

Chapter 10 - Product Concepts

1. What is the offering at the heart of an organization's marketing program?

- a. brand equity
- b. quality
- c. warranty
- d. product

ANSWER: d

2. What is the starting point in creating a marketing mix?

- a. price
- b. product
- c. distribution channel
- d. promotional media

ANSWER: b

3. Why is the creation of a product the starting point for the marketing mix?

- a. The production department must know what to produce first.
- b. Production strategy is the first of the four Ps listed in the marketing mix.
- c. Determination of the price, promotional campaign, and distribution network cannot begin until the product has been specified.
- d. Product development takes the longest amount of time to complete.

ANSWER: c

4. The new iPhone 8 comes in black, white, gold, and space grey. Many consumers are interested in this product because of the cool image attached to the Apple brand. Which of the following is an example of the iPhone's tangible feature?

- a. brand equity
- b. competitors
- c. colour
- d. image

ANSWER: c

5. To most people, what does the term "product" mean?

- a. a tangible good
- b. a service
- c. an idea
- d. a person

ANSWER: a

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6. In order to be effective, augmented reality should be used in real-world environment. What does that mean about that environment?
- a. It would be online.
 - b. It would be a website.
 - c. It would be a mobile phone.
 - d. It would be a retail store.

ANSWER: d

7. When PaintingsDirect, an online seller of contemporary original art, markets its art to home decor buyers for retailers, custom-framing stores, and intermediaries that supply furniture and home furnishings retailers, which type of products is it selling?
- a. specialty
 - b. consumer
 - c. business
 - d. convenience

ANSWER: c

8. Which of the following best describes a business product?
- a. It is a product sold to customers.
 - b. It is a product used to manufacture other goods and services.
 - c. It is a product bought to satisfy an individual's personal needs.
 - d. It is a product loved by everyone.

ANSWER: b

9. James bought a pair of winter boots. What kind of product would these boots be classified as?
- a. as a consumer product
 - b. as a specialty product
 - c. as a shopping product
 - d. as an unsought product

ANSWER: a

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10. Cadbury Dairy Milk chocolate can be purchased regularly with little shopping effort, usually with little planning, and it requires wide distribution. What would this chocolate bar be described as?
- a. as a convenience product
 - b. as a specialty product
 - c. as a shopping product
 - d. as an unsought product

ANSWER: a

11. Colin stopped at Canadian Tire to buy a snow shovel. While he was paying for his shovel, he noticed a can of WD-40 engine lubricant, which he also purchased. In this example, which type of product is the WD-40?
- a. specialty product
 - b. convenience product
 - c. business product
 - d. shopping product

ANSWER: b

12. While Alison was showing her new grandson to friends, the baby needed a diaper change, and she had brought none with her. She normally uses eco-friendly Seventh Generation brand diapers but settled for a Pampers brand diaper because that was the only brand stocked at the local grocery store. For Alison, which type of product is the recent diaper purchase?
- a. shopping product
 - b. impulse product
 - c. convenience product
 - d. specialty product

ANSWER: c

13. Which of the following is the best example of a convenience product?
- a. a box of cereal purchased every 3 months
 - b. the daily purchase of a local newspaper
 - c. a gallon of specialty ice cream
 - d. a frozen bag of peas used for a new recipe

ANSWER: b

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14. What does the convenience product marketing strategy include?

- a. wide distribution of the product
- b. higher than ordinary prices
- c. few retail outlets other than convenience stores
- d. significantly lower promotion budgets

ANSWER: a

15. Compared to the other classifications of consumer products, shopping products are which of the following?

- a. widely available so they need little or no mass promotion
- b. less expensive than convenience products and sold via aggressive sales techniques
- c. purchased without significant planning and present low to risk to buyers
- d. usually more expensive than convenience products and found in fewer stores

ANSWER: d

16. Jake wanted a La-Z-Boy chair. He watched newspaper ads until he found the chair on sale. For Jake which type of product is the La-Z-Boy chair?

- a. shopping
- b. convenience
- c. component
- d. unsought

ANSWER: a

17. Which of the following is the best example of a shopping product for most consumers?

- a. a light bulb for the front porch fixture
- b. Vital Radiance makeup by Revlon
- c. a box of Procter & Gamble Tide
- d. a gas barbeque for the new patio

ANSWER: d

18. What are the two types of shopping products?

- a. unsought and convenience
- b. generic and family
- c. exclusive and intensive
- d. heterogeneous and homogeneous

ANSWER: d

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19. Men generally do not put much thought in to the type of toothpaste or shampoo they purchase. Baby Boomers, for example, do not see much difference in the function of these products. In fact these individuals tend to buy hygiene products on the basis of the lowest price. Which of the following terms best describe these products?
- a. low-prestige specialty products
 - b. product equivalents
 - c. heterogeneous shopping products
 - d. homogeneous shopping products

ANSWER: d

20. Andrea needs to find a kennel for boarding her son's dogs. There are several different kennels in her community, and Andrea believes all of them to be basically alike. The only feature she is genuinely concerned about is low price. For Andrea, which type of product is the kennel for boarding dogs?
- a. specialty goods
 - b. unsought goods
 - c. heterogeneous shopping
 - d. homogeneous shopping

ANSWER: d

21. Cell phones are seen by consumers to differ in quality, style, suitability, and lifestyle compatibility. Comparisons between these products are often quite difficult because they may have unique features and different levels of quality and price. What would cell phones be classified as?
- a. product goods
 - b. convenience goods
 - c. homogeneous shopping products
 - d. heterogeneous shopping products

ANSWER: d

22. Which of the following products is most likely to be considered an example of a heterogeneous shopping product?
- a. an off-campus apartment
 - b. a package of Oreo cookies
 - c. a Rolex watch
 - d. a stapler

