

Model Question Paper Marketing Management - I (SMB106)

- Answer all 100 questions.
 - Each question carries one mark.
1. A new product that targets the existing products to new markets or newer market segments refers to
 - (a) Addition to existing lines
 - (b) New to the world products
 - (c) Repositioning
 - (d) New product lines
 - (e) Improvement and revision of existing products.
 2. Which of the following services can be classified under people processing?
 - (a) Photo developing
 - (b) Cinemas
 - (c) Car repairs
 - (d) Garden landscaping
 - (e) Medical services.
 3. As the same technology is used by different companies, retaining competitive advantage becomes an issue. Which of the following strategies would be used by the companies to concentrate on priority areas rather than non-core activities for reducing costs in their operation?
 - (a) Reengineering
 - (b) Outsourcing
 - (c) E-commerce
 - (d) Benchmarking
 - (e) Decentralization.
 4. Sometimes companies try to create brand awareness among customers even before positioning the brand clearly in the market. This phenomenon is known as
 - (a) Over positioning
 - (b) Doubtful positioning
 - (c) Under positioning
 - (d) Confused positioning
 - (e) Inside out positioning.
 5. A Japanese electronics firm has launched a new CD player in the competitive American market. The firm priced its product very low in order to gain a foothold in the market. The pricing objective of the firm is to
 - (a) Increase market share
 - (b) Maximize ROI
 - (c) Attain satisfactory profits
 - (d) Survive
 - (e) Increase product quality.
 6. Which of the following concepts states that the twin advantage of economies of scale and increase in the production through improved production methods over time, can serve as a strategic tool to create competitive advantage?
 - (a) Equity curve
 - (b) Experience curve
 - (c) Marginal curve
 - (d) Utility curve
 - (e) Incremental curve.

7. Retailing is a business activity that involves selling product/services to customers for their non-commercial, individual or family use. Which of the following statements is/are **true** regarding specialty stores?
 - I. They are the general merchandise retailers with considerably large retail space with separate sections allocated for food stuff, body care products, etc.
 - II. The stores are manned by personnel who have knowledge about the product line.
 - III. These stores normally target a small selective segment of the market.
 - IV. The quality of goods sold in these stores ranges from average to very good quality.

- (a) Only (III) above
- (b) Both (I) and (II) above
- (c) Both (II) and (III) above
- (d) (I), (II) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

8. Which of the following are runner-up companies that aggressively attack the vulnerable areas of a leader to grab maximum market share?

- (a) Market leaders
- (b) Market challengers
- (c) Market followers
- (d) Market nichers
- (e) Market penetrators.

9. Ram and Sham, owners of Krishna Farm, were growing apples and blueberries and selling them at a fruit stand.

In a particular year, they had a bumper crop and were unable to sell all that they grew. They decided to use the excess fruit to make jam and jelly. This project was so successful that they sell only jam and jelly now. They sell under the brand name of Krishna through mail order and at their old fruit stand. What kind of a distribution channel is Ram and Sham using?

- (a) Indirect channel
- (b) Three level channel
- (c) Two level channel
- (d) One level channel
- (e) Zero level channel.

10. Which of the following analysis for future demand estimation determines the sales system by using statistical tools for developing sets of equations?

- (a) Econometric analysis
- (b) Exponential smoothing
- (c) Demand analysis
- (d) Test marketing
- (e) Sales quota.

11. Electronic touch screens at railway stations and airports, which provide information to customers regarding products and services of an organization are the examples of

- (a) Direct marketing
- (b) Database marketing
- (c) Kiosk marketing
- (d) Telemarketing
- (e) Multilevel selling.

12. Homestore.com is an online real estate company that allows agents to advertise their home listings on Homestore

sites for a fee. Rather eliminating the middlemen and going straight to buyers, as similar Web companies sought to do, Homestore included real estate agents. The company has 200-person sales force that calls on real estate agents everyday, educating agents about Internet basics like how to use e-mail and surf the Website as well as pushing subscriptions to Homestore's network of the websites. During a sales call, a Homestore salesperson asks a

real estate agent to list homes as all the formalities are completed. Which sales closing technique is the salesperson using?

- (a) An assumptive close
- (b) A direct close
- (c) An alternative close
- (d) A cautious close
- (e) A concession close.

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13. Market share analysis is an ideal process to judge a company's performance against its competitors.

Normally, a

company is considered to be performing well as compared to the competition if its market share is increasing.

Which of the following is **not** a technique used to measure the market share?

- (a) Market share method
- (b) Served market share method

- (c) Relative market share method
- (d) Calculating the sales of the company as a percentage of sales of the leading competitor
- (e) Market based score card analysis.

14. Which of the following is/are the issue(s) to be considered while going in for brand extension as suggested by David Aaker?

- I. Competitor analysis.
- II. Organizational synergies.
- III. Product category similarity.
- IV. Perceptual mismatch.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

15. Sanjana buys L'Oreal products because Diana Hayden endorses the product and she wants to be like her. In this

case, which of the following types of reference group influences Sanjana's buying behavior?

- (a) Membership reference group
- (b) Aspirational reference group
- (c) Disclaimant reference group
- (d) Avoidance group
- (e) Secondary reference group.

16. The process of dividing a market into distinct groups of buyers with different needs, characteristics or behavior

who might require separate products or marketing programs is called as

- (a) Market share
- (b) Positioning
- (c) Market evaluation
- (d) Market segmentation
- (e) Marketing audit.

17. There are various factors that influence the design of the communication message. Which of the following factors

persuades customers to frame an opinion about the product?

- (a) Message content
- (b) Message format
- (c) Message structure
- (d) Message meaning
- (e) Message source.

18. Bargaining power of suppliers is one of the elements of Porter's five forces model of competitive advantage. Which of the following is/are the circumstance(s) when bargaining power of suppliers is high?

- I. When no single industry is a major customer for the suppliers.
- II. When the product they sell has few substitutes and is important to the purchasing company or buyer.
- III. When the supplier's industry depends on the buyers for a large percentage of its total orders.

- (a) Only (I) above
- (b) Only (III) above
- (c) Both (I) and (II) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

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19. To which of the following consumer groups do industries like pharmaceuticals, personal care, fitness products,

gym equipment, real estate, insurance, automobiles, etc., target?

- (a) Young adults
- (b) Senior citizens
- (c) Adults
- (d) Singles
- (e) Women.

20. Which of the following is/are **true** regarding two-part pricing?

- I. It is normally followed in services where a company charges a fixed price for an initial service and

subsequent charges for over and above the minimum service consumed.

II. In this method, the sales of one product in the product line may affect the sales of others.

III. It is done for the accessories that come along with a product.

- (a) Only (I) above
- (b) Only (II) above
- (c) Both (I) and (II) above
- (d) Both (I) and (III) above
- (e) All (I), (II) and (III) above.

