



Midterm practice COMM 223

Marketing Management I (Concordia University)



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Chapter 1

Multiple Choice Questions

1. Which of the following best describes "Marketing Myopia"?
 - a) Focusing on selling as much as possible in a short time frame
 - b) Paying too much attention to the product itself rather than the benefits and experiences for the customer
 - c) Creating an innovative marketing strategy that shifts with customer needs
 - d) Prioritizing market segmentation over product development**Answer:** b) Paying too much attention to the product itself rather than the benefits and experiences for the customer
2. Which marketing management orientation assumes that customers will prefer products that are readily available and affordable?
 - a) Product Concept
 - b) Production Concept
 - c) Selling Concept
 - d) Societal Marketing Concept**Answer:** b) Production Concept
3. Which of the following is an example of a "Want" rather than a "Need"?
 - a) Drinking water to stay hydrated
 - b) Buying a designer handbag because of social influence
 - c) Sleeping to maintain health
 - d) Eating food for survival**Answer:** b) Buying a designer handbag because of social influence
4. What is "Customer Lifetime Value (CLV)"?
 - a) The percentage of purchases made by a customer within a specific brand
 - b) The total revenue generated by a company in a given year
 - c) The total value of all purchases a customer makes with a brand over their lifetime
 - d) The total number of purchases made by a customer in one year**Answer:** c) The total value of all purchases a customer makes with a brand over their lifetime
5. What is the key difference between "upselling" and "cross-selling"?
 - a) Upselling involves convincing the customer to purchase an unrelated product, while cross-selling involves offering an upgraded version of the same product
 - b) Upselling involves upgrading to a more valuable version of the product, while cross-selling involves offering complementary products or services
 - c) Cross-selling focuses on repeat purchases, while upselling focuses on attracting new customers
 - d) There is no significant difference between the two strategies**Answer:** b) Upselling involves upgrading to a more valuable version of the product, while cross-selling involves offering complementary products or services

6. A company using the "Societal Marketing Concept" primarily focuses on:
- a) Pushing aggressive sales to clear inventory
 - b) Producing the highest quality product regardless of cost
 - c) Balancing customer needs with long-term societal well-being
 - d) Maximizing short-term profits over long-term growth
- Answer:** c) Balancing customer needs with long-term societal well-being
7. Why is retaining existing customers often more beneficial than acquiring new ones?
- a) Existing customers are more likely to engage in positive word-of-mouth marketing
 - b) Retaining customers helps reduce marketing expenses
 - c) Existing customers tend to pay less attention to competing brands
 - d) All of the above
- Answer:** d) All of the above
8. "Share of Customer" refers to:
- a) The total combined customer lifetime values (CLV) of all customers
 - b) The percentage of total purchases a particular customer makes within a brand
 - c) The overall market share a brand holds within its industry
 - d) The percentage of profits retained after marketing expenses
- Answer:** b) The percentage of total purchases a particular customer makes within a brand

True/False Questions

9. The "Marketing Concept" assumes that customers will buy products only if they are aggressively advertised and sold.
- Answer:** False
10. Customer satisfaction is entirely dependent on the perceived performance of a product relative to customer expectations.
- Answer:** True
11. "Customer Equity" is a measure of a company's short-term profitability rather than long-term value.
- Answer:** False
12. Market offerings only include physical products and do not extend to services or experiences.
- Answer:** False
13. A company following the "Selling Concept" believes that high-quality and innovative products will naturally attract customers.
- Answer:** False
14. "Marketing Myopia" can limit business growth by focusing only on the current product rather than evolving customer needs.
- Answer:** True
15. Increasing "Customer Lifetime Value" (CLV) often involves strategies like upselling and cross-selling.
- Answer:** True

16. "Production Concept" marketing assumes that customers prioritize affordability and availability over features and quality.

Answer: True

17. "Butterflies" in customer relationship evaluation represent customers with high profitability but low loyalty.