ANSWER: a

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23. When Kirby wanted a gas barbeque for his patio, he visited The Home Depot and Canadian Tire, as well as three other stores that specialize in outside furnishings, in order to find the one with just the features he wanted. If Kirby represents a typical barbeque buyer, which type of good are barbeques?
- a. convenience good
 - b. shopping specialty good
 - c. operating supply good
 - d. heterogeneous shopping good

ANSWER: d

24. Michael Kors is a retailer of designer handbags, shoes and watches primarily for women. This retailer's items are searched for extensively, do not have acceptable substitutes, are very expensive, and often have very limited distribution. What sort of products are these?
- a. exclusive shopping
 - b. homogeneous convenience
 - c. branded shopping
 - d. specialty

ANSWER: d

25. The most expensive refrigerator in the world is the Sub-Zero brand. Many consumers believe it to be the best brand made. For people who insist on having the best kitchen money can buy and will accept no less, the Sub-Zero refrigerator is an example of which type of product?
- a. heterogeneous shopping
 - b. specialty item
 - c. homogeneous shopping
 - d. exclusive item

ANSWER: b

26. One of the most expensive brands of shoes for mountain climbing is the Anasazi brand. Many climbers believe it to be the safest brand made. People who want to buy the safest climbing shoes available will accept no other brand of shoe even though there are several other manufacturers of climbing shoes. Which type of product are Anasazi brand climbing shoes?
- a. heterogeneous shopping
 - b. specialty goods
 - c. homogeneous shopping
 - d. convenience goods

ANSWER: b

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27. When deciding on distribution plans for specialty products, what do companies generally ensure?

- a. These items are distributed only as private brands.
- b. These items are distributed in a large number of stores in a geographic area.
- c. These items are distributed to only a few stores in a geographic area.
- d. These items are distributed to a considerable number of stores in a specific region.

ANSWER: c

28. Ever since Martin saw his first Bianchi EV3 Carbon Centaur road bike, he has wanted to purchase one, but he could not afford its \$2,500 price tag. He has conducted extensive research on Bianchi bicycles and learned nothing that changed his mind about the bike's superiority. For Martin, which type of product is the Bianchi bike?

- a. specialty
- b. consumer
- c. convenience
- d. business

ANSWER: a

29. Car insurance is usually only bought when needed. In addition, it is not actively searched for by consumers, and requires aggressive personal selling and/or highly persuasive advertising. What type of product is car insurance?

- a. hidden
- b. specialty
- c. equity
- d. unsought

ANSWER: d

30. Unsought products can be best described as which of the following?

- a. products that consumers purchase when they see them in a convenient location
- b. products that consumers don't know about or don't actively look for
- c. products that require only reminder advertising to be successful
- d. products that require little or no decision making by the buyer

ANSWER: b

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31. Most people under the age of 25 have a strong belief in their own personal invincibility. An insurance agency targeting this group for life insurance would find this market segment categorizes the insurance as which type of product?
- a. heterogeneous shopping
 - b. specialty
 - c. unsought
 - d. relationship

ANSWER: c

32. A product line is a group of products that are closely related for which of the following reasons?
- a. Products share the same product managers.
 - b. Products all function in a similar manner and provide similar benefits.
 - c. The same company developed the idea for each product.
 - d. Products are all sold under the same brand name.

ANSWER: b

33. How can product mix width be defined?
- a. as the number of different product categories found within an industry
 - b. as the average number of products within each product line in the company
 - c. as the average number of products offered by the company
 - d. as the number of different product lines an organization offers for sale

ANSWER: d

34. There are a number of detergents marketed under the Tide brand including detergent with and without fabric softener, with and without bleach, with various pleasing smells, and fragrance-free. What is the large variety of detergents marketed under the Tide brand an example of?
- a. a marketing mix
 - b. a product line
 - c. a product mix
 - d. a merchandise line

ANSWER: b

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35. Along with Hershey's Milk Chocolate bar, the Hershey Company also markets Kit Kat bars, Reese's Pieces, and Twizzlers. What is this is an abbreviated listing of?
- a. the company's customer mix
 - b. the company's product depth
 - c. the company's product mix
 - d. the company's line depth

ANSWER: c

36. Walmart carries groceries, electronics, and toys among other products. How else could these individual categories be described?
- a. product lines
 - b. product length
 - c. product mix
 - d. product consistency

ANSWER: a

Scenario 10-1

Most people recognize Butterball as a brand of turkey, but Butterball brand is also found on fresh turkey breast cuts; turkey sausages; ground turkey; lunchmeat cold cuts; fresh marinated bone-in, boneless, and whole chicken; frozen chicken products; and Butterball stuffing and gravy mixes.

37. Refer to the scenario. When considered as one whole group, what are Butterball's products collectively known as?
- a. marketing equity
 - b. a product line
 - c. a product mix
 - d. line depth

ANSWER: c

38. Refer to the scenario. Which type of branding does Butterball use?
- a. dealer branding
 - b. brand grouping
 - c. family branding
 - d. cobranding

ANSWER: c

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39. Procter and Gamble (P&G) manufactures Dawn dishwashing liquid. What can P&G expand by adding Dawn Direct Foam dishwashing liquid?
- a. the product line width
 - b. the product depth
 - c. the product mix width
 - d. the product line depth

ANSWER: d

Scenario 10-2

George Weston Limited, a Canadian food processing and distribution company, is one of the world's largest producers of breads.

