



Dr.G.R.Damodaran College of Science

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CRISL rated 'A' (TN) for MBA and MIB Programmes

III MBA(PART TIME)[2015-2018]
SEMESTER-V
CONSUMER BEHAVIOUR - 552V1
Multiple Choice Questions.

1. ----- is the buying behavior of final consumers.

- A. Global purchasing.
- B. Business buying Behaviour.
- C. Reseller buyer behaviour.
- D. Consumer buyer behaviour.

ANSWER: D

2. All of the following factors would be listed as social factors that influence consumer behaviour EXCEPT.

- A. Roles and status.
- B. reference groups.
- C. Family.
- D. Occupation.

ANSWER: D

3. Which of the following would correctly be labelled as a cultural factor that would influence consumer behaviour?

- A. Reference groups.
- B. Social class.
- C. Lifestyle.
- D. Family.

ANSWER: B

4. Which of the following would be the BEST description of the major AIO dimensions that describes a person's pattern of living?

- A. Activities, Interests, and Opinions.
- B. Attitudes, Income, and Observations.
- C. Attitudes, Interests, and Opinions.
- D. Activities, Innovation, and Occasions.

ANSWER: A

5. We are what we have would be associated with which of the following concepts?

- A. Personality.
- B. A persons self-concept.
- C. Beliefs.
- D. Attitudes.

ANSWER: B

6. Another term for a motive (especially after it has become activated or directed) is a.

- A. Action.
- B. Drive.

- C. Need. .
- D. Cue.

ANSWER: B

7. Basic needs such as hunger and thirst are called.

- A. Physiological needs.
- B. Social needs.
- C. Psychological needs.
- D. Safety needs.

ANSWER: A

8. -----describes changes in an individual's behaviour arising from experience.

- A. Motivation.
- B. A cue.
- C. Stimulus object.
- D. Learning.

ANSWER: D

9. Which step of the buyer decision process immediately precedes the purchase decision?

- A. Information search.
- B. Evaluation of alternatives.
- C. Need recognition.
- D. Post purchase behaviour.

ANSWER: B

10. If a consumer has discomfort caused by post purchase conflict, the consumer is experiencing.

- A. Cognitive dissonance.
- B. Subliminal persuasion.
- C. Confirmation.
- D. Stimulus ambiguity.

ANSWER: A

11. The stage in the adoption process where the consumer considers whether trying the new product makes sense is called.

- A. Evaluation. .
- B. Trial.
- C. Adoption.
- D. Interest.

ANSWER: A

12. With respect to product characteristics that impact the rate of adoption of a product, _____ is the degree to which the innovation is difficult to understand or use.

- A. Divisibility.
- B. Compatibility.
- C. Complexity.
- D. Relative advantage.

ANSWER: C

13. The _____ is a person within a reference group who, because of special skills, knowledge, personality, or other characteristics, exerts influence on others.

- A. Facilitator.
- B. Referent actor.
- C. Opinion leader.
- D. Social role player.

ANSWER: C

14. In terms of execution styles, a family seated at the dinner table enjoying the advertised product would be an example of which of the following types of advertising?

- A. Slice of life.
- B. Lifestyle.
- C. Mood or imagery.
- D. Personality symbol.

ANSWER: B

15. The orange juice manufacturers know that orange juice is most often consumed in the mornings. However, they would like to change this and make the drink acceptable during other time periods during the day. Which form of segmentation would they need to work with and establish strategy reflective of their desires?

- A. Gender segmentation.
- B. Benefit segmentation.
- C. Occasion segmentation.
- D. Age and life-cycle segmentation.

ANSWER: C

16. _____ consists of dividing a market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes.

- A. Product differentiation.
- B. Market segmentation.
- C. Market targeting.
- D. Market positioning.

ANSWER: B

17. _____ factors are the most popular bases for segmenting customer groups.

- A. Geographic.
- B. Demographic.
- C. Psychographic.
- D. Behavioral.

ANSWER: A

18. _____ is a person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.

- A. Psychographics.
- B. Personality.
- C. Demographics.
- D. Lifestyle.

ANSWER: B

19. What is also known as subliminal perception?

- A. Absolute threshold.
- B. Stimuli.
- C. Attitude.
- D. Motive.

ANSWER: A

20. Characteristics of Attitudes include a feature as " ATTITUDES HAVE AN. ".

- A. Subject.
- B. Object.
- C. Motive.

D. Need.

ANSWER: B

21. The components of attitude are :-.

- A. Cognitive component.
- B. Conative component.
- C. Affective component.
- D. All the three.

ANSWER: D

22. _____ are interested in knowing the feedback of consumers.

- A. Buyers.
- B. Suppliers.
- C. Vendors.
- D. Marketers.

ANSWER: D

23. Different attitude measuring techniques are:-.

- A. Likerts scale.
- B. Ordianl scale.
- C. Summated rating scale , thurstone scale.
- D. Nominal scale.

ANSWER: C

24. Perception of a stimulus below the conscious level is called _____.

- A. Terminal threshold.
- B. Difference threshold.
- C. Absolute threshold.
- D. Subliminal cues.

ANSWER: C

25. Defense mechanism induces a person to unconsciously imitate behaviour of another person who has handled the conflict successfully:-.

- A. Identification.
- B. Frustration.
- C. Emotion.
- D. Rebellious.

ANSWER: A

26. Buying process involves the following.

- A. Buyer and consumer.
- B. Users, influence and buyer.
- C. Initiator and consumer. .
- D. Influencer and gatekeeper.

ANSWER: B

27. Ways to increase low involvement product's purchase are.

- A. Advertisements.
- B. Discounts.
- C. Coupons, displays, price deals.
- D. Offers.

ANSWER: C

28. It occurs when two stimuli are seen as similar and effects of one substitute for the effects of the

other :-.

- A. Stimulus differentiation.
- B. Stimulus change.
- C. Stimulus generalization.
- D. None of the above.

ANSWER: C

29. He is considered the father of psychoanalysis:-.

- A. Schiffman and Kanuk.
- B. Sigmund Freud.
- C. Karen Horney.
- D. Carl Jung.

ANSWER: B

30. What is Conative component of decision making?

- A. Influence.
- B. Initiative.
- C. Purchase decision.
- D. Consumption.

ANSWER: C

31. Any communication by experts in that fields makes that communication is more.

- A. Influential.
- B. Credible.
- C. Initiator.
- D. Opinion leader.

ANSWER: B

32. Todays consumers are greatly influenced by those individuals with whom they share :-.

- A. Their views.
- B. Neighbours.
- C. Some common traits & Values , Behavioural peculiarities.
- D. Peers.

ANSWER: C

33. Members of the same social class show _____ Lifestyles.

- A. Different.
- B. Happy.
- C. Normal.
- D. Similar.

ANSWER: D

34. The upper class consists of :-.

- A. Very small percent of the population.
- B. Very large percent of the population.
- C. 50 percent of the population.
- D. 30 percent of the population.

ANSWER: A

35. It constitutes the moral factor of personality.

- A. Ego.
- B. Id.
- C. Super Ego.
- D. Adult.

ANSWER: A

36. Attitudes with _____ of involvement are relatively easier to change.
- A. High level.
 - B. Medium level.
 - C. Same level.
 - D. Low level.

ANSWER: D

37. _____ gives clues to the firm about what existing or prospective customers think.
- A. Creativity training.
 - B. Market research.
 - C. Sales .
 - D. Discounts.