21. Which of the following is the **best** example of an organizational buyer?

- (a) A mother buying milk for her young son
- (b) A computer programmer buying the latest game for his play-station
- (c) A store owner buying hand-painted slate signs to sell in his store
- (d) A botanist buying a rose bush for his home garden
- (e) A baseball player buying a t-ball set for his daughter.

22. A firm's macro environment consists of various sub environments. Which macro environment of a country is influenced by the factors like Gross National Product (GNP) and the income distribution?

- (a) Demographic environment
- (b) Geographic environment
- (c) Technological environment
- (d) Economic environment
- (e) Political environment.

23. Which of the following is **not** an example of non-goods service retailing?

- (a) Stockbrokers
- (b) Tutors
- (c) Personal trainers
- (d) Real-estate brokers
- (e) Car rental company.

24. Which of the following dimensions are considered in General Electric Model for measuring the feasibility of Strategic Business Units (SBUs)?

- (a) Market growth rate and relative market share
- (b) Industry attractiveness and business unit strength
- (c) Success probability and attractiveness
- (d) Probability of occurrence and seriousness
- (e) Industry marketing expenditure and market demand.

25. Taj Group of hotels and ITC Welcomegroup differentiate themselves from other hotels by providing hi-tech rooms and suites to their customers. Their customers get access to computers, fax machines and electronic mail. Taj and ITC have differentiated their service on the basis of

- (a) Offer
- (b) Delivery
- (c) Image
- (d) People
- (e) Promotion.

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26. Which of the following product testing methods is usually carried out at the customer site, for machines and tools

to be used in the business operations of the customer?

- (a) Alpha testing
- (b) Lamda testing
- (c) Gamma testing
- (d) Kappa testing
- (e) Beta testing.

27. Buying decisions generally follow a pattern of overlapping stages. Which of the following **best** describes the typical stages of the buying process?

- (a) Problem recognition > Information search > Evaluation of alternatives > Purchase decision > Post purchase behavior
- (b) Problem recognition > Evaluation of alternatives > Information search > Purchase decision > Post purchase behavior
- (c) Information search > Problem recognition > Evaluation of alternatives > Purchase decision > Post purchase behavior

- (d) Problem recognition > Information search > Purchase decision > Evaluation of alternatives > Post purchase behavior
- (e) Information search > Problem recognition > Purchase decision > Evaluation of alternatives > Post purchase behavior.

28. Among industrial products, large tools and machines used for production of goods or for providing services for a

considerable length of time are classified as

- (a) Capital equipment
- (b) Accessory equipment
- (c) Component parts
- (d) Raw materials
- (e) Consumable supplies.

29. While setting prices, it is very important for a marketer to assess the competitive environment. The price changes

made by a company influence how competitors price their products. Which of the following are the ways that competitors may react to price changes?

I. Maintain the status quo of not reacting in anyway to the price changes.

II. Set the prices equal to that of the company.

III. Attack the price changes by setting their prices lower than that of the company.

IV. Attack the price changes by setting their prices higher than that of the company.

- (a) Both (I) and (II) above
- (b) (I), (II) and (III) above
- (c) (I), (II) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

30. Which of the following evaluation mechanism focuses on to increase the efficiency of marketing activities by analyzing various marketing expenditure of the company?

- (a) Tactical control
- (b) Profitability control
- (c) Efficiency control
- (d) Strategic control
- (e) Annual-Plan control.

31. Any paid form of non-personnel presentation and promotion of ideas, goods and services by an identified sponsor

is defined as

- (a) Advertising
- (b) Sales promotion
- (c) Publicity
- (d) Public relations
- (e) Personal selling.

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32. In marketing of an organization, finding out the perception of various stakeholders including the society about the

organization is referred to as

- (a) Idea marketing
- (b) Image assessment
- (c) Image planning and control
- (d) Person marketing
- (e) Place marketing.

33. When two or more companies combine their brands to generate greater exposure to their brands, which otherwise

would have not been possible individually is called co-branding. If Coca Cola recommends Kinley mineral water and Georgia coffee, the type of co-branding refers to

- (a) Same company co-branding
- (b) Ingredient co-branding
- (c) Joint venture co-branding
- (d) Multiple sponsor co-branding
- (e) Partnership co-branding.

34. The system that collects and processes information using computer software programs, advanced statistics tools and other such techniques to obtain a scientific solution for marketing problems and also able to store and retrieve

data is referred to as

- (a) Marketing intelligence system
- (b) Marketing decision support system
- (c) Managerial decision making process
- (d) Ethical marketing research
- (e) Artificial intelligence system.

35. Generating leads is one of the steps for a firm to expand its customer base. Lead generation can be done through

all the following ways, **except**

- (a) Developing advertisements
- (b) Mailing to prospective customers
- (c) Participating in trade shows and fairs
- (d) Making personal phone call to customers
- (e) Measuring the defection rate.

36. Based on the competitors' reaction patterns to a firm's competitive strategies, the competitors can be classified

into many types. Which of the following refers to unpredictable competitor?

- (a) A competitor who reacts very slowly to the competition
- (b) A competitor who reacts only to certain types of strategies
- (c) A competitor who follows all strategies of competitors
- (d) A competitor who may or may not respond to the strategies of his competitors
- (e) A competitor who reacts quickly to the competition.

37. Prior to designing a channel, marketer first analyze why target customers buy their products. Such an analysis helps marketers categorize the buying decisions of customers into various channel output utilities. Which of the following statements are **true** with regard to those utilities?

I. Lot size refers to the total number of units of a product that a customer acquires during a transaction period.

II. Service utility of a channel member refers to the value added services offered by the channel member.

III. Spatial convenience takes consideration of time for which the customer must wait to receive the product or service.

IV. Temporal convenience refers to the ease of location or the ease with which customers can acquire the products.

V. Convenience utility of a marketing channel refers to the likelihood that the needs of the customer will be exactly satisfied.

- (a) Both (I) and (III) above
- (b) (I), (II) and (III) above
- (c) (I), (II), (III) and (IV) above
- (d) (I), (II), (IV) and (V) above
- (e) All (I), (II), (III), (IV) and (V) above.

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38. The total demand for many business goods is not greatly affected by price changes. This suggests that demand in

the short run, for most organizational products, is

- (a) Elastic
- (b) Inelastic
- (c) Derived
- (d) Fluctuating
- (e) Concentrated.

39. Which of the following types of organizational structures is set up to manage and develop overseas business opportunities?

- (a) Import division
- (b) World-product company
- (c) Global organization
- (d) International division
- (e) Export division.

40. The responsibilities of a salesperson are categorized under different heads. Retail sales clerks, real estate agents,

check-out counter clerks etc., are the examples of

- (a) Field order takers
- (b) Order getters
- (c) Trade sales people
- (d) Inside order takers
- (e) Technical specialist.

