B. dig deep into respondents' feelings.
 - C. show cause and effect.
 - D. don't require human input.
45. When Elliot was tabulating marketing research data, he transposed some numbers as he was converting raw data into numerical values. What type of error occurred?
- A. Measurement
 - B. Response
 - C. Recording
 - D. Sampling
46. What should researchers consider when evaluating the design of questionnaires?
- A. Size of paper
 - B. Number of participants
 - C. Names of developers
 - D. Types of questions
47. Which of the following is a question that the marketing-information management function can help businesses answer:
- A. Where will products be stored?
 - B. What new products should be developed?
 - C. Where are customers located?
 - D. What is the image of the business?
48. To promote its summer menu, Danielle's Cafe plans to email a \$5.00-off coupon to its regular customers next Tuesday. The coupon will be valid from June 1 through June 15. What does use of the coupon represent?
- A. Strategy
 - B. Goal
 - C. Tactic
 - D. Trend
49. Which of the following would probably use a longer channel of distribution than the others:
- A. A printing press
 - B. A bag of oranges
 - C. An airplane
 - D. A bottle of shampoo

50. One of the purposes of the situational analysis component of a marketing plan is to determine a business's
A. expansion options.
B. distribution channels.
C. operating objectives.
D. current weaknesses.
51. A situation analysis reveals that Pullman Industries will need to increase its minimum wage to \$9.30 per hour in three months or face severe government fines for noncompliance. This is an example of a _____ factor that affects businesses.
A. technological
B. regulatory
C. managerial
D. secondary
52. Thomas wants to change the word "develop" to the word "create" in several places throughout his document. The quickest way to make these changes is by using the _____ function.
A. header and footer
B. cut and paste
C. find and replace
D. styles and formatting
53. To write text on your web page, you need to use _____ software.
A. keylogger
B. computer-aided design (CAD)
C. defragmentation
D. web-editing
54. Which of the following could cause a legal issue associated with information management:
A. Requiring a passcode to unlock workstations
B. Using a secure network to store data
C. Accidentally emailing a client's personal information to others
D. Shutting down your computer before leaving the office
55. Information management professionals carry an important responsibility for ensuring that their company has its records in order in case of _____ by the government.
A. financial modeling
B. an expenditure
C. a financial audit
D. outsourcing
56. The final deliverable of your project is choosing a name for your company's new product. Which of the following tasks is most likely outside the project's scope:
A. Brainstorming for names with members of the project team
B. Seeing how potential names look in different fonts
C. Generating potential names for future products
D. Conducting a focus group to test potential names

57. Which of the following is a true statement about safety hazards in the workplace:
- A. Trial and error is a good way to learn use of tools and equipment.
 - B. Good housekeeping increases safety hazards.
 - C. Employees decide which protective clothing they should wear.
 - D. Personal habits can create safety hazards.
58. Akua is in charge of supervising the entire process of getting products into the marketplace, otherwise known as the flow of goods. Akua's job title is most likely
- A. supply chain manager.
 - B. chief financial officer.
 - C. line supervisor.
 - D. inventory manager.
59. Effective collaboration between supply chain partners will most likely result in
- A. lower employee turnover.
 - B. longer lead times.
 - C. higher inventory levels.
 - D. lower warehousing costs.
60. It's important to _____ all of the corrections you make during a project.
- A. accept blame for
 - B. cover up
 - C. duplicate
 - D. document
61. A member of a sales team said, "Our sales always decline this time of year. We just need to wait a few months until they pick up again." What barrier to creativity is the sales-team member exhibiting?
- A. Limiting code of behavior
 - B. Need to be right the first time
 - C. Stress
 - D. Criticism
62. What type of duties do customer service professionals often perform?
- A. Preparing ads
 - B. Handling complaints
 - C. Receiving shipments
 - D. Paying invoices
63. Many teenagers begin searching for their first jobs by contacting
- A. national corporations.
 - B. community training programs.
 - C. employment agencies.
 - D. neighborhood businesses.

64. A company starts marketing its workout clothes as everyday wear. This is an example of _____ innovation.
- A. process
 - B. positioning
 - C. product
 - D. paradigm
65. Which of the following statements is true about an employee's role in meeting organizational goals:
- A. An employee's attitude is more important in meeting organizational goals than their skill set.
 - B. Training programs are ineffective tools for assisting employees to achieve organizational goals.
 - C. The organization should base its overall goals on an employee's personal strengths.
 - D. An employee's performance goals should align with the organization's overall goals.
66. The Smith Company decides to ship its products by truck rather than air so it can keep its prices lower than its major competitor. This is an example of a pricing decision that is influenced by
- A. promotion objectives.
 - B. physical location.
 - C. production costs.
 - D. distribution channels.
67. Widget Industries is a new company that is coming out with a new product. A similar product is in the market but has not yet caught on with most consumers. Widget Industries should price its product _____ than its competitors in an attempt to _____.
- A. higher; create a discount image
 - B. lower; create an exclusive image
 - C. lower; gain as much of the market as possible
 - D. higher; gain as much of the market as possible
68. How do supply and demand interact to influence price?
- A. When demand exceeds supply, producers will begin a process called rationing.
 - B. When demand exceeds supply, producers will lower prices to satisfy customers.
 - C. When supply exceeds demand, producers will lower prices to sell excess supply.
 - D. When supply exceeds demand, producers will set a relative price.
69. Bar code symbols that are scanned into computers and used to identify and total information such as the selling prices for products are also called
- A. Universal Product Codes.
 - B. Uniform Resource Locators.
 - C. Unified Pricing Criteria.
 - D. United Rating Systems.
70. UNISYS Corporation offers training with the computer systems and software the company sells to businesses. The training is an example of
- A. a product-related service.
 - B. product positioning.
 - C. product screening.
 - D. a community service.

71. The way in which a business makes changes in the amount or type of goods or services it offers is known as its
A. product positioning.
B. marketing strategy.
C. product-mix strategy.
D. promotional mix.
72. Which of the following is a way that businesses can include consumer protection as part of product/service management:
A. Precise marketing
B. Discount pricing
C. Accurate labeling
D. Creative selling
73. Why do businesses want to meet quality standards?
A. To determine how much work must be done
B. To reduce costs
C. To decrease profit
D. To examine how long it takes to get a job done
74. Todd recently purchased a mountain bike from ABC Company. After two weeks of normal use, the frame broke. ABC had promised Todd that it would refund his entire purchase price if the bike did not perform as expected. This promise would be classified as a
A. limited guarantee.
B. guarantee.
C. limited warranty.
D. warranty.
75. Which of the following is a decision a company might make during the decline stage of the product life cycle:
A. Whether to change the product
B. How to fend off the competition
C. How to increase awareness of the product
D. What production schedule to follow
76. Technology is important to the product/service management function because it helps a business
A. finance expansions.
B. monitor inventory.
C. increase revenue.
D. select advertising.
77. When products and services are managed ethically, customers
A. are at risk of harm and dissatisfied with their purchases.
B. are generally free from harm and satisfied with their purchases.
C. remain completely unaware of the company and its products.
D. become more likely to file lawsuits against the company.

78. 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. product awareness.
 - B. product bundling.
 - C. channel management.
 - D. sales volume analysis.
79. To gain a competitive advantage, a business carefully selects channel members and trains them to provide customers with superior expertise and service. This business is positioning its products by focusing on
- A. quality at an exceptional value.
 - B. product attributes.
 - C. customization.
 - D. channel differentiation.
80. All existing goods and services began with a(n)
- A. target market.
 - B. solution.
 - C. financial investment.
 - D. idea.
81. Which of the following is the type of branding that differentiates an organization from its competitors:
- A. Loyalty
 - B. Corporate
 - C. Universal
 - D. Product
82. PetFast pet store is known for its low prices and great value. The store frequently advertises its weekly sales, during which customers can get bulk pet foods for discounted prices. This is an example of corporate
- A. strategizing.
 - B. positioning.
 - C. price fixing.
 - D. modeling.
83. One way promotional activities directly benefit businesses is
- A. debates over controversial issues.
 - B. deceptive advertising.
 - C. increased product sales.
 - D. a reduction in costs.
84. A business informing customers about the new, free services being offered is an example of _____ promotion.
- A. public service
 - B. product
 - C. public relations
 - D. patronage

85. In what stage of a product's life cycle would a company spend the least amount of money on promoting the product?

- A. Declining
- B. Maturity
- C. Introductory
- D. Growth

86. What type of media may include catalogs?

- A. Out-of-home media
- B. Broadcast media
- C. Direct mail
- D. Transit media

87. Illustrations used in a supermarket's print ads are examples of illustrations that focus on the

- A. product's features.
- B. benefits of the product.
- C. product itself.
- D. product in an appropriate setting.

