

KEY

Test Number 1045

Marketing Cluster Exam

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1. C
Judicial system. The U.S. government consists of three primary parts—the judicial, executive, and legislative branches. The judicial system (branch) is the court system. The courts interpret and apply the laws. The president and the presidential cabinet are part of the executive branch of the government. The legislative branch (i.e., the U.S. Congress) enacts the laws.
SOURCE: BL:068
SOURCE: Blackburn, J., & Klayman, E. (2005). *The legal environment of business* (7th ed.) [p. 63]. Boston: Pearson Custom Publishing.
2. D
Corporation. A corporation, which is owned by its stockholders, limits the losses or risks to the amount each individual owner has invested in the corporation. The other types of business organizations are not owned by stockholders. A partnership usually divides the risk among two or three partners. In a sole proprietorship, the owner generally assumes all of the risk. A franchise is a contractual agreement between a parent company and a franchisee to distribute goods and services.
SOURCE: BL:003
SOURCE: BL LAP 1—Own It Your Way (Forms of Business Ownership)
3. A
Timeliness. Channel management is the process of coordinating channel members to move goods and services to the end user. The way that a business manages its channel members impacts customer-service levels. An important aspect of channel management in relation to customer service is making sure that the customers receive their products in a timely manner. In many cases, customers order items for a specific purpose and need them on a certain date. Therefore, it is important for the business to monitor channel members' activities to ensure that the products are moving through the channel in the most efficient manner. Taxes are monies that individuals or businesses must pay to the government. Protectionism is a government's policy to protect domestic industries and businesses against foreign competition. Advertising is any paid form of nonpersonal presentation of ideas, images, goods, or services.
SOURCE: CM:002
SOURCE: Kotler, P., & Armstrong, G. (2008). *Principles of marketing* (12th ed.) [p. 347]. Upper Saddle River, NJ: Prentice-Hall.
4. A
Promoting products. Channel intermediaries are persons or businesses that perform channel functions in an indirect channel of distribution. They can be responsible for such marketing functions as buying, selling, pricing, marking, storing, packaging, promoting, and financing. Recruiting workers for the business, training employees, and monitoring union activities are human resource activities, not marketing functions.
SOURCE: CM:003
SOURCE: CM LAP 1—Channel It (Channels of Distribution)
5. B
Improves cash flow. For many businesses, the distribution function is expensive to operate because it involves storing, processing, and transporting products. Oftentimes, businesses bill customers for the costs involved in distribution and then wait for payment. By using the technology of digital money, cash can be transferred electronically from the customer's account to the business's account. This improves cash flow because the business does not need to wait long periods of time for payment. It can receive cash instantly. The technology of digital money does not increase productivity, create virtual reality, or manage information.
SOURCE: CM:004
SOURCE: Coyle, J.J., Bardi, E.J., & Langley, C.J. (2003). *The management of business logistics: A supply chain perspective* (7th ed.) [pp. 586-588]. Mason, OH: South-Western.

6. A

The manager of a wholesale business awards a supply contract to his/her spouse's company. Awarding a contract to a company that is owned by a friend or relative might be perceived as a conflict of interest by others. Distributing product samples to potential customers is a common practice when trying to make a sale and does not generally illustrate a situation in which ethics are questioned. Negotiating carrier fees is not considered an unethical situation. Requesting to purchase inventory does not pose an ethical problem. Many companies have policies regarding employee purchases. Unless the warehouse staff operates outside the boundaries of the stated policies, the situation is not an ethical issue.

SOURCE: CM:006

SOURCE: Monczka, R., Trent, R., & Handfield, R. (2002). *Purchasing and supply chain management* (2nd ed.) [p. 528]. Mason, OH: South-Western.

7. D

Promotion. Promotion is a marketing function that communicates information about goods, services, images, and/or ideas to achieve a desired outcome. In order to successfully sell its product, a business needs to coordinate all the components of marketing, which include distribution, promotion, product, and price. For example, if a business develops an effective distribution system but fails to promote the product, customers will not know about the product or want it, although it is readily available. Orientation is job preparation or induction training for new employees. Production is the creation of goods and services from economic resources. Competition is the rivalry between two or more businesses to attract customer dollars.

SOURCE: CM:007

SOURCE: Kotler, P., & Lane, K. (2006). *Marketing management* (12th ed.) [pp. 18-20]. Upper Saddle River, NJ: Prentice Hall.

8. B

Know when to speak. By interrupting her coach before s/he was finished giving directions, Jackie was ignoring the step of knowing when to speak. When listening to directions, try not to interrupt the person speaking. Wait until s/he seems finished with a thought before speaking or wait until all the directions have been given before you ask for clarification. In this situation, Jackie is not ignoring the tips to make eye contact, eliminate distractions, or take notes.

SOURCE: CO:119

SOURCE: QS LAP 24—Simon Says

9. A

Bias. Bias is prejudice or partiality that influences a person's perceptions. It is a major block to effective listening because it affects the way the listener hears what the speaker is trying to say. Feedback is the response received from another person. Emotion is feeling, and conviction is a firm belief in something.

SOURCE: CO:017

SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [pp. 89-90, 330-331]. Mason, OH: South-Western Cengage Learning.

10. A

Find out what other people in the group know about the product. Starting a meeting by learning about others' knowledge of the subject identifies what your team knows—as well as areas where more work will be needed. Some ground rules are needed to let everyone know how the group operates. Otherwise, unacceptable behavior may occur. Unusual ideas should not be avoided. Often these are the breakthroughs that lead to success. Use good listening skills, including making eye contact and using other nonverbal cues to let others in the group know you are listening.

SOURCE: CO:053

SOURCE: QS LAP 29—Put in Your Two Cents

11. D

It should encourage the reader to take action. Sales-oriented business letters should persuade the reader to respond by taking whatever action is appropriate—returning a postcard, calling a number, or visiting the business. The letter should catch the reader's attention in the opening paragraphs. This can often be accomplished by mentioning a problem the consumer might have that the product being offered can solve. Sales letters should avoid negative comments about the competition. They should emphasize product benefits and avoid mentioning price if possible.

SOURCE: CO:133

SOURCE: Bovée, C.L., Thill, J.V., & Schatzman, B.E. (2004). *Business communication essentials* (pp. 242-245). Upper Saddle River, NJ: Pearson Education.

12. C

Weekly activity report. This is a brief summary of work accomplished that is submitted periodically for management's review. Periodic reports usually are short and informal. A project proposal is usually a longer and more formal report. A personal letter is sent to friends and is not intended for management. A reservation record contains the names of guests who have reservations.