40. Refer to the scenario. The company also owns and operates a pulp and paper processing company, a major Canadian dairy, and a sugar refinery. What do these organizations provide Weston in terms of its product?
- a. line height
 - b. line consistency
 - c. mix width
 - d. line depth

ANSWER: c

41. Refer to the scenario. The company owns the Wonder bread brand. When Weston introduced whole grain white bread, which gives kids the bread texture and colour they recognize and love and parents the vitamins they want for their children, what was it an example of?
- a. product line mix
 - b. quality mix
 - c. aesthetics modification
 - d. functional modification

ANSWER: d

42. Which of the following is an example of a product modification?
- a. lowering the price of textbooks
 - b. dropping a product from the product line
 - c. changing the colour of a laundry detergent
 - d. changing the amount of management time spent overseeing production

ANSWER: c

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43. The Dr Pepper Snapple Group produces several different brands of beverages including 7UP, Canada Dry, Dr Pepper, Hawaiian Punch, and Snapple. What is this an example of?
- a. the company's product line width
 - b. the company's product mix
 - c. the company's product line depth
 - d. the company's marketing mix

ANSWER: c

44. A go-kart manufacturer recently added shock absorbers to make the ride in its go-karts smoother. It has not changed its prices. What type of modification is this?
- a. upsale
 - b. style
 - c. dysfunctional
 - d. quality

ANSWER: d

45. Which of the following statements best describes planned obsolescence?
- a. Environmentalists support planned obsolescence.
 - b. A company that is interested in producing a quality product would never engage in planned obsolescence.
 - c. Style modification creates planned obsolescence.
 - d. Planned obsolescence is not an ethical issue.

ANSWER: c

46. Coca-Cola has changed the style, colours and design of its cola cans many times. What type of change would this style modification be?
- a. a change in the product's durability or dependability
 - b. a safety improvement
 - c. an aesthetic product change
 - d. a way to add convenience

ANSWER: c

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47. The introduction of Tide Simple Pleasures, a laundry detergent inspired by the natural essences of vanilla and lavender, is an example of which of the following?
- a. product modification
 - b. brand mix extension
 - c. product diversification
 - d. brand repositioning

ANSWER: a

48. What commonly occurs soon after style modification?
- a. implied repositioning
 - b. demarketing
 - c. marketing innovation
 - d. planned obsolescence

ANSWER: d

49. Over time, firms change product items, lines, and mixes or take advantage of new technical or product developments. What is it called when a company changes a product characteristic?
- a. diversification
 - b. repositioning
 - c. product modification
 - d. product line expansion

ANSWER: c

50. V8 juice has for years advertised itself as a refreshing and nutritious drink that contains eight different vegetables, and that is what the brand name V8 means to most consumers. What type of strategy was used when the manufacturer of V8 juice introduced V8 Orange and Mango juice?
- a. repositioning
 - b. product line extension
 - c. cannibalization
 - d. disintermediation

ANSWER: b

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51. Cover Girl and Revlon are both recognized as leading manufacturers of cosmetics. Both companies have recently introduced cosmetics for the over-50 woman who does not have the same concerns as a 20-year-old woman. Which type of strategy is being implemented by the introductions of these cosmetics?
- a. portfolio breadth expansion
 - b. product portfolio width adjustment
 - c. product item contraction
 - d. product line extension

ANSWER: d

52. Due to the fact the Honda Insight (a hybrid car) has never caught on with buyers, Honda decided to stop manufacturing the car in 2006. This will allow Honda to concentrate its resources on more profitable vehicles. Which of the following terms best describes this?
- a. product line contraction
 - b. product diversification
 - c. product development strategy
 - d. market redeployment

ANSWER: a

53. The Alberto Culver Company introduced Baker's Joy in the mid-1980s as a product for cooks to use to grease and flour baking pans. The product was not nearly as successful as Alberto Culver hoped, and it discontinued the product in 2001. What type of strategy was being implemented when Alberto Culver discontinued the product?
- a. repositioning
 - b. cannibalization
 - c. product line extension
 - d. product line contraction

ANSWER: d

54. What is the term for the part of the brand that can be spoken?
- a. brand equity
 - b. service mark
 - c. trademark
 - d. brand name

ANSWER: d

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55. Which symbol cannot be spoken in a brand?

- a. brand mark
- b. trademark
- c. brand equity
- d. intangible product

ANSWER: a

56. Joseph Confectionery has decided to start marketing a line of Christian-oriented candy under the Testamint brand name. The candy maker is optimistic about establishing the brand in the marketplace and has high hopes of its success. As a marketing consultant, you inform the candy maker that branding can do which of the following?

- a. encourage consumer repeat purchasing
- b. ensure a higher margin of profit
- c. create product separation
- d. aid in repositioning

ANSWER: a

57. A majority of Mercedes Benz's vehicles are sold outside of Germany. With this in mind, which term refers to brands where at least 20 percent of the product is sold outside the home country?

- a. evoked set
- b. global brand
- c. equity brand name
- d. master brand

ANSWER: b

58. What is a consumer who consistently and repeatedly purchases the same brand said to have?

- a. brand loyalty
- b. product equity
- c. product loyalty
- d. product repetition

ANSWER: a

59. Brand loyalty can do which of the following?

- a. increase product diffusion
- b. encourage competition
- c. shorten the amount of time a product spends in the maturity stage
- d. help ensure repeat sales

ANSWER: d

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60. A Toronto diamond distributor has developed the first branded diamond called Hearts on Fire to help smaller retailers counter the volume jewellers' aggressive price discounting. What is the purpose of this move?
- a. to take away trademark rights
 - b. to build product identity and customer loyalty
 - c. to create a catchy phrase to promote diamonds
 - d. to combat the quality appeal of generic products

ANSWER: b

61. Because of who owns them, what are the brand names used on Del Monte, Pillsbury, Harley-Davidson, and Purina products called?
- a. manufacturers' brands
 - b. private brands
 - c. family brands
 - d. individual brands

ANSWER: a

62. About one out of every two fans sold in North America is The Home Depot's Hampton Bay brand. What type of brand is Hampton Bay?
- a. manufacturers'
 - b. international
 - c. family
 - d. private

ANSWER: d

63. Supermarket chain Loblaws has rolled out Decadent Chocolate Chip Cookies and a variety of other product lines with the PC brand. The PC brand, which is owned by Loblaws, is an example of which type of brand?
- a. master brand
 - b. private brand
 - c. family brand
 - d. manufacturers' brand

ANSWER: b

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64. According to the textbook, which of the following statements best describes an advantage to retailers associated with developing their own brands?
- a. Dealers must market the brand, thus improving its skills base.
 - b. Higher margins are available on private brands.
 - c. Private brands, particularly those owned by discounters, are perceived to be of a higher quality.
 - d. Dealers often buy in large quantities and thus always have a ready supply.

