



EXAMINATION:	MARKETING MANAGEMENT SS 2011
EXAMINER:	PROF. DR. REIMANN, EXAMINATION NUMBER: 11058

*You are allowed to use a **non-programmable pocket calculator** without communication functions. Please answer **all 81** questions and transfer your answers to the provided answer sheet before you hand in the exam. For every question there is only **ONE** correct answer. The examination time is **120 minutes**, **91** points can be reached. Each question will give one point, questions marked with a **\*(star)** give two points. This examination has **14 pages** (including top sheet and answer sheet).*

Last name:

First name:

Matriculation number:

Faculty:



**MULTIPLE CHOICE.** Choose the one alternative that best completes the statement or answers the question.

1\*) Marketers monitor six sources of changes in their macro-environment. Which one is NOT one of those?

- |                           |                            |                              |
|---------------------------|----------------------------|------------------------------|
| A) Individual Environment | B) Demographic Environment | C) Political Environment     |
| D) Cultural Environment   | E) Natural Environment     | F) Technological Environment |
| G) Economic Environment   |                            |                              |

2) In \_\_\_\_\_, consumers may share a strong need that cannot be satisfied by an existing product.

- |                     |                       |                    |
|---------------------|-----------------------|--------------------|
| A) latent demand    | B) declining demand   | C) negative demand |
| D) irregular demand | E) nonexistent demand |                    |

3) \_\_\_\_\_ are basic human requirements; \_\_\_\_\_ are the ways in which we satisfy those requirements, and they are shaped by our society.

- |                   |                 |                   |
|-------------------|-----------------|-------------------|
| A) Demands; wants | B) Needs; wants | C) Needs; demands |
| D) Demands; needs | E) Wants; needs |                   |

4) The identification and profiling of distinct groups of buyers who might prefer or require varying product and service mixes is known as \_\_\_\_\_.

- |                 |                                    |                |
|-----------------|------------------------------------|----------------|
| A) segmentation | B) partner relationship management | C) integration |
| D) targeting    | E) disintermediation               |                |

5) Companies address needs by putting forth a(n) \_\_\_\_\_, a set of benefits that they offer to customers to satisfy their needs.

- |                      |                  |           |
|----------------------|------------------|-----------|
| A) offering          | B) target market | C) demand |
| D) value proposition | E) brand         |           |

6) During market segmentation analysis, the marketer identifies which segments present the greatest opportunity. These segments are called \_\_\_\_\_.

- |                    |                     |                        |
|--------------------|---------------------|------------------------|
| A) primary markets | B) focused markets  | C) demographic markets |
| D) target markets  | E) tertiary markets |                        |



7) \_\_\_\_\_ reflects a customer's judgment of a product's performance in relation to his or her expectations.

- A) Expectations                      B) Value                      C) Satisfaction
- D) Loyalty                      E) Comparison shopping

8) The task of any business is to deliver \_\_\_\_\_ at a profit.

- A) customer value                      B) customer needs                      C) products
- D) improved quality                      E) products and services

9) Much of a brand's strength in consumer markets depends on \_\_\_\_\_.

- A) developing a superior product                      B) ensuring the product's availability
- C) creating superior packaging                      D) backing the product with engaging communications and reliable service
- E) all of the above

10) Rising promotion costs and shrinking profit margins are the result of \_\_\_\_\_.

- A) privatization                      B) changing technology                      C) globalization
- D) deregulation                      E) heightened competition

11) When a business gets to know market segments intimately and pursues either cost leadership or differentiation within the target segment, it is employing a \_\_\_\_\_.

- A) focused strategy                      B) defined strategy                      C) competitive advantage strategy
- D) value-added strategy                      E) customer-focused strategy

12) Which of the following marketing management orientations focuses primarily on improving efficiencies along the supply chain?

- A) product concept                      B) marketing concept                      C) production concept
- D) societal marketing concept                      E) selling concept

13) Chet Hoffman's chain of travel agencies has identified the lesbian, gay, bisexual, and transgender community as a growing market that spends an increasing percentage of its income on travel. Which of the following would be the least effective component of a marketing plan for Chet to take advantage of this opportunity?