SOURCE: CO:094

SOURCE: Bovée, C.L., Thill, J.V., & Schatzman, B.E. (2004). *Business communication essentials* (p. 271). Upper Saddle River, NJ: Pearson Education.

13. A

Horizontal. An example of horizontal communication would be a memo from one vice president to another. Downward communication involves communications from management to subordinates. Upward communication entails communications from employees to management. Vertical communication may move up or down the chain of command.

SOURCE: CO:014

SOURCE: Lehman, C. & DuFrene, D. (2005). *Business communication* (14th ed.) [p. 15]. Mason, OH: South-Western.

14. B

Be thankful. Customers appreciate it when businesses show gratitude for their loyalty. Special benefits and perks such as coupons are one way for businesses to say thanks. Coupons do not necessarily relate to displaying courtesy, keeping promises, or being helpful.

SOURCE: CR:003

SOURCE: CR LAP 1—Accentuate the Positive (Nature of Customer Relations)

15. A

Ask questions that can't be answered "yes" or "no." Silent customers are shy, insecure, or too sensitive to talk very much even when they need help. They are a type of slow/methodical customer, and they require special handling. The business employee should not do all the talking or wait for the customer to decide to talk. The employee also should not try to hurry this kind of customer by trying to close quickly. Instead, s/he should be patient, try to draw the customer out, and try to determine the customer's needs through appropriate questions.

SOURCE: CR:009

SOURCE: CR LAP 3—Making Mad Glad (Handling Difficult Customers)

16. B

Consumption. The ultimate goal of all economic activity is consumption, which is the economic process or activity of using goods and services. For consumption to occur, goods and services must be produced, or made. Producers, consumers, and resource owners exchange money payments for the use of their goods, services, and resources. Distribution examines how money payments are divided between producers and resource owners.

SOURCE: EC:001

SOURCE: EC LAP 6—Are You Satisfied? (Concept of Economics)

17. D

Keep products off the market. If businesses expect prices to increase substantially, they might wait to sell. That affects supply because businesses are keeping products off the market until the price is right. If businesses expect prices to increase in the future, they would not increase production now, ship more products to stores, or encourage consumers to buy.

SOURCE: EC:005

SOURCE: EC LAP 11—It's the Law (Supply and Demand)

18. D

Relative. Relative prices come into play when both wages and prices rise or fall at the same rate, so that consumers are willing to pay the new price. Competitive prices are about equal to or lower than those of a business's competitors. Unfair prices are either too high for the good or service provided, or too low in comparison to those of competitors. Objective prices are fair and reasonable, relating strictly to the value of the product.

SOURCE: EC:006

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 64). Woodland Hills, CA: Glencoe/McGraw-Hill.

19. B

The business performing the service. Service businesses perform intangible activities that satisfy the wants of consumers and industrial users. If a good is used in performing the service, its title, or ownership, is not given to the customers but is retained by the business performing the service. The customer receives the service, but the business owns the good. For example, a car-rental business leases the use of a car to a customer for one week. The business owns the car, while the customer simply buys the use of the car. The business retains ownership of the good, not the producer that made the good or the supplier that sold the good to the business.

SOURCE: EC:070

SOURCE: EC LAP 20—Business Connections (Business and Society)

20. D

Competition. Competition is the rivalry between two or more businesses to attract scarce customer dollars. Competition is vital to the successful operation of a private enterprise system because it encourages people to go into business for themselves and develop the products that consumers want. Production, mechanization, and distribution take place in the private enterprise system as well as in other types of economic systems. These activities often are the result of competition because businesses are constantly trying to improve the way they produce and distribute products in order to attract customers.

SOURCE: EC:012

SOURCE: EC LAP 8—Ready, Set, Compete! (Competition)

21. C

Compare their findings to other countries around the world. One of the reasons that countries measure GDP is to compare their findings to other countries around the world. This lets countries know how they "measure up" and how much they need to improve. GDP does not indicate the types or quality of goods and services produced. It does not give any information about distribution of wealth, either.

SOURCE: EC:017

SOURCE: EC LAP 1—Measure Up? (Gross Domestic Product)

22. A

Seeing an advertisement for a job and feeling that you could handle it. Self-esteem is how you feel about yourself at any given time. Your level of self-esteem can fluctuate from high to low. Feeling that you could do a job you have read about would indicate your level of self-esteem was high. Imagining how you would feel if you had already graduated is an example of visualization that can be used to support self-esteem. The other two alternatives indicate a low level of self-esteem.

SOURCE: EI:016

SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 2]. Mason, OH: South-Western Cengage Learning.

23. A

Interest and enthusiasm. The salesperson has shown an immediate interest in the customer's request and given an enthusiastic response. The salesperson does not have a negative attitude, which would be characterized by boredom and indifference. The extent of his/her product knowledge cannot be judged by the response to a single question.

SOURCE: EI:020

SOURCE: Wallace, H.R., & Masters, L.A. (2006). *Personal development for life & work* (9th ed.) [p. 187]. Mason, OH: South-Western Cengage Learning.

24. B

Interdependent. Personal traits are interdependent—dependent upon one another. Since each trait has an influence (direct or indirect) upon the others, no single trait can be truly independent. Traits are described as common when they are shared by many people. Unique traits are uncommon or unusual characteristics.

SOURCE: EI:024

SOURCE: EI LAP 2—Hustle! (Taking Initiative at Work)

25. B

Very valuable. Criticism is a valuable tool if you use it constructively to improve yourself. Making appropriate changes should result in less frequent criticism rather than more. For most people, criticism does not become desirable or anticipated.

SOURCE: EI:003

SOURCE: EI LAP 15—Grin and Bear It (Using Feedback for Personal Growth)

26. A

Cultural sensitivity. Culture is the customs, habits, and traditions of a particular group of people. The way that different people interact with each other is an expression of their culture. Businesspeople need to be sensitive to the fact that their foreign customers may have unique customs such as bowing when they greet each other rather than shaking hands. They should accept these customs and try to make their foreign customers feel comfortable. Businesspeople who behave in this manner are showing respect for other customs and habits and are exhibiting cultural sensitivity. Communication skills are abilities to express yourself clearly and simply. Stereotypical behavior involves acting in a manner that conforms to a set image. Language differences occur when people speak different languages.

SOURCE: EI:033

SOURCE: EI LAP 11—Getting to Know You (Cultural Sensitivity)

27. C

Persuade consumers to buy. Marketers use communication to inform consumers about their goods and services. The ultimate goal is to persuade consumers to purchase those goods and services. In order to do that, communication must be encoded or presented in a way that will be understood by the target audience. The form of communication most frequently used by marketers is promotion. Communication is used to reach a specific market but is not a method of identifying the market.