41. Godrej is having a considerable market presence in fairness cream with the name 'Fair Glow Fairness Cream'. It

launched toilet soap under the same brand name with an assurance to cater to customers who wished to use soap bars rather than cream. This is an example of

- (a) Line extension
- (b) Brand extension
- (c) Brand rejuvenation
- (d) Brand proliferation
- (e) Co-branding.

42. Which of the following macro environmental factors refers to the attitude, beliefs, norms, values and lifestyles of a customer?

- (a) Demographic environment
- (b) Political environment
- (c) Economic environment
- (d) Socio-cultural environment
- (e) Natural environment.

43. Bata Shoe Company sells its manufactured products through its own chain of retail outlets. Which of the following marketing integration does Bata adopt?

- (a) Backward integration
- (b) Forward integration
- (c) Horizontal integration
- (d) Diversified strategy
- (e) Concentration.

44. Neel and Nikhil came up with a portable CD player with many advanced features, which was expected to perform

well. The CD player was very easy to carry and can also be used as a walkman. Neel and Nikhil were sure that it would definitely attract youth in big and small cities. But as they were new to the market, they had confusions on how to market and distribute their CD player. In this scenario, which of the following would be the appropriate method to be carried out by Neel and Nikhil before launching the product in the market?

- (a) They should proceed to the business analysis stage of the new-product development process
- (b) They should proceed to the commercialization stage of the new-product development process
- (c) They should proceed to the screening stage of the new-product development process
- (d) They should proceed to the test marketing stage of the new-product development process
- (e) They should proceed to the product development stage of the new-product development process.

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45. A segment should be such that marketers can develop effective marketing programs to attract and serve potential

customers effectively. For effective segmentation, variables need to exhibit certain characteristics. Which characteristic does this imply?

- (a) Measurable
- (b) Substantial
- (c) Accessible
- (d) Differentiable
- (e) Actionable.

46. Logistics is the process of getting products and services where they are required and when they are required. Which of the following is/are the significant **objective(s)** of market logistics?

I. To meet customer expectations on time with maximum accuracy and without damage to the products being delivered.

II. To cut down distribution costs to the maximum extent possible, either by building an internal distribution process, or by hiring outside expertise.

III. To reduce the time from which requisition is placed with the vendor to the time the product reaches to the final customer.

IV. To increase the profitability of the company by selling more products.

- (a) Both (I) and (II) above
- (b) (I), (II) and (III) above
- (c) (I), (III) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

47. Which one of the following are generally termed as intermediaries who purchase products and sell them to customers without making charges?

- (a) Industrial dealers
- (b) Government markets
- (c) Reseller markets
- (d) Institutional markets
- (e) Original equipment manufacturers.

48. Which of following levels of a product includes maximum possible improvements under given technological, economic and competitive conditions?

- (a) Core product
- (b) Generic product
- (c) Augmented product
- (d) Potential product
- (e) Expected product.

49. 'Beach Bums' is a new trendy store that specializes in swimwear and beach accessories. The store is decorated

with neon colors, is full of potted palm trees, has sand on the floor and plays beach music in the background.

These factors are used to create the

- (a) Store's image
- (b) Store's service strategy
- (c) Store's target strategy
- (d) Store's cultural impact
- (e) Store's promotional strategy.

50. Which of the following is a process by which customers understand certain stimuli and convert them into their

thoughts?

- (a) Perception
- (b) Satisfaction
- (c) Learning
- (d) Belief and attitude
- (e) Motivation.

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51. Which of the following is an enhancement of conventional marketing effort through effective utilization of customer information by which marketers can understand the customers' perception, their tastes and preferences better?

- (a) Catalog marketing
- (b) Database marketing
- (c) Kiosk marketing
- (d) Telemarketing
- (e) Multilevel marketing.

52. Relationships with customers can be built through various levels of interaction. Which of the following is the definition of proactive marketing?

- (a) A salesperson sells the product but does not contact the customer again
- (b) A salesperson sells the product and encourages the customer to call if he has any complaints
- (c) A salesperson calls the customer after a small time period to check whether customer is satisfied with the product
- (d) A salesperson contacts the customer from time to time with suggestions about product usage
- (e) Companies work in tandem with their customers to provide better services.

53. Ms. Sailaga Rani, a chef in a new downtown restaurant, has sent out press releases to the major local media and

invited food critics to dine in her restaurant. Which promotional element is used by

Sailaga?

- (a) Public relations
- (b) Personal selling
- (c) Sales promotion
- (d) Advertising
- (e) Publicity.

54. During the purchase of a car, accessories such as seat covers, floor mats, metal guards, air-conditioner, music system, etc. are priced separately. This is an example of

- (a) Captive product pricing
- (b) Two-part pricing
- (c) Optional feature pricing
- (d) By-product pricing
- (e) Product bundling pricing.

55. Which of the following factors, that formed the basis for service differentiation, refers to the comfort with which the customer can place the order for the product?

- (a) Delivery
- (b) Installation
- (c) Ordering ease
- (d) Guarantee
- (e) Disposal.

56. Liquidity ratios are used to assess a firm's capability to meet short term obligations. Which of the following is **not** a liquidity ratio?

- (a) Current ratio
- (b) Quick ratio
- (c) Average collection period
- (d) Inventory turnover ratio
- (e) Long-term capitalization.

57. Which of the following approaches is used by a company for developing messages that aims at retaining customers by convincing them that the products offered by the company are superior to the competitors' products?

- (a) Inoculative advertising
- (b) Institutional advertising
- (c) Comparative advertising
- (d) Reminder advertising
- (e) Product advertising.

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58. Brand Sponsorship is a form of publicity, which is done by supporting and linking the organization's name with a particular event, most commonly, sporting events or an activity that involves a large public gathering. For making any sponsorship effective, which of following are the important factors that should be considered by the company?

- I. The company should be clear about the benefits it is trying to derive out of sponsoring a particular event.
- II. It is better to sponsor a new event every time rather than to have a long term relationship with an event.
- III. The company should choose to sponsor an event which it can easily associate with.
- IV. Companies should consider these sponsored events as platforms for launching product awareness campaigns.

- (a) Both (I) and (II) above
- (b) (I), (II) and (III) above
- (c) (I), (III) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

59. In the marketing plan, which of the following is a brief description of the entire report that contains an introduction and a description of the highlights?

- (a) Executive summary
- (b) Marketing strategy
- (c) Action program

(d) Contents

(e) Opportunity and issue analysis.

60. Which of the following is/are part of the 'pre-approach' stage of personal selling process?

I. Creating of prospect's profile.

II. Identifying a potential prospect.

III. Establishing the objectives of sales call.

IV. Deciding on the approach.

(a) Only (I) above

(b) Both (I) and (II) above

(c) (I), (II) and (III) above

(d) (I), (III) and (IV) above

(e) All (I), (II), (III) and (IV) above.