Answer: True

18. "Barnacles" in customer relationship evaluation refer to highly loyal customers who also generate high profitability.

Answer: False

Situation-Based Questions

19. A company is losing market share because it focuses too much on the features of its products rather than how customers use them. What marketing issue is this company facing?

- a) Customer dissatisfaction
- b) Marketing Myopia
- c) Low customer retention
- d) Ineffective advertising strategy

Answer: b) Marketing Myopia

20. A retail store has a loyal customer base but wants to increase its "Share of Customer." Which of the following strategies would be most effective?

- a) Aggressively advertising to attract new customers
- b) Encouraging existing customers to buy more products through bundle deals
- c) Offering lower-quality products to reduce costs
- d) Eliminating loyalty programs to save expenses

Answer: b) Encouraging existing customers to buy more products through bundle deals

21. A fast-food company wants to introduce a new menu item that aligns with long-term environmental sustainability. Which marketing orientation should they follow?

- a) Selling Concept
- b) Product Concept
- c) Societal Marketing Concept
- d) Production Concept

Answer: c) Societal Marketing Concept

Chapter 3

Multiple Choice Questions

1. Which of the following best describes the marketing environment?

- a) The internal policies of a company that guide marketing decisions
- b) The external actors and forces that affect a company's ability to serve its customers

- c) A company's direct marketing activities such as advertising and promotions
- d) The technological tools used by marketers to analyze consumer behavior

Answer: b) The external actors and forces that affect a company's ability to serve its customers

2. Which of the following is NOT part of the microenvironment?

- a) Competitors
- b) Suppliers
- c) Technological environment
- d) Marketing intermediaries

Answer: c) Technological environment

3. What role do marketing intermediaries play in the microenvironment?

- a) They regulate the marketing activities of a company
- b) They help distribute, promote, and sell products to customers
- c) They control a company's production process
- d) They set legal requirements for advertising campaigns

Answer: b) They help distribute, promote, and sell products to customers

4. Which of the following is an example of a factor in the macroenvironment?

- a) Marketing intermediaries
- b) Customer relationship management
- c) Economic trends
- d) Internal policies of a company

Answer: c) Economic trends

5. How does the demographic environment impact marketing decisions?

- a) By influencing government regulations on marketing practices
- b) By determining the distribution channels available to companies
- c) By shaping consumer needs, wants, and preferences based on age, income, and other factors
- d) By affecting the technological tools available for marketing campaigns

Answer: c) By shaping consumer needs, wants, and preferences based on age, income, and other factors

6. The natural environment in marketing primarily concerns:

- a) The number of customers in a given market
- b) The supply of raw materials and environmental sustainability
- c) The use of technology in business processes
- d) The advertising strategies used by companies

Answer: b) The supply of raw materials and environmental sustainability

7. Why is understanding the cultural environment important for marketers?

- a) Because cultural values and beliefs shape consumer behavior and preferences
- b) Because it helps companies set internal performance targets
- c) Because it determines the laws that regulate business operations
- d) Because it affects a company's production costs

Answer: a) Because cultural values and beliefs shape consumer behavior and preferences

8. Which of the following best describes the concept of generational marketing?
- a) Targeting customers based on their buying history rather than age
 - b) Developing marketing strategies tailored to different age groups based on their shared characteristics
 - c) Selling products only to older generations with higher disposable income
 - d) Creating new product categories for each generation of customers
- Answer:** b) Developing marketing strategies tailored to different age groups based on their shared characteristics

True/False Questions

9. The microenvironment consists of broader societal forces that impact an organization's marketing activities.
Answer: False
10. Suppliers are part of the macroenvironment because they influence the economy.
Answer: False
11. Competitors are part of the marketing microenvironment.
Answer: True
12. Government regulations are a key factor in the political environment of the macroenvironment.
Answer: True
13. The technological environment only affects high-tech industries.
Answer: False
14. Generation Z is known for being highly engaged online and influenced by digital media.
Answer: True
15. The natural environment in marketing includes concerns about pollution and sustainability.
Answer: True
16. "Baby Boomers" are the most technology-savvy generation and drive digital innovation.
Answer: False