88. An advantage to retailers of offering credit is that credit customers

- A. often buy impulse items more freely.
- B. have little effect on store profits.
- C. spend more time deciding to buy.
- D. always pay their accounts promptly.

89. When developing promotional activities, a business should consider how to accomplish its goal of attracting consumer attention in an effective and _____ way.

- A. intangible
- B. vague
- C. tasteful
- D. inflexible

90. Which of the following is the most efficient, cost-effective way for a business to promote goods and services to customers who want to receive product information:

- A. Direct mail
- B. Spam email
- C. Indirect mail
- D. Opt-in email

91. In a free-enterprise economic system, promotional practices are often subject to regulation by governmental systems, consumer groups, and _____ organizations.

- A. competitive
- B. liability
- C. nonprofit
- D. industry

92. Word-of-mouth marketing is based on the idea that

- A. cheaper marketing is always more effective.
- B. consumers trust each other more than brands.
- C. paid advertising no longer works.
- D. consumers trust brands over other consumers.

93. Which of the following is an example of a pull sales promotion strategy:

- A. A sales incentive program
- B. A slotting allowance
- C. A booth at a trade show
- D. A buy one, get one free deal

94. What does a salesperson need to do to be successful in selling?

- A. Learn the features unique to the brands they sell
- B. Describe the disadvantages of competing brands
- C. Sell a limited number of brands
- D. Always attempt to sell related merchandise

95. When a business's salespeople take time to discover their customers' needs, the business is likely to benefit because

- A. customers are likely to qualify sales leads.
- B. salespeople usually earn higher commissions.
- C. customers tend to return fewer products.
- D. product reviews become unnecessary.

96. A salesperson's most accessible resource person for product information is usually a(n)

- A. coworker.
- B. customer.
- C. manufacturer.
- D. area manager.

97. Joseph is working on a marketing research project for his company. To gain insight into industry trends, he consults trade association reports and databases. What type of data is Joseph collecting?

- A. Primary data
- B. Internal data
- C. External data
- D. Qualitative data

98. When a customer buying an appliance, piece of electronics, or vehicle asks questions about repairs, the salesperson should explain features and benefits relating to its

- A. service and warranty.
- B. popularity.
- C. history.
- D. appearance and style.

99. 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. Self-actualization
- C. Safety
- D. Belonging

100. A business's selling policies are beneficial to customers when they

- A. ensure that all customers are treated fairly.
- B. restrict the salespeople's selling activities.
- C. maximize profitability and achieve sales goals.
- D. provide customers with limited credit options.



KEY

Test Number 1271

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 MBA Research exclusively for DECA's 2022-2023 Competitive Events Program. Items have been randomly selected from the MBA Research Test-Item Bank and represent a variety of instructional areas. Performance indicators for this exam are at the prerequisite, career-sustaining, and specialist levels. A descriptive test key, including question sources and answer rationale, has been provided to the DECA chartered association advisor.



Copyright © 2023 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. Permission for reprinting is granted to DECA chartered associations authorized by DECA Inc.

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

Negligence. Negligence is conduct that drops below a reasonable standard of care and causes harm to another person or persons. When a pharmaceutical company accidentally includes a poisonous substance in a drug, it is an example of negligence, not invasion of privacy, defamation, or strict liability. The company did not invade its consumers' privacy or harm its users' reputations (defamation). The company would not likely be held in strict liability, because strict liability implies that the tortfeasor (the company) was engaged in an inherently dangerous activity. Making and selling over-the-counter drugs is not generally an inherently dangerous activity to the public.

SOURCE: BL:069 Identify the basic torts relating to business enterprises

SOURCE: Gordon, J. (2021, June 29). *Tort law (Intro)*. Retrieved September 26, 2022, from https://thebusinessprofessor.com/en_US/criminal-civil-law/tort-law-intro-

2. C

Recycling programs. Environmental regulations set pollution standards that businesses must meet, establish rules for disposing of waste, encourage recycling, and monitor illegal dumping. The goal is to protect the environment. By encouraging businesses to participate in recycling programs, environmental regulations help to conserve natural resources and control waste. Agencies that oversee environmental regulations are the ones that enforce the laws. Environmental regulations do not encourage businesses to participate in resource identification or ethical contracts.

SOURCE: BL:073 Discuss the nature of environmental law

SOURCE: Laws.com. (2019, December 23). *Know the purpose of environmental law*. Retrieved September 26, 2022, from <https://environmental.laws.com/environmental-law/purpose-of-environmental-law>

3. C

Channel length. The total number of members in a channel is called channel length. Channel length may be long or short, depending on what makes the most economic sense. Distribution intensity and patterns have to do with intensive, selective, or exclusive distribution. Channel width refers to the number of middlemen available at the same level of a channel.

SOURCE: CM:001 Explain the nature and scope of channel management

SOURCE: LAP-CM-001—Chart Your Channels (Channel Management)

4. B

Geographics. Geographics is the division of a market based on where consumers are located. Because our society is quite mobile, businesses need to be aware of geographic shifts in the population and target their marketing to new residents. Psychographics is the division of a market based on consumers' lifestyles and personalities. Demographics is the division of a market based on its physical and social characteristics. Economics is the study of how people satisfy unlimited, competing wants with limited resources.

SOURCE: MP:003 Explain the concept of market and market identification

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

5. D

Exclusive dealing. Exclusive dealing is illegal when it hinders a competitive environment. In the example, the manufacturer holds a big part of the market and is attempting to keep its dealers from selling competing products. This keeps other businesses from entering or competing in the marketplace, which is unfair, particularly to small businesses. Tying agreements are illegal agreements that require a customer to buy other products to obtain the desired goods and services. Selective distribution is a business strategy in which a producer sells products through several, but not all, wholesalers and/or retailers. Channel control refers to the level of authority that each member has in the distribution channel.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: Federal Trade Commission. (n.d.). *Exclusive dealing or requirements contracts*. Retrieved September 26, 2022, from <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/dealings-supply-chain/exclusive-dealing-or-requirements-contracts>

6. B

The gray market. Gray-market goods are foreign-made products that are imported into countries by suppliers that are not authorized by the manufacturers. Sometimes, manufacturers issue licenses to the foreign businesses to produce the items, but do not give them permission to distribute them in the country of origin. In some countries, laws do not specifically prohibit the distribution of these types of foreign-made items. The manufacturers' authorized dealers feel this is unfair (and socially irresponsible) because they lose sales when consumers pay lower prices for the foreign-made items. This practice often creates unfair competition. A strategic alliance is a partnership between two businesses that is mutually beneficial.

SOURCE: CM:006 Describe ethical considerations in channel management

SOURCE: Wallace, O. (2022, September 15). *What is the gray market?* Retrieved September 26, 2022, from <https://www.smartcapitalmind.com/what-is-the-gray-market.htm>

7. C

Sales forecast. A sales forecast is a prediction of future sales over a specific period of time. When a business shares its sales forecast with its vendors, they have time to plan and make sure that they have the products available when and where the products are needed. An annual report, a cash flow analysis, and a media schedule do not provide the information that vendors need to plan their inventory and delivery strategies.