ANSWER: B

38. Consumer has a right to get redressal of _____.
- A. Views.
 - B. Mistakes.
 - C. Grievances.
 - D. Attitudes.

ANSWER: C

39. Marketers focus on what kind of product?
- A. Low involvement.
 - B. Medium involvement.
 - C. High involvement.
 - D. None of the above.

ANSWER: C

40. Excessive repetitive shopping used as an antidote to tension, anxiety, depression, or even boredom, is called.
- A. Impulse buying.
 - B. Extremist exchanges.
 - C. Compulsive consumption.
 - D. Negative reinforcement.

ANSWER: C

41. Full nest I consists of.
- A. Married couple with youngest children under 6 years.
 - B. Married couple with children in the age of 6 to 12 years.
 - C. Unmarried couples.
 - D. Married couple without children.

ANSWER: A

42. Unplanned purchase behavior is known as.
- A. Compulsive purchase.
 - B. Impulsive purchase.
 - C. influence purchase.
 - D. display purchase.

ANSWER: B

43. Telemarketing refers to.
- A. Home shopping.

- B. Direct mailing.
- C. Retail shop purchase
- D. Contacting through telephones.

ANSWER: D

44. Consumer protection act was passed in the year.

- A. 1948.
- B. 1968.
- C. 1986.
- D. 1975.

ANSWER: C

45. Those who seek out new intellectual experiences are called:.

- A. Cognitive innovators.
- B. Attitudinal innovators.
- C. Sensory Innovators.
- D. Perceptual innovators.

ANSWER: A

46. A relatively minor change to a product is called:.

- A. Continuous innovation.
- B. Dynamically continuous innovation.
- C. Discontinuous innovation.
- D. None of the above.

ANSWER: B

47. Someone who has an intense interest in, and a high knowledge of, something is called:.

- A. A maven.
- B. A knowledge centre.
- C. An influencer.
- D. Opinion Leader.

ANSWER: A

48. People who like technology for its own sake are called:.

- A. Technophiles.
- B. Technocrats.
- C. Technophobes.
- D. Technopreneur.

ANSWER: B

49. The degree to which someone adopts innovation more readily than other people is called:.

- A. Inventiveness.
- B. Innovativeness.
- C. Commercialization.
- D. Intelligence.

ANSWER: B

50. When a consumer purchases a product for the first time and buys a small quantity than usual, this purchase would be considered as a _____.

- A. Trial.
- B. Repeat.
- C. Long term.
- D. None of the above.

ANSWER: A

51. Long term commitment purchase is feasible for.

- A. Detergents.
- B. Cola.
- C. Washing machines.
- D. Tooth paste.

ANSWER: C

52. Post purchase dissonance is reduced by.

- A. Rationalize the decision as wise.
- B. Buying the same product again.
- C. Preventing others from buying it.
- D. Buying competitive brands.

ANSWER: C

53. Repeat purchase is closely related to the concept of.

- A. Brand image.
- B. Brand loyalty.
- C. Brand equity.
- D. Brand culture.

ANSWER: B

54. When the performance of the product matches the expectations of the consumer then it is.

- A. Neutral feeling.
- B. Positive confirmation.
- C. Negative confirmation.
- D. None of the above.

ANSWER: B

55. Non profit organisations could better segment the audience on the basis of.

- A. Needs.
- B. Demographics.
- C. Behavior.
- D. Social norms.

ANSWER: B

56. Segmentation enables the social marketers of non profit organisations to target.

- A. Rich people.
- B. Poor people.
- C. Middle class People.
- D. None of the above.

ANSWER: B

57. Social marketing products are distributed through

- A. NGO's.
- B. Corporates.
- C. Directly.
- D. None of the above.

ANSWER: A

58. What is the constraint for weaker and deprived sections of society to take part in family planning & other kinds of social programmes?

- A. Price.
- B. Willingness.

- C. Social status.
- D. None of the above.

ANSWER: B

59. Which is not marketed by social marketing?

- A. Ideas.
- B. Practices.
- C. Behavior.
- D. Intangible product.

ANSWER: D

60. In studying consumer behaviour, it is often useful to categorize people on the basis of some similarity. Descriptions such as age, gender, income, or occupation are called:

- A. demographics.
- B. Psychographics.
- C. Personal profiles.
- D. Physiognomies.

ANSWER: A

61. _____ involves marketing philosophies, policies, procedures, and actions whose primary objective is the enhancement of society.

- A. Social responsibility.
- B. Green marketing.
- C. Relationship marketing.
- D. Ethics.

ANSWER: B

62. The majority of ethical questions are raised in connection with which component of marketing strategy?

- A. Product.
- B. Distribution.
- C. Price.
- D. Promotion.

ANSWER: D

63. Invasion of personal privacy is a critical ethical issue in:

- A. Product strategy.
- B. Promotional strategy.
- C. Marketing research.
- D. Pricing strategy.

ANSWER: C

64. Social responsibility demands that marketers accept an obligation to give equal weight to.

- A. The demands of activists, the government, and employees in product development.
- B. Morality, philosophy, and practicality in their conduct of marketing activities.
- C. Profits, customer satisfaction, and social well-being in evaluating their firm's performance.
- D. The wishes of the board of directors, the executive committee, and design personnel in corporate management.

ANSWER: A

65. The production, promotion, and reclamation of environmentally sensitive products has come to be called:

- A. Planned obsolescence.
- B. Green marketing.

- C. Pollution.
- D. Recycling.

ANSWER: B

66. Corporate social responsibility is defined as the:

- A. Belief that the legal system defines ethical behaviour.
- B. Development of inclusive codes of ethics.
- C. Rules by which social rewards are attained.
- D. Concern for social welfare by businesses.

ANSWER: B

67. Altering information that is inconsistent with our beliefs and attitudes is known as :

- A. selective attention
- B. selective distortion
- C. selective retention
- D. self-image

ANSWER: B

68. _____ is the idea that socially responsible companies will outperform their peers by focusing on the world's social problems and viewing them as opportunities to build profit and help the world at the same time.

- A. Sustainability.
- B. Philanthropy.
- C. Cause marketing.
- D. Global vision.

ANSWER: C

69. Which of the following sayings best describes how people with conventional morality act?

- A. Don't put all of your eggs in one basket.
- B. When in Rome, do as the Romans.
- C. Be wary of strangers bearing gifts.
- D. A rolling stone gathers no moss.

ANSWER: D

70. This is an American term, this occurs when a company, typically a retailer, promotes a low-priced product to engage customers but then persuade them to buy higher-priced product variants.

- A. Switch rigging.
- B. Bait and switch.
- C. Bid rigging.
- D. Collusion.

ANSWER: A

71. Regarding international trade, Structuralism policies for inducing economic growth in declining primary-export economies during 1950-1980' included:

- A. Expanding domestic production of manufactures as a substitute for manufacture imports.
- B. Orienting domestic production of manufactures toward domestic consumption.
- C. Protecting infant industries until they become competitive.
- D. All of the above.

ANSWER: B

72. What of the following protection instruments was not recommended by Structuralism?

- A. Tariffs and quotas on imported manufactures.
- B. Reducing import tariffs to manufactures.
- C. Controlling nominal exchange rates.