ANSWER: b

65. A small chain of supermarkets in western Canada sells only manufacturers' brands. Which of the following is one of the arguments you could have used to dissuade the supermarket chain owner from selling only manufacturers' brands?
- a. A well-known manufacturers' brand will not enhance the chain's image.
 - b. Manufacturers rarely spend money advertising the brand name to consumers.
 - c. Manufacturers typically offer a lower gross margin than could be earned on private-label brands.
 - d. Manufacturers force the chain to carry a large in-store inventory.

ANSWER: c

66. Baked beans, ketchup, and pizzas are all manufactured under the Heinz brand name. What strategy is Heinz using?
- a. family branding
 - b. generic branding
 - c. bargain branding
 - d. umbrella branding

ANSWER: a

67. Callaway & Kirk, a division of Callaway Arts & Entertainment, markets a collection of garden products, home decor, and apparel featuring Miss Spider and her friends, under the Sunny Patch brand name. Which type of branding strategy is this an example of?
- a. equity
 - b. family
 - c. private
 - d. individual

ANSWER: b

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68. Procter & Gamble makes Camay soap for people concerned with soft skin and Safeguard for those who want deodorant protection. Which type of strategy is the company using?
- a. individual branding
 - b. family branding
 - c. combination branding
 - d. trademarked branding

ANSWER: a

69. Heinz is a leading global food manufacturer. It manufactures and markets Farley's (baby food), Linda McCartney Foods (vegetarian meals), and Weight Watchers Foods (diet meals and supplements). The use of these brand names instead of the Heinz name is an example of which type of branding strategy?
- a. individual
 - b. synergistic
 - c. umbrella
 - d. family

ANSWER: a

70. Tyler wants the Coca-Cola Barbie by Mattel for her birthday. This Mattel product contains items with the Coca-Cola trademark, and Barbie is wearing an outfit in Coca-Cola red and white. Because both brands are receiving equal treatment, what is this most likely an example of?
- a. cooperative branding
 - b. ingredient branding
 - c. umbrella branding
 - d. complementary branding

ANSWER: a

71. Maureen purchased a package of Bounce fabric sheets with Febreze citrus scent. Since both brands were prominently listed on the package, what would this be an example of?
- a. equity branding
 - b. cobranding
 - c. conjunctive branding
 - d. complementary branding

ANSWER: b

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72. Jennifer purchased Cascade 2-in-1 ActionPacs for her dishwasher. The packaging said the product combines the scrubbing power of Cascade with the grease-fighting power of Dawn dishwashing detergent. What type of cobranding does this product represent?
- a. cooperative
 - b. complementary
 - c. piggyback
 - d. ingredient

ANSWER: d

73. Rosa's husband Phil has a cold. Rosa went to the store to buy something that would help Phil sleep. Rosa purchased Breathe Right nasal strips embedded with Vicks mentholated vapour rub. The package showed both the Breathe Right and the Vicks brand names. Which type of branding is this an example of?
- a. equity
 - b. ingredient
 - c. family
 - d. private

ANSWER: b

74. What is a legal term indicating the owner's exclusive right to use a brand name or other identifying mark?
- a. trademark
 - b. patent
 - c. brand
 - d. private brand

ANSWER: a

75. Fruit of the Loom is a brand name for underwear, t-shirts and sleep pants. People often refer to Fruit of the Loom as if it were the product name. What might the brand name someday become?
- a. a generic product name
 - b. a certified name
 - c. a trademark
 - d. a faux brand

ANSWER: a

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76. When a product name becomes generic, what will happen next?
- a. The firm must use black-and-white packaging.
 - b. Competitors are prohibited by law from using the trademark.
 - c. The price will have to drop to appeal to lower-income consumers.
 - d. The product name is no longer recognized as the exclusive property of one firm.

ANSWER: d

77. Your boss has just told you to work on getting trademark protection for a new brand of backpack the firm has developed. The product is to be called the Thermos Pak and has a unique logo. Why will this protection be difficult?
- a. Thermos is a generic product name.
 - b. Proving your product is unique to get a trademark is hard to do and expensive.
 - c. Many competitors are trying for the same trademark.
 - d. Brand logo designs, even as unique as yours, cannot be trademarked.

ANSWER: a

78. Which of the following is identified by the text as one of the major functions of packaging?
- a. contains the brand equity
 - b. guarantees product quality
 - c. protects the trademark
 - d. promotes the product

ANSWER: d

79. You have to convince your boss that packaging will be the key to increasing sales of the company's new line of instant pudding mixes. What do you tell him about the packaging?
- a. It will cause no environmental damage.
 - b. It allows products to be shipped more easily.
 - c. It conforms to government regulations.
 - d. It can be used to help promote the product.