SOURCE: CM:007 Coordinate channel management with other marketing activities

SOURCE: Anaplan. (2022). *Beginner's guide to sales forecasting methodology*. Retrieved September 26, 2022, from <https://www.anaplan.com/blog/sales-forecasting-guide>

8. A

Vertical channel conflict. Vertical conflict may occur among members who are on different levels of the same channel of distribution. For example, a manufacturer traditionally sells products to wholesalers who sell the products to a business. If the manufacturer starts to sell directly to the business, the wholesalers are eliminated from the channel of distribution, which might create conflict because the wholesalers are losing customers and revenue. Reverse distribution involves recycling an existing product. Horizontal conflict may occur among members who are on the same level in a channel of distribution. Exclusive distribution involves selling to only one distributor.

SOURCE: CM:008 Explain the nature of channel-member relationships

SOURCE: Herrera, A. (2014, January 15). *Channel conflict in marketing*. Retrieved September 26, 2022, from <https://www.slideshare.net/iamALECXZ/channel-conflict-in-marketing>

9. A

A customer has complained about the service they received. This kind of complaint is the type of information that should be shared with all staff right away since it could affect the entire company. In addition, all staff should be reminded of company policy in such areas. Information about employees' problems is likely to be passed through the grapevine, but it should not be announced to staff. Such business decisions as the transfer of employees or changes in hours are usually announced at an appropriate time after they have been made by management.

SOURCE: CO:014 Explain the nature of staff communication

SOURCE: Rawes, E.M. (2019, May 8). *Types of communication in the workplace*. Retrieved September 26, 2022, from <https://bizfluent.com/info-7742528-types-communication-workplace.html>

10. C

To gain the audience's attention. Effective introductions gain the audience's attention. Supporting details are usually provided in the middle of a presentation. A speaker might outline the main points to be discussed in their opening remarks, but summarizing the talk would occur at the end. An effective introduction might include a funny story to gain the audience's attention, but there are many other methods that could be used to capture the audience's attention as well.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

11. C

Make a decision. Informational messages are intended to inform and provide data to the recipients. In many cases, the purpose of an informational message is to help the recipient make a decision. For this to happen, the business employee should explain the situation and include sufficient data. If recipients clearly understand the who, what, where, when, why, and how of the situation, they usually have sufficient information to make a decision. Clear and concise writing enables a recipient to read the message. The letterhead usually includes the business's name, address, and phone number so recipients are able to contact the business. Explaining the situation and including sufficient data does not guarantee that the recipient will agree with the content.

SOURCE: CO:039 Write informational messages

SOURCE: Carpenter, B. (n.d.). *Four types of communication in business writing*. Retrieved September 26, 2022, from <https://smallbusiness.chron.com/four-types-communication-business-writing-21695.html>

12. B

The data are too complex to describe in the body of the text. Tables present text or numbers in a grid format. The table allows readers to see groups of data together for comparison. Tables are also useful because they summarize data in an easy to read format. Tables present data (e.g., statistics) that may be too wordy or complex to describe in a paragraph format. Tables should appear in a document where they are most appropriate, which may be the body, conclusions, recommendations, or appendices. The inclusion of a bibliography is not a factor when determining if a table should be included in the document. The primary purpose of tables is to provide information, which may or may not build credibility and impress the audience.

SOURCE: CO:087 Select and use appropriate graphic aids

SOURCE: Krystian, M. (2016, June 4). *Do you know when to use tables vs. charts?* Retrieved September 26, 2022, from <https://infogram.com/blog/do-you-know-when-to-use-tables-vs-charts>

13. B

Product. The product policy determines which products the business will offer. These products act as "drawing cards" that attract customers. Credit policies control the use of payment plans that allow customers to purchase now and pay later. Service policies provide special features to encourage customers to select one business over another. Return and delivery are types of service policies.

SOURCE: CR:007 Interpret business policies to customers/clients

SOURCE: Chand, S. (n.d.). *Product policy: 6 essential components of a sound product policy*. Retrieved September 26, 2022, from <https://www.yourarticlerepository.com/policies/product-policy-6-essential-components-of-a-sound-product-policy-economics/29034>

14. D

Unresolved opportunities. It's helpful to look at problems with difficult customers as unresolved opportunities rather than as annoyances or obstacles. If you handle the situation correctly, the experience can benefit the customer, your business, and you. It may or may not be a chance to earn a raise.

SOURCE: CR:009 Handle difficult customers

SOURCE: LAP-CR-009—Making Mad Glad (Handling Difficult Customers)

15. C

Demand. For demand to exist, consumers must have both the desire and the ability to purchase the product. Supply is the amount of the product that sellers are willing and able to offer for sale at a specified price in a given time period. Market price is the actual price that prevails in a market at any particular moment. Elasticity is an indication of how changes in price will affect changes in the amounts demanded and supplied.

SOURCE: EC:005 Explain the principles of supply and demand

SOURCE: LAP-EC-011—It's the Law (Supply and Demand)

16. D

Predatory pricing. Predatory pricing is a tactic that involves a business that prices its products very low so competitors cannot effectively compete in the marketplace. This often causes the competitors to go out of business, which can lead to a monopoly. A monopoly is a condition in which one supplier controls the market, and there are no substitute goods or services readily available. Predatory pricing is unethical and is illegal in many countries. Price lining is the practice of selling products at a limited number of predetermined price points or levels. Captive pricing is a tactic in which the business sets a low price for the primary product and sets high prices for the product's accessories. Bait-and-switch is an activity that involves promoting a low-priced item to attract customers to whom the business then tries to sell a higher-priced item.

SOURCE: PI:015 Describe the role of business ethics in pricing

SOURCE: Houston Chronicle. (2021, April 15). *Ethical issues of pricing strategy*. Retrieved September 26, 2022, from <https://smallbusiness.chron.com/ethical-issues-pricing-strategy-17441.html>

17. D

Increasing labor and capital resources. Labor and capital combine to produce goods and services. If more equipment and workers are added, production should increase, which increases the gross domestic product (GDP). Importing more goods and services than are exported creates a trade deficit, which has a negative effect on GDP. Decreasing productivity would decrease the GDP.

SOURCE: EC:017 Explain the concept of Gross Domestic Product (GDP)

SOURCE: LAP-EC-917—Measure Up? (Gross Domestic Product)

18. B

Terrorist threats. Terrorist threats can make globalization more difficult and costly. International trade is dampened when the safety of people and operations is in question. Stronger infrastructures, new technologies, and faster transportation are all factors that aid globalization.

SOURCE: EC:104 Discuss the global environment in which businesses operate

SOURCE: LAP-EC-104—Stretch Your Boundaries (The Global Business Environment)

19. B

Competition. Trade alliances can lead to more competition. Because companies now face off against businesses in other countries, in addition to their own country, they have more businesses to compete against for consumer dollars. Lost jobs and higher wages are not illustrated in this example. Competition among businesses would likely lead to benefits for consumers, not downsides.

SOURCE: EC:112 Explain the impact of major trade alliances on business activities

SOURCE: Sarokin, D. (2019, April 12). *The effects of free trade*. Retrieved September 26, 2022, from <https://smallbusiness.chron.com/effects-trade-3842.html>

20. D

Negative feedback. Negative feedback is criticism or disapproval. Susie's coworkers are expressing their criticism and disapproval of her lack of consideration and cooperation on the job. Susie's coworkers have reached negative conclusions about her behavior, but they have not said she lacks skill.

SOURCE: EI:003 Explain the use of feedback for personal growth

SOURCE: LAP-EI-903—Grin and Bear It (Using Feedback for Personal Growth)

21. D

Contentment. Being adaptable requires you to stretch, try new things, and get out of your comfort zone, which can be hard to do if you're content. Objectivity and empathy are characteristics of adaptable people; these traits make it easier for a person to adapt. Missed opportunities are a negative consequence of refusing to adapt.