D. Reducing interest rates for investment in factories.
ANSWER: D

73. The infant-industry policy proposal does not imply that.
A. The sources of comparative advantages can be managed by the government.
B. The relative abundance of skilled labor can be increased through on-the-job training and schooling.
C. The relative abundance of capital equipment can be increased managing equipment imports.
D. The comparative advantages of a country are static (they remain the same over the time).
ANSWER: B

74. Effective rates of protection in developing countries typically.
A. Are very high for manufactured consumer goods.
B. Differ widely from industry to industry.
C. Discriminate against the agricultural sector.
D. All the above.
ANSWER: A

75. The effective rate of protection measures how much.
A. Investment will be drawn into the protected industry.
B. Profit can be earned by producing the protected product.
C. The margin of price over input cost for domestic producers can exceed the margin at world market prices.
D. The price of the product increases due to the tariff.
ANSWER: C

76. Other things being equal, the effective rate of protection for domestic producers of steel nails will be higher,.
A. The lower the tariff on imported nails.
B. The lower the tariff on imported steel.
C. The higher the value added in converting steel to nails.
D. All the above.
ANSWER: D

77. A reference group influence on buying behaviour is most closely related to :
A. Desire for conformity
B. Growth of impulse buying
C. Increase in leisure time
D. Desire for convenience
ANSWER: A

78. The text mentions that the industrial landscape is littered with infants that never grew up. This refers to infant industries that.
A. Require protection from import competition indefinitely.
B. Remain labor-intensive instead of adopting modern technology.
C. Are not successful in the export market.
D. Cannot earn profits even with protection from import competition.
ANSWER: A

79. What of the following factors did not reduce the competitiveness of infant industries in many developing countries?
A. Some times labor union leaders and private businesses colluded to get new subsidies from government officers
B. Some times government officers and politicians received economic favors and from protected

private businesses and political support from union leaders.

- C. Businesses owners invested in research and development rather than in rent seeking.
- D. The World Bank did not audit sufficiently the utilization of loans for industrial development.

ANSWER: C

80. Luxury brands have to design a _____ in order to get a foothold in the Indian market.

- A. Unique pricing strategy.
- B. Penetration pricing strategy.
- C. Skimming pricing strategy.
- D. All the above.

ANSWER: A

81. Increasing Awareness of Indian consumers is due to.

- A. TV.
- B. Radio.
- C. Bill boards.
- D. All the above.

ANSWER: B

82. Today more and more consumers are selective on the quality of the _____.

- A. Product.
- B. service.
- C. brand.
- D. all the above.

ANSWER: B

83. Currently, the products Indian consumers are buying through online are mostly _____.

- A. Clothes.
- B. CDs/VCDs/DVDs.
- C. books.
- D. all the above.

ANSWER: C

84. Indian consumer buying behaviour is influenced by freebies in the case of _____.

- A. Washing machines.
- B. Refrigerators.
- C. FMCGs.
- D. All the above.

ANSWER: D

85. The Super Rich are mainly _____.

- A. Professionals.
- B. Bankers.
- C. Upper upper class.
- D. Upper middle class.

ANSWER: C

86. Indian consumers looking for quality choose expensive brands as they feel that price is an indicator of _____.

- A. Quality.
- B. Service.
- C. Brand value.
- D. Durability.

ANSWER: A

87. Psychogenic needs are influenced by culture, environment, and individual psychology. They are also known as:

- A. Acquired needs or secondary needs.
- B. Innate or biogenic needs.
- C. Primary needs.
- D. All of the above.

ANSWER: B

88. Which of the following does not generally influence goal-setting behaviour?

- A. Accessibility of the goal.
- B. Physical ability.
- C. Self-image.
- D. Sociocultural norms.

ANSWER: A

89. Which of the following statements is not a criticism of Maslow's universal theory of human needs?

- A. The theory gives too much credit to sexual motivation of consumer behaviour.
- B. The theory applies most closely to Americans.
- C. Researchers cannot objectively test his theory that people fulfill each level of need before focusing on the next.
- D. Researchers cannot objectively test his theory that people fulfill each level of need before focusing on the next.

ANSWER: B

90. Which of the following statements about motivational research are true?

- A. It refers to all types of research into human motivation.
- B. It is qualitative.
- C. It is founded on Freud's theory that unconscious needs are fundamental to motivation.
- D. It produces results that cannot reliably be generalised.

ANSWER: A

91. A consumer planning to purchase CDs also purchases bread after passing a bakery where the fresh bread has just been removed from the ovens. This is an example of what type of arousal of motives?

- A. Emotional.
- B. Cognitive.
- C. Environmental.
- D. Physiological.

ANSWER: B

92. An individual who states "I'm a much better tennis player than the score would indicate - it must be this new tennis racket" is engaging in which type of defense mechanism?

- A. Escapism.
- B. Regression.
- C. Projection.
- D. Withdrawal.

ANSWER: C

93. An advertising campaign that shows purchasing the product as a way to win the approval of friends represents the satisfaction of which needs in both the Trio of Needs and the Hierarchy of Needs?

- A. Affiliation; Social.
- B. Achievement; Self-actualization.
- C. Affiliation; Power.
- D. Affiliation; Physiological.

ANSWER: B

94. Marketers are interested in motivational research for which of the following reasons?

- A. The unconscious mind understands and responds to non-verbal symbols and forms emotional responses that may guide behaviour.
- B. Unsuspected consumer motives identified in motivational research can be used in the development of promotional campaigns.
- C. Motivational research provides marketers with new product ideas.
- D. Motivational research provides guidance to market researchers in designing structured, quantitative research instruments.

ANSWER: D

95. Which of the following statements about the nature of personality is true?

- A. Personality is the most important factor that influences consumer behaviour.
- B. Personality mainly arises from genetic traits.
- C. Personality is consistent and enduring.
- D. Personality does not change over time.

ANSWER: A

96. A marketer who assumes that instinct forms of personality will often appeal to consumers' unconscious biological and sexual needs. Such a marketer ascribes to which theory of personality?

- A. Psychoanalytic theory.
- B. Trait theory.
- C. Neo-Freudian.
- D. None of the above.

ANSWER: B

97. Which of the following is not one of the stages of personality development in Freudian theory?

- A. Oral.
- B. Anal.
- C. Phallic.
- D. None of the above.

ANSWER: C

98. Factual promotions that emphasize product benefits appeal least successfully to which of the following consumer personalities?

- A. Low dogmatism.
- B. Other-directedness.
- C. High need for cognition.
- D. Inner-directedness.

ANSWER: C

99. Which of the following statements about fixated consumption behaviour is false?

- A. Fixated consumers require clinical treatment to overcome their compulsive consumption behaviour.
- B. Fixated consumption is considered normal and socially acceptable.
- C. Fixated consumers openly purchase and display their targeted products.
- D. Fixated consumers are materialistic.

ANSWER: B

100. An ad for breakfast cereal shows a lonely, scrawny young man transforming into a champion cricket player after eating a particular brand of cereal. To which self-image does this ad most appeal?

- A. Actual self-image.
- B. Ideal social self-image.

- C. Ideal self-image.
- D. Expected self-image.

ANSWER: B

101. A vitamin ad claims that their product will "restore the mind of middle-aged consumers to the mental alertness of a twenty year old". The ad appeals to the consumers' desire to _____ their self image.

- A. Extend.
- B. Confirm.
- C. Alter.
- D. None of the above.

ANSWER: A

102. A slogan such as Nike's 'Just Do It' could be seen as a direct appeal to which component of the personality, according to Freudian theory?

- A. Superego.
- B. Ego.
- C. Id.
- D. None of the above.

ANSWER: B

103. Individuals with a/an _____ believe that they can control the outcomes by their own actions; individuals with a/an _____ believe their destiny is controlled by other circumstances.

- A. External locus of control; internal locus of control.
- B. High self-monitor; low self-monitor.
- C. Internal locus of control; external locus of control.
- D. High self-monitor; low self-monitor.

