1. To be identified as a market segment, its members must:

A. represent a large share of the entire market and have critical buying power.
B. have common needs and respond similarly to market actions.
C. have different needs and have potential for future growth.
D. have different needs and respond similarly to market actions.
E. have potential for future growth and have potential for increased profit or ROI.

2. A market-product grid is a framework to relate:

A. estimated expenses for products sold to various market segments.
B. total anticipated revenue for each product to market segments.
C. total anticipated profit for each product to segments.
D. the segments of a market to products offered or potential marketing actions by the firm.
E. the segments of a market to relative market share compared to closest competitor.

3. Magazines like *Fitness, Field & Stream, Golf Digest, and Health* all used a _____ segmentation strategy.

A. demographic.
B. age.
C. geographic.
D. sociocultural.
E. psychographic.
4. _____ are items you purchase frequently, conveniently, and with a minimum of effort.

   - [ ] A. Industrial goods
   - [ ] B. Shopping goods
   - [ ] C. Specialty goods
   - [ ] D. Convenience goods
   - [ ] E. Unsought goods

5. A slotting fee is a payment a:

   - [ ] A. wholesaler makes to place a new-product on a retailer's shelf.
   - [ ] B. manufacturer makes to have a wholesaler to distribute a new-product to retailers.
   - [ ] C. manufacturer makes to place a new-product on a retailer's shelf.
   - [ ] D. manufacturer makes to a wholesaler as compensation for case lot sales not made to a retailer.
   - [ ] E. manufacturer makes to a retailer as compensation for sales not made while the product was on the shelf.

6. During the introduction stage of the product life cycle, _____ is used. This pricing strategy charges a high price to recoup the costs of product development.

   - [ ] A. penetration pricing
   - [ ] B. cost-plus pricing
   - [ ] C. ROI pricing
   - [ ] D. market-oriented pricing
   - [ ] E. skimming pricing
7. Automobiles are an example of a _____, and SUVs are an example of a _____.

- A. product line; product class
- B. product family; product line
- C. product brand; product line
- D. product form; product class
- E. product class; product form

8. A branding strategy in which a company uses one name for all of its products (often referred to as a blanket or family branding strategy) is called:

- A. co-branding.
- B. generic branding.
- C. reseller branding.
- D. mixed branding.
- E. multiproduct branding.

9. Generic branding is a branding strategy:

- A. that involves giving each product a distinct brand name.
- B. in which a product is given no identifying brand name, only a description of contents.
- C. in which a company uses one name for all of its products.
- D. in which manufacturers produce products but sell them under the brand name of a wholesaler or retailer.
- E. in which a company follows both manufacturer and private branding approaches for products in its mix.
10. The Precision Writing Instruments Company makes two pen designs—the Cordova design and the Savannah design. These data apply, regardless of which of two pen designs is being implemented. Materials cost per pen is $6. Labor cost per pen is $5. Production overhead is $1,000,000. Advertising and promotion is $1,000,000. Marketing research has estimated the following demand functions for the next year of sales for the two pen designs where Q represents demand in thousands and P represents price. For the Cordova design, $Q = 150 - 2.5P$. For the Savannah design, $Q = 175 - 2.1P$. A penetration strategy is proposed for the Savannah design and a price of $25 is selected. What will be the profit or loss for the first year?

A. $285,000 loss

B. $306,250 loss

C. $2,112,500 profit

D. $2,222,500 profit

E. $3,237,500 profit

11. Tim Marlow, the owner of The Clock Works, wanted to know how many clocks he must sell in order to cover his fixed cost at a given price. Tim knew that he had a fixed cost of $20,000 for equipment, taxes, and a bank loan. He also had a unit variable cost of $20 per clock for labor, materials, and promotional costs. If the price Tim charges for each of his clocks is $40, what is his break-even point quantity?

A. 10 clocks

B. 100 clocks

C. 1,000 clocks

D. 10,000 clocks

E. cannot be determined from the information provided

12. FOB origin pricing is a method of pricing where:

A. title of goods remains with the manufacturer until sold to the ultimate consumer.

B. title of goods passes to the buyer upon arrival at the final destination.
This is the end of the test. When you have completed all the questions and reviewed your answers, press the button below to grade the test.