SOURCE: EI:006 Demonstrate adaptability

SOURCE: LAP-EI-006—Go With the Flow (Demonstrating Adaptability)

22. B

You have the right to choose the way you respond to your circumstances. Don't excuse yourself by blaming your passive or aggressive behavior on your circumstances. No matter what your circumstances, you have the right to choose the way in which you respond to those circumstances. Take full responsibility for your behavior, and resolve to change it when it is inappropriate. Passive behavior is never a good response to aggression as it usually encourages the aggressive person to continue.

SOURCE: EI:008 Use appropriate assertiveness

SOURCE: LAP-EI-008—Assert Yourself (Assertiveness)

23. C

Bias. A bias is a prejudice, an opinion, or judgment that is based on feeling or hearsay, rather than fact. The hiring director should hire whomever is most qualified for the job instead of acting on his biases. The hiring director is not being impartial or objective. This should not be a typical hiring practice.

SOURCE: EI:017 Recognize and overcome personal biases and stereotypes

SOURCE: LAP-EI-917—Don't Jump to Conclusions! (Recognizing and Overcoming Personal Biases and Stereotypes)

24. B

Responsibility. Responsible individuals are accountable for things that are within their control. Initiative is the ability and willingness to think or act without being told. Interpersonal skills are how a person gets along with others. Consideration means showing kindness or thoughtfulness to others.

SOURCE: EI:021 Demonstrate responsible behavior

SOURCE: LAP-EI-021—Make the Honor Role (Acting Responsibly)

25. B

Work interruptions. Interruptions prevent employees from focusing on the task at hand. When an employee experiences several interruptions during a short time span, their work falls behind. Falling behind on a project often triggers stress, especially if a tight deadline is looming. This is what is triggering Ann's stress. She has fallen behind and doesn't know if she will meet her deadline, because her work was interrupted. There is not enough information to determine if Ann feels that her workload is unrealistic, her employer has unclear business policies, or she has difficult relationships with her coworkers.

SOURCE: EI:028 Explain the nature of stress management

SOURCE: LAP-EI-028—Keep Your Cool (Stress Management)

26. B

Patience. Patience is the ability to endure life's aggravations and difficulties calmly. A good coach is patient and persistent because the person being coached may not "catch on" quickly to the concepts that will help improve their performance. An effective coach understands this and doesn't get frustrated or give up. Aggression is feelings of anger and disrespect for others that may lead to aggressive behavior. Self-interest is giving priority to what benefits oneself. Creativity is the ability to generate unique ideas, approaches, and solutions.

SOURCE: EI:041 Coach others

SOURCE: LAP-EI-041—Bring Out the Best (Coaching Others)

27. B

Your values. Your values are the principles by which you live. Your values and the things that are most important to you shape your personal vision—the future that you want to create. After you determine your personal vision, you can evaluate the obstacles and cultural differences that you may encounter as you work toward your vision. Others' aspirations should not be a primary consideration when you determine your personal vision.

SOURCE: EI:063 Determine personal vision

SOURCE: LAP-EI-063—Picture This! (Determining Personal Vision)

28. B

Mailing a brochure to a consumer's home. Direct marketing involves communicating messages directly to the customers or potential customers who are most likely to act upon the message content or offer. A form of direct marketing is direct mail, which is a promotional medium that comes to consumers' homes and businesses in the form of letters, catalogs, postcards, brochures, faxes, etc. A TV commercial is advertising, which is a nonpersonal presentation of ideas, images, and products. A salesperson develops a sales presentation, which is an activity of the selling function. There is not enough information provided to determine if the manufacturer's information is a direct-mail piece.

SOURCE: PR:089 Explain the nature of direct marketing channels

SOURCE: Clark, B., Basteri, C.G., Gassen, C., & Walker, M. (2014). *Marketing dynamics* (3rd ed.) [pp. 481-486]. Tinley Park, IL: Goodheart-Willcox.

29. A

Tax liability. A tax liability is tax that a person or business must pay the government. Certain events, like annual income, an inheritance, and money from the sale of an asset, are taxable. Since citizens must pay money on these sources of income, it is not untaxable income or a tax loophole. Sales tax is a type of tax that is paid on the sale of goods and services.

SOURCE: FI:067 Explain the nature of tax liabilities

SOURCE: Berry-Johnson, J. (2022, September 2). *What is tax liability?* Retrieved September 26, 2022, from <https://www.investopedia.com/terms/t/taxliability.asp>

30. C

Pooling their money with other investors. A mutual fund is a collection of stocks and bonds. When you buy a mutual fund, you are pooling your money with other investors, allowing you to pay for a professional manager to select investments for the group. Therefore, when an individual invests in a mutual fund, they are not selecting their own investment options, nor are they solely purchasing corporate and government bonds. Investing in a mutual fund is a relatively low-risk way to invest because a professional financial manager selects appropriate securities for you.

SOURCE: FI:077 Explain types of investments

SOURCE: Chen, J. (2020, May 28). *A beginner's guide to asset classes.* Retrieved September 26, 2022, from <https://www.investopedia.com/articles/basics/11/3-s-simple-investing.asp>

31. D

To act as a framework for ethical decision-making. A code of ethics can supplement the rules and act as a framework for ethical decision-making. Codes of ethics help accountants figure out what ethics look like in different situations. Codes of ethics do not provide punishments for those who break rules, limit the work that accountants can do, or differentiate between different types of accounting.

SOURCE: FI:351 Discuss the role of ethics in accounting

SOURCE: LAP-FI-351—With Due Care (The Role of Ethics in Accounting)

32. D

The company will look for proof to justify its decision. Sunk costs are costs that have already been incurred and cannot be recovered. People have a tendency to try to justify those costs, even if they are associated with a poor or unethical decision. Sunk costs do not necessarily lead to employees seeking other employment or forgoing long-term rewards for short-term benefits, nor do sunk costs necessarily lead to ethical practices diminishing over time.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

33. A

Increase sales and profits. A company uses marketing information in the daily operation of the business and in planning for its future. The overall goal of gathering marketing information is to be able to increase the company's profits by increasing sales and reducing losses. Past sales trends, inventory records, and customer complaints are general categories of internal marketing information and are examples of the types of information that companies gather.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-001—Get the Facts Straight (Marketing-Information Management)

34. A

It contributes to business success. Marketing research has a significant impact on business success. Businesses that obtain reliable marketing research data are better able to make good decisions because their decisions are based on fact, not opinion. Whether marketing research improves a business's financial management would depend upon the kind of problem the business is trying to solve and the data gathered. Competitors are often unaware of a business's marketing research efforts.

SOURCE: IM:010 Explain the nature of marketing research

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

35. D

Promotional strategy. Determining what target market to appeal to and what messages to send are part of a company's promotional strategy. Place strategy refers to distributing the product. Product strategy includes determining what products to offer or develop. Pricing strategy refers to determining what to charge for the product.

SOURCE: IM:012 Describe the need for marketing data

SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)

36. B

Promote products. Some businesses misuse the marketing information they obtain through research to develop advertising and promote products. Businesses sometimes obtain information specifically to support their point of view and use this information, which is not exactly accurate, to promote products. An example is a business that conducts a very limited survey for the purpose of advertising that the majority of respondents prefer its product to the product of a competitor. Legitimate research that provides accurate, unbiased marketing information is often used in advertising. Surveys are often developed to collect marketing information, which is then analyzed and used to solve problems.

SOURCE: IM:025 Explain the role of ethics in marketing-information management

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

37. A

Coding. Coding is the process of assigning a numeric value to the various responses on a marketing questionnaire or survey. Some questionnaires contain built-in codes, such as when the respondent is asked to rate agreement with a question on a scale of 1 to 5. The numbers from 1 to 5 are the numeric codes. For other types of questionnaires, researchers often establish a master code. For example, there are six possible responses to a certain question and the third answer has a numeric value of 3, but that number is not printed on the questionnaire. Tabulating the responses occurs after the surveys are completed. Sorting and marking do not assign numeric values to each response on a marketing questionnaire.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Kent State University. (2022, July 7). *Qualtrics tutorials: Item coding*. Retrieved September 26, 2022, from <https://libguides.library.kent.edu/qualtrics/howto/coding>

38. A

Online-based information services. External marketing data is information from outside the business. The internet is a technological tool that allows a business to retrieve external marketing information quickly. Online-based information services, such as online libraries, provide a wide range of information for marketers. Sales reports, accounts receivable summaries, and inventory records are examples of internal sources of marketing information.