ANSWER: C

104. An advertisement for a charity encouraging consumers to help those in need is appealing to which personality trait?

- A. Agreeableness.
- B. Openness to experience.
- C. Neuroticism.
- D. Conscientiousness.

ANSWER: D

105. An advertisement for women's business clothing that states "On your way to the top, dress like you are already there" is appealing to which self-image?

- A. The expected self-image.
- B. Actual self-image.
- C. Ideal self-image.
- D. Ideal social self-image.

ANSWER: D

106. Programs such as 'Buy Australia' or 'Made in the USA', encouraging consumers to purchase products produced in their home countries, appeal to which personality trait?

- A. Consumer innovativeness.
- B. Compulsive consumption.
- C. Consumer ethnocentrism.
- D. Consumer ethnocentrism.

ANSWER: D

107. An individual who states "I can't afford to purchase that product but it doesn't bother me because I

don't think the quality and styling are that good and it will likely be out of style next year. Besides, I'd rather use my money to go to the movies" is engaging in what type of defense mechanism?

- A. Rationalization.
- B. Aggression.
- C. Escapism.
- D. Regression.

ANSWER: A

108. Marketing intelligence is everyday information about developments in the marketing environment that assists marketers in their preparation of their plans and strategies. This information is obtained from a number of sources and includes which of the following?

- A. Customer feedback.
- B. Competitor intelligence.
- C. Trade journals.
- D. All of the above.

ANSWER: D

109. The marketing research process consists of four steps. Which of the following is not one of these steps?

- A. Defining the problem and research objectives.
- B. Evaluating the competitor strategies.
- C. Developing the research plan for collecting information.
- D. Analysis of the collected data.

ANSWER: B

110. Qualitative research is exploratory research used to uncover consumer attitudes, motivations and behaviour. What techniques can be applied to obtain qualitative research?

- A. One to one interviews.
- B. Elicitation interviews.
- C. Focus groups.
- D. All of the above.

ANSWER: D

111. What are the two types of research data?

- A. Primary and secondary.
- B. Predictive and quantitative.
- C. Qualitative and predictive.
- D. Qualitative and quantitative.

ANSWER: A

112. What are examples of techniques of obtaining qualitative data?

- A. Video conferencing; focus groups; in-depth interviews; observational techniques.
- B. Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; call centre feedback.
- C. Survey research/questionnaires; focus groups; in-depth interviews; observational techniques; experimentation.
- D. All of the above.

ANSWER: A

113. What are four methods of continuous research?

- A. Consumer panels; home audits; personal interviews; in-store video footage of consumer behaviour.
- B. Consumer panels; home audits; omnibus surveys; retail audits.
- C. Consumer panels; home audits; personal interviews; omnibus surveys.

D. All of the above.

ANSWER: B

114. Sources of marketing information are categorised into two groups - what are they?

- A. Causal resources.
- B. Macro environmental sources; micro environmental sources.
- C. External sources; internal sources.
- D. All of the above.

ANSWER: C

115. What are the criteria for evaluating secondary data sources?

- A. Relevance of data; who collects the data; method of data collection; who paid for the research.
- B. Source of data; who collects the data; method of data collection; construct of research.
- C. Relevance of data; who collects the data; method of data collection; evidence of careful work.
- D. Source of data; who collects the data; method of data collection; construct of data.

ANSWER: D

116. What are three popular methods for obtaining primary data?

- A. Interviews and surveys; observation; experimentation.
- B. Survey; interviews; experimentation.
- C. Experimentation; personal interview; Delphi technique.
- D. Interviews and surveys; observation; Harrison methodology.

ANSWER: B

117. Directing a company's efforts towards serving one or more groups of customers sharing common needs or characteristics is defined as:

- A. Market targeting.
- B. Market positioning.
- C. Customisation.
- D. Target marketing.

ANSWER: D

118. Macro segmentation in B2B marketing incorporates which three organisational characteristics?

- A. Location; buyer type; usage rate.
- B. Location; buyer type; purchasing policies.
- C. Size; location; buyer type.
- D. Size; location; usage rate.

ANSWER: A

119. What are the bases for micro-segmentation in a B2B market?

- A. Product; technology; purchasing policies; DMU structure; organisational clients.
- B. Product; applications; technology; purchasing policies; DMU structure; decision-making process; buyer-seller relationships.
- C. Product; applications; technology; purchasing policies; structure; decision-making process; purchaser.
- D. Product; applications; technology; purchasing policies; DMU structure; organisational clients.

ANSWER: B

120. What is Geodemographic segmentation?

- A. Analysis of people by where they live.
- B. Analysis of people by country.
- C. Analysis of populations by ethnicity.
- D. Analysis of population by continent.

ANSWER: C

121. People with similar demographic and/or psychographic profiles may interact differently with the same product. The way marketers use this information to segment a market is known as which of the following?

- A. Behavioural segmentation.
- B. Bohemian segmentation.
- C. Beneficial Segmentation.
- D. Geographic segmentation.

ANSWER: A

122. Attitude-based segments may be important in marketing of many organisations. Which of the following would not benefit from attitude based segmentation?

- A. Football clubs.
- B. Health education.
- C. Charities.
- D. Schools.

ANSWER: B

123. Market segmentation is the process of:

- A. Dividing a market into categories of buyers that buy the company's different products.
- B. Dividing a market into groups of buyers that have different buying power.
- C. Dividing a market into distinct groups of buyers with different needs, characteristics or behaviour.
- D. All of the above.

ANSWER: C

124. Behavioural segmentation can be used to divide a market into groups based upon consumer knowledge, attitudes about products. Behavioural segmentation can be further defined by which of the following?

- A. User status.
- B. Loyalty status.
- C. Benefits sought.
- D. All of the above.

ANSWER: A

125. Market positioning can be defined as:

- A. Organising markets into different levels of desirability for the company to target.
- B. Arranging for a brand to occupy a clear place relative to competing products in the minds of consumers.
- C. Promoting a brand to appear to be something consumers want.
- D. Classifying distributors according to the status they give to the products they carry.

ANSWER: B

126. Which segmentation method would you apply to determine a group's attitude to fashion clothes apparel?

- A. Psychographic.
- B. Demographic.
- C. Geographic.
- D. Behavioural.

ANSWER: A

127. Which segmentation method would you apply to determine a group's attitude to insect repellent?

- A. Geographic.
- B. Behavioural.
- C. Psychographic.

D. Demographic.
ANSWER: C

128. Which segmentation method would you apply to determine a group's attitude to tobacco products?
A. Demographic.
B. Geographic.
C. Psychographic.
D. Behavioural.

ANSWER: D

129. In entering international markets, what is the most dangerous assumption that marketers can make?
A. Assuming viability.
B. Assuming homogeneity of regional markets like Sub-Saharan Africa and South America.
C. Assuming market acceptance of new products in customized offerings.
D. Assuming instant success of marketing efforts.

ANSWER: B

130. Core strategy is defined as which of the following?
A. Strategy central to the organisational goals.
B. The identification of a group of customers for whom the firm has a differential advantage, and then positioning itself in that market.
C. Predominant strategy that is undertaken by the organisation.
D. All of the above.

ANSWER: C

131. Which of the following are not strictly cultural motivations for consumer behaviour?
A. Social class.
B. Culture.
C. Sub culture.
D. Perception.

ANSWER: D

132. Which of the following is not a psychological factor in behaviour influence?
A. Attitudes.
B. Motivation.
C. Perception.
D. Economic circumstances.