Situation-Based Questions

17. A company notices a growing demand for environmentally friendly products. Which macroenvironmental factor is influencing this trend?
- a) Technological environment
 - b) Natural environment
 - c) Political environment
 - d) Demographic environment
- Answer:** b) Natural environment
18. A marketing manager wants to understand consumer behavior based on income distribution and spending patterns. Which macroenvironmental factor should they analyze?
- a) Cultural environment
 - b) Economic environment

- c) Political environment
- d) Natural environment

Answer: b) Economic environment

19. A company wants to market a new streaming service to Generation X. What characteristic should they consider?
- a) Generation X prefers social media influencers over traditional ads
 - b) Generation X is highly skeptical of marketing and values brand loyalty
 - c) Generation X rarely engages in online shopping
 - d) Generation X prefers fast fashion trends

Answer: b) Generation X is highly skeptical of marketing and values brand loyalty

20. A fast-food brand wants to ensure its marketing aligns with sustainability concerns. Which concept should they follow?
- a) Product Concept
 - b) Selling Concept
 - c) Societal Marketing Concept
 - d) Production Concept

Answer: c) Societal Marketing Concept

Chapter 4

Multiple Choice Questions (MCQs)

What is the main purpose of a Marketing Information System (MIS)?

- A) To gather information from competitors
- B) To manage customer relationships
- C) To assess information needs, gather it, and help decision-makers use it
- D) To store big data in cloud systems

Answer: C) To assess information needs, gather it, and help decision-makers use it

Which of the following is a key disadvantage of using internal data for marketing decisions?

- A) It is usually expensive to access
- B) It may be incomplete or disorganized
- C) It offers a global view of the market
- D) It always provides unbiased results

Answer: B) It may be incomplete or disorganized

Big Data refers to:

- A) Small sets of customer feedback
- B) Large, complex datasets generated, collected, and analyzed for insights
- C) A method for storing historical sales data
- D) Marketing analytics used by a company

Answer: B) Large, complex datasets generated, collected, and analyzed for insights

Which of the following is a characteristic of exploratory research?

- A) It tests hypotheses to understand causal relationships
 - B) It uncovers problems or hypotheses with limited initial information
 - C) It describes attitudes of customers regarding a new product
 - D) It involves the use of cross-sectional surveys
- Answer:** B) It uncovers problems or hypotheses with limited initial information

Which research type is best for testing hypotheses about causal relationships, like the impact of weather on ice cream sales?

- A) Descriptive research
 - B) Causal research
 - C) Exploratory research
 - D) Cross-sectional surveys
- Answer:** B) Causal research

What is the main advantage of secondary data?

- A) It is specifically tailored to the research problem at hand
 - B) It is inexpensive and can be accessed quickly
 - C) It is always up-to-date and accurate
 - D) It offers in-depth insights into specific customer behaviors
- Answer:** B) It is inexpensive and can be accessed quickly

Which of the following is an example of external secondary data?

- A) Company financial reports
 - B) Customer complaint records
 - C) Government data (e.g., Stats Canada)
 - D) Sales data from a company database
- Answer:** C) Government data (e.g., Stats Canada)

Which data collection method is used in ethnographic research?

- A) Surveys
 - B) Observation in a natural environment
 - C) Experimental design
 - D) Focus groups
- Answer:** B) Observation in a natural environment

Which sampling method gives every member of the population an equal chance of being selected?

- A) Convenience sample
 - B) Stratified random sample
 - C) Simple random sample
 - D) Cluster sample
- Answer:** C) Simple random sample

Which of the following best describes the purpose of using focus groups in marketing research?