- A) implement a mass marketing campaign
- B) place specially-targeted ads in gay-themed publications
- C) position his agency as focused on specialized experiences
- D) develop a presence on LGBT-oriented social networking sites
- E) advertise on LOGO



14) Which of the following forces would marketers be most likely able to influence?

- A) increasing ethnic diversity
- B) geographic population shifts
- C) media publics
- D) core cultural values
- E) income distribution

15) Of the following combinations, managers would be most likely to start with \_\_\_\_\_ research and later follow with \_\_\_\_\_ research.

- A) descriptive; causal
- B) causal; exploratory
- C) causal; descriptive
- D) descriptive; exploratory
- E) exploratory; causal

16) ABC Company has decided to use mail questionnaires to collect data. Management recognizes this method has all the following advantages EXCEPT which one?

- A) more honest answers may be given
- B) has an average response rate
- C) low cost per respondent
- D) has no interviewer to bias respondents' answers
- E) can collect large amounts of information

17\*) You generally need to ask three questions when developing a sampling plan. Which of the questions below is one of these three?

- A) How should participants be chosen (sampling procedure)?
- B) Who should be left out of the sample (sampling exclusion)?
- C) How should we contact the sample (sampling approach)?
- D) Why should respondents be selected (sampling justification)?
- E) none of the above

18\*) You are making a presentation to the owners of your company. You are trying to convince them to conduct some current marketing research. Which of the following would you be LEAST likely to emphasize as a benefit or selling point of marketing research?

- A) measuring the effectiveness of distribution and promotion activities
- B) understanding customer motivation
- C) understanding customer satisfaction and purchase behavior
- D) measuring the effectiveness of pricing and accounting
- E) assessing market potential and market share

19) The buyer decision process consists of five stages. Which of the following is NOT one of these stages?

- A) post-purchase behavior
- B) variety-seeking buying behavior
- C) purchase decision
- D) information search
- E) need recognition



20) The information sources that are most effective at influencing a consumer's purchase decision are \_\_\_\_\_. These sources legitimize or evaluate products for the buyer.

- A) experimental      B) social      C) public      D) commercial      E) personal

21) Relative advantage, compatibility, complexity, divisibility, and communicability are all examples of \_\_\_\_\_.

- A) individual differences in innovativeness    B) post-purchase behavior    C) alternative evaluation  
D) dissonance-reducing buying behavior    E) product characteristics that influence rate of adoption

22) To evaluate the different market segments your company is serving, you would look at all of the following factors EXCEPT which one?

- A) segment growth    B) segment structural attractiveness    C) company resources  
D) company culture    E) segment size

23) Segmenting voters as either democrats or republicans is an example of \_\_\_\_\_.

- A) psychographic segmentation      B) occasion segmentation      C) demographic segmentation  
D) geographic segmentation      E) A and D

24\*) Which of the following is the most logical reason for Procter & Gamble offering products that compete with one another on the same supermarket shelves?

- A) Procter & Gamble has little competition.    B) Different people want a greater selection.  
C) Retailers request it.      D) It creates healthy competition.  
E) Different people want different mixes of benefits from the products they buy.

25\*) Which of the following is a potential drawback of multi-branding?

- A) The company can occupy more retail shelf space.  
B) An overextended brand name might lose its specific meaning for consumers.  
C) The company's resources may be spread over too many brands.  
D) Consumers may become confused about the image of the main brand.  
E) Different product features can appeal to consumers with different buying motives.



26\*) A company faces fixed costs of \$100,000 and variable costs of \$8.00/unit. They plan to directly sell their product to the market for \$12.00. How many units must they produce and sell to break even?

- A) 50,000    B) 25,000    C) 20,000    D) 12,500  
E) Not enough information to calculate.    F) None of the above figures.

26a\*) Your Customer Mark Eting is buying twice a month one of your delicious Pizzas called "CLV". The Price of a "CLV" is 9,50€, variable costs of production for a single pizza: 1€, Ingredients per Pizza cost: 1,50€. Your company invested in promotion activities to gain customers, on average 115€ were spent per customer. To keep and serve a customer you have costs per year of 20€. The annual discount rate = 3%. An average customer has a life span with the company of 3 periods (1 period = 1 year). What is the Customer life time value of Mark Eting?