ANSWER: D

133. What are not considered as social influences of behaviour?
A. Reference groups.
B. Roles.
C. Family groups.
D. Products.

ANSWER: D

134. Psychographics refers to the technique of measuring lifestyles and developing lifestyle classifications. What are the primary dimensions for classification?
A. Activities; interests; opinions.
B. Activities; interventions; opinions.
C. Activities; interests; order and structure.
D. Awareness; interests; opinions.

ANSWER: A

135. Personality, a person's distinguishing psychological characteristics that lead to relatively consistent responses to one's environment, has a major impact upon consumer behaviour. Which of the following is not a personality trait?

- A. Self-confidence.
- B. Adaptability.
- C. Autonomy.
- D. Self reference criterion.

ANSWER: C

136. What are the stages of memory process?

- A. Input; encoding of information; retrieval.
- B. Input; encoding of information; retrieval.
- C. Encoding of information; storage; retrieval.
- D. Input; storage; retrieval.

ANSWER: D

137. Psychogenic needs are which of the following?

- A. Power.
- B. Self-esteem.
- C. Affiliation.
- D. All of the above.

ANSWER: D

138. Which of the following behavioural theories suggest that behaviour is cognitive and is 'pulled' by expectations of achieving desirable outcome?

- A. Conditioning theory.
- B. Vroom's theory.
- C. Expectancy theory.
- D. Drive theory.

ANSWER: C

139. A consumer who seeks a lot of information about a product is displaying which type of attitudinal hierarchy?

- A. Low involvement hierarchy.
- B. Experiential hierarchy.
- C. Experimental hierarchy.
- D. Standard learning hierarchy.

ANSWER: D

140. When deciding to purchase a packet of cigarettes or an ice cream (products that have equal negative ramifications), according to which consumer behaviour theory would the consumer attempt to rationalise their wanting to purchase the product, despite the health ramifications, through the process of dissonance reduction?

- A. Social judgment theory.
- B. Self-perception theory.
- C. Balance theory.
- D. Cognitive dissonance theory.

ANSWER: B

141. Which of the following is central to any definition of marketing?

- A. Demand management.
- B. Making a sale.
- C. Customer relationships.
- D. Transactions.

ANSWER: C

142. At home, at school, at work, and at the local supermarket, Europeans see _____ almost everywhere they go.

- A. Customer relationship management.
- B. Brand experiences.
- C. Marketing.
- D. Social marketing campaigns.

ANSWER: D

143. According to the simple five-step model of the marketing process, a company needs to _____ before designing a customer-driven marketing strategy.

- A. Use customer relationship management to create full partnerships with key customers.
- B. Determine how to deliver superior value.
- C. Understand the marketplace and customer needs and wants.
- D. Construct key components of a marketing program.

ANSWER: C

144. When backed by buying power, wants become _____.

- A. Exchanges.
- B. Physical needs.
- C. Social needs.
- D. Demands.

ANSWER: D

145. When marketers set low expectations for a market offering, they run the risk of _____.

- A. Decreasing customer satisfaction.
- B. Disappointing loyal customers.
- C. Failing to understand their customers' needs.
- D. Failing to attract enough customers

ANSWER: D

146. Which of the following is not a benefit of direct marketing? .

- A. Assists client prospecting.
- B. Convenience.
- C. Customer relationship building.
- D. Immediate response.

ANSWER: A

147. What is the overall goal of relationship marketing?

- A. Encourage utilisation of products over the lifespan of the consumer.
- B. Improve profitability.
- C. Developing strategic partnerships with valued customers.
- D. Increase sales of new products.

ANSWER: C

148. Personal selling can be defined as which of the following? .

- A. Inter-connective communication.
- B. Interpersonal communication.
- C. People communication.
- D. Direct communication.

ANSWER: D

149. There are four major characteristics of personal selling. Which of the following is not one of these

characteristics?

- A. Cost.
- B. Precision.
- C. Impact.
- D. Personality.

ANSWER: B

150. Precision represents one of the great advantages of personal selling over any of the other promotional mixes and explains why it is so effective at the customer's point of decision-making. Which of the following are two facets of personal selling precision? .

- A. Advertising precision and message precision.
- B. Sales precision and advertising precision.
- C. Promotion precision and message precision.
- D. Advertising precision and targeting precision.

ANSWER: B

151. The tasks of the sales representative are beyond the straight selling situation. Which of the following are examples of the tasks of the sales representative?

- A. Maintaining relationships; monitoring competitor action.
- B. Prospecting; Informing; persuading.
- C. Prospecting; informing; persuading; maintaining relationships; monitoring competitor action.
- D. Prospecting; persuading; maintaining relationships.

ANSWER: C

152. Sales support is a broad term encompassing a variety of staff whose role is to augment the efforts of the mainstream sales force. Which of the following are examples of the two categories of support staff? .

- A. Voyager sales representative and mining sales representative.
- B. Missionary sales representative and sales engineer.
- C. Sales engineer and missionary sales representative.
- D. Mining sales representative and sales engineer.

ANSWER: B

153. Which of the following are not a source of company inspired prospects? .

- A. Referrals.
- B. Invoices.
- C. Exhibitions and trade shows.
- D. Sales records.

ANSWER: A

154. A young native Canadian moves from the Northwest Territories to attend university in Toronto, Ontario. The disorientation he feels is called.

- A. Culture shock.
- B. Counterculture.
- C. Cultural lag.
- D. Cultural lap.

ANSWER: A

155. The values, beliefs, behaviour, and material objects that constitute a people's way of life is defined as.

- A. Norms.
- B. Culture.
- C. Mores.
- D. Folkways.

ANSWER: B

156. What we call "civilization", based on permanent settlements and specialized occupations, emerged on the earth about _____ years ago.
- A. 12 million.
 - B. 2 million.
 - C. 40 thousand.
 - D. 12 thousand.

ANSWER: C

157. What is the official language of 20 percent of the world's people?
- A. English.
 - B. Spanish.
 - C. Chinese.
 - D. French.

ANSWER: D

158. The process by which one generation passes culture to the next is called.
- A. Cultural integration.
 - B. Cultural universals.
 - C. Cultural transmission
 - D. Cultural Shock.

ANSWER: B

159. The Sapir-Whorf thesis states that people perceive the world through the.
- A. Views of the oldest members of their society.
 - B. Cultural lens of language.
 - C. Tangible things created by members of a society.
 - D. Culturally defined standards of desirability that serve as guidelines for social living.

ANSWER: C

160. According to Lipset the differences in value structure between Americans and Canadians are deeply rooted in the past. The key event which differentiates them is.
- A. The French in North America.
 - B. The climate.
 - C. Slavery.
 - D. The American War of Independence.

ANSWER: C

161. While most women and men acknowledge the importance of fidelity in marriage, a 1994 Mclean's poll found that about 14 percent of Canadian married men and 7 percent of married women reported being sexually unfaithful to their spouses at some point in their marriage. This illustrates the distinction between.
- A. Mores and folkways.
 - B. Ethnocentrism and cultural relativism.
 - C. Deal culture and real culture.
 - D. High culture and popular culture.

ANSWER: C

162. The concept of _____ is often criticized in Canada for encouraging divisiveness, as people identify with their subculture rather than with Canada as a whole.
- A. Eurocentrism.
 - B. Multiculturalism.
 - C. Cultural integration.

D. Popular culture.
ANSWER: C

163. A militant group advocates dropping out of the political system and disrupting society. What does this anti-government group represent?

- A. Subculture.
- B. Eurocentrism.
- C. Counterculture.
- D. Popular culture.