SOURCE: IM:183 Describe the use of technology in the marketing-information management function

SOURCE: Inc.com. (2021, January 5). *Conducting online market research: Tips and tools*. Retrieved September 26, 2022, from https://www.inc.com/guides/biz_online/online-market-research.html

39. A

Conduct primary research. If marketers do not have enough secondary data available to meet the company's needs, they must conduct primary research, such as a market research study or a focus group. Marketers cannot create data—they can only identify, collect, organize, and analyze them. Identifying data for marketing decision-making is important—businesses cannot afford to wait for secondary data to appear or to find new projects.

SOURCE: IM:184 Identify data monitored for marketing decision making

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

40. A

Meet customers' needs. One way to develop long-term relationships with customers is to provide quality service that meets customers' needs and makes them feel appreciated. In many cases, the type of service provided must be tailored to fit the needs of the customer. For example, one customer might need an order delivered overnight while another customer needs to return a defective item. Salespeople should determine what the customer needs and then provide that service. Not all services need to save money for customers, although many services do not add cost. Services need to be tailored to the customer rather than the same for all customers. Services usually do not include customers' employees unless the service involves training employees to use a new type of product.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

41. D

Size and resources. How marketing research is conducted depends on a business's size and resources. Midsize and big companies are more likely to be able to afford to hire an outside marketing research firm to complete the job. Smaller businesses often complete the research themselves. A business's industry, products, and employees don't necessarily determine how it will conduct market research.

SOURCE: IM:282 Discuss the nature of marketing research problems/issues

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

42. C

Survey. Determining the reach of an advertisement is a specific issue that involves quantitative data, which categorizes it as a descriptive research study. A survey is the most appropriate research design because surveys are in-depth, specific, and quantitative, which makes them well-suited for descriptive research. Focus groups are suitable for exploratory research because exploratory research requires a smaller scale with less structure. Test marketing and simulations are appropriate for causal research studies because they show a cause and effect relationship between independent and dependent variables.

SOURCE: IM:284 Describe methods used to design marketing research studies (i.e., descriptive, exploratory, and causal)

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

43. D

How many people to survey. Sampling plans are intended to identify the number of people who will be surveyed for a research project. The goal is to survey enough people to obtain an accurate representation, but not more than necessary. In many cases, the population affected by the research is very large and researchers are unable to survey all of them. Therefore, they establish a sampling plan that determines the number of people to survey. A sampling plan does not answer the question of what marketing technique to use, when to conduct an interview, or why it is necessary to investigate the issue.

SOURCE: IM:285 Discuss the nature of sampling plans (i.e., who, how many, how chosen)

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

44. A

Are easy to analyze. Surveys are excellent tools for data collection because they are simple, reliable, and easy to analyze. Unlike experiments, they do not show cause and effect. Unlike personal interviews, they do not dig deep into respondents' feelings. And, unlike tracking, they do require some amount of human input.

SOURCE: IM:289 Describe data-collection methods (e.g., observations, mail, diaries, telephone, Internet, discussion groups, interviews, scanners, tracking tools)

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

45. C

Recording. Errors can occur at any stage during the marketing research process. When a researcher transposes numbers while transferring information from surveys or other research documentation into a computer spreadsheet or in a written document, it is a recording error. The example does not present a measurement, sampling, or response error.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: Australian Bureau of Statistics. (n.d.). *Errors in statistical data*. Retrieved September 26, 2022, from <https://www.abs.gov.au/websitedbs/d3310114.nsf/home/Basic+Survey+Design+-+Errors+in+Statistical+Data>

46. D

Types of questions. There are several types of questions that can be written for use in a questionnaire. These include open-ended questions that require more than a "yes" or "no" answer, simple "yes" or "no" questions, and multiple-choice questions. The type of question used has an effect on the information that will be collected. Researchers evaluate the type of question that will be used to obtain the most useful response. Researchers do not consider the size of paper, the names of developers, or the number of participants when evaluating the design of questionnaires.

SOURCE: IM:293 Evaluate questionnaire design (e.g., types of questions, question wording, routing, sequencing, length, layout)

SOURCE: Bhandari, P. (2022, August 19). *Questionnaire design: Methods, question types & examples*. Retrieved September 26, 2022, from <https://www.scribbr.com/methodology/questionnaire>

47. C

Where are customers located? The marketing-information management function involves gathering, accessing, synthesizing, evaluating, and disseminating information. Accurate marketing information can help businesses answer questions such as "Where are customers located?" The product/service management function tries to answer questions such as "What new products should be developed," and "What is the image of the business?" The distribution function helps businesses answer questions such as "Where will products be stored?"

SOURCE: MK:002 Describe marketing functions and related activities

SOURCE: LAP-MK-002—Work the Big Seven (Marketing Functions)

48. C

Tactic. Because emailing the coupon is a specific action to increase short-term sales, it is a marketing tactic. Marketing tactics are used to carry out the business's marketing strategies, which are broader in scope and serve as "road maps" to achieve the business's marketing goals. A trend is the general direction in which people or events are moving. Businesses evaluate trends when setting marketing objectives, determining marketing strategies, and executing marketing tactics.

SOURCE: MP:001 Explain the concept of marketing strategies

SOURCE: LAP-MP-001—Pick the Mix (Nature of Marketing Strategies)

49. D

A bottle of shampoo. Shampoo is a low-cost, standard product that would probably use a longer channel of distribution than the other alternatives. A bag of oranges is perishable and needs to use short channels. A printing press is highly technical, requires installation, and is quite heavy; therefore, it would rely on short channels. An airplane is technical and quite heavy and would probably use a direct route from the producer to the industrial user.

SOURCE: CM:003 Explain the nature of channels of distribution

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

50. D

Current weaknesses. A situational analysis is a determination of a firm's current business situation and the direction in which the business is headed. Both internal and external environmental conditions are evaluated to determine the business's current strengths, weaknesses, opportunities, and threats. It is important for a business to identify and understand its weaknesses to make adjustments in the marketing plan. If businesses fail to address their weaknesses, they may lose customers to competitors. Determining distribution channels, operating objectives, and expansion options are not the purposes of the situational analysis component of a marketing plan.

SOURCE: MP:007 Explain the nature of marketing plans

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

51. B

Regulatory. A business conducts a situation analysis to determine the firm's current business situation and the direction in which the business is headed. A comprehensive situation analysis involves evaluating internal and external conditions. A regulation change, such as a minimum-wage increase, is an example of an external change that affects a business. The situation presented is not an example of a technological, secondary, or managerial factor that affects businesses.

SOURCE: MP:008 Explain the role of situation analysis in the marketing planning process

SOURCE: Lucidspark. (2022). *What is situation analysis?* Retrieved September 26, 2022, from
<https://lucidspark.com/blog/what-is-situation-analysis>

52. C

Find and replace. The find and replace function allows computer users to make changes to their documents quickly. This function is beneficial when working with large documents that contain multiple words or phrases that need to be changed. The cut function allows a computer user to remove text or graphics from the document. The paste function allows a computer user to place cut or copied text or graphics in the document. Although the cut and paste functions allow users to change words, they are not as quick as the find and replace function, which is one step. The header and footer function allows a computer user to place document names and page numbers into a document. The styles and formatting function allows a computer user to organize the document's contents in a standard or consistent manner.

SOURCE: NF:007 Demonstrate basic word processing skills

SOURCE: Microsoft. (n.d.). *Find and replace text and other data in a Word document.* Retrieved October 17, 2022, from <https://support.office.com/en-us/article/Find-and-replace-text-and-other-data-in-a-Word-document-c6728c16-469e-43cd-afe4-7708c6c779b7>

53. D

Web-editing. Businesses use web-editing software to develop and edit text and graphics for the web pages that are posted to websites. Computer-aided design (CAD) software is used to develop three-dimensional images. Defragmentation applications rearrange files on a computer hard drive to facilitate faster data access. Keylogger software is a computer program that tracks all of the computer user's keystrokes and clicks.