You may use this formula to solve the question:  $\sum_{t=0}^T \left( \frac{(Pt - Ct)}{(1+d)^t} \right) - AC$

- A) 316,19€    B) 431,19€    C) 24,50€    D) 374,46€    E) 139,50€

27\*) Which answer is correct concerning the product-life-cycle?

- A) The Product-life-cycle consists of 5 phases which all products run through during their individual life-cycles.  
B) The Product-life-cycle concept is a tool to analyze and predict product development and therefor enables marketers to precisely forecast sales development.  
C) It is a tool to illustrate the possible life stages of products over time. As such the concept is often far off compared with real empiric data on product sales.  
D) The product-life-cycle concept helps to improve product assortment.  
E) None of the above.

28) Which of the following is a primary disadvantage of viral marketing?

- A) Viral messages are less likely to be viewed than other types of online promotions.  
B) The costs of viral marketing are too high for most companies.  
C) Viral messages are blocked by most search engines.  
D) The brand associated with the viral message is usually forgotten.  
E) Marketers have little control over who receives the viral message.

29) Which of the following is NOT a key function that intermediaries play in helping to fulfill a completed transaction?

- A) physical distribution    B) storing goods    C) risk taking    D) promotion    E) financing



- 30) What are the 3 characteristics a segment should have in order to be a suitable target market?
- A) profitable, homogeneous, reachable for marketing tools
  - B) include many potential customers, reachable for marketing tools, heterogeneous
  - C) quickly assessable, include many potential customers, homogeneous
  - D) easy assessable, reachable for marketing tools, include many potential customers
  - E) profitable, homogenous, include many profitable customers
- 31) Which of the following is NO force in Porter's five forces model?
- A) Bargaining power of suppliers
  - B) rivalry among existing competitors
  - C) Danger of substitutes
  - D) Danger of new investors
  - E) Bargaining power of buyers
- 32) Which is NOT an element of the SWOT Matrix?
- A) Strength
  - B) Occasions
  - C) Threats
  - D) Opportunities
  - E) Weaknesses
- 33) The ratio of which two measures gives the marketing Return on Sales (ROS)?
- A) net marketing contribution/ net sales
  - B) profits/ net contribution
  - C) revenue/sales
  - D) profits/ marketing expenses
  - E) costs of goods sold/ marketing expenses
- 34) Which of the following characteristics is correct for services?
- A) intangible
  - B) reduced buying risk
  - C) wearout due to usage
  - D) integration of an internal factor
  - E) none of the above
- 35) Which of the following is a generic strategy by Porter?
- A) price leadership
  - B) focused price leadership
  - C) focused diversification
  - D) industry wide differentiation
  - E) stuck in the middle
- 36) Which of the following statements is fundamentally wrong? The more companies of equal strength compete in a single market...
- A) the higher the profit margin.
  - B) the more competitor monitoring is needed.
  - C) the higher the degree of competition.
  - D) the better for the customer.
  - E) the more important customer relationship management becomes.
- 37) The extended version of the BCG matrix approach from Barksdale and Harris adds which dimension for market growth rate to the original model?
- A) negative growth
  - B) exponential growth
  - C) marginal growth
  - D) healthy growth
  - E) unexpected growth



38) Which of the following customer requirements in the KANO-model cannot contribute to customer satisfaction?

- A) excitement requirements      B) basic requirements      C) performance requirements  
D) Neither A, B or C contribute      E) All (A, B and C) contribute

39) How will a customer react in terms of his/her satisfaction when the expected performance of a product is unequal to the perceived performance?

- A) satisfied      B) dissatisfied      C) neutral      D) neutral or dissatisfied  
E) satisfied or dissatisfied

40) According to Ansoff's product-market expansion grid, a company which is using existing products to enter new markets is conducting \_\_\_\_\_

- A) market penetration      B) Product development      C) market development  
D) Diversification      E) Differentiation

41) What is a requirement for segmentation characteristics?

- A) relevant for buying behavior      B) easy to assess      C) hard to target for competitors  
D) common to many segments      E) market research

42) What is the correct order of the five Ds in the market research process?