- A) To get detailed insights from individuals in a controlled setting
- B) To gather large-scale survey data
- C) To observe consumer behavior in a natural environment

D) To discuss and generate ideas with a group of 6-10 people about a brand/product
Answer: D) To discuss and generate ideas with a group of 6-10 people about a brand/product

True/False Questions

True or False: Marketing Analytics tools are primarily used to analyze customer behavior and generate insights from big data.

Answer: True

True or False: Internal data sources, such as inventory reports, are often quick to access but can sometimes lead to biased results due to organizational constraints.

Answer: True

True or False: Primary data refers to information that has been collected for another purpose but is being used for the current research problem.

Answer: False (Primary data is new data collected specifically for the current research problem.)

True or False: Descriptive research is used to describe marketing problems, such as understanding consumer attitudes towards a new product.

Answer: True

True or False: Causal research can be used to test hypotheses about relationships, such as determining if a specific treatment influences consumer behavior.

Answer: True

True or False: Secondary data is often more expensive and time-consuming to gather compared to primary data.

Answer: False (Secondary data is typically quicker and less expensive to gather.)

True or False: Observational research methods, like eye-tracking analysis, provide insights into consumer behavior that might not be captured through surveys.

Answer: True

True or False: A convenience sample ensures that every member of the population has an equal chance of being selected for research.

Answer: False (A convenience sample involves selecting the easiest participants, not giving everyone an equal chance.)

True or False: Focus groups are beneficial for obtaining qualitative insights but are prone to issues like groupthink, where participants may simply agree with one another.

Answer: True

True or False: The primary advantage of using mechanical instruments, like checkout scanners, is that they provide detailed behavioral data automatically.

Answer: True

Situation-Based Questions

A company is looking to expand its product line and wants to understand the specific needs of its target market. Which type of research would be most appropriate for uncovering new opportunities?

- A) Descriptive research
- B) Exploratory research
- C) Causal research
- D) Cross-sectional surveys

Answer: B) Exploratory research

A marketing manager wants to test whether a price reduction will increase sales in a specific market. Which research method should they use to test the cause-and-effect relationship?

- A) Focus groups
- B) Observation
- C) Experimental design
- D) Survey research

Answer: C) Experimental design

A company is conducting a survey on customer satisfaction, but some customers are unwilling to answer certain questions about their personal preferences. Which potential disadvantage is this an example of?

- A) Interviewer bias
- B) Non-response bias
- C) Sample size error
- D) Selection bias

Answer: B) Non-response bias

A researcher observes customers in a store environment and analyzes their behavior without directly interacting with them. What type of research method is being used?

- A) Survey
- B) Observation
- C) Focus group
- D) Experiment

Answer: B) Observation

A marketing team is using data from online behavior, such as purchase history and browsing patterns, to target specific consumers with personalized ads. This is an example of:

- A) Experimental design
- B) Behavioral targeting
- C) Secondary data collection
- D) Ethnographic research

Answer: B) Behavioral targeting

Chapter 5

Multiple-Choice Questions (MCQs):

Which of the following is NOT an example of internal stimuli in the buyer decision process?

- A) Hunger
- B) Thirst
- C) Advertising
- D) Physical discomfort

Answer: C) Advertising

Which of the following is an example of external stimuli in the buyer decision process?

- A) Personal recollections
- B) Online reviews
- C) Hunger
- D) Thirst

Answer: B) Online reviews

Which stage of the buyer decision process involves gathering information to solve the need identified in stage 1?

- A) Information Search
- B) Need Recognition
- C) Evaluation of Alternatives
- D) Purchase Decision

Answer: A) Information Search

In the evaluation of alternatives, which category includes brands that are acceptable but not the first choice?

- A) Known Brands
- B) Acceptable Brands
- C) Rejected Brands
- D) Overlooked Brands

Answer: B) Acceptable Brands

Cognitive dissonance is most likely to occur during which stage of the buyer decision process?