61. Which of the following terminologies refers to the optimum sales volume that can be reached where any further

increase in marketing efforts will not have any significant impact in further increasing the sales in the given environment?

(a) Company demand

(b) Company sales forecast

(c) Market potential

(d) Current demand estimation

(e) Future demand estimation.

62. The foremost role of a marketing channel is to fill gaps between the production and consumption process.

Space

gaps occurs

(a) When a considerable time difference between the production and consumption of goods exists

(b) When the production takes place at one or relatively small number of locations

(c) When manufacturers produce products in much larger quantities than the individual customer would purchase

(d) When consumers desire a greater variety of products than a manufacturer can produce

(e) When an area of production is not sufficient for the production process.

63. Which of the following is a form of competition where all the companies compete for the same disposable income

of the customers?

(a) Form competition

(b) Industry competition

(c) Generic competition

(d) Brand competition

(e) Price competition.

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64. Mr. Arun, the owner of a luxury car dealership, is very much worried about his business because sales of his luxury cars have declined considerably. After a thorough research, he found that unemployment rate was increasing and consumer spending decreased considerably. Which of the following **best** describes the phase of current economy?

(a) Recession

(b) Inflation

(c) Stagnation

(d) Price escalation

(e) Depression.

65. Primary data is the first hand information gathered to solve research needs. Which of the following is **not** an example of source of primary data?

(a) Questionnaires

(b) Literature review

(c) Observation

(d) Telephonic interviews

(e) Personal interviews.

66. The members of a product venture team who are instrumental in organizing new product development process in

an organization are grouped together from

(a) The marketing department

- (b) The research and development department
- (c) The production and finance departments
- (d) Different departments of an organization
- (e) The operations department.

67. Marketers provide various types of utility to customers. Which of the following is a utility that a buyer obtains from a product and allows him to use the product according to his wishes?

- (a) Time utility
- (b) Place utility
- (c) Form utility
- (d) Possession utility
- (e) People utility.

68. Hindustan Unilever Limited's (HUL) product lines include consumer goods, distributed by the same channels of

distribution and are produced in similar manufacturing facilities. Which of the following does this reflect?

- (a) Product width
- (b) Product depth
- (c) Product length
- (d) Product volume
- (e) Product consistency.

69. After watching 30-minute infomercial on Oxy-Clean, Ms. Mariah was convinced that the cleaning product would

remove the grape juice stain from her white carpet. In terms of the communication process, she was engaged in

- (a) Generating lead
- (b) Receiving communication
- (c) Decoding process
- (d) Transmitting the message
- (e) Encoding process.

70. Which of the following organization structures has an advantage of serving the needs of distinct customer groups effectively?

- (a) Functional organization
- (b) Product management organization
- (c) Market management organization
- (d) Divisional organization
- (e) Geographical organization.

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71. Which of the following concepts implies that companies should concentrate on finding innovative ways to satisfy

customer needs that are better than the competitor's offerings by being socially responsible?

- (a) Customer-specific marketing
- (b) Social responsibility marketing
- (c) Value marketing
- (d) Innovative marketing
- (e) Sense-of-mission marketing.

72. Which of the following is referred to as the period between the date an order is placed to the date the raw materials are available for production?

- (a) Usage rate
- (b) Economic order quantity
- (c) Reorder point
- (d) Order lead-time
- (e) Just-in-time.

73. Which of the following segmentation criteria focuses on customer capabilities as a factor for segmenting organizational market?

- (a) Demographic
- (b) Operating variables
- (c) Purchasing
- (d) Situational factors
- (e) Personal characteristics of the purchasers.

74. Which of the following is/are **true** regarding 'incremental productivity method' adopted by sales managers to determine the size of the sales force?

I. It is based on the assumption that the addition of a salesperson is justified when the additional sales generated by him exceed the cost of hiring him.

II. Sales managers continue to increase the size of their sales force as long as the value of the sales generated by the additional personnel is greater than the cost incurred in hiring them.

III. Salesperson must make approximately the same number of sales calls over a given period of time.

- (a) Only (I) above
- (b) Only (III) above
- (c) Both (I) and (II) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

75. Which of the following concepts describes a lack of consistency in inputs and outputs during the service production process?

- (a) Perishability
- (b) Heterogeneity
- (c) Reliability
- (d) Tangibility
- (e) Productivity.

76. Grains of Royal Brand basmati rice are extraordinarily long and replete with exquisite aroma and flavor, which evoke the enigma of taste that one identifies with royal cuisine. Which of the following does this brand convey?

- (a) Product attributes
- (b) Emotional and functional benefits
- (c) Some values with itself
- (d) User segments
- (e) Personality status.

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77. A company establishes its product's character and value proposition by creating an effective image. Which of the following is/are the mean(s) through which companies communicate their image to customers?

I. Involving in social services.

II. Using specific symbols.

III. Using logo in various promotional activities.

IV. Creating an atmosphere.

- (a) Only (III) above
- (b) Both (I) and (II) above
- (c) Both (III) and (IV) above
- (d) (I), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

78. The American Cancer Society ran a series of advertisements in which women talked about how they could help

their friends by calling them and urging them to have regular mammograms. The advertisement describes the phone calls as simple but powerful acts that show how women are caring about other women. Which of the following appeals did these advertisements use?

- (a) Moral appeal
- (b) Rational appeal
- (c) Emotional appeal
- (d) Informational appeal
- (e) Transactional appeal.

79. Which of the following is an intensive growth strategy to be adopted by firms in the existing market for the existing products?

- (a) Market development
- (b) Market penetration
- (c) Forward integration
- (d) Product development
- (e) Market saturation.

80. The decrease in the average cost with an increase in production numbers is referred to as

- (a) Economies of scale

- (b) Diseconomies of scale
- (c) Low asset salvage value
- (d) Economies of scope
- (e) Learning curve.

81. Which of the following tools help companies to assess which customers are profitable and which ones are subsidized?

- (a) Ratio analysis
- (b) Full costing
- (c) Product costing
- (d) Activity based costing
- (e) Contribution margin analysis.

82. The promotional campaign “Malaysia truly Asia” tries to attract tourists to visit Malaysia. Which marketing concept is used in this case?

- (a) Event marketing
- (b) Person marketing
- (c) Idea marketing
- (d) Place marketing
- (e) E-marketing.

83. Marketing channels typically perform all the following functions, **except**

- (a) Facilitating the exchange process between a firm and an individual customer
- (b) Alleviating discrepancies while delivering goods and services to the customers
- (c) Matching the needs of buyers and sellers
- (d) Providing efficient service to the customers to improve credibility in the market
- (e) Providing universal ways to classify marketing of services.

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84. Which of the following is/are **not** the personal factor(s) affecting a buyer's purchase decision?