SOURCE: EI:007

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2010). *Marketing dynamics: Teacher's edition* (2nd ed.) [pp. 469-471]. Tinley Park, IL: Goodheart-Willcox Company, Inc.

28. C

Assertive. Assertive behavior is characterized by a willingness to stand up for one's own rights while showing respect for the rights of others. The goals of assertive behavior include improving the general quality of relationships, self-esteem, mutual respect and understanding, and cooperation. Aggressive behavior is characterized by a willingness to ignore the rights of others and to exploit others in order to achieve personal goals. Aggressive behavior is one kind of negative behavior. Independent behavior is characterized by the tendency to make decisions without consulting others.

SOURCE: EI:008

SOURCE: EI LAP 18—Assert Yourself (Assertiveness)

29. A

Treasury. A bond is a piece of paper (real or virtual) that says a governing body will borrow an investor's money at a particular interest rate for a particular period of time. As the borrower, a government issues treasury bonds to investors. Corporations issue corporate bonds to fund the business's operating expenses. Estate and common are not types of bonds.

SOURCE: FI:059

SOURCE: Kapoor, J.R., Dlabay, L.R., Hughes, R.J., & Hoyt, W.B. (2005). *Business and personal finance* (pp. 251-253). New York: Glencoe/McGraw-Hill.

30. B

Installment credit is commonly used to purchase large, expensive items such as cars. The title for an item purchased on installment credit is made out in the name of the credit user; however, the seller retains a claim on the title until all of the payments have been made. Regular credit accounts are used to obtain small-ticket items during a set period of time, usually 30 days. Budget credit accounts advertise credit terms such as "90 Days Same as Cash." Revolving credit accounts involve setting a credit limit and paying the amount due each month or making minimum, monthly payments on the account.

SOURCE: FI:002

SOURCE: FI LAP 2—Give Credit Where Credit is Due (Credit and Its Importance)

31. A

Validating credit history. If Eric had not checked his credit score, he would not have known that the credit bureaus mishandled his report. This example shows one of the steps for buying a house, but it is not an example of the importance of buying a house. Paying rent on time is one way to develop good credit; neither are truly illustrated in this example.

SOURCE: FI:072

SOURCE: GettingaCreditCard.com. (2006-2009). *Common practice of very responsible credit card users*. Retrieved September 8, 2010, from <http://www.gettingacreditcard.com/article12.shtml>

32. D

Risks. Risks are the possibility of financial loss. One way for businesses to reduce risks is to develop an efficient system to locate, gather, process, and use information for marketing decisions. Businesses need information systems for use in decision-making in order to effectively identify alternatives in planning. By gathering and using information, businesses often are able to recognize trends or potential problems and take steps to reduce risks. Businesses usually want to increase sales. Debts are financial liabilities.

Taxes are part of the expenses of doing business.

SOURCE: FI:084

SOURCE: BA LAP 2—Risk Management

33. C

Accounts receivable. Accounts receivable are all monies owed to a firm by its customers. These customer debts are an asset, or item of value, of the business. Liabilities are debts, such as accounts payable, owed by the business to others. Trade credit is an agreement whereby the supplier sells products to a buyer but does not require immediate payment. Sales revenue is income that results from sales of a company's goods and/or services.

SOURCE: FI:085

SOURCE: FI LAP 5—Show Me the Money (Nature of Accounting)

34. C

Net income. The net income, or bottom line, is a business's final profit. It is the money remaining after operating expenses are subtracted from gross profit. Net income is the amount of money a business is able to keep after paying all expenses. Total costs are all of a business's expenses. Gross revenue is all the money earned by a business before expenses are subtracted. Net worth is the total value of the business.

SOURCE: FI:094

SOURCE: FI LAP 4—Watch Your Bottom Line (Income Statements)

35. A

To organize the overall finances. Budgets can be developed for a company as a whole or for a specific department. Operating budgets are developed by businesses to organize the overall finances of the day-to-day operations. The operating budget is made up of other budgets that are developed throughout different areas of the business. These other budgets might contain estimates of replacement costs, managers' salaries, and inventory levels that may be included in the operating budget.

SOURCE: FI:106

SOURCE: FI LAP 3—Money Tracks (Nature of Budgets)

36. A

Trainers. Businesses often use current employees to help orient and train new employees. Current employees are familiar with the business's facilities and ways of operating. They can take new employees on a tour of the property, introduce them to coworkers, and explain certain basic procedures. Current employees can answer questions for new employees and help them to feel welcome in their new environment. Businesses do not use current employees to interview, manage, or evaluate new employees during the orientation process.

SOURCE: HR:360

SOURCE: Jackson, S., & Schuler, R. (2003). *Managing human resources through strategic partnerships* (8th ed.) [pp. 366-369]. Cincinnati: Thomson/South-Western.

37. D

Marketing information. Marketing information is all the marketing-related data available from inside and outside the business. This data includes information about customers, the social and economic environment, and developing trends. Businesses need marketing information to make decisions about when to develop new products that will meet the changing needs of customers. They also need this information to decide when to change prices. Businesses that develop new products or change prices without obtaining current marketing information run the risk of developing products that customers do not want, or of making price changes that customers will not accept. Promotional research and advertising data will help businesses decide how to promote and advertise new products. Selling procedures are the steps that salespeople follow to achieve their goal of making a sale.

SOURCE: IM:012

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 594). Woodland Hills, CA: Glencoe/McGraw-Hill.

38. B

Monitor the competition. Information about competitors' activities, such as new product development, is very important to a business. This information is so important to some businesses that they have a separate section of the marketing-information management system whose only responsibility is to monitor the competition. Businesses also use the marketing-information management system to reduce business risk, improve stock control, and expand promotional activities. However, these functions are not the responsibility of a separate section but are part of the overall information management system.

SOURCE: IM:001

SOURCE: IM LAP 2—Get the Facts Straight (Marketing-Information Management)

39. B

Surveying a limited group of similar respondents to represent a broader universe. It is considered unethical to obtain marketing information from only a limited group of people who have the same opinions because the results of the survey will be biased. A few researchers collect information in this manner in order to substantiate a predetermined point of view. This method is unethical because it is not legitimate research but an attempt to use the predisposed opinions of a few people to support a broad claim. Most researchers survey a broad range of respondents in order to obtain a variety of opinions. Calling a wide variety of consumers, interviewing randomly selected participants, and contacting customers in a single geographic area are ethical methods of collecting marketing information.

SOURCE: IM:025

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [pp. 81-85]. Mason, OH: South-Western Cengage Learning.