- A) Need Recognition
- B) Information Search
- C) Purchase Decision
- D) Post-purchase Behavior

Answer: D) Post-purchase Behavior

Which group of adopters is most likely to wait for a large portion of the population to adopt a product before they do?

- A) Innovators
- B) Early Adopters
- C) Late Majority
- D) Laggards

Answer: C) Late Majority

A consumer evaluates a new product by comparing it to existing alternatives in terms of how well it fits with their values. Which characteristic of the product is influencing its rate of adoption?

- A) Relative Advantage

- B) Compatibility
 - C) Complexity
 - D) Divisibility
- Answer: B) Compatibility

Which of the following is a characteristic of "Laggards"?

- A) Tend to be younger and more willing to take risks
- B) More likely to be influenced by others
- C) Generally more conservative and resistant to change
- D) Are early adopters of new technologies

Answer: C) Generally more conservative and resistant to change

Which of the following is an example of a business buying situation?

- A) Straight Rebuy
- B) Modified Rebuy
- C) New Task
- D) All of the above

Answer: D) All of the above

In a business buying process, which step involves defining the specifications and criteria for selecting a supplier?

- A) Supplier Search
- B) Proposal Solicitation
- C) Supplier Selection
- D) Product Specification

Answer: D) Product Specification

True/False Questions:

The need recognition stage can be triggered only by internal stimuli.

Answer: False (It can be triggered by both internal and external stimuli.)

In the buyer decision-making process, post-purchase behavior only involves the consumer's reaction to the product's performance.

Answer: False (It also includes cognitive dissonance and evaluating compromises.)

A company's routine order of the same product without any modifications is considered a modified rebuy.

Answer: False (That would be considered a straight rebuy.)

Business buyers always purchase based on the lowest price offered by a supplier.

Answer: False (Price is a factor, but other considerations like product quality, supplier reliability, and support services also influence the decision.)

"Laggards" are typically hard to market to because they resist change and are highly price-sensitive.

Answer: True

Situation-Based Questions:

Sarah is interested in purchasing a new laptop. She starts by searching online and reading reviews on various models, and then compares their features. After trying out some laptops in a store, she finally decides to buy one from a local shop. Which stages of the buyer decision process is Sarah going through?

Answer:

Information Search (Sarah is gathering information through online reviews and comparison of features.)

Evaluation of Alternatives (She compares the features of different laptops and tries them in-store.)

Purchase Decision (She makes the decision to buy the laptop from the shop.)

John buys a car, but a few days later, he starts questioning his decision because the car has some minor issues. He feels a sense of discomfort due to the purchase. Which concept explains John's feelings, and how can the car dealership address this issue?

Answer:

Cognitive Dissonance (John feels discomfort and doubts about his decision due to the perceived performance of the car.)

To reduce cognitive dissonance, the dealership can offer:

Good after-sale service

Warranties

Reassuring advertising

A company needs to purchase a new type of software for its operations. This is the first time the company is buying such a product. What type of buying situation does this represent, and which steps in the business buying process will the company go through?

Answer:

New Task Buying Situation (The company is purchasing a product it has never bought before.)

Steps in the Business Buying Process:

Problem Recognition (Recognizing the need for new software.)

General Need Description (Describing the features needed in the software.)

Product Specification (Defining specific criteria for the software.)

Supplier Search (Looking for potential suppliers.)

Proposal Solicitation (Requesting proposals from suppliers.)

Supplier Selection (Choosing the most suitable supplier.)

Order Routine Specification (Setting up an order routine with the chosen supplier.)