- I. Personality.
- II. Lifestyle.
- III. Financial status.
- IV. Social class.

- (a) Only (II) above
- (b) Only (IV) above
- (c) Both (III) and (IV) above
- (d) (I), (II) and (III) above
- (e) All (I), (II), (III) and (IV) above.

85. Amongst methods of online advertising, which of the following is a form of broadcasting an event where customers give their consent to receive and be updated with certain information from time to time?

- (a) Forum
- (b) Newsgroup
- (c) Webcasting
- (d) E-mails
- (e) Bulletin board.

86. Income left after an individual pays taxes and purchases the basic necessities of food, clothing and shelter is called

- (a) Disposable income
- (b) Taxable income
- (c) Wealth
- (d) Discretionary income
- (e) Credit.

87. Firms generally face a threat from new entrants in an industry in which the entry and exit of new players are free.

Any firm can enter or exit such an industry, at its free will, unless restricted by macro environmental factors.

With

respect to this, which of the following will **not** be an entry barrier?

- (a) Economies of scale
- (b) High capital requirements
- (c) Relative price performance of substitutes
- (d) Proprietary products
- (e) Learning curve.

88. Introduction of products with new brand names in the same product category is known as

- (a) Brand relaunch
- (b) Multibranding
- (c) Cobranding
- (d) Brand rejuvenation
- (e) Brand proliferation.

89. Which of the following strategies is feasible when the market is aware of the product, the market size is limited,

competition is not intense and the customers are ready to pay a higher price for the product?

- (a) Rapid skimming strategies
- (b) Rapid penetration strategies
- (c) Slow skimming strategies
- (d) Slow penetration strategies
- (e) Medium penetration strategies.

90. Within the organizational buying process, who has the formal or informal power to select final suppliers?

- (a) Gatekeepers
- (b) Approvers
- (c) Influencers
- (d) Deciders
- (e) Initiators.

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91. Which of the following refers to the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services?

- (a) Marketing intelligence system
- (b) Marketing decision support system
- (c) Managerial decision makers
- (d) Marketing research
- (e) Marketing information system.

92. Which of the following product assortment strategies can be adopted by a retailer offering many categories of products or services, as well as large variety in each of these categories?

I. Wide.

II. Narrow.

III. Deep.

IV. Shallow.

- (a) Only (I) above
- (b) Both (I) and (III) above
- (c) Both (I) and (IV) above
- (d) Both (II) and (III) above
- (e) Both (II) and (IV) above.

93. Which of the following entry modes involves companies to sell their goods through middlemen located in foreign

countries?

- (a) Indirect exports
- (b) Direct exports
- (c) Licensing
- (d) Piggybacking
- (e) Internationalization process.

94. Which of the following refers to building a long-term association with customers, by understanding and catering

to their needs and preferences?

- (a) Social marketing
- (b) Green marketing
- (c) Direct marketing
- (d) Database marketing
- (e) Relationship marketing.

95. Pricing the products and services might be a routine job for most producers and retailers, but involves thorough

and deep understanding of the principles and practices governing in the business environment. Which of the following statements are **true** regarding the different methods of pricing?

- I. In value pricing, firms fix a selling price on the products they produce, which normally exceeds the costs incurred in producing these products.
- II. In perceived rate pricing, marketers set the prices of the products on the basis of their perceived value in the minds of customers.
- III. In target return pricing, marketers set the prices of the product to achieve specified rate of return on their investments.
- IV. In mark-up pricing, a company simply follows the prevailing pricing patterns in the market.
- V. In differentiated pricing, marketers set low price for high quality products or services.

- (a) Both (I) and (II) above
(b) Both (II) and (III) above
(c) (I), (III) and (V) above
(d) (I), (II), (IV) and (V) above
(e) All (I), (II), (III), (IV) and (V) above.

96. Wrigley's Chewing Gum ran an advertising campaign that targeted heavy smokers. The advertising indicated that

"when you can't smoke, chew Wrigley's." Which type of behavioral segmentation is used by the company?

- (a) Usage rate
(b) Loyalty status
(c) Benefits sought
(d) User status
(e) Occasion.

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97. Which of the following deals with techniques for determining profitability at the market segment level, product level, distribution level and customer level?

- (a) Contribution analysis
(b) Financial situational analysis
(c) Value analysis
(d) Marginal analysis
(e) Customer profitability analysis.

98. If the technology used in the product gets quickly outdated, which of the following bases for product differentiation will **not** be considered by customers to pay a premium price?

- (a) Product form
(b) Product design
(c) Product features
(d) Product quality
(e) Product durability.

99. Advertisers have a wide variety of advertising media to choose from. Which of the following issues should be considered by a firm before developing an advertising program?

- I. Who are the target audience?
II. Where are they located?
III. When should the advertising campaign run?
IV. What is the advertisement cost?

- (a) Only (I) above
(b) Both (I) and (II) above
(c) (I), (II) and (III) above
(d) (I), (II) and (IV) above
(e) All (I), (II), (III) and (IV) above.

100. Mr. Anil, a 22 year old MBA student from Ambedkar University, was supposed to do a project work as per the university guidelines. However, for collecting the data and presenting the report in a proper manner, he required a

personal computer (PC). So he thought of hiring a PC for 3 months from a LG retailer. They provided him a PC and offered him a printer along with sufficient cartridge at a discounted price. Mr. Anil was asked to return the PC along with the printer after 3 months. On the basis of the degree of services offered by the LG retailer to Mr. Anil, this can be classified as

- (a) Highly tangible
(b) Service linked to tangible goods

- (c) Tangible goods linked to services
- (d) Highly intangible
- (e) Highly heterogenous.

END OF QUESTION PAPER

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Suggested Answers

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ANSWER REASON

1. C Repositioning deals with existing products that are targeted to new markets or marketing segments. New product lines allow a company to enter an established market for the first time with new products. Additions to existing product lines and revisions of existing products are made to the existing market segments.
2. E Medical services are the example of people processing.
3. B To reduce costs, companies can outsource non-core activity that would enable them to give greater priority to relevant areas.
4. B Sometime companies try to create brand awareness among customers even before positioning the brand clearly in the market. This phenomenon is known as Doubtful positioning, which can lead to a bad positioning of the product in the market which often generates a negative attitude towards the brand.
5. D By pricing low to gain short-term unit sales volume, the firm is trying to survive in the market.
6. B The concept of experience curve states that as the firm produces more and more products, it gains experience in the best production methods over a period of time. This experience reduces the costs of production and creates economies of scale. This twin advantage serves as a strategic tool to create competitive advantage.

Hence, the answer is (b).

7. C The following statements are true regarding specialty stores:

- The stores are manned by personnel who have knowledge about the product line.
- These stores normally target selective and small segments of the market for sales.