ANSWER: d

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80. While StarKist tuna is still available in cans, it is now also available in a 340-gram family-size pouch. What was this change in packaging the result of?
- a. a repositioning strategy
 - b. a new strategy of segmenting the company's market
 - c. a move toward functional obsolescence
 - d. a brand equity strategy

ANSWER: b

81. Sherwin-Williams's paint brand, Dutch Boy, has come up with a packaging innovation that is getting rave reviews. The new Twist & Pour paint is packaged in an all-plastic gallon container with an easy twist-off lid, comfortable side handle, and even a pouring spout. There's no other paint product like it on the market. This innovative packaging was most likely designed for which of the following functions?
- a. to facilitate product use and convenience
 - b. to contain and protect the product
 - c. to reduce environmental damage
 - d. to facilitate recycling

ANSWER: a

82. Besides labelling and aesthetics, what is the third aspect of packaging that is especially important in international marketing?
- a. price
 - b. climate considerations
 - c. counterfeiting potential
 - d. warranties

ANSWER: b

83. Which of the following needs to be a branding and packaging consideration for companies considering global marketing?
- a. using one brand name with no adaptation to local markets
 - b. pronunciation problems with executives' names
 - c. different currencies in each country, exchange rates, and final retail prices
 - d. deciding whether to use different brand names in different markets for the same products

ANSWER: d

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84. How could notices on Gummy Bear brand vitamin bottles stating that the vitamins are the “best-tasting children’s gummy vitamins” most likely be an example of persuasive labelling?
- a. if the words “new” and “improved” were also included on the package
 - b. if they did taste good
 - c. if consumers had not become saturated with promotional campaigns
 - d. if they were designed solely to promote the product

ANSWER: d

85. What type of labelling would be used if notices on Centrum vitamin bottles stated that the vitamins have no artificial colours, flavours, or preservatives?
- a. environmental
 - b. demographic
 - c. informational
 - d. functional

ANSWER: c

86. Which of the following statements best describes bar codes?
- a. Bar codes are also called universal pricing codes (UPCs).
 - b. Bar codes were first used in 2000.
 - c. Bar codes can be read by optical scanners.
 - d. Bar codes cannot be used as a marketing research tool.

ANSWER: c

87. Which two types of package labelling are commonly used today?
- a. informational and persuasive
 - b. promotional and non-promotional
 - c. functional and persuasive
 - d. government mandated and seller controlled

ANSWER: a

88. Which type of labels contain standard promotional claims like “new,” “improved,” and “super”?
- a. descriptive
 - b. persuasive
 - c. repositioning
 - d. informational

ANSWER: b

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89. Burberry's new raincoat contains a label that reads "Professionally dry clean only." Which type of label is this?
- a. data
 - b. functional
 - c. persuasive
 - d. informational

ANSWER: d

90. Which of the following is one of the functions of universal product codes (UPCs)?
- a. allows scanners to match codes with brand names, package sizes, and prices
 - b. allows retailers to monitor sales numbers
 - c. helps prevent shoplifting
 - d. provides the detailed information required by governments for sales taxes

ANSWER: a

91. The Bay, a large retailer, offers a written satisfaction guarantee on all merchandise it sells. In other words, which type of warranty does The Bay give its customers?
- a. implied
 - b. descriptive
 - c. limited
 - d. express

ANSWER: d

92. Bose sells high-quality speakers. The company guarantees excellent sound quality and the literature promises satisfaction. This is an example of which type of warranty?
- a. fast
 - b. limited
 - c. implied
 - d. express

ANSWER: d

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93. Realizing that its product needed a warranty to gain rapid market acceptance, what did the manufacturer of a high-tech system for investigating accidents produce?
- a. a statement for salespeople to read to prospective buyers
 - b. an acknowledgment of company responsibilities for salespeople to build into presentations
 - c. a label stating the product is of the highest quality and backed by years of manufacturing experience
 - d. a written guarantee that the product would work as promised and that it is fit for the purpose for which it was sold

ANSWER: d

94. The statement on the toothpaste box that brushing twice a day with this paste will remove 90 percent of all tartar from the user's teeth is an example of which of the following?
- a. an implied warranty
 - b. a functional label
 - c. a UPC label
 - d. an express warranty

ANSWER: d

95. Sidney had every reason to believe the antacid he purchased would relieve his stomach problems if he followed the directions on the box. What existed to make him believe this?
- a. an implied warranty
 - b. a functional label
 - c. a persuasive label
 - d. an express warranty

ANSWER: a

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Scenario 10-3

Choice Homes Inc. built its reputation by building high-quality new homes, often at prices less than “used” ones. Choice Homes used mass-purchasing power, innovative high-tech communications among employees to coordinate the building process, and other entrepreneurial strategies to hold costs down. Its homes are primarily targeted at first-time homeowners-to-be in an effort to get people out of apartments so they can experience the dream of home ownership for the same price as rent. Choice Homes later developed the “Choice Classic” brand name for higher-end homes targeted at wealthier dual-income couples. The Choice Classic name was designed to capitalize on the reputation of Choice Homes, especially for current Choice home owners who are ready to move up to a larger home. Recently, Choice Homes started a third line of homes called “Reflections,” which are expensive, custom-designed homes located in exclusive, prestigious neighbourhoods.

96. Refer to the scenario. Kurt McKinney has just received a large inheritance and wants to have his “dream” home built. He knows exactly the architectural design he wants. He wants a particular Reflections home. How is the type of consumer product he wishes to buy best classified?
- a. as a shopping product
 - b. as a convenience product
 - c. as a nondurable good
 - d. as a specialty product

ANSWER: d

97. Refer the scenario. What do the three different brands of homes (Choice, Choice Classic, and Reflections) represent for the firm?
- a. its line portfolio
 - b. its mix depth
 - c. its line breadth
 - d. its product line

ANSWER: d

98. Refer to the scenario. Choice Homes is considering acquiring a mortgage company to add to its marketing power in selling homes. What would this acquisition expand?
- a. the firm’s product mix width
 - b. the firm’s line breadth
 - c. the firm’s product item width
 - d. the firm’s product line length

ANSWER: a

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99. Refer to the scenario. Choice Homes is considering the development of a new category of small homes designed to replace low-income housing in the inner city. What does this strategy represent?
- a. a quality modification
 - b. a product line extension
 - c. a style modification
 - d. a product line contraction

ANSWER: b

100. Refer to the scenario. In a recent survey, Choice Homes's customers indicated that they thought their homes were high quality, made lots of referrals to friends, and planned to buy Choice Classic or Reflections homes in the future. The customers' reactions indicate that Choice Homes has achieved which of the following?
- a. generic status
 - b. a private brand
 - c. brand equity
 - d. superficial skills

ANSWER: c

101. A product may be defined as everything, both favourable and unfavourable, that a person receives in an exchange.
- a. True
 - b. False

ANSWER: True

102. An elementary school teacher purchased a ream of art paper, a box of crayons, and some modelling clay. These products could be classified as either business goods or consumer goods, depending on the teacher's intended use.
- a. True
 - b. False

ANSWER: True

103. The desks and chairs in colleges and universities are considered business products.
- a. True
 - b. False

ANSWER: True

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104. Inez believes that makeup is the most important part of her wardrobe. She spends considerable time comparing the prices, skin tones, and colour options available at various cosmetics counters in department stores. For Inez, makeup is a convenience product.