ANSWER: C

164. New elements of technology, such as test-tube babies, emerge faster than societal ideas about how to use them. What is this inconsistency called?

- A. Cultural lag.
- B. Cultural integration.
- C. Cultural relativism.
- D. Cultural transmission.

ANSWER: A

165. All of the following typically generate cultural change, except.

- A. Diffusion.
- B. Ethnocentrism.
- C. Discovery.
- D. Invention.

ANSWER: C

166. What is the alternative approach to ethnocentrism?

- A. Cultural conflict.
- B. Cultural relativism.
- C. Countercultures.
- D. Subcultures.

ANSWER: D

167. The theoretical paradigm which sees cultural traits as helping to maintain the overall operation of society is.

- A. Sociobiology.
- B. Cultural materialism.
- C. Structural-functionalism.
- D. Social-conflict.

ANSWER: B

168. Which theoretical perspective on cultural development rests on the logic of evolution?

- A. Sociobiology.
- B. Symbolic-interactionism.
- C. Social-conflict.
- D. Structural-functionalism.

ANSWER: C

169. People who have some status in common, such as Roman Catholics, exemplify a.

- A. Crowd.
- B. Category.
- C. Status set.
- D. Social group.

ANSWER: B

170. Which of the following statements is not true of primary groups?

- A. The relationships are perceived as ends in themselves.
- B. The relationships usually involve many activities.
- C. It usually involves long-term relationships.
- D. Relationships are goal-oriented.

ANSWER: C

171. Members of primary groups display what type of orientation?

- A. Goal orientation.
- B. Secondary orientation.
- C. Personal orientation.
- D. Natural orientation.

ANSWER: D

172. In which of the following areas do secondary relationships dominate?

- A. Rural India.
- B. Villages in Ethiopia.
- C. Small towns in Ireland.
- D. Urban regions in Canada.

ANSWER: C

173. What leadership style is the least effective in promoting group goals?

- A. Authoritative.
- B. Authoritarian.
- C. Laissez-faire.
- D. Democratic.

ANSWER: C

174. In studying consumer behaviour, it is often useful to categorize people on the basis of some similarity. Descriptions such as age, gender, income, or occupation are called:.

- A. Demographics.
- B. Psychographics.
- C. personal profiles.
- D. Physiognomies.

ANSWER: A

175. When consumers are making buying decisions, some observers have said that their behaviour resembles acting in a play, complete with lines, props, even costumes. They may alter their consumption decisions depending upon the part they are playing at the time. This view of consumer behavior is often called:.

- A. Consumer activism.
- B. Consumption play theory.
- C. Dramatism.
- D. Role theory.

ANSWER: C

176. The expanded view of the exchange which includes the issues that influence the consumer before, during, and after a purchase is called:.

- A. The marketing mix.
- B. the consumption process.
- C. the strategic focus.
- D. The extended exchange theory.

ANSWER: D

177. Recently marketers have come to realize the value of what is being called relationship marketing. In marketing terms, it means:

- A. Coordinating the packages of family brands to communicate the same look.
- B. developing friendships with foreign governments so that Canadian products can be sold in their countries at a fair price.
- C. Instituting practices which show companies' awareness of their responsibilities to the environment and society.
- D. Building bonds between brands and customers that will last a lifetime using new electronic capabilities to insure that all channel members work smoothly together, for example, in seeing that products get to retailers before their inventories run out.

ANSWER: D

178. Which of the following is NOT one of the criteria which have to be met if the segmentation process is to be valid:

- A. the segment is large enough to be profitable.
- B. consumers within a segment have similar product needs and differ from consumers in other segments.
- C. The consumers in a segment have to be alike demographically the important differences among segments can be identified.
- D. consumers within a particular segment will respond in the desired way to the marketing mix designed for them.

ANSWER: C

179. Marketers use various mythical creatures and personalities, such as the Pillsbury Doughboy or Sasquatch, to create an identity for their products. The personalities become well-known in popular culture, and are effective representatives for their products. Such figures are called:

- A. Spokespersons.
- B. marketing figures.
- C. role icons.
- D. Product determinants.

ANSWER: C

180. Of the following pieces of legislation intended to protect the consumer, which was the earliest:

- A. Textile Labelling Act.
- B. Food and Drug Act.
- C. Motor Vehicle Safety Act.
- D. Hazardous Products Act.

ANSWER: D

181. The major academic journal for the field of consumer behaviour is:

- A. Journal of Advertising Quarterly.
- B. Consumer Monographs.
- C. Journal of Consumer Research.
- D. Professional Marketing Research Journal.

ANSWER: C

182. The pyramid of consumer behaviour illustrates the focus of several disciplines when studying consumer behaviour. Focus on the individual's consumer behaviour (such as how one reads certain sections of a magazine) is termed:

- A. Idiosyncratic.
- B. Macro.
- C. Micro.
- D. Unitary.

ANSWER: B

183. Current consumer research is likely to include attention to the "dark side" of consumer behavior. This growing emphasis refers to the fact that:

A. It is difficult to measure the contribution of the "art" of consumer behaviour research to the corporate bottom line.

B. Many consumer behaviour findings are being stolen by competitors, via computers.

C. Not all consumer behaviour or marketing activity is necessarily beneficial to society.

D. Understanding of consumption for its own sake should be the focus of research rather than because the knowledge can be applied by marketers.

ANSWER: C

184. The dominant set of assumptions which has influenced Western research on art and science since the late 16th Century has been termed positivism. All of the following are tenets of positivism EXCEPT:

A. Human reason is supreme.

B. There is a single objective truth that can be discovered by science.

C. We should stress the functions of objects and celebrate technology.

D. There are multiple and simultaneous events which shape a particular view of an occurrence and help us interpret the nature of reality.

ANSWER: A

185. Interpretivists tend to challenge the beliefs of the positivists. The interpretivists' view is that:

A. Positivists stress science and technology too much.

B. We each construct our own meanings of the world we live in symbolic, subjective experience is important.

C. There are no rights or wrong Answers.

D. All of the above.

ANSWER: A

186. While marketers cannot create needs, they:

A. Control the mass media almost the same thing.

B. Can always sell to somebody.

C. Are close to being able to create needs in the next five years.

D. May affect an environment in which specific needs may be activated.

ANSWER: C

187. To the assertion that mass media control our destiny and that marketers use "secret techniques" to effect mind-control, the evidence suggests that:

A. Consumers would resist the mind-control techniques used.

B. About 10 to 15 percent of the population can be controlled in this way.

C. Marketers simply don't know enough about people to control them.

D. This is true, but only in political campaigns.

ANSWER: C

188. The meaning which consumers derive from a specific symbol used in an advertising message is referred to as the:

A. Schema.

B. Index.

C. Icon.

D. Sign.

ANSWER: C

189. A lion is used in Dreyfus Fund ads to suggest the fearlessness that is the company's approach to

investments. A sign that is related to a product through a conventional or agreed-upon association is called a/an:.

- A. Association.
- B. Icon.
- C. index symbol.
- D. interpretant.

ANSWER: A

190. Advertisers today may create new relationships between objects and interpretants in such a way that consumers can no longer distinguish between reality and the artificial (e. g. , the pink Energizer [battery] bunny). When something which was initially simulation or "hype" seems to be real, the phenomenon is referred to as:.

- A. Symbiosis.
- B. Reality check.
- C. hyperbole.
- D. blurred boundaries.

ANSWER: A

191. The dark side of consumer behaviour includes all of the following EXCEPT:.

- A. Consumed consumers.
- B. Extremist exchanges.
- C. surrogate motherhood.
- D. compulsive consumption.