Statements (I) and (IV) are true in case of department store. Hence, option (c) is the answer.

8. B Market challengers are runner-up companies because they occupy the second, third and fourth positions in the market. They can aggressively attack the vulnerable areas of a leader.
9. E A zero level channel represents a manufacturer directly selling his products to the final consumer. Here, Krishna Farm is selling jams and jellies directly to consumers through mail order and at their old fruit stand.
10. A Econometric analysis is used for demand estimation which determines the sales system using statistical tools by developing sets of equations. (b) Exponential smoothing looks at the weighted average of past sales giving a higher weightage to more recent sales. (c) Demand analysis (statistical) determines the effect of factors such as marketing expenditure and the price of the product on its sales. Options (d) and (e) are not the analysis techniques used in estimating future demand.

11. C Kiosks are interactive electronic machines with touch screens. (a) Direct marketing includes direct mails, online marketing etc. (b) Database marketing uses customer databases to contact them. (d) Telemarketing uses telephones and television to showcase the products. (e) Multilevel selling involves different levels or a network to sell a product. e.g. Amway, Oriflame.

12. A The stage in which the salesperson asks the potential customer to make a purchase is known as closing. The salesperson assumes the customer's consent for the close. The salesperson just says, "I have completed all the necessary paperwork. All you need to do is to read through and sign the papers."

13. E Market based score card analysis is not a technique to measure the market share. It is an approach which helps managers consider qualitative factors such as level of customer satisfaction etc.

14. D David Aaker has suggested several issues to be considered while going in for brand extension. Organizational synergies, product category similarity, and perceptual, match or mismatch need to be considered exhaustively.

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15. B Sanjana's buying behaviour is influenced by aspirational group. Aspirational group is one to which the individual is not a member but aspires to be in that group. (a) Membership reference group is the group to which a person holds membership and has frequent interaction with other members of the group. (c) Disclaimant reference group is the group to which individual does not

hold any membership. (d) Avoidance group Includes religious groups, professional associations and trade unions with which the interaction of customer is formal and infrequent. (e) Secondary reference group includes religious groups, professional groups, trade unions etc.

16. D Market segmentation can be defined as the process of dividing a market into smaller distinct groups of buyers with different needs, characteristics or behavior who might require separate products or marketing programs. (a) Market share refers to a company's share in the target market it serves as compared to its competitors. (b) Positioning is creating an image in the minds of customers. (c) Market evaluation refers to assessing the feasibility of a market. (e) Market audit is a comprehensive review of a firm's marketing environment, objectives, strategies, and goals.

17. C The message structure determines how attractive it is to the target audience. The message structure is designed to prompt the audience to an action, which ultimately turns into the purchase of the product.

18. C Suppliers are powerful under the following circumstances:

- When no single industry is a major customer for the suppliers.
- When the product they sell has few substitutes and is important to the purchasing company or buyer.
- When the supplier's industry depends on the buyers for a large percentage of its total orders is a circumstance in which the bargaining power of buyers will be higher.

19. C The adult consumers group in the 35-50 yrs age-group is more health conscious and seeks stability and financial independence. Therefore, industries such as pharmaceuticals, personal care, fitness products, gym equipment, real estate, insurance, automobiles, etc. benefit from them.

20. A Two-part pricing is normally followed in services in which a company charges a fixed price for an initial service and subsequent charges for over and above the minimum service consumed.

21. C A store-owner buying hand-painted slate signs to sell in her store is an ideal example of organizational buying patterns.

22. D The major factors which influence the economic environment, are the GDP and GNP, the disposable income, inflation rate the cost of energy and its availability, infrastructure capabilities, etc.

23. E In non-goods service retailing, personal services are provided. No, physical goods are involved; only the time and expertise of the person who is going to provide the service is bought for a fee. Stockbrokers, tutors, personal trainers, real-estate brokers, etc are examples of this category. Car rental is an example of rented goods services.

24. B In the General Electric model, the Strategic Business Units (SBUs) are plotted in the matrix with nine cells. Each strategic business unit is measured using criteria such as industry attractiveness and business unit strength.

Hence, the answer is (b)

25. A Taj Group of hotels and the ITC Welcome group have differentiated their services on the basis of service offer. They are offering a wide verity of services to their customers than the basic level of service such as providing hi-tech rooms and suits, giving access to computers, fax machines and electronic mail etc.

26. E Beta testing is usually carried out for machines and tools to be used in the business operations of the customer.

27. A There are five stages before a customer actually purchases a product. they are : problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior

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28. A Capital equipment comprises of the large tools and machines that are used for the productions of goods or for providing services. (b) Accessories are those products that help in production or office activities. They do not become part of final product. (c) A component is a finished product or a product that needs a little processing before becoming a part of the main product. (d) Raw material is the basic material used in producing a product. (e) Consumable supplies are products that are consumed during production and delivery of the product but they do not become part of the final product.

29. B Normally, the price changes made by the company influence how competitors price their products. Competitors may react to price changes in three ways. One way is to maintain the status quo, i.e., not react in any way to the price changes. Another way is to set the prices equal to that of the company. A third way for competitors to react is to attack the price changes by setting their

prices lower than that of the company. Apart from the above responses, competitors' pricing patterns also depend on environmental factors such as the types of markets they serve, the customers' requirements, presence of potential competitive advantages, and so on. It is thus very important to analyze the competitors' prices.

30. C *Efficiency control*: A company should focus on enhancing the efficiency of the sales force, promotional activities, advertising and distribution in order to improve overall profitability. This can be achieved by determining the various marketing expenditure of the company

31. A Advertising is a paid form non-personal presentation of an idea / good / service by an identified sponsor. (b) Sales promotion is a tool used to induce product trial or immediate purchase. (c) Publicity is a non-paid form of communicating information about the company or the product as a news article in newspapers or television or radio. (d) Public relations is essentially a function which aims at developing or managing a company's goodwill in the market. (e) Personal selling is a one-to-one or one-to-many or many-to-many direct interaction with the customer by sales persons.

32. B An organization marketing that is based on the *perception* of various stake holders including the society is referred to as image assessment.

33. A There are several types of co-branding such as ingredient co-branding (Hero Honda recommending MRF tyres), same company co-branding (Coca Cola recommending Kinley mineral water and Georgia coffee). Joint Venture co-branding and multiple sponsors are cobranding (Taligent, a technological alliance of Apple, IBM and Motorola).

34. B Marketing decision support system have the flexibility to represent data using advanced graphic tools and be able to provide possible solutions to different inputs. It collects and processes information using computer software programs, advanced statistical tools and other such techniques to obtain a scientific solution for marketing problems.

35. E Measuring the defection rate helps in retaining customers. All other options are helpful in attracting new customers.