40. B
Customize its marketing efforts. Many businesses use computerized databases to sort and organize information about customers' purchases, brand preferences, dollar amounts spent, etc. The benefit to the business is that it can use this information to customize its marketing efforts and appeal to specific customers. For example, a business might use a database to organize customers according to geographic location, and send different promotional pieces to each area. The database allows a business to target specific customers based on certain criteria. Businesses do not use this type of customer information to prepare financial reports, develop inventory control plans, or maintain sales strategies.
SOURCE: IM:183
SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 594-595). New York: Glencoe/McGraw-Hill.
41. B
Informal. Marketing research can be done informally or formally. When a business pays someone to count cars, that is a form of informal research. Formal research would include not only counting the cars but questioning consumers and analyzing their responses. Causal research is marketing research that focuses on cause and effect and tests "what if" theories. Internal research is research carried out within the business itself.
SOURCE: IM:010
SOURCE: IM LAP 5—Seek and Find (Nature of Marketing Research)
42. A
Customer survey. Primary marketing research is information that a business obtains for a specific purpose. Businesses use many techniques to obtain primary data, such as observation, interviews, and surveys. Surveys contain questions about the information the business wants to obtain. For example, a business might distribute a survey to its customers when it wants to find out what the customers think of the business's goods and services. Census data, trade-journal articles, and external reports are forms of secondary research.
SOURCE: IM:281
SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 184-185]. Mason, OH: South-Western.
43. D
Problem. A problem is an issue that needs a solution. Often, a particular problem, such as low sales, is the reason for conducting marketing-research. The research helps the business determine why sales are continuously dropping so that it can determine how to resolve the problem. The example does not define a marketing-research risk, opportunity, or decision.
SOURCE: IM:282
SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [pp. 36-38]. Mason, OH: South-Western.
44. C
Chance. It is highly unlikely that all 100 girls in a sample would be exactly the same height. However, it could happen by chance—even with little chance of occurrence. Interviewer bias occurs when the presence, actions, or attitudes of the interviewer influence a respondent's answers. The scenario provides insufficient information to determine whether non-response error occurred. This problem happens when researchers fail to sample the people who didn't respond to determine whether there were statistical differences between respondents and non-respondents. Inadequate information is provided to know whether the question was asked in such a way that it influenced responses.
SOURCE: IM:285
SOURCE: Mugo, F.W. (n.d.). *Sampling in research*. Retrieved June 3, 2010, from <http://www.socialresearchmethods.net/tutorial/Mugo/tutorial.htm>

45. A

To improve the effectiveness of salespeople. Sales reports contain a variety of marketing information that businesses often use to improve the effectiveness of salespeople. This includes information about number of new customers, number of lost customers, cost of selling, time spent with each customer, etc. By reviewing the information, a business can determine if the salesperson is effective, or might need assistance or more training to be better able to market the business's products to customers. For example, a sales call report might reveal that customers want detailed product information that the salesperson does not have. Then, the business can develop materials to provide the detailed information. This will help the salesperson to more effectively work with customers. Businesses do not use the marketing information contained in sales reports to qualify potential new customers or to develop negotiating techniques. Expense accounts are types of sales reports that often contain marketing information.

SOURCE: IM:184

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 594). Woodland Hills, CA: Glencoe/McGraw-Hill.

46. B

Interview. The interview is a common method of collecting data from individuals. There are many types of interview procedures and one is the focus group, which is a group formed for the purpose of discussing a specific topic. In a focus group, a moderator asks questions and guides the group discussion to obtain information about a specific topic, such as a product. Observation involves watching what people do. Sampling involves identifying a segment of the target population. A focus group is not considered a technical method of collecting data.

SOURCE: IM:289

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 614-615). New York: Glencoe/McGraw-Hill.

47. D

Optical scanning. Optical scanning techniques allow raw data to be read electronically, often by bar codes. It translates the data into meaningful information. Computer keyboarding is a manual method of handling raw data. Cyber-opting and voice networking are not commonly used terms to describe marketing-information management methods.

SOURCE: IM:062

SOURCE: Shao, A. (2002). *Marketing research: An aid to decision making* (2nd ed.) [p. 404]. Mason, OH: South-Western.

48. D

Mode. Mode is one measure of central tendency. The mode is the answer to a question that is given most often by respondents. Mean refers to the mathematical average of all responses. A median is the middle value of the established sample criteria; half of the data or responses are below the median value, and half are above the median value. Module is not a term used to describe a measure of central tendency.

SOURCE: IM:191

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (p. 171). Woodland Hills, CA: Glencoe/McGraw-Hill.

49. A

Questionnaire design. It is important to evaluate questionnaire design to make sure the responses will be valid and reliable. To do this, it is necessary to consider the wording of the questions so participants will be able to understand the questions. Also, researchers consider the order of the questions so they are logical, and that one question does not suggest the answer to the following question. Formatting issues, completion deadlines, and possible incentives are other factors that researchers consider when evaluating questionnaire design.

SOURCE: IM:293

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 618-623). New York: Glencoe/McGraw-Hill.

50. D

Product/Service management. Marketing functions are interrelated activities that must work together to get goods and services from producers to consumers. The product/service management activities of a business involve obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities. Successful product/service management activities include calculating the costs of products. Financing is a business function that involves determining the need for and availability of financial resources to aid in business activities. Pricing is a marketing function that involves determining and adjusting prices to maximize return and meet customers' expectations of value. Accounting is a financial activity of business function that involves keeping and maintaining financial records.

SOURCE: MK:002

SOURCE: MK LAP 1—Work the Big Six (Marketing Functions)

51. C

Employees. Tactics are specific actions that will be used to carry out strategies. In business, the employees are responsible for carrying out the tactics to achieve the marketing strategies. The executives are responsible for developing the strategies that the employees will follow. The customers are the ones for whom the marketing strategies and tactics are planned. Stockholders of a company are not involved in developing strategies.

SOURCE: MP:001

SOURCE: IM LAP 7—Pick the Mix (Marketing Strategies)

52. B

Target. The identification and selection of markets for a business or for a product is known as target marketing. In order for businesses to satisfy their customers, they need to determine who the market is for their products. Businesses use target marketing in order to plan effective marketing activities that will reduce marketing risk. Mass marketing is designing products and directing marketing activities in order to appeal to the whole market. An industrial market is composed of businesses that purchase items for use in the operation of the business, for resale, or for making other goods.

SOURCE: MP:003

SOURCE: IM LAP 9—Have We Met? (Market Identification)

53. B

Industry forecasts published by trade associations. There are a variety of reliable sources of external information that could be used in quantitative sales forecasting methods. Examples of these include government reports, articles in business publications, and industry forecasts provided by trade associations. These external sources can provide quantitative data about economic trends, population changes, and consumer spending. Viewpoints of customer-service personnel, predictions of company executives, and statements of customer satisfaction with products are examples of information that could be used for qualitative forecasting methods.