ANSWER: B

192. A physiological and/or psychological dependency on products or services is called consumer _____:.

- A. Psychosis.
- B. Conditioning.
- C. Addiction.
- D. Obsession.

ANSWER: D

193. Excessive repetitive shopping used as an antidote to tension, anxiety, depression, or even boredom, is called:.

- A. A spending spree.
- B. Impulse buying.
- C. Compulsive consumption.
- D. Extremist exchanges.

ANSWER: C

194. There are four types of organisational markets, Institutional, Producer, Reseller and:.

- A. Consumer markets.
- B. Wholesale markets.
- C. Military markets.
- D. Government markets.

ANSWER: B

195. Jim works as the IT Development Manager for the University of Woebegone. The University is a/an _____ customer for IT services.

- A. Institutional.
- B. Producer.
- C. Reseller.
- D. Government.

ANSWER: A

196. The buying process for _____ contracts is characterized by a process of bids. Initially suppliers apply and are vetted to join a list of qualified bidders based on the submission of detailed purchase specifications.

- A. Institutional.
- B. Producer.
- C. Reseller.
- D. Government.

ANSWER: D

197. _____ purchasers depend on derived demand.

- A. Institutional.
- B. Producer.
- C. Reseller.
- D. Government.

ANSWER: B

198. The price elasticity of demand:

- A. Is the same for consumer and producer markets.
- B. Is more inelastic for producer markets than for consumer markets.
- C. Is more elastic for producer markets than for consumer markets.
- D. Is more elastic for institutional markets than for consumer markets.

ANSWER: C

199. The number of customers in organisational markets will typically be:

- A. Large and geographically dispersed.
- B. Large geographically concentrated.
- C. Small and geographically dispersed.
- D. Small and geographically concentrated.

ANSWER: B

200. When Delia Smith featured a number of recipes involving eggs, this resulted in _____ being created for egg producers.

- A. Extra work.
- B. Market opportunities.
- C. Derived demand.
- D. Production difficulties.

ANSWER: C

201. By comparison to consumer decision processes, business to business purchases are often based upon:

- A. Overt formal specification of requirements.
- B. Large one-off orders.
- C. Overt informal specification of requirements.
- D. Social and cultural criteria.

ANSWER: B

202. Jo is a lecturer in the Department of Management in Woebegone University who is known by her colleagues as a geek who really knows her stuff about computers. Joe has heard that Woebegone are soon to re-negotiate the IT contract and immediately gets in touch with a sales representative from her favourite IT supplier. Joe's role is best described as a/an.

- A. Buyer.
- B. Decider.

- C. Influencer.
- D. Gatekeeper.

ANSWER: C

203. Jane, who is the long suffering secretary of the Department of Management at Woebegone University, has heard that Jo, the IT lecturer, has been in touch with Dell Computing. Jane thinks that Joe is too interfering and so every time when the sales representative from Dell's number pops up on her screen, Jane deliberately avoids Answering the telephone. Jane is performing which role in the buying centre?

- A. User.
- B. Gatekeeper.
- C. Buyer.
- D. Decider.

ANSWER: B

204. In organizational buying another name for a buying centre is:

- A. Direct marketing unit.
- B. Decision maintenance unit.
- C. Decision making unit.
- D. Decision marketing unit.

ANSWER: C

205. In a complex DMU why would communications with only the purchasing officer be insufficient to secure an order?

- A. They may have a short memory.
- B. They may be very busy.
- C. They may argue with others in the DMU.
- D. They may only have a minor influence in the DMU.

ANSWER: D

206. Price increases for many industrial products are relatively:

- A. Elastic.
- B. Malleable.
- C. Inelastic.
- D. Infrequent.

ANSWER: A

207. As Wilsons sales force continues to expand, the firm plans to add a fleet of company cars to its sales compensation package. For Wilsons, this would represent a _____ purchase.

- A. New task.
- B. Modified rebuy.
- C. Straight rebuy.
- D. Repetitive.

ANSWER: A

208. Buying office stationery from an established supplier is an example of a:

- A. New task.
- B. Straight re-buy.
- C. Modified re-buy.
- D. MRO purchase.

ANSWER: B

209. Jones' Ltd. Has been let down by their supplier and must find a new one. This is an example of a:

- A. New task.

- B. Straight re-buy.
- C. Modified re-buy.
- D. MRO purchase.

ANSWER: C

210. Robinson et al (1967) defined the industrial buying decision process as involving four steps, including: recognition of need; determination of product specifications; supplier selection and:

- A. Closure.
- B. Trust.
- C. Commitment.
- D. Control.

ANSWER: A

211. At what stage in Robinson et al's (1967) process can computerized stock control systems such as Materials Requirements Planning (MRP1) and Manufacturing Requirements Planning (MRP2) play a role?

- A. Recognition of need.
- B. Determination of product specifications.
- C. Supplier selection.
- D. Commitment.

ANSWER: C

212. At what stage in Robinson et al's (1967) process can JIT (Just in Time) play a role?

- A. Recognition of need.
- B. Determination of product specifications.
- C. Supplier selection.
- D. Commitment.

ANSWER: C

213. The Robinson et al. (1967) model of the industrial buying process can be criticised principally because it fosters an adversarial climate between buyers and sellers because.

- A. Neither is encouraged to plan ahead.
- B. Contracts are insufficiently specified.
- C. Their goals are in direct competition with one another.
- D. Individuals are rewarded according to differential incentive schemes.

ANSWER: A

214. Which of the following is not a criticism of the Robinson et al. (1967) model of the industrial buyer decision process:

- A. Organizational buying is not seen as a value adding function.
- B. Organizational buying is perceived to be too clerical an operation.
- C. Price discounts are used to measure purchasing performance.
- D. It is not a profitable way of doing business.

ANSWER: B

215. Major differences between Business to Consumer marketing and Business to Business marketing can be summarised under:

- A. Demand characteristics.
- B. Market demographics.
- C. The nature of the buying process and buyer-seller relationships.
- D. Demand characteristics, competition, market demographics and buyer-seller relationships.

ANSWER: D

216. The concept of 'Involvement' in consumer buyer behaviour and of the 'Buy class' in Business to

Business buyer behaviour:.

- A. Are totally incompatible with one another.
- B. Share some underlying similarities with one another.
- C. Are strikingly similar concepts.
- D. None of the above.

ANSWER: B

217. Which of the following is not a characteristic of the new approach to B-To-B buyer behaviour?

- A. A focus on cost reduction and overall efficiency.
- B. Fewer suppliers with larger shares.
- C. Increased information sharing.
- D. A move towards more hierarchical organization.

ANSWER: C

218. New approaches to managing the B-To-B buying process highlight the importance of efficiency. What must managers be careful of if this is not to backfire?

- A. Efficiency gains should be passed on to customers.
- B. Such gains must be communicated effectively to employees and customers.
- C. Care must be taken to ensure that effectiveness is not compromised.
- D. Ethical.

ANSWER: C

219. In making international market entry decision, the marketing 'environmentals' which need to be considered include:.

- A. Politico-economic.
- B. Competition.
- C. Currency.
- D. All of the above.

ANSWER: B

220. The incrementalist approach to making international market entry is more suitable to _____ businesses as it allows time to developed key relationships with customers and business partners.

- A. Service.
- B. Inexperienced.
- C. Seasoned.
- D. Relationship-focused.