Chapter 6

Multiple Choice Questions:

1. Which of the following is NOT a key requirement for effective segmentation?

a) Measurable

b) Substantial

c) Disposable

d) Actionable

Answer: c) Disposable

2. **Which segmentation variable is concerned with the preferences and personality traits of consumers?**
a) Demographic
b) Geographic
c) Psychographic
d) Behavioral
Answer: c) Psychographic
3. **What is an example of a multivariate segmentation strategy?**
a) Segmenting based only on income level
b) Segmenting based on gender only
c) Segmenting using both age and income levels
d) Segmenting based only on geographic region
Answer: c) Segmenting using both age and income levels
4. **Which targeting strategy would be best for a company that has limited resources and wants to target a specific niche?**
a) Undifferentiated marketing
b) Differentiated marketing
c) Concentrated marketing
d) Micromarketing
Answer: c) Concentrated marketing
5. **In which scenario would a company most likely use an undifferentiated marketing strategy?**
a) When selling premium luxury cars
b) When selling widely used, everyday products like salt
c) When targeting high-income professionals
d) When creating highly specialized products
Answer: b) When selling widely used, everyday products like salt
6. **Which of the following is a key factor in evaluating the attractiveness of a market segment?**
a) Level of competition
b) Size of the country
c) Product variety
d) Number of competitors' products
Answer: a) Level of competition
7. **A company offering a product that has many substitutes in the market should focus on which segmentation criterion?**
a) Demographic
b) Behavioral
c) Market Variability

d) Product Differentiation

Answer: d) Product Differentiation

8. What is the main idea behind positioning?

- a) Creating a strong brand identity
- b) Defining how the product is perceived by consumers
- c) Lowering the product's price to attract consumers
- d) Increasing production efficiency

Answer: b) Defining how the product is perceived by consumers

9. Which of the following strategies would likely be used by a company that wants to emphasize the uniqueness and superior quality of its product?

- a) Price-based positioning
- b) Product differentiation
- c) Undifferentiated marketing
- d) Concentrated marketing

Answer: b) Product differentiation

10. A product positioning statement for a brand should include which of the following?

- a) Target segment, need, and point-of-difference
- b) Competitive pricing strategy
- c) Geographic location of the business
- d) Marketing campaign budget

Answer: a) Target segment, need, and point-of-difference

True/False Questions:

1. True or False: Segmentation can be based solely on a consumer's geographic location.

Answer: False

2. True or False: Differentiation is about making a product distinctly different from its competitors.

Answer: True

3. True or False: Market segments should be profitable enough for the company to target effectively.

Answer: True

4. True or False: The more substitutes a product has, the more attractive the market segment is for a company.

Answer: False

5. True or False: The undifferentiated marketing strategy targets specific segments with separate offers.

Answer: False

6. **True or False: The behavioral segmentation variable includes factors like usage rate and loyalty status.**
Answer: True
 7. **True or False: Targeting strategies must always involve a narrow approach to appeal to specific consumer needs.**
Answer: False
 8. **True or False: A product positioning statement should only focus on price and product features.**
Answer: False
 9. **True or False: Micromarketing focuses on targeting individual consumers or local markets.**
Answer: True
 10. **True or False: The level of competition is an important factor in evaluating the attractiveness of a market segment.**
Answer: True
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Situation-Based Questions:

1. **If a company wants to target health-conscious students near universities with a range of affordable organic food options, which segmentation variables would be most relevant?**
 - a) Demographic and geographic
 - b) Psychographic and behavioral
 - c) Behavioral and demographic
 - d) Geographic and behavioral**Answer: b) Psychographic and behavioral**
2. **A company that sells luxury watches wants to position its product as the best in terms of craftsmanship and exclusivity. What positioning strategy would this company most likely use?**
 - a) More for less
 - b) Less for much less
 - c) More for more
 - d) The same for more**Answer: c) More for more**
3. **If a business has identified a highly profitable market segment but faces significant competition from other brands, what should they focus on to make their product stand out?**
 - a) Price differentiation
 - b) Increased promotion
 - c) Product differentiation
 - d) Cost-cutting measures**Answer: c) Product differentiation**