SOURCE: MP:013

SOURCE: Etzel, M.J., Walker, B.J., & Stanton, W.J. (2007). *Marketing* (14th ed.) [pp. 160-164]. Boston: McGraw-Hill/Irwin.

54. D

Internet. The Internet is a worldwide network of computers that enables users to access information and communicate with others. Many businesses use the Internet to obtain needed external information efficiently. For example, businesses can access the web sites of governmental agencies as well as competitors to find information about specific issues. This is a fast and efficient way to obtain information from a variety of sources without needing to visit the library and look through printed materials such as textbooks. Software instructs computers to perform specific operations. Not all software is used to obtain information.

SOURCE: NF:078

SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [pp. 139-143]. Upper Saddle River, NJ: Pearson Prentice Hall.

55. B

Key words, query. A search engine is a software program that automatically crawls the Web looking for information pertaining to specified search terms and then displays a list of results. To conduct an online search, the employee enters specific or key words (terms, phrases, slang) that pertain to the topic of interest into the query field and clicks on the search button. The search will provide results that include the key words in the description. The words entered into the query field should be specific enough to generate desired results. For example, entering the term, "Washington," will likely generate responses about the U.S. state, the U.S. capital, and the first U.S. president. If the researcher wanted information about manufacturers in Washington state, entering the words "Washington state manufacturers" into the query field would more likely provide the desired results; therefore, the more specific the key words, the more applicable the results. The field in which a person enters key words is not called a reply, answer, or subject field. Slang may or may not be a key word.

SOURCE: NF:006

SOURCE: Google. (n.d.). *The essentials of Google search*. Retrieved September 9, 2010 from <http://www.google.com/support/websearch/bin/static.py?page=searchguides.html&ctx=basic>
s

56. B

Database. Database software allows companies to collect, store, and organize customer information. This information can be used to maintain, analyze, and combine customer information and to send postcards to specific customers. Word-processing, spreadsheet, and desktop publishing software do not perform the functions required by the dealer.

SOURCE: NF:009

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* [p. 199]. Woodland Hills, CA: Glencoe/McGraw-Hill.

57. C

Computerized. Moving from a "handwritten" to a "software" style of record keeping is called moving from a manual to a computerized style. "Common" and "scientific" are not terms used to describe styles of record keeping.

SOURCE: NF:001

SOURCE: NF LAP 1—Record It (Business Records)

58. C

Need for convenience. Need for convenience is a social/cultural trend, not a demographic statistic. Demographics are the physical and social characteristics of the population, including such data as employment status, education, and religious affiliation.

SOURCE: NF:015

SOURCE: NF LAP 2—Get the 411 (Environmental Scanning)

59. D

Statistical findings. Statistics are information presented in numerical form. For the statistics to be useful, businesses must analyze and interpret them. For example, it may be important for businesses to find out how many customers are in certain age groups, and then convert those figures to percentages to determine which groups make the most purchases. By analyzing this type of statistical finding, businesses can make decisions about targeting certain groups to increase sales and profits. Businesses might analyze training results rather than training methods. They do not analyze information skills or privacy factors when making business decisions to improve the company.

SOURCE: NF:093

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (pp. 170-171). New York: Glencoe/McGraw-Hill.

60. D

Safety regulations. Employees have the right to work in a safe environment. To ensure that businesses protect this right, the government regulates certain business activities. For example, the government might require businesses to inspect dangerous equipment at certain intervals to ensure that they are operating correctly. Equipment that is not maintained properly is more likely to break and cause injuries to the employees who operate it. Privacy laws address consumers' right to privacy. Conservation ordinances are local regulations that address environmental issues. An organization's health policies are internal rules and guidelines, which may or may not be influenced by government regulations.

SOURCE: OP:004

SOURCE: Bovée, C.L., Thill, J.V., & Mescon, M.H. (2007). *Excellence in business* (3rd ed.) [p. 86]. Upper Saddle River, NJ: Pearson Prentice Hall.

61. B

Safety hazard. A safety hazard is any situation that has the potential to cause bodily harm. Machines and equipment can be hazardous to workers who don't know how to use them. Using specialized equipment without prior training can result in possible injury to the employee or a coworker. Stress is a mental or emotional feeling of pressure or tension. Fatigue is a state of mental or physical tiredness. Tension is stress.

SOURCE: OP:007

SOURCE: Spears, M.C., & Gregoire, M.B. (2004). *Foodservice organizations: A managerial and systems approach* (5th ed.) [pp. 320-323]. Upper Saddle River, NJ: Prentice Hall.

62. C

Tracking deadlines. This activity is important during the planning stages and while the project is being completed. It is necessary to keep track of due dates and not let the project fall behind schedule. Also, one part of a project may need to be completed before another part can begin. Project managers make sure everyone is focusing on the same objective rather than change the objective. Project managers usually give directions that workers are expected to follow. Effective project managers encourage others to do their part rather than giving orders.

SOURCE: OP:002

SOURCE: QS LAP 18—Make It Happen

63. A

Inventory of supplies. All businesses need to maintain an inventory of supplies in order to produce goods and services for customers. Small businesses may only need office supplies while retailers also need supplies to wrap packages. Large manufacturing businesses need vast inventories of resources to produce products. Without an inventory of supplies, businesses will not be able to do even simple tasks. The result might be a loss of customers and a loss of income. Some businesses may need only one vendor rather than a list of vendors. Businesses do not need to maintain a schedule of accounts or copies of invoices to produce goods and services for customers.

SOURCE: OP:031

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (p. 360). Tinley Park, IL: Goodheart-Willcox.

64. A

Update the product. A company's products may need to be updated or changed in order to compete effectively with similar products produced by other companies. Planning to update a product is part of a business's production process. Updating a product is less expensive than designing a new product. A popcorn company may decide to update its popcorn products by adding vitamins or flavorings rather than spending a lot of money designing completely new products. A business would not produce more popcorn unless there was an increase in demand. Changing production methods is expensive and would not necessarily make a business more competitive.

SOURCE: OP:017

SOURCE: OP LAP 4—Can You Make It? (Nature of Production)

65. D

Cost of replacement is less than repair. Companies schedule renovative maintenance to replace equipment when the cost of repairing that equipment exceeds the cost of replacing it. Renovation could include replacing heating and cooling systems, office furniture, and operating equipment. If the length of downtime would be shorter for repairs, it would be better to fix it. This is also true if repair parts are easy to find or the maintenance staff could easily fix the problem.