36. D Unpredictable competitor is a competitor who may or may not respond to the strategies of his competitor.

37. A Lot size refers to the total number of units of a product that a customer acquires during a transaction period. Service utility of a channel member refers to the value added services offered by the channel member. So, (a) is the answer.

38. B The total demand for many business goods is inelastic, meaning it is not affected by price changes, particularly in the short run, because it is difficult to find substitute goods in organizational markets.

39. D An international division is set up to manage and develop overseas business opportunities. A separate international division is generally set up to clearly distinguish the overseas operations from domestic operations.

40. D Inside order takers are the salespersons who operate from within the store and do not make any field calls. They help grow the business by interacting with the customers and taking orders through phone or mail.

41. A Godrej had a face cream with the name Fair Glow Fairness cream and came out with the Fair Glow toilet soaps to cater to the people who wished to use soap bars rather than cream. This is an example of line extension.

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42. D Socio-cultural environment refers to the attitude, beliefs, norms, values and lifestyles of the customers. Hence, option (d) is the answer.

43. B Most firms adopt integration strategies for growth. Forward integration is a form of vertical integration that involves expanding a business so it directly distributes its products.

44. D In this scenario, the best thing for them to do before entering in to the market is, proceed to the test marketing stage of the new-product development process.

45. E According to actionable segment variable a segment variable should help marketers develop effective marketing programs to attract and serve potential customers effectively.

46. B The objectives of market logistics are

- To meet customer expectations on time with maximum accuracy and without damage to the products being delivered,
- To cut down distribution costs to the maximum extent possible, either by building an internal distribution process, or by hiring outside expertise.
- To reduce the time from which requisition is placed with the vendor to the time the product

reaches to the final customer. So, (b) is the answer.

47. A Industrial dealers purchase the products and sell them to customer without making changes.

48. D Potential products are the products that include all the improvements that are possible under given technological, economic and competitive conditions. The potential product helps in attracting and retaining customers. (a) A core benefit is the fundamental service or benefit that the customer is really buying. (b) Generic product is the basic unbranded product without any differentiation. (c) Augmented product is that which exceeds customer expectations. (e) Expected product includes features that a customer finds essential to make a purchase.

49. A The predominant aspect of the store's presentation is the atmosphere--how the store's physical layout, decor, and surroundings convey an overall impression.

50. A Perception is a process by which customers understand certain stimuli and convert them into their thoughts.

51. B Database marketing is an enhancement of conventional marketing efforts through the effective utilization of customer information and this information pertaining to customers helps marketers understand the customers' perceptions, and their tastes and preferences better.

52. D Proactive marketing is where the sales person contacts the customer from time to time with suggestions about product usage. (a) In basic marketing, a sales person sells the product but does not contact the customer again. (b) In reactive marketing, a sales person sells the product and encourages the customer to call if he has any complaints. (c) In accountable marketing, a sales person calls the customer after a small time period to check whether customer is satisfied with the product. (d) In partnership marketing, companies work in tandem with their customers to provide better services.

53. A Public relations is essentially a function of an organization, where it tends to develop and manage its goodwill in the market. The primary aim is to create a suitable environment for the firm. Public relations helps organizations create a positive opinion about the firm in the market through appropriate communications. An organization can develop its public relations with several member groups such as suppliers, customers, employees, the government, shareholders, distributors, members of the public, etc.

54. C Optional feature pricing is done for the accessories that come along with a product.

55. C Ordering ease refers to the comfort with which the customer can place the order for the product.

56. E Liquidity ratios are used to assess a firm's capability to meet short term obligations they are Current ratio, Quick ratio, Average collection period, Inventory turnover ratio. But long-term capitalization comes under debt ratio. Hence, option (e) is the right answer.

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57. A In inoculative advertising, companies aim at retaining their customers by enhancing their resistance to withstand competitors' appeal. A company can highlight the weaknesses of a competitors' product to convince the customers that its product is superior to that of the competitor. (b) Institutional advertising promotes a concept, idea, or philosophy. The objective of institutional advertisements is to build goodwill or an image for an organization, rather than to promote a specific good or service (c) When a brand is directly or indirectly compared to a competitor, it is known as comparative advertising. (d) The objective of reminder advertising is to remind people about the brand. (e) Product advertising places a message to promote a good or service.

58. C For making any sponsorship effective, there are a few important factors that should be considered.

- The company should be clear about the benefits it is trying to derive out of sponsoring a particular event.
- It is better to sponsor a new event every time rather than to have a long term relationship with an event.
- The company should choose to sponsor an event which it can easily associate with.
- Companies should consider these sponsored events as platforms for launching product awareness campaigns.

Hence, option (c) is the answer.

59. A Executive summary is a brief description of the entire report, which contains an introduction and a description of the highlights of the marketing plan.

60. D The following are part of the 'pre-approach' stage of personal selling process:

- Creating of prospect's profile.
- Establishing the objectives of sales call.

- Deciding on the approach.

Whereas, identifying a potential lead or prospect is done during the prospecting and evaluating stage of personal selling process.

61. C Market potential refers to the optimum sales volume that can be reached where any further increase in marketing efforts will not have any significant impact in further increasing the sales in the given environment.

62. B Space gaps occur when the production takes place at one or relatively small number of locations.

63. C Generic competition is a form of competition where all the companies compete for the same disposable income of the customers.

64. A A period of general economic decline; specifically, a decline in GDP for two or more consecutive quarters is referred to as recession. In this phase of economy, customers are not willing to spend due to an uncertain economic future. (b) The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index. (c) A period of little or no economic growth is referred as Stagnation. (d) Price escalation refers to price rise. (e) A period during which business activity drops significantly. High unemployment rates and deflation often accompany a depression.

Hence, the answer is (a)

65. B Literature review is an example of sources of secondary data collection.

66. D A venture team is defined as a “group brought together from various departments and given the charge of developing a specific product or business.” They can be instrumental in organizing new product development.

67. D Possession utility allows a buyer to use the product as he wishes. It is the value that a buyer obtains from the product. (b) Marketers provide time utility to their customers by providing their products when the customers want them. (c) Place utility is provided when a marketer provides the product at locations preferred by the customer. (d) Form utility is created when raw material is converted into a finished product.

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68. E Consistency refers to the closeness exhibited by the products lines in production requirements, distribution, end usage, etc. (a) Product width is the total number of product lines a company carries. (b) The depth of a product mix is the assortment of sizes, colors and variations offered for each product in the product line. (c) The length of the product mix is the total number of items in that mix. (d) Option is not applicable.

69. C After watching 30-minute infomercial on Oxy-Clean, Ms. Mariah was assured that cleaning product would remove the grape juice stain from her white carpet. In terms of the communication process, she was engaged in decoding process.

70. C The advantage of having a separate market management organization is that it serves the needs of distinct consumer groups effectively.

71. D *Innovative marketing*: companies should concentrate on finding innovative ways to satisfy customer needs that are better than the competitor’s offerings by being socially responsible.