- a. True
- b. False

ANSWER: False

105. Marie is famous for her pound cakes, and she credits her success to her use of Robin Hood flour. She will use only Robin Hood flour and will travel to several different stores, if necessary, to find this particular brand. For Marie, flour is a shopping product.

- a. True
- b. False

ANSWER: False

106. Many cooks believe nothing can beat Bakewell Cream for making delicious biscuits. Loyal customers are willing to go to great lengths to find this product and will accept no substitutes. Bakewell Cream is marketed only in Ontario. For these cooks, Bakewell Cream is a shopping product.

- a. True
- b. False

ANSWER: False

107. YKK is the world's largest manufacturer of sliding fasteners (zippers). It also manufactures optical components and aluminum architectural parts. These products represent YKK's product line.

- a. True
- b. False

ANSWER: False

108. YKK is the world's largest manufacturer of zippers. It makes over 1,500 different types and styles of zippers. The great variety of zippers made by YKK represents its product mix width.

- a. True
- b. False

ANSWER: False

109. Product modification occurs when changes are made in how the product functions, its quality, or some aesthetic characteristic of the product.

- a. True
- b. False

ANSWER: True

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110. Chef's Catalogue built its reputation on selling the highest-quality baking ingredients. The catalogue retailer has added a line of fine kitchen tools and wants its customers to think of the retailer as a place to buy everything needed to bake the finest breads and desserts—not just for buying the ingredients. The marketing term for changing consumers' perceptions of the Chef's Catalogue is segmentation.

- a. True
- b. False

ANSWER: False

111. Ocean Spray is known for cranberry juices. When it added Ocean Spray Craisins (dried sweetened cranberries to be eaten like raisins), that was an example of a product mix extension for the company.

- a. True
- b. False

ANSWER: False

112. Isaac Golding, owner of a tutoring service, has developed a design for his firm that includes an owl wearing large spectacles and carrying a satchel crammed full of books and papers. He plans to use this design on all communications the firm sends out. This design is called the firm's brand name.

- a. True
- b. False

ANSWER: False

113. Brand names such as Kleenex, UPS, Sony, Chevrolet, and Kellogg's are likely to have more brand equity than brand names like Viking, Zojirushi, Shimano, and Thule.

- a. True
- b. False

ANSWER: True

114. Chico likes Michelin tires for his bicycle. If he needs new bicycle tires when Michelins are not on sale, he is willing to pay a higher price for Michelin rather than buy some other brand of bicycle tire. Chico could be described as being brand loyal to Michelin.

- a. True
- b. False

ANSWER: True

115. Generic products are those brands whose names have become generic and now identify a class or type of product, such as aspirin, cellophane, thermos, or shredded wheat.

- a. True
- b. False

ANSWER: False

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116. When the manufacturer of French's classic yellow mustard introduced French's Dijon Mustard, French's Honey Mustard, and French's Sweet Onion Mustard, it was an example of cobranding.

- a. True
- b. False

ANSWER: False

117. Rights to a trademark exist as long as the mark is used. If a firm does not use it for three years, the trademark is considered abandoned, and a new user can claim exclusive ownership of the mark.

- a. True
- b. False

ANSWER: True

118. The most important functions of packaging are to contain and protect products, promote products, facilitate product storage, and facilitate recycling.

- a. True
- b. False

ANSWER: True

119. A company that wants to market its product globally has only two branding strategies available: either use the brand name everywhere or develop a new brand name for each different market.

- a. True
- b. False

ANSWER: False

120. Cultural traits can make a package design successful in one country and a failure in another.

- a. True
- b. False

ANSWER: True

121. When Alec picked up the candy bar, he automatically looked to see its fat content. The information Alec looked for was contained in an informational label.

- a. True
- b. False

ANSWER: True

122. Due to the time required to scan them, universal product codes (UPCs) are typically placed on merchandise that would be classified as shopping products.

- a. True
- b. False

ANSWER: False

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123. A warranty does not confirm the quality or performance of a good or service.

- a. True
- b. False

ANSWER: False

124. How would a marketer define the term *product*?

ANSWER: A product is everything, both favourable and unfavourable, that a consumer receives in an exchange. A product may be a tangible good, a service, an idea, or any combination of these three.

125. Products can be classified as either business/industrial or consumer products. What is the difference between business products and consumer products? Why is it important to know about these classifications?

ANSWER: A product's classification depends on the buyer's intentions. Business products are purchased for (1) use in the production of other goods or services, (2) use in an organization's operations, or (3) resale to other customers. Consumer products are purchased to satisfy an individual's personal wants. The same item can be classified as either a business or a consumer product depending on the intended use.

It is important to know about these product classifications because business and consumer products are marketed differently. These two target markets require different distribution, promotion, and pricing strategies.

126. What is the difference between a homogeneous shopping product and a heterogeneous shopping product? Give specific examples of products that fit into each category to help illustrate your answer.

ANSWER: Homogeneous shopping products are those that consumers see as being basically the same. The main purpose of shopping is to find the lowest-priced product that has the required features. Appliances and televisions are homogeneous shopping products for many people.