SOURCE: OP:032

SOURCE: Berman, B., & Evans, J.R. (2004). *Retail management: A strategic approach* (9th ed.) [pp. 318-319]. Upper Saddle River, NJ: Prentice Hall.

66. D

Perform job expectations. The ability to perform job expectations and duties may be directly affected by the lack of exercise, sleep, and adequate relaxation. Employees might not be able to sustain the energy levels required for many job duties if they are tired, out-of-shape physically, or tense. Lack of exercise, sleep, or adequate relaxation do not necessarily affect an individual's ability to socialize with coworkers, enter training programs, or learn of new opportunities.

SOURCE: PD:002

SOURCE: PD LAP 5—Brand ME! (Personal Appearance)

67. A

Analyze the information. Problem solving is finding solutions for problems or obstacles. Although there are several approaches to problem solving, there are distinct steps that help employees find solutions to issues or solve work-related problems. First, the employee must define what the problem is. Then, the employee should state and check any assumptions that s/he might have about the situation. In many situations, the assumptions are inaccurate or false. After considering assumptions, the employee should collect the facts. After collecting the facts, the employee can then analyze the facts and determine which information is meaningful and useful. After analyzing the facts, the employee can come up with ideas to solve the problem, and then select (make a decision) and implement the best solution.

SOURCE: PD:077

SOURCE: IS LAP 2—No Problem (Problem-Solving)

68. A

Identified. An essential step in effective time management is to identify all of your required activities. These activities can then be classified according to type, prioritized according to importance, scheduled to be done at an appropriate time, and finally performed.

SOURCE: PD:019

SOURCE: OP LAP 1—About Time (Time Management in Business)

69. D

Communications and media. This field involves jobs in radio, television, motion pictures, printing, publishing, photography, and communication systems. Many of the jobs require skills in speaking and writing as well as the ability to work with others and develop new ideas. A variety of clerical skills are necessary for the business and office field. Personal services involves helping others and includes jobs in many service industries. Health and fitness includes jobs in the medical field, diet and exercise facilities, and physical therapy.

SOURCE: PD:023

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 7-9]. Upper Saddle River, NJ: Pearson Prentice Hall.

70. A

Nickname. When signing the sections of an employment application that require a signature, applicants should always use their correct name, not a nickname. A nickname is a familiar form of a proper name and is generally used only by a person's family and friends. Nicknames are not considered to be professional and should not be used on applications, which are types of business documents. If an applicant has a title, such as doctor, it is acceptable to include the title with the signature. An individual's surname, or last name, is always included in the signature. Applicants should include their initials because it is possible for several people to have the same first and last names, but they usually have different middle initials.

SOURCE: PD:027

SOURCE: Bailey, L.J. (2003). *Working: Career success for the 21st century* (3rd ed.) [pp. 46-47]. Mason, OH: South-Western.

71. A

Radio. Radio ads are relatively inexpensive compared to the cost of television commercials, magazine ads, or spectaculars. Radio is frequently used by companies with a small profit margin or a small promotional budget. High-priced products with high profit margins are usually promoted in a combination of media, including radio, television, newspapers, magazines, and in some cases, expensive out-of-home media such as spectaculars, which are built to order.

SOURCE: PI:001

SOURCE: PI LAP 2—The Price is Right (Pricing)

72. A

Price fixing. Price fixing is an illegal business agreement in which businesses agree on prices of their goods or services, resulting in little choice for the consumer. Businesses that discuss their costs, markups, and prices with competing businesses may be involved in price fixing. In order to avoid possible price-fixing charges, businesses should not discuss any pricing issues with competitors. Variable pricing involves changing prices according to demand. Price lining is the practice of selling goods/services at a limited number of predetermined price points. Flexible pricing involves charging different customers different prices.

SOURCE: PI:017

SOURCE: Soloman, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [p. 364]. Upper Saddle River, NJ: Pearson Prentice Hall.

73. C

Recession. A recession is a contraction of the GDP (gross domestic product) that lasts at least six months. During this phase of the business cycle, business activity slows down. As a result, unemployment occurs and consumers tend to buy less because they have less disposable income, which lowers demand. In response to lower demand, businesses often reduce their prices in order to survive until demand increases. Recovery and prosperity are phases of the business cycle that experience an increase in demand and spending. It is during these phases that demand can exceed supply. As a result, businesses are more likely to increase their prices. Deflation is not a common term used to describe a phase in the business cycle.

SOURCE: PI:002

SOURCE: PI LAP 3—Make Cents (Factors Affecting Selling Price)

74. B

It reflects the image of the business. The quality level of a product is an important part of product/service management because it reflects the image of the business. Product managers must choose not only the image they wish to portray but the level of quality that is appropriate to the products themselves. The way that a product works refers to its design. By offering warranties, product managers are protecting consumers. Labels identify a product's brand.

SOURCE: PM:001

SOURCE: PM LAP 17—Rapping Up Products (Product/Service Planning)

75. D

Competitors enter the market. The growth stage is the product life-cycle stage in which sales rise rapidly. As a result of increased sales, new competitors enter the market to take advantage of the opportunity for profit. The market continues to expand because the product is popular. During the growth stage, prices remain the same or are lowered slightly. A fad is a style or design that gains and loses its popularity within a brief period of time. Promotional budgets remain steady or increase a little to build product awareness.

SOURCE: PM:024

SOURCE: Solomon, M.R., Marshall, G.W., & Stuart, E.W. (2008). *Marketing: Real people, real choices* (5th ed.) [pp. 282-283]. Upper Saddle River, NJ: Pearson Prentice Hall.

76. C

To compile customer databases. Businesses often use Internet technology to obtain valuable information about customers. Today, many businesses maintain web sites that are visited by many users who may be potential customers. When users visit the sites, the businesses often ask them to register in order to access the site. Then, the registration process involves answering a series of questions such as name, street address, e-mail address, personal interests, business associations, etc. The businesses compile this information into customer databases that they can use to send additional information to those visitors who fit the criteria of their target markets. Businesses do not use the information that they are able to obtain due to the advances in Internet technology to develop production systems, interview potential employees, or prepare operating policies.

SOURCE: PM:039

SOURCE: Zikmund, W.G., & Babin, B. (2010). *Essentials of marketing research* (4th ed.) [p. 32]. Mason, OH: South-Western Cengage Learning.

77. A

Advertising "100% juice" and emphasizing a picture of a fruit other than the one that is the main ingredient. Advertising "100% juice" and emphasizing a picture of a fruit misleads the consumer into thinking that the juice is 100% of the pictured fruit. That is considered unethical product labeling if that fruit is not the main ingredient. It is ethical to list ingredients, vitamins, and the name and address of the manufacturer.