ANSWER: D

221. Transactional Cost Analysis (TCA) Theory is based on the premise that an organization will internationalize if it can perform at a _____ transaction cost that if it exported or entered into a contractual arrangement with a local partner.

- A. Lower.
- B. Higher.
- C. Maximum.
- D. Optimum.

ANSWER: B

222. Eclectic or Contingency Theory of Internationalization is built on three factors, which are:.

- A. Ownership specific, location and internalization.
- B. Ownership specific, location and internationalization.
- C. Contingency planning, location and internalization.
- D. Ownership nature, location and internationalization.

ANSWER: C

223. The Bargaining Power (BP) approach to internationalization sees the choice of market entry mode as the outcome of negotiations between the _____ and the _____ of the host country.

- A. Organization; government.
- B. Organization; key local suppliers.
- C. Original manufacturer; agency.
- D. Original manufacturer; government.

ANSWER: B

224. International Business Models are:.

- A. Market entry strategies.
- B. Modes of market entry.
- C. The basic business formula.
- D. Ways of doing business internationally.

ANSWER: D

225. Which of the following statements best describes what exporting is?

- A. Successful exporting inevitably involves ownership of a subsidiary in the target market.
- B. Exporting is where a company buys its physical products that are manufactured inside the target country to the home country.
- C. Exporting is where a company sells its physical products that are manufactured outside the target country to the target country.
- D. Exporting is where a company can exercise absolute control of all aspects of marketing.

ANSWER: C

226. The choice and importance of the market entry mode depends on a number of factors. Which of the following is normally not a relevant factor?

- A. Level of involvement.
- B. Level of risk and control.
- C. Speed of entry.
- D. Demographics.

ANSWER: B

227. International franchising has become a driving force to internationalization for many industries EXCEPT _____.

- A. Clothing retailers.
- B. Fast food.
- C. Fresh cut flowers.
- D. Petrol retailing.

ANSWER: C

228. Which of the following market entry modes allows the organization to exercise the highest levels of involvement and control?

- A. Joint ventures.
- B. Mergers.
- C. Wholly owned subsidiaries.
- D. Licensing and franchising.

ANSWER: B

229. A sound analysis of the _____ competitors for a firm is critical in delivering the business mission of an organization.

- A. Selected.
- B. Closest.
- C. Underlying.
- D. Direct and indirect.

ANSWER: D

230. According to Porter (1985, 1990), the competitiveness of an industry is determined at the microeconomic level which rests on two interrelated areas i. e. The sophistication of business operations and strategy; and:

- A. The quality of the microeconomic business environment.
- B. The regulations of the microeconomic business environment.
- C. The pressure of the macroeconomic business environment.
- D. The nature of competitors' behaviour.

ANSWER: B

231. Changing lifestyles and cultural practices, an aging population, HIV/AIDS infection rates, religion, rising education standards and other socio-economic factors have all led to:

- A. The rapid change in attitude to new technologies.
- B. The emergence of new segments and emergent patterns of consumption.
- C. The resistance to globalization.
- D. The prolonging of international product life cycles for many products and services.

ANSWER: A

232. Which of the following is not a contributing factor to the increasing sophistication of business operations and strategy?

- A. Production processes and quality improvements.
- B. Shortening of product life cycles.
- C. Management innovations.
- D. Customer perception of manufacturing techniques.

ANSWER: B

233. A strategy is the comprehensive master plan stating how the organization will achieve its mission and objectives. In understanding a strategy, organizations aim to:

- A. Maximize cost efficiencies even if this is achieved at the expense of quality.
- B. Maximize competitive advantage and minimize weaknesses.
- C. Maximize competitive advantage and minimize effectiveness.
- D. Optimize costs in delivering the product and after sale service.

ANSWER: B

234. Total Customer Value = Perceptions of Benefits minus _____.

- A. Total manufacturing costs.
- B. Total marketing costs.
- C. Total cost of ownership.
- D. Total operational costs.

ANSWER: B

235. Which of the following is not a facet of competitive advantage according to Ma (1999)?

- A. Substance.
- B. Expression.
- C. Locale.
- D. Technique.

ANSWER: C

236. The resource-based theory of competitive advantage emphasizes on _____ as the foundation for developing competitive advantage.

- A. The organization's resources and capabilities.
- B. The in-house technologies and cost efficiency.
- C. The organization's level of productivity and international experience.

D. The organization's unique processes and leadership.

ANSWER: A

237. The ways in which organizations discharge their moral and ethical responsibilities is increasingly being scrutinized because:.

A. Consumers are becoming more knowledgeable in new technologies.

B. The economic activities of many multinational organizations impact on the lives of global citizens and the physical environments.

C. International institutions such as the World Trade Organizations are not making sufficient efforts in these issues.

D. Multinational organizations have specifically demand more scrutiny in their global business activities.

ANSWER: B

238. Which of the following is not a benefit of using the new electronic media in international marketing?

A. Giving customers and other stakeholders the option on how and when information is available to them.

B. New electronic media enable the capturing, storage and analysis of information on customers and their behaviour.

C. Due to increase of electronic communication, it inevitably creates more wasteful, unwanted and unselective advertising.

D. It facilitates the building of long-term satisfying relations with key stakeholders.

ANSWER: C

239. Services today occupy a vital and growing role in the global marketplace due to the following contributing factors.

A. Deregulation and liberalization of trade in services.

B. Service has become a business imperative.

C. The advent of enabling technologies such as the Internet.

D. All of the above.

ANSWER: D

240. The _____ of services results in customer-producer encounters being high contact in nature.

A. Intangibility.

B. Inseparability.

C. Variability.

D. Perishability.

ANSWER: A

241. Which of the following offers the best opportunity for an airline to recover from service failure associated with a cancelled flight?

A. Customer service team at head office.

B. Rapid diagnosis of customer needs and appropriate solution to problem.

C. Money-off vouchers for future use.

D. Letter of apology from the airline Chief Executive.

ANSWER: C

242. Which of the following is not generally accepted as being part of the extended marketing mix for services?

A. Product.

B. Price.

C. Process.

D. Practice.
ANSWER: D

243. All of the following are patronage-buying motives except :
A. price
B. location convenience
C. assortment of merchandise
D. advertising.

ANSWER: D

244. The following are all high-involvement situations in decision making except: .
A. large amount of time invested
B. little or no information search
C. clear and distinct brand judgments
D. strong likelihood of brand loyalty.

ANSWER: B

245. All of the following are included in the commercial environment, except :
A. family
B. advertisers
C. retailers
D. manufacturers .

ANSWER: A

246. According to Maslow, the highest level of his need hierarchy is:
A. food
B. safety
C. social
D. self-actualization.

ANSWER: D

247. The first stage in the decision-making model is:
A. post purchase behaviour
B. identification of alternatives
C. evaluation of alternatives
D. need recognition.

ANSWER: D

248. Which of the following is not generally accepted as being part of the extended marketing mix for services?
A. Product.
B. Price.
C. Process.
D. Practice.

ANSWER: D

249. Compared with low-contact services, customers of high-contact services are more likely to judge service quality on the basis of:.
A. price of the service.
B. Processes used in carrying out the service.
C. Intangible outcomes, e. g. the performance of an investment portfolio.
D. Tangible outcomes.

ANSWER: B

250. Which of the following statements about marketing communication planning is UNTRUE?

- A. One communication channel is chosen for all messages.
- B. The messages being communicated are consistent with an organization's corporate and marketing activity.
- C. Promotion activity supports and adds synergy to the overall business and marketing strategy.
- D. Consumers should hear 'one voice' and not a range of disparate messages and behaviour.

ANSWER: A