- A) Data analysis, Design, Documentation, Data collection, Definition  
B) Data collection, Definition, Design, Documentation, Data analysis  
C) Definition, Design, Documentation, Data collection, Data analysis  
D) Definition, Design, Data collection, Data analysis, Documentation  
E) Design, Data collection, Definition, Documentation, Data analysis

43) What are the uses of Marketing Research? Identify which is NONE of them?

- A) Improve marketing personnel development      B) Monitor marketing performance  
C) Identify marketing opportunities and problems      D) Improve marketing as a process  
E) Generate, refine, and evaluate potential marketing actions

44) Your task is it to estimate future market demand, which of the following methods is NOT useful.

- A) Survey of Buyers' Intentions      B) Composite of Sales Force Opinions  
C) Expert Opinion      D) Past-Sales Analysis      E) Break-Even Analysis

45\*) The product-life-cycle is used to...

- A) predict future sales      B) visualize the possible stages of a product's life cycle.  
C) show how every product evolves during its life cycle      D) improve product assortment  
E) show how valuable a product is in terms of sales volume and profit





46) Your task is it to come up with a new product idea, what is most advisable to do in the first place?

- A) check production capacity
- B) check personnel availability
- C) check financial ability
- D) check consumer needs
- E) check current market demand

47) Customer Profitability Analysis. Given the following information:

Customer 1 is very profitable.

Customer 2 is mixed profitability.

Customer 3 is a losing customer.

What can the company do about customers 2 and 3?

- A) It can lower the price of its less profitable products.
- B) It can try to sell them more of its less profitable products.
- C) It can encourage customer 2 and 3 to switch to competitors.
- D) It can eliminate its less profitable products.
- E) None of the above.

48) According the mental accounting theory consumers tend to all of the below, EXCEPT one. Which?

- A) segregate gains
- B) integrate losses
- C) integrate smaller losses with larger gains
- D) Segregate small gains from large losses
- E) segregate utility from price

49) Which is NONE of the four Ps?

- A) Profit
- B) Place
- C) Price
- D) Promotion
- E) Product

50) Which is NONE of the four Cs?

- A) Commerce
- B) Convenience
- C) Communication
- D) Customer cost
- E) Customer solution

51) The Boston Consulting Group matrix approach suggests for products in the

“Dog”-position to\_\_\_\_\_

- A) disinvest
- B) invest
- C) spend more money on advertisement
- D) do nothing
- E) do sales staff training

52) The set of products consumer consider to be generally able to satisfy their needs is called \_\_\_\_\_

- A) inept set
- B) inert Set
- C) relevant set
- D) available set
- E) foggy set



53) Marketing as a management concept is first and foremost concerned of \_\_\_\_\_

- A) optimizing the production processes.
- B) quickest possible gain of market share.
- C) consequent orientation on consumer needs.
- D) product sales.
- E) satisfaction of investor's needs.

54\*) The market for bananas is a true oligopoly. Three companies divide the demand among themselves. The market potential is 400 000 bananas. Company A has sales volume of 25 000 bananas. Company B sells 55 000 bananas more than company A and company C sells 45 000 bananas. What is the market share of company C.

- A) 11,25%
- B) 30%
- C) 36%
- D) 20%
- E) 3,33%

55) Given the figures from question 54\*, what is the relative market share of company A?

- A) 45,45%
- B) 31,25%
- C) 16,67%
- D) 25%
- E) 6,25%

56) What quality is the most important for the customer?

- A) expected quality
- B) promised quality
- C) objective quality
- D) perceived quality
- E) social quality

57) Effective positioning begins with \_\_\_\_\_ the company's marketing offer in order to give consumers more perceived value.

- A) aligning
- B) placing
- C) pricing
- D) promoting
- E) differentiating

58) In which of the following scenarios would high-pressure selling tactics typically be most advantageous for marketers?

- A) selling situations with new customers with a high likelihood of becoming repeat customers
- B) selling situations with long-time customers
- C) one-time selling situations
- D) selling situations with dissatisfied customers
- E) selling situations with a company's most highly valued customers

59) Developing a product involves defining the benefits that it will offer. These benefits are communicated and delivered by \_\_\_\_\_ such as quality, features, and style and design.