SOURCE: PM:040

SOURCE: Ferrell, O.C., Fraedrich, J., & Ferrell, L. (2002). *Business ethics: Ethical decision making and cases* (5th ed.) [pp. 34-35]. Boston: Houghton Mifflin.

78. B

Brainstorming. Brainstorming is a creative-thinking technique involving the identification of as many different ideas as possible during a certain time frame. Businesses often have groups of employees meet to review information in an attempt to identify product opportunities. Sales records are a valuable source of information to review because they contain information about product returns. Employees can analyze the reasons for the returns and brainstorm product opportunities that will solve the return problem. Reviewing a business's sales records for the purpose of identifying product opportunities is not an example of experimenting, negotiating, or questioning.

SOURCE: PM:134

SOURCE: Clark, B., Sobel, J., & Basteri, C.G. (2006). *Marketing dynamics* (pp. 279-280). Tinley Park, IL: Goodheart-Willcox.

79. D

Express. An express warranty is a promise expressed in a specific statement concerning the quality of the product. It may be in written or oral form. An implied warranty is an unwritten warranty that is understood by the consumer and the seller that the product will perform as expected. Not enough information is given to determine the extent of the promise; therefore, we do not know whether the promise covered all repairs (a full warranty) or only specific parts of the product (limited warranty).

SOURCE: PM:020

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 674-677). Woodland Hills, CA: Glencoe/McGraw-Hill.

80. C

Consumer Product Safety Act. The major provision of this act was to establish the Consumer Product Safety Commission. Among the laws administered by this commission are those covering hazardous substances, flammable fabrics, refrigerator safety, and the prevention of poisoning through packaging. The Federal Trade Commission Act established the Federal Trade Commission. The Federal Food, Drug, and Cosmetic Act bans the production, transportation, and sale of misbranded or adulterated foods, drugs, cosmetics, and medical devices; requires testing of new drugs and generic labeling of all drugs; sets standards for production and sale of poisonous substances; and sets quality standards for foods. The Fair Packaging and Labeling Act requires product labels to identify the product, provide the name and address of the producer or distributor, and describe the contents of the package.

SOURCE: PM:017

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2009). *Marketing essentials* (pp. 126-130). Woodland Hills, CA: Glencoe/McGraw-Hill.

81. D

Benefits. Product positioning is the customer's image or impression of a product as compared to that of competitive products. Benefits are the advantages that the customer receives from using the product. Easy assembly and operation are the product's benefits. Price refers to the amount of money a customer pays for a product. Value is the amount of satisfaction a good or service will provide a customer. Quality refers to a product's degree of excellence.

SOURCE: PM:042

SOURCE: Farese, L.S., Kimbrell, G., & Woloszyk, C.A. (2006). *Marketing essentials* (p. 645). New York: Glencoe/McGraw-Hill.

82. C

Corporate brand. A corporate brand is the combined impressions, images, or experiences associated with a company or parent entity. Because a corporate brand may have several different products and/or product lines under its umbrella, the company may need to appeal to a variety of constituents. Stakeholders, employees, the media, and its various customers and target markets are a few of the constituents that the company must consider when it makes business decisions, which affect the company's overall image. Because the company may have several product lines or companies under the corporate umbrella (brand), product image, advertising, and assets may vary.

SOURCE: PM:206

SOURCE: Roll, M. (2004, April 12). *Understanding the purpose of a corporate branding strategy*. Retrieved September 9, 2010, from http://www.brandchannel.com/print_page.asp?ar_id=81§ion=brandspeak

83. C

Presell products. Promotion helps to presell products by informing customers about products and persuading them to buy. This makes the salespeople's job easier, but salespeople are still needed to complete the sale. Management is responsible for guiding business operations. Pricing is the marketing function that involves determining and adjusting prices to maximize return and meet customers' perceptions of value.

SOURCE: PR:001

SOURCE: PR LAP 2—Razzle Dazzle (Promotion)

84. C

The type and number of consumers and their location. These are all elements of the product's target market—the particular group of consumers who want or need a given product. Businesses must know their target markets well so that appropriate promotional mixes can be planned. The company history is a company factor. The product type and life cycle are product factors.

SOURCE: PR:003

SOURCE: PR LAP 1—Promotional Mix

85. D

Stereotyping. A stereotype is a set image or an assumption about a person or thing. An ad that portrays teenaged boys as lazy and middle-aged men as hard working is stereotyping, because that image is not accurate. Most businesses try to avoid stereotyping in ads because it may offend certain groups.

Discrimination is unfair treatment of a person or a group based on the person's or group's characteristics. Sexism involves portraying men and women in traditional roles. Harassment is any kind of behavior toward another person that is carried out for the purpose of annoying or threatening the individual.

SOURCE: PR:099

SOURCE: Clow, K.E. & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [p. 393]. Upper Saddle River, NJ: Prentice Hall.

86. C

Stealth marketing. Stealth marketing is a deceptive practice in which a business tries to stimulate interest in a product without disclosing to the public that the business is paying others to create the “buzz.” When a company pays a firm to develop and maintain a blog (online journal) about the company's new product and does not disclose that the blog content is being paid for, the company is being deceptive, which is unethical behavior. Placement promotion is an advertising technique that involves placing products in movies, television shows, etc. A sponsorship is an agreement that allows a company to pay a fee for the right to affiliate itself with a business, sports team, or event. An endorsement is approval by a reputable external source.

SOURCE: PR:099

SOURCE: Anderson, N. (2006, December 13). *FTC says stealth marketing unethical*. Retrieved September 9, 2010, from <http://arstechnica.com/news.ars/post/20061213-8413.html>

87. C

Corrective. Corrective advertising explains and amends information that was deceiving in a previous ad. If a business is found guilty of deceptive advertising, it is often required to develop corrective ads that will inform consumers about the misleading information and set the record straight. For example, if a business runs an ad that implies that a product will provide a certain benefit that it cannot provide, the business may be required to place a corrective ad that explains the inaccurate information. A comparative ad compares one product to another. Informative and affirmative are not specific types of advertising.

SOURCE: PR:101

SOURCE: Clow, K.E. & Baack, D. (2010). *Integrated advertising, promotion, and marketing communications* (4th ed.) [pp. 391-392]. Upper Saddle River, NJ: Prentice Hall.

88. B

The clutter in the media. Because more ads are being run, it's easier for an ad to get lost in the clutter. The high degree of clutter is one of the disadvantages of television advertising. A limitation of television as a medium is that advertisements do not reach select groups. Anyone who has a television turned on at the time an ad is run will be exposed to the advertisement. Message impact and interest in ad content have always been concerns for television advertisers. Shortened messages have not reduced this concern.