72. D Order lead-time is the period between the date an order is placed to the date the raw materials are available for production.

73. B Operating variables include factors like the technology of the company, product and brand use status and the customer capabilities.

74. C Incremental productivity method is based on the assumption that the addition of a salesperson is justified when the additional sales generated by him exceed the cost of hiring him. Sales managers continue to increase the size of their sales force as long as the value of the sales generated by the additional personnel is greater than the cost incurred in hiring them. Statement (III) is not true since in equalized workload method each salesperson must make approximately the same number of sales calls over a given period of time.

75. B The nature and quality of service offered varies from provider to provider, therefore the inconsistency in inputs and outputs. Variability in manufactured goods leads to wastage, whereas in services it is inherent.

76. A Brands usually highlight the product attributes to inform existing customers and also to attract potential customers. (b) The attributes should eventually transform into emotional and functional benefits, for the brand to be successful. (c) Most of the brands associate some value with themselves. (d) Brands clearly state their user segments. (e) Brands communicate personality status.

77. E Companies communicate their image by:

- Involving in social services.

- Using specific symbols.
- Using logo in various promotional activities.
- Creating an atmosphere.

Hence, option (e) is the answer.

78. C Emotional appeals attempt to stir up positive or negative emotions that can motivate purchase. (a) Moral appeals are directed to the audience's sense of what is right and proper, hence option (a) is incorrect. Alternative (b) is incorrect as Rational appeals engage self-interest; they claim the product will produce certain benefits. Informational and Transactional are real time appeals considered in advertising parlance. Hence options (d) & (e) are not applicable.

79. B Market penetration is an intensive growth strategy adopted by firms in the existing market for the existing products.

80. A Economies of scale refer to a decrease in the average cost incurred in the production of goods in large numbers.

81. D To understand customer profitability, firms need to measure the profitable of individual customers. For this purpose, companies usually use activity based costing as a tool for finding out the profitable customer.

82. D Place Marketing involves marketing of tourist spots and business sites. (a) Event marketing involves promotion of events. (b) Person marketing and image management are crucial in fields like politics. (c) Idea marketing involves promotion of concepts and ideas such as pollution control, health programs etc. (d) E-marketing relates to marketing on the Internet.

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83. E Marketing channels typically perform the following functions:

- Facilitating the exchange process between a firm and an individual customer
- Alleviating discrepancies while delivering goods and services to the customers
- Matching the needs of buyers and sellers
- Providing efficient service to the customers to improve credibility in the market

Providing universal way to classify marketing of services is not a function of a marketing channel. Hence option (e) is the answer.

84. B Social class is not a personal factor instead it is a cultural factor. Personal factors such as the age, sex, lifestyle stage, occupation, economic or financial status, personality, etc, etc are unique to every individual.

85. C Webcasting is a form of broadcasting an event using Internet technologies. Information is dispatched to customers as per their requirement by obtaining their consent for receiving and being updated from time to time.

86. D The income left over after purchasing basic needs is known as discretionary income. Customers use this for savings or purchasing non-essentials like consumer durables. (a) The income left to consumers after tax is called disposable income. All other options are not applicable.

87. C Firms generally face a threat from new entrants in an industry in which the entry and exit of players are free. Various entry barriers are economies of scale, product differentiation, high capital cost, cost disadvantages independent of scale, access to distribution channels, government policy, government restrictions, patents and proprietary knowledge, etc. Relative price performance of substitutes is not an entry barrier but a factor of threat of substitutes.

88. E Brand proliferation is the converse of brand extension. Introducing new products in the market in different product categories with an existing brand name is referred to as brand extension. Brand proliferation is the introduction of products with new brand. Most companies increase their brand width by resorting to brand proliferation.

89. C Slow skimming strategy is feasible when the market is aware of the product, the market size is limited, competition is not intense and the customers are ready to pay a higher price for the product.

Hence the answer is (c)

90. D Deciders are the people who have the power to choose the best alternative among the available options regarding the purchase of a product or service. Hence, deciders have the power to approve the final suppliers. (a) Gatekeepers are the people who control the flow of information into the organization. (b) Approvers authorize the purchase process, before the buyers in the organization implement it. (c) Influencers are people who persuade or push the purchase decision. (e) Initiators identify the need for a product or a service.

91. D Marketing research refers to the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services.

92. B In wide and deep product assortment strategy, retailer provides many categories of products or services as well as large variety in each of these categories.

93. B In case of direct exports, companies sell their goods through middlemen located in foreign countries. A company identifies most suitable distributor in the foreign country it is trying to enter.

94. E Relationship marketing refers to building a long-term association with customers, by understanding and catering to their needs and preferences

95. B In perceived rate pricing, marketers set the prices of the products on the basis of their perceived value in the minds of customers. The target return pricing is set by marketers to achieve specified rate of return on their investments. So, (b) is the answer.

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96. A Usage rate- (quantity consumed or patronage—store visits during a specific period). The usage rate of a particular product/service can be divided into heavy, medium and light. Marketers are usually attracted to heavy users rather than other types of users. Whether a person is a nonuser or a light, medium, or heavy user is important in many segmentation problems. The 80/20 rule, a concept that suggests 80 percent of a firm's sales are obtained from 20 percent of its customers, is not fixed at exactly 80 and 20 percent but suggests that a large fraction of a firm's sales come from a small fraction of its customers.

97. A Contribution analysis deals with techniques for determining profitability at the market segment level, product level, distribution level and customer level. It takes into account contribution of each factor such as the contribution per labor hour, machine hour, etc.

98. E If the technology used in a product becomes obsolete fast, the advantage derived by the marketer from its durability also gets reduced. Customers will not be willing to pay a premium for its durability.

Hence, the answer is (e).

99. C Advertisers have a wide variety of advertising media to choose from. Before selecting the appropriate medium, the firm wanting to advertise has to find answers to four important questions. They are:

- Who are the target audience?
- Where are they located?
- What is the message that has to be delivered?
- When should the advertising campaign run?

100. A *Highly tangible*: In these services, the customer gets a tangible product, though it may sometimes last for only a short period. In the example, Anil takes the PC only for a period of 3 months that too for rent. So, after the contract period is over, the PC is to be returned to the service provider.

Tangible goods linked to services: Some services offer a tangible product along with the service requested by the customer. For example, airline services offer food and magazines to passengers, and market research firms provide clients with a detailed report of the research results.

Highly intangible: These are the services, which do not provide customers with any tangible product. For example, at a massage parlor, the customer might not get anything tangible, except for the relaxing experience. He might smell the automatic oils or feel relaxed while undergoing the massage, but does not get any tangible product.

Service linked to tangible goods: Some organizations offer a warranty period to customers who purchase products from them. During this period, they offer free service if the customer reports any problem with the product.

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