SOURCE: NF:042 Create and post basic web page

SOURCE: Kyrnin, J. (2020, January 30). *How to build your first web page*. Retrieved October 17, 2022, from <https://www.lifewire.com/how-to-build-a-web-page-3466384>

54. C

Accidentally emailing a client's personal information to others. A client's personal information is confidential and should be treated as such. Requiring a passcode to unlock workstations, shutting down computers after work hours, and using a secure network to store data are all ways to prevent legal issues from occurring.

SOURCE: NF:076 Explain legal issues associated with information management

SOURCE: AIIM. (n.d.). *What is information management?* Retrieved October 17, 2022, from <https://www.aiim.org/What-is-Information-Management#>

55. C

A financial audit. An audit is a process by which an organization's accounts and records are verified, generally by the organization's employees, a certified public accountant, or a governmental entity. In an audit, the company may have to provide certain accounting records to prove that its books are accurate and complete. While governments sometimes outsource certain tasks, government outsourcing isn't an important reason for a business to keep its records in order. Likewise, information management professionals aren't likely to have to share their company records for government expenditures. Financial modeling is the task of building an abstract representation of a real-world financial situation.

SOURCE: NF:110 Discuss the nature of information management

SOURCE: LAP-NF-110—In the Know (Nature of Information Management)

56. C

Generating potential names for future products. Your project's goal is to name your company's new product. It would most likely be outside the project's scope to generate potential names for products other than the one you've been assigned. Conducting a focus group to test potential names, seeing how potential names look in different fonts, and brainstorming for names with members of the project team would all be appropriate tasks within the project's scope.

SOURCE: OP:001 Develop project plan

SOURCE: LAP-OP-001—Chart Your Course (Developing a Project Plan)

57. D

Personal habits can create safety hazards. Personal or family problems, stress, anger, fatigue, and alcohol and drug abuse can cause behavior problems that can lead to unsafe situations. Keeping work areas clean and putting things away reduces the risk of injuries. Tools and equipment should not be used without prior training. They can be hazardous to workers who don't know how to use them properly. For their own safety, employees should wear the appropriate clothing their employers designate.

SOURCE: OP:007 Follow safety precautions

SOURCE: Scott, S. (2019, February 6). *Importance of workplace health and safety*. Retrieved September 26, 2022, from <https://smallbusiness.chron.com/importance-workplace-health-safety-4973.html>

58. A

Supply chain manager. A supply chain manager is in charge of supervising the entire process of getting goods into the marketplace, including coordinating with other companies and vendors. A line supervisor supervises a given team, or line, to ensure quality and productivity. A chief financial officer, or CFO, monitors all of a company's funds and assets. An inventory manager supervises and controls the number of finished products a company has in stock.

SOURCE: OP:443 Explain the concept of supply chain

SOURCE: Hayes, A. (2020, July 1). *Supply chain management (SCM): How it works and why it is important*. Retrieved October 17, 2022, from <https://www.investopedia.com/terms/s/scm.asp>

59. D

Lower warehousing costs. Effective supply chain collaboration will likely result in lower warehousing costs, lower inventory levels, and shorter lead times. Effective supply chain collaboration will not necessarily impact employee turnover.

SOURCE: OP:444 Explain the benefits of supply chain collaboration

SOURCE: Supply Technologies. (2022). *The importance of supply chain collaboration*. Retrieved October 17, 2022, from <http://www.supplytechnologies.com/blog/the-importance-of-supply-chain-collaboration>

60. D

Document. It's important to track all of the corrections you make during your project. Having a record of all of the changes will make it easy to remember the decisions you've made, and it will provide the documentation to explain what has been done and why. You should not cover up, duplicate, or accept blame for all of the corrections you make during a project.

SOURCE: OP:520 Monitor projects and take corrective actions

SOURCE: LAP-OP-520—Check Your (Project) Pulse (Monitoring Projects and Taking Corrective Actions)

61. A

Limiting code of behavior. It is easy to fall into patterns of behavior that suffocate creativity. People convinced that their problems are unavoidable won't look for solutions. Stress is due to worry and fatigue. Creativity requires people to explore alternatives and take risks; therefore, people who have to be right the first time can't take the chance of being wrong.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

62. B

Handling complaints. Customer service professionals perform a variety of duties and can work in different areas of a company. One of their main duties often is handling customer complaints to maintain customer confidence and loyalty. Since their jobs usually focus on daily interaction with people, customer service professionals must have strong interpersonal skills. The accounting department pays invoices. The receiving department receives shipments. The advertising department prepares ads.

SOURCE: PD:024 Explain employment opportunities in marketing

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

63. D

Neighborhood businesses. Local companies where teenagers and their families do business often are good sources for first jobs. Local businesses, such as grocery stores and independent retailers, often hire teenagers on a part-time basis to work after school hours, on weekends, and during summer vacations. These businesses frequently are willing to hire the teenagers who are members of their community. Most employment agencies do not work with people looking for entry-level jobs. Teenagers usually don't find their first jobs with national corporations unless those corporations have local offices. Community training programs are intended to help train teenagers for jobs.

SOURCE: PD:026 Utilize job-search strategies

SOURCE: Doyle, A. (2021, August 19). *How to get your first part-time job for teens*. Retrieved September 26, 2022, from <https://www.thebalancemoney.com/tips-for-getting-your-first-part-time-job-2058650>

64. B

Positioning. Positioning innovation occurs when the purpose of a product is changed. The product itself remains the same, but it is marketed differently. In other words, the company focuses on changing the customer's perception of its product. Product innovation occurs when a business either creates or improves a product. Process innovation focuses on how something is done. Paradigm innovation occurs when there is a significant change in thinking.

SOURCE: PD:126 Explain the need for innovation skills

SOURCE: LAP-PD-126—Ideas in Action (Innovation Skills)

65. D

An employee's performance goals should align with the organization's overall goals. Employees' goals should help the business achieve its overall goals. For example, a business hires a salesperson to sell products. If the employee meets their sales goals, they are helping the business meet its overall sales and profit goals. An individual's skills and strengths are criteria that employers usually consider when hiring employees and should align with the organization's goals. Although an employee's attitude is important, they must have the skills to perform the job. Comprehensive training programs are effective methods for educating employees and preparing them to perform the jobs. When employees are trained and educated, they are more likely to succeed in achieving their goals—goals that help the business achieve its overall goals.

SOURCE: PD:255 Ascertain employee's role in meeting organizational goals

SOURCE: Kinsey, A. (2020, July 13). *How to align employees with company goals*. Retrieved September 26, 2022, from <https://smallbusiness.chron.com/align-employees-company-goals-11667.html>

66. D

Distribution channels. Many factors affect the way a business decides to price its products. The distribution channel is the route that a product takes to get to the consumer. Some transportation methods cost more than others, which can affect the selling price of the product. When a business makes pricing decisions on the basis of physical location, it is considering geographic factors. When a business establishes goals about the way it communicates with consumers, these are promotion objectives. Production costs are pricing considerations that relate to product.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

67. C

Lower; gain as much of the market as possible. Some new companies set lower prices to get as much of the market as possible right from the start. If the company was trying to create an exclusive image, it would price its products higher than the competition. If the company was trying to create a discount image, it would price its products lower than the competition.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: LAP-PI-902—Make Cents (Factors Affecting Selling Price)

68. C

When supply exceeds demand, producers will lower prices to sell excess supply. Demand interacts with supply to determine prices. When supply exceeds demand, producers will lower prices to satisfy customers. Producers are in business to make a profit. They are not likely to reduce prices when demand exceeds supply. Rationing determines who gets the goods and services produced and does not affect how supply and demand interact to influence price.