Heterogeneous shopping products are those that consumers see as different in terms of quality, style, suitability, and lifestyle compatibility. Comparisons among heterogeneous shopping products are difficult because the alternatives possess unique features as well as different prices and quality levels. These products may include furniture, clothing, housing, and the choice of a university.

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127. Name and briefly define the four categories of consumer products. For each category, list three specific examples of products that would most likely be classified in that category.

ANSWER: *Convenience products* are relatively inexpensive items that require little shopping effort. The products are bought regularly, usually without significant planning. Convenience products may include candy, soft drinks, combs, aspirin, small hardware items, dry cleaning, car wash services, and so on.

Shopping products are usually more expensive than convenience products and are found in fewer stores. Consumers spend some effort comparing brands and stores. Shopping products may include washers, dryers, refrigerators, televisions, furniture, clothing, housing, choice of university, and so on.

Specialty products are those exclusive items for which consumers are willing to search extensively. Consumers are extremely reluctant to accept substitutes for specialty products. Brand names and service quality are important. Fine watches, luxury cars, expensive stereo equipment, gourmet restaurants, and specialized medical services could all be considered specialty products.

Unsought products are those that the buyer does not know about or does not actively seek to buy. These products include insurance, burial plots, encyclopedias, and so on.

128. The Crayola brand is currently placed on a wide variety of products, including crayons (standard and fluorescent colours packaged in a wide variety of box sizes), markers (regular and washable), paints (watercolour and acrylic), scissors, glue, and children's clothing. Using this company as an example, answer the following questions: What is a product item? A product line? A product mix?

ANSWER: A product item is a specific version of a product that can be designated as a distinct offering among an organization's products. Any single product identified in the Crayola example could be an item. For example, a crayon package with 64 colours and a sharpener, or an eight-pack of washable markers, and so on.

A product line is a group of closely related products offered by the organization. One could identify two Crayola product lines: arts and crafts, and clothing. Alternatively, three product lines could be identified: clothing, drawing/painting items, and supplies. Finally, as many as six product lines could be interpreted: crayons, markers, paints, scissors, glue, and clothing.

A product mix includes all of the products and item varieties that the company offers for sale. All Crayola items and package variations identified above make up Crayola's product mix.

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129. Smith-Binney's Crayola makes various products, all targeted toward elementary school children. Drawing, painting, and supply items are sold at convenience stores, toy stores, and grocery stores. Clothing is sold in department stores. Crayola might arrange its product items in the following way:

<i>Drawing/Painting</i>	<i>Supplies</i>	<i>Textiles</i>
Crayons, regular wax	Crayon sharpeners	Boys' clothing
Crayons, fluorescent	Paint brushes	Girls' clothing
Markers, regular	Scissors	Bed and bath linens
Markers, washable	Glue	
Watercolour paints	Storage cases	
Acrylic paints		
Chalk		

What is the product mix width for Crayola? What is its product line depth?

ANSWER: Product mix width refers to the number of product lines that an organization offers. In this case, the width of the product mix is three. Product line depth is the number of product items in a product line. There are seven items in the drawing/painting line, five items in the supplies line, and three items in the clothing line.

130. Organizations derive several benefits from organizing related product items into product lines. Briefly describe four of these benefits.

ANSWER: *Advertising economies:* Product lines provide economies of scale, because several products can be advertised under the umbrella of the line. Additionally, advertising a product line can enhance the corporate name.

Package uniformities: All packages in the line may have a common look without causing any product item to lose its individual identity. Thus, one item in a line can advertise another.

Standardized components: Product lines provide an opportunity to standardize components, thus reducing manufacturing and inventory costs.

Efficient sales and distribution: Product lines enable sales personnel to provide a full range of product alternatives to their customers. Distributors and retailers are often more willing to stock the company's products if a full line is offered. Transportation and warehousing costs are also likely to be less for product lines than for a collection of individual items.

Equivalent quality: A brand name symbolizes a certain quality level to buyers. Purchasers expect all products in a line to be of comparable quality, so further evaluation of individual product items need not take place.

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131. You are the product manager for a line of patio furniture manufactured for a company called SeaBreeze Enterprises. Your assignment is to modify the existing products in the product line. Name and describe the three categories of modification options that you could propose to SeaBreeze's management. Give an example under each category of a modification you could make.

ANSWER: Quality modifications entail changing the product's dependability or durability. SeaBreeze could reduce the product quality of some of its offerings to enable a lower price, which would appeal to a broader or price-sensitive target market. SeaBreeze could also increase quality, which would give the corporation a competitive advantage, encourage brand loyalty, allow higher prices, or provide new market segmentation opportunities.

Functional modifications are changes in a product's versatility, effectiveness, convenience, or safety. SeaBreeze could add further capabilities to its patio furniture such as making it mildew-resistant, designing it to fold and store easily, and adding wider seats for greater comfort. The furniture could also add a safety feature to prevent unfolded furniture from collapsing when someone sits in it.

Style modifications are aesthetic product changes. SeaBreeze could make its furniture in fashionable colours or add designer cushions. It could even personalize the furniture by letting customers order the colour combinations they want. Team logos could be licensed, and the furniture sold to fans.

132. What is a brand? What is the difference between a brand name, a brand mark, a trademark, and a service mark?

ANSWER: A brand is a name, term, symbol, design, or combination of these that identifies a seller's products and differentiates them from competitors' products. A brand name is that part of a brand that can be spoken. The brand mark is the part of the brand that cannot be spoken—a picture, logo, special decoration, or design.

A trademark is a legal term indicating the owner has the exclusive right to use the brand name or other identifying mark; others are prohibited from using the brand without permission. A service mark performs the same functions as a trademark but for services.

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133. What are the three main objectives or benefits of branding? How do the concepts of brand equity and brand loyalty fit into these objectives? Use these three objectives to briefly evaluate Buick's brand name for its new electric car, named Impact.