- A) consumer products
- B) private brands
- C) product mixes
- D) marketing tools
- E) product attributes



60) Which of the following most accurately identifies a difference between a weakness and a threat in SWOT analysis?

- A) A company can more easily identify threats than weaknesses.
- B) A company is more able to change a weakness than a threat.
- C) A company can be more negatively affected by a threat than by a weakness.
- D) A company is more able to change a threat than a weakness.
- E) A company can be more negatively affected by a weakness than by a threat.

61) You call in a department manager to assist in a purchase of industrial equipment. You are considering a change in product specifications, terms, and possibly suppliers. This is most likely a \_\_\_\_\_ situation.

- A) modified rebuy    B) value analysis    C) solution selling    D) new task    E) straight rebuy

62) A challenge for management in product line pricing is to decide on the price steps between the \_\_\_\_\_.

- A) product mixes    B) various target markets    C) product lines    D) product groupings
- E) various products in a line

63) Building and maintaining profitable value-laden relationships with customers of a company is called \_\_\_\_\_.

- A) customer perceived value    B) database marketing    C) customer lifetime value
- D) societal marketing    E) customer relationship management

64) People cannot focus on all of the stimuli that surround them each day. A person's tendency to screen out most of the information to which he or she is exposed is called \_\_\_\_\_.

- A) selective perception    B) selective retention    C) selective attitude
- D) selective attention    E) selective distortion

65) Disney is identifying and developing new markets for its theme parks. Disney is exploring possibilities for \_\_\_\_\_.

- A) market development    B) market penetration    C) downsizing
- D) diversification    E) product development

66) What movement has encouraged marketers to pursue environmentally sustainable strategies?

- A) green intervention    B) the black market    C) the green movement
- D) the SOHO movement    E) the EPA



67) The set of marketing tools a firm uses to implement its marketing strategy is called the \_\_\_\_\_.

- A) marketing effort    B) promotion mix    C) TQM    D) marketing mix    E) product mix

68) The objective of \_\_\_\_\_ research is to gather preliminary information that will help define the problem and suggest hypotheses.

- A) corrective    B) descriptive    C) exploratory    D) causal  
E) descriptive and exploratory

69) The real value of a company's marketing research and information system lies in the \_\_\_\_\_.

- A) amount of data it generates    B) marketing information system it follows  
C) variety of contact methods it uses    D) efficiency with which it completes studies  
E) quality of customer insights it provides

70) Which of the following should be the first step in designing a marketing channel?

- A) analyzing channel alternatives    B) exploring international opportunities  
C) evaluating intermediaries    D) identifying what consumers want from the channel  
E) identifying channel objectives

71) When a competitor cuts its price, a company might decide to \_\_\_\_\_ if it believes it will not lose much market share or would lose too much profit by cutting its own price.

- A) maintain its current price and profit margin  
B) increase its marketing budget to raise the perceived value of its product  
C) reduce its marketing costs  
D) increase its production costs to improve the quality of the product  
E) reduce its production costs

72) The recent rash of business scandals and increased concerns about the environment have created fresh interest in the issues of \_\_\_\_\_ and \_\_\_\_\_.

- A) management ethics; cultural bias    B) finances; employee discrimination  
C) ethics; social responsibility    D) ethics; promotion responsibility  
E) promotion; pricing

**TRUE/FALSE.** Write 'T' if the statement is true and 'F' if the statement is false.

73) Demands are wants for specific products backed by an ability to pay. 73) \_\_\_\_\_

74) Most marketers satisfy everyone in a market that's how they stay in business. 74) \_\_\_\_\_



75) Attracting a new customer may cost five times as much as doing a good enough job to retain an existing one. 75) \_\_\_\_\_

76) The marketing-mix component called promotion includes such items as product variety, design, packaging, services, and warranties. 76) \_\_\_\_\_

77) "Friends Don't Let Friends Drive Drunk," is an example of marketing an experience to an interested audience. 77) \_\_\_\_\_

78) It is always bad for a business not to match customers' expectations. 78) \_\_\_\_\_

79) The upmost important goal for marketers is to maximize customer satisfaction. 79) \_\_\_\_\_

80) Objective quality of a product is of up most importance for the marketer 80) \_\_\_\_\_