SOURCE: EC:006 Describe the functions of prices in markets

SOURCE: LAP-EC-906—When More Is Less (Functions of Prices)

69. A

Universal Product Codes. Universal Product Codes (UPCs) are bar type symbols that provide information such as pricing, model, size, type, and color of specific items. Employees scan bar codes into their electronic cash registers. The registers translate the code into the selling price of the item. Uniform Resource Locators (URLs) are computer-based codes that locate web pages on the internet. Unified Pricing Criteria and United Rating Systems are not terms used to describe technological functions as they relate to pricing issues.

SOURCE: PI:016 Explain the use of technology in the pricing function

SOURCE: Shopify. (n.d.). *Universal product code (UPC)*. Retrieved September 26, 2022, from
<https://www.shopify.com/encyclopedia/universal-product-code-upc>

70. A

A product-related service. A product-related service is a service that is offered with a product, such as instruction, maintenance, delivery, or repair. Product positioning is the consumer's image or impression of a product as compared to that of competitive products. Community service is performed within the community, not within the business. Product screening is the process of considering each idea for a new product and discarding those that seem unworkable.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

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

71. C

Product-mix strategy. A strategy is a plan of action. Types of product-mix strategies are expansion, contraction, alteration, trading-up, trading-down, and positioning. A marketing strategy is a plan of action for achieving marketing goals and objectives. A promotional mix is a combination, or blend, of marketing communication channels that a business uses to send its message to consumers. Product positioning is the consumer's image or impression of a product as compared to that of competitive products.

SOURCE: PM:003 Explain the concept of product mix

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

72. C

Accurate labeling. One way that businesses can include consumer protection as part of product/service management is by labeling products accurately. Product labels protect consumers by telling them what they need to know in order to use the product safely. The information provided should be as accurate and easy to understand as possible. Discount pricing, creative selling, and precise marketing are not forms of consumer protection.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

73. B

To reduce costs. Businesses want to meet quality standards to reduce costs. Managers have recognized that if employees do their jobs right the first time, they can minimize costs. Time isn't wasted redoing work, and fewer products end up as scrap. Time standards relate to how long it takes to get a job done. Quantity standards specify how much work must be done. Managers use standards to increase, rather than decrease, profit.

SOURCE: PM:019 Describe the uses of grades and standards in marketing

SOURCE: LAP-PM-019—Raise the Bar (Grades and Standards)

74. B

Guarantee. A guarantee is a promise made by the seller to the consumer that the purchase price will be refunded if the product does not perform as expected. These are sometimes referred to as money-back guarantees. A warranty is a promise by the seller to repair or replace a product that is not performing as expected. Limited describes warranties that cover only certain repairs or specific parts.

SOURCE: PM:020 Explain warranties and guarantees

SOURCE: LAP-PM-920—Promises, Promises (Warranties and Guarantees)

75. A

Whether to change the product. Whether to change the product is one of the choices that needs to be made during the decline stage. During this stage in the product life cycle, the producer also has to decide whether to sell or license the product, recommit to the product line, discount the product, or regionalize the product. Increasing awareness occurs during the introductory stage. Fending off the competition occurs during the maturity stage. The company does not need to decide the production schedule.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

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

76. B

Monitor inventory. Product/Service management is a marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. For some businesses, part of the product/service management function involves the purchase of goods for resale. Technology, such as intranet systems and electronic data interchange systems, allow businesses to monitor their inventory and reorder products in efficient ways. Monitoring inventory helps a business make sure that enough products are available for sale. The selling function is responsible for obtaining higher sales volume, which increases a business's revenue. Advertising is a component of a business's promotion function. Finance is a business function that involves obtaining funds to pay for business activities such as expansions.

SOURCE: PM:039 Describe the use of technology in the product/service management function

SOURCE: 280 Group. (2022). *Product management resources*. Retrieved October 17, 2022, from
<https://280group.com/product-management-resources/>

77. B

Are generally free from harm and satisfied with their purchases. When products and services are managed ethically, customers are safe and satisfied—which results in greater profits and a positive company reputation. Ethical product/service management does not cause customers to remain completely unaware of the company or become more likely to file lawsuits against the company.

SOURCE: PM:040 Explain business ethics in product/service management

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

78. 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 Describe the nature of product bundling

SOURCE: Leonard, K. (2018, October 23). *Product bundling strategy*. Retrieved October 17, 2022, from <https://smallbusiness.chron.com/product-bundling-strategy-41789.html>

79. D

Channel differentiation. The positioning strategies that businesses use depend on many factors including the type of product and the business's objectives. Businesses that use selective distribution channels choose the dealers and distributors (channel members) who will best represent the brand, be willing to learn about the product, and work hard to market the product for the business. By selecting the best suited distributors, the business is differentiating itself through its channel members. Depending on the business's objectives, the dealers or channel members will be responsible for communicating product attributes, quality, and value to the end users. Customization involves creating unique or one-of-a-kind products or activities for individuals or specific groups.

SOURCE: PM:042 Describe factors used by marketers to position products/services

SOURCE: LAP-PM-042—Getting Piece of Mind (Factors Used To Position Products/Services)

80. D

Idea. The development of a product involves a process. The first step in product development is coming up with an idea. An idea is the result of mental thought processes. Once the idea for a product exists, it is possible to determine the needed financial investment and the target market for the product. A solution is an answer to a problem. Solutions to problems result from the generation of ideas.

SOURCE: PM:127 Identify methods/techniques to generate a product idea

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

81. B

Corporate. A corporate brand is all of the combined impressions, images, or experiences associated with a company or parent entity. Disney is an example of a corporate brand. The Disney theme parks and resorts, Marvel Entertainment, ABC and ESPN television networks, and consumer products are areas within the Disney corporate brand. Product brands are the combined impressions, images, and experiences associated with a particular good, service, or product line. Loyalty and universal are not types of brands.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

82. B

Positioning. Corporate positioning involves using marketing methods to convince target consumers to buy from the company instead of the competition. In this case, PetFast used its low prices as its positioning strategy to attract budget-conscious customers. Corporate modeling, price fixing, and strategizing are not terms used to describe positioning.

SOURCE: PM:207 Describe factors used by businesses to position corporate brands

SOURCE: Markgraf, B. (2017). *A corporate positioning strategy*. Retrieved October 17, 2022, from <http://smallbusiness.chron.com/corporate-positioning-strategy-64502.html>

83. C

Increased product sales. Businesses use promotion to spread the word to consumers that they offer certain products, which often results in increased product sales. Businesses may also benefit from a more favorable corporate image. Deceptive advertising and debates over controversial issues are disadvantages to the business. Promotional activities typically require additional costs, not a reduction in costs.

SOURCE: PR:001 Explain the role of promotion as a marketing function

SOURCE: LAP-PR-901—Razzle Dazzle (Nature of Promotion)

84. D

Patronage. Patronage promotion is a type of institutional promotion designed to promote a firm's features or prestige. Presenting information about a business's features that will benefit the consumer, such as free services, is another way to sell the firm for nonproduct reasons. Public service promotion is a type of institutional promotion that informs consumers about non-controversial issues that are in the public's interest. Public relations promotion is a type of institutional promotion created to deal with controversial public issues that are related to a company or its products. Product promotion is a type of promotion that aims to persuade consumers to buy a good or service.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

85. A

Declining. In the declining stage, newer products are entering the market, taking the place of existing ones. Companies may slow or stop production, and they do not invest heavily in promotion. In the growth stage, promotions become competitive so that the company's share of the market will increase. The introductory stage is the introduction of the new product to the market. Maturity is the stage in which the product is well established.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-903—Spread the Word (Nature of the Promotional Mix)

86. C

Direct mail. Direct mail is a promotional medium that comes to consumers' homes in the form of letters, catalogs, postcards, and folders. Broadcast media are promotional media such as radio and television, which use radio waves to reach consumers. Out-of-home media are promotional media to which we are exposed outside our homes such as outdoor and transit media. Transit media are out-of-home media found in various modes and locations of mass transportation.