ANSWER: Branding has three main objectives: identification, repeat sales, and new-product sales.

In terms of identification, branding allows marketers to distinguish their products from all others. Brands become familiar to consumers as indicators of quality. Brand equity refers to the value of a well-recognized brand name. Customers can readily identify a Buick product, although the name Impact will not be familiar at first.

Repeat sales come from satisfied customers who recognize which brands to purchase again and which brands to avoid. Branding also helps word-of-mouth and mass media promotion. Brand loyalty occurs when a consumer consistently prefers one brand over all others. There are customers who are brand loyal to the Buick brand name, but brand loyalty to the Impact name may take some time.

New-product sales may be stimulated by the Buick name, but the name Impact may conjure images of car crashes for some consumers. Other consumers may feel that the name has positive connotations of excitement.

134. Name and briefly describe six branding alternative strategies.

ANSWER: *Generic products:* A firm may decide not to brand at all.

Manufacturers' brands: A firm can place the manufacturer's name on the product. These brands may be either individual or family branded.

Private brands: A retailer or wholesaler may choose to put its own name on products it carries.

Individual brands: A firm may use different brand names for different products, especially when products vary greatly in use, performance, or quality.

Family brands: A company may market several different products under the umbrella of the same brand name. This facilitates the introduction of new, related products.

Cobranding: Two or more brand names may be placed on a product or its package.

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135. List and briefly define the three different types of cobranding.

ANSWER: *Ingredient branding* identifies the brand of a part that makes up a product.

Cooperative branding occurs when two brands receiving equal treatment borrow from each other's brand equity.

Complementary branding occurs when products are advertised or marketed together to suggest usage.

136. You are the brand manager for the Fatal Vision (FV) goggles that simulate how the world looks to someone who is seriously intoxicated. The goggles make the user feel dizzy and are used in teen driving courses. The FV goggles wrap around the wearer's face to make sure they distort all areas of vision and come in bright orange to distinguish them from other goggles. The slogan used in the promotion of the goggles asks, "Orange you glad you don't drink and drive?" What aspects of this product qualify for trademark protection?

ANSWER: Parts of a brand or other product identification that qualify for trademark protection include shapes (the goggles wrap around the face), ornamental colour or design (bright orange), and the slogan and abbreviation. Thus, many aspects of the FV brand can be trademarked.

137. Packaging is an important component of the product strategy. List and briefly describe the four major functions of packaging.

ANSWER: *Contain and protect products:* Packaging contains products in liquid, granular, or other divisible forms. Packaging allows firms to market products in specific quantities. Physical protection of the product is also necessary because most products are handled often between manufacture and final consumption. Packages protect products from breakage, light, heat, cold, infestation, spoilage, and so on.

Promote products: A key role of packaging is promotion. Labels not only provide brand identification, ingredient listings, feature specifications, and directions, but also use designs, colours, shapes, and materials to influence consumers' perceptions and buying behaviour. A package differentiates a product from competing products and may associate a new product with a family of other products from the same manufacturer. Packages are the last opportunity marketers have to influence buyers before they make purchase decisions. This promotional role differentiates the product from competitors' products and establishes the brand's image.

Facilitate storage, use, and convenience: Packages can make products easier to ship, store, and stock on shelves. Additionally, package features or designs can make packages convenient. Features such as disposable packages, easy-opening devices, and reusability are a plus. Package size can also be used to segment markets.

Facilitate recycling and reduce environmental damage: Environmental compatibility is preferred, if not demanded, by consumers. Packages should be recyclable, biodegradable, and reusable.

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138. You are the brand manager of the Fluffit family of products. The products include a wide variety of synthetic and natural stuffing materials for furniture cushions, sleeping bags, quilts, and winter coats. The brand is a favourite among home repair enthusiasts and hobbyists of various kinds. Your firm would like to enter several foreign markets. Name and describe the three major alternative brand name choices for this global strategy. Discuss the viability of each alternative for Fluffit.

ANSWER: One brand name everywhere: This strategy is useful when the company markets mainly one product and the brand name does not have negative connotations in any local market. Advantages of a one-brand strategy are greater identification of the product from market to market and ease of coordinating promotion from market to market. This strategy may be difficult for Fluffit because the variety of products sold. Additionally, it is not likely that “fluff” carries the same meaning in all languages or communicates the benefits of the product.

Adaptation and modifications: If the Fluffit name is not pronounceable in the local language, the brand name is owned by someone else, or the brand has a negative connotation in the local language, minor modifications can make the brand name more suitable. This could be a viable alternative for Fluffit.

Different brands in different markets: Local brand names are often used when translation or pronunciation problems occur, when the marketer wants the brand to appear to be a local brand, or when regulations require localization. This could also be a viable alternative for Fluffit.

139. An integral part of any package is its label. There are two basic labelling strategies. Name and describe each of the two strategies.

ANSWER: Persuasive labelling focuses on a promotional theme or logo, with information for the consumer of secondary importance. The promotional theme may contain the words *new*, *improved*, or *super*.

Informational labelling is designed to help consumers make proper product selections and lower postpurchase cognitive dissonance. These labels may explain construction standards, colour selection, cleaning instructions, or other use information.

140. A warranty is a protection and information device intended to confirm the quality of performance of a good or service. What is the difference between an express warranty and an implied warranty?

ANSWER: An express warranty is made in writing and may range from a simple statement to an extensive document. An implied warranty is an unwritten guarantee that the good or service is fit for the purpose for which it was sold.

141. Distinguish between an implied warranty and an express warranty. Give one example of each.

ANSWER: An express warranty is a written guarantee. Examples include “Will not shrink,” “No ironing required,” “Precooked,” etc. An implied warranty is an unwritten guarantee that the good or service is fit for the purpose for which it was sold. Examples are numerous—all should include the concept that the product does what it was intended to do.