SOURCE: PR:007

SOURCE: PR LAP 3—Ad-quipping Your Business (Types of Promotional Media)

89. B

Increased sales. Word-of-mouth communication is promotion and publicity for a business provided by customers who tell others of their satisfaction with the business. This type of positive communication often leads to increased sales for the business because it attracts new customers. When satisfied customers tell others about their positive experiences, they are encouraging others to buy from the business. This will not decrease advertising costs because the business still needs to advertise. Advertising is an operating expense. Word-of-mouth communication does not increase the product mix which is the particular assortment of goods and services that a business offers in order to meet the needs of its market and its company goals.

SOURCE: PR:247

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 441-443). Mason, OH: South-Western.

90. B

Generate an immediate response. A communications channel is a path or means used to provide information to others. In sales promotion, coupons are a type of communications channel that are used to provide information about products to customers. The reason for using coupons is to generate an immediate response by offering reduced prices on specific items. The hope is that customers will be motivated to buy the product now because of the information they received. Sales promotion is usually intended to encourage a quick response, while advertising is intended to create long-term demand and persuade customers to remain loyal. Sales promotion involves promotional activities other than advertising.

SOURCE: PR:249

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 383-385). Mason, OH: South-Western.

91. A

Direct selling. Direct selling involves salespeople calling on customers or potential customers. Small businesses often do not have a large sales staff which makes it difficult to contact a lot of potential customers. Participating in trade shows provides an opportunity for small businesses to make contact with many prospects. This is often a deciding factor when evaluating whether to participate in trade shows. Once businesses have contacted potential customers, they can begin to build relationships. Cause marketing involves promoting a cause or social issue. Retailing often involves customers contacting the business.

SOURCE: PR:255

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (p. 404). Mason, OH: South-Western.

92. D

Target market. Target market is the particular group of customers a business seeks to attract. A business's target market is an external factor that has an effect on the type of promotional plan the business develops. If a business's target market is young adults, the business would develop a promotional plan that appeals to this group. The promotional plan that appeals to young adults might be very different from the type of plan that appeals to senior citizens. Vendor list, delivery system, and local media are external factors that do not affect the type of promotional plan that a business develops.

SOURCE: PR:073

SOURCE: Burrow, J.L. (2002). *Marketing* (pp. 418-421). Mason, OH: South-Western.

93. D

Manufacturers' promotional campaigns. Local businesses are able to gain the benefit of additional advertising by tying their promotions to the manufacturers' national campaigns. Manufacturers usually run special promotions several times a year, which gives local businesses the opportunity to obtain additional advertising without great expense. Competing businesses usually do not coordinate their promotional efforts. Coordinating a promotion with specials offered at the mall would be effective only if the business was located in the mall. Taking advantage of the discounts offered by one radio station would not be an example of coordinating promotional activities.

SOURCE: PR:076

SOURCE: Semenik, R.J. (2002). *Promotion and integrated marketing communications* (pp. 409-410). Mason, OH: South-Western.

94. B

Planned. Knowing the features and benefits of products and how to use them helps salespersons to plan and organize their sales presentations. Since the salesperson is planning the sales presentation, it would not be considered spontaneous communication. The salesperson memorizes all information in a canned presentation. Selling is personal rather than impersonal because it involves communicating directly with customers.

SOURCE: SE:017

SOURCE: SE LAP 117—Sell Away (Selling)

95. D

Keep in touch. The best salespeople recognize the necessity of keeping in contact with their customers to maintain the partnerships they have established. This may require only a simple phone call or thank-you card, or it may require a personal visit. The important thing is to let your customers know they matter to you and that you appreciate their business. It is important for salespeople to solicit feedback from customers rather than provide feedback. Salespeople should never be aggressive. Businesses, rather than salespeople, usually develop and use advertising to attract customers.

SOURCE: SE:076

SOURCE: SE LAP 130—Go Beyond the Sale (Customer Service in Selling)

96. B

Flexibility. Selling policies may be in writing or simply understood by employees. Opinions vary as to whether policies should be put in writing. Those against written policies claim they are too inflexible and restrictive. Some businesses prefer to have unwritten selling policies because of the flexibility that enables them to make frequent changes. Written selling policies tend to be more consistent, regimented, and conforming.

SOURCE: SE:932

SOURCE: Manning, G.L., Reece, B.L., & Ahearne, M. (2010). *Selling today: Creating customer value* (11th ed.) [pp. 100-101]. Upper Saddle River, NJ: Prentice Hall.

97. C

Sell online. Computer technology has made it possible for businesses to create web sites on the Internet that customers can access at any time. The result is that many businesses now sell online as well as through traditional methods. By adding the online sales feature, businesses have the opportunity to reach more customers and increase sales. Computer technology does not necessarily save money because businesses need to buy and maintain the equipment. Computer technology does not eliminate the need for inventory. Computer technology does not necessarily require businesses to increase staff, although businesses may replace some employees with those who have computer training.

SOURCE: SE:107

SOURCE: Rayport, J.F., & Jaworski, B.J. (2004). *Introduction to e-commerce* (2nd ed.) [p. 21]. Boston: McGraw-Hill/Irwin.

98. B

Benefits. Benefits are advantages customers receive from buying a product. People buy benefits that are meaningful to them. If a feature doesn't offer a benefit to the customer, the feature is meaningless to that customer. Characteristics and qualities simply describe the product itself and not its benefits.

SOURCE: SE:109

SOURCE: SE LAP 113—Find Features, Boost Benefits (Feature-Benefit Selling)

99. D

Physiological. Physiological needs are the basic human desires needed to sustain life and the first level of needs in Maslow's Hierarchy of Needs. These basic needs include the need for food, water, and shelter. People are motivated to buy the products they need to live before they consider buying other products. Once people satisfy their basic needs, they are motivated to buy products to satisfy security needs, esteem needs, and finally, self-actualization needs.

SOURCE: SE:359

SOURCE: Greene, C. (2003). *Selling: Business 2000* (pp. 48-49). Mason, OH: South-Western.

100. D

Lack training in management techniques. Businesses often promote workers to supervisory jobs as a reward for good performance. These new supervisors often need training to help them assume supervisory responsibilities. First-level supervisors usually are familiar with the work because they have done it themselves. Long-range planning involves planning for the entire company and is a responsibility of top management, not the first-level supervisor. Wanting to move up to mid-level management is not a problem but a legitimate career goal.

SOURCE: SM:001

SOURCE: SM LAP 3—Manage This! (Nature of Management)