SOURCE: PR:007 Explain types of advertising media

SOURCE: LAP-PR-007—Ad-quipping Your Business (Types of Advertising Media)

87. C

Product itself. Most supermarket advertisements simply show pictures of available products. Illustrations that focus on specific details of the product, rather than on the product as a whole, are focusing on the product's features. Illustrations of products such as furniture or clothing often show those products in an appropriate setting. A "before and after" illustration is an example of an illustration that shows the benefits of using a product.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: Hudgins, C. (2019, February 4). *7 elements of print advertising*. Retrieved September 26, 2022, from <http://smallbusiness.chron.com/7-elements-print-advertising-15325.html>

88. A

Often buy impulse items more freely. Credit encourages customers to buy more freely. Credit customers like being able to buy without worrying about whether they have the cash on hand to pay for their purchases. As a result, they may buy impulse items that catch their attention. Store profit is affected by credit customers, who often spend less time making buying decisions than other customers. Credit accounts are not always paid on time, and for the retailer, collecting past-due accounts is a disadvantage of the credit system.

SOURCE: FI:002 Explain the purposes and importance of credit

SOURCE: LAP-FI-002—Give Credit Where Credit Is Due (Credit and Its Importance)

89. C

Tasteful. When developing promotional activities (e.g., advertisements), it is important for a business to create interest and recognition for the product or company, but not offend the target market with distasteful material. An intangible item is something that cannot be detected through the senses. Promotional activities are tangible because people can see, hear, touch, and/or taste them. A vague message is unclear. Advertisers usually want to make sure that the audience understands the advertising message. Inflexible is a term that means that something is rigid or unable to adapt to a situation. The flexibility of promotional activities depends on the product and the company's goals.

SOURCE: PR:099 Describe the use of business ethics in promotion

SOURCE: Juneja, P. (2019). *Ethics in advertising*. Retrieved September 26, 2022, from <https://www.managementstudyguide.com/advertising-ethics.htm>

90. D

Opt-in email. When a business uses opt-in email, it sends electronic promotional messages with a recipient's permission. Email is a cost-effective way to send promotional messages because the business is sending information only to individuals who want the information. Another advantage to using opt-in email is that the business does not spend money on postage, printing, telephone calls, etc. Direct mail is sent through the postal service to consumers' homes and businesses. This is one of the most expensive forms of promotion. Spam is "junk" email, which is an unsolicited message sent to a recipient. Recipients often discard spam without reading it. Indirect mail is direct mail that the recipient passes to another person.

SOURCE: PR:100 Describe the use of technology in the promotion function

SOURCE: Newberry, C. (2020, September 9). *Social media advertising 101: How to get the most out of your ad budget*. Retrieved September 26, 2022, from <https://blog.hootsuite.com/social-media-advertising/>

91. D

Industry. Governments often restrict businesses in terms of their promotional activities. Some countries have independent groups (e.g., Public Citizen) that work to influence government regulation on the behalf of the consumer. In addition, many industries (e.g., media, financial services, utilities) have self-regulatory procedures in place to protect the integrity of their field. Competitive is a general term used to describe the level of rivalry between two or more businesses to attract scarce customer dollars. Nonprofit is a legal business structure. Liability is defined as debt.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Saylor Academy. (2015, March 20). *Advertising regulation: Who looks out for us?* Retrieved September 26, 2022, from https://saylordotorg.github.io/text_launch-advertising-and-promotion-in-real-time/s06-04-advertising-regulation-who-loo.html

92. B

Consumers trust each other more than brands. Word-of-mouth marketing is based on the idea that the power has shifted to the consumer because consumers trust each other more than they trust companies or brands, not that consumers trust brands over other consumers. Cheaper marketing is not always more effective, and paid advertising still works for the masses.

SOURCE: PR:247 Describe word-of-mouth channels used to communicate with targeted audiences

SOURCE: McMillen, J. (2021, July 22). *Word-of-mouth marketing: Building a strategy that really works.* Retrieved September 26, 2022, from <https://www.yotpo.com/resources/word-of-mouth-marketing/>

93. D

A buy one, get one free deal. A pull sales promotion strategy involves a producer promoting its products directly to the consumer. Offering a buy one, get one free deal is an example of this because it targets the consumer and encourages demand for the product. Push sales promotion strategies involve a producer promoting its products to intermediaries, who then promote the products to the consumers. A booth at a trade show is a push sales promotion strategy because it allows a company to expose its products to other manufacturers, retailers, and wholesalers. A sales incentive program is also an example of push strategy because it encourages salespeople to increase promotional efforts rather than target the consumer. A slotting allowance is a cash premium paid to a retailer to cover the costs of displaying a manufacturer's products on its shelves. It encourages the retailer to sell certain products, so it is a push strategy.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Tutor2U. (2022, March 21). *Marketing promotion: What are push and pull strategies?* Retrieved September 26, 2022, from <https://www.tutor2u.net/business/reference/marketing-promotion-what-are-push-and-pull-strategies>

94. A

Learn the features unique to the brands they sell. Typically, all products have unique features with which the salesperson should be familiar. Not all products have related items. The number of brands that a business or salesperson sells is a management decision. It is a better selling technique to point out the advantages of the brands you sell than to describe the disadvantages of competing brands.

SOURCE: SE:017 Explain the nature and scope of the selling function

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

95. C

Customers tend to return fewer products. Discovering customer needs is the phase of the selling process in which the salesperson determines what a customer needs or wants by asking questions and listening to the customer's responses. When salespeople determine what their customers really want, they can select the most appropriate product to show them. In turn, customers are more likely to be satisfied with their purchases and less likely to return products, which is a benefit to the business. Customers often post product reviews—positive and negative—on the businesses' websites. When salespeople take time to discover customer needs, customers tend to be happier with their purchases and, therefore, more likely to provide favorable product reviews. A higher commission is a potential benefit to salespeople. Salespeople, rather than customers, qualify sales leads.

SOURCE: SE:048 Explain the selling process

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

96. A

Coworker. This might be a more experienced salesperson or a buyer. One of the buyer's main duties is to keep salespeople informed about the merchandise that is for sale. Area managers, customers, and manufacturers can all be sources of information about a product, but they are not always available when the salesperson has a question.

SOURCE: SE:062 Acquire product information for use in selling

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

97. C

External data. External data are secondary data that already exist outside of the organization. Sources of data include government statistics and databases, trade association reports and databases, business directories, reports from industry experts, and general media data. Internal data are secondary data that already exist within the organization's "in-house" information system. Primary data are data collected for the first time through original research efforts. Qualitative data are subjective, based on thoughts, feelings, opinions, and experiences.

SOURCE: IM:281 Describe options businesses use to obtain marketing research data (i.e., primary and secondary research)

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

98. A

Service and warranty. When a customer buying an appliance, piece of electronics, or vehicle asks questions about repairs, the salesperson should explain features and benefits relating to its service and warranty. In some cases, whether or not a customer buys depends on the service your company offers and/or the warranty on the product. These factors may convince the customer to buy, and they are more important to a practical customer than a product's popularity, appearance, style, or history.

SOURCE: SE:109 Analyze product information to identify product features and benefits

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

99. 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 Discuss motivational theories that impact buying behavior

SOURCE: ProfileTree. (2018, May 10). *Maslow's hierarchy of needs: The key to understanding your target customers?* Retrieved October 17, 2022, from <https://www.profiletree.com/maslows-hierarchy-of-needs/>

100. A

Ensure that all customers are treated fairly. Selling policies are the general rules established by management to guide the personal selling effort and outline how things must be done. Selling policies are beneficial to customers because they ensure that all customers receive fair and equitable treatment. Although some businesses offer credit options, not all businesses do. If credit requirements are too rigid, then they are not beneficial to many customers. A disadvantage to salespeople of selling policies occurs when the policies are rigid and inflexible, which can restrict the salesperson's authority, which in turn can negatively affect a customer's experience with the business. Selling policies that maximize profitability and help achieve sales goals are advantages to the business rather than to the customers.

SOURCE: SE:932 Explain company selling policies

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