Practice Questions

1. According to psychologist Kurt Lewin, understanding consumer behavior is facilitated by an understanding of ___________.
   a. an individual’s learning levels and group power
   b. an individual’s psychological makeup and the influences of others
   c. attitudes and perception
   d. reference groups and personal inferences

2. Rachael, an advertising executive, shops for clothing at a trendy store in town. The sales clerk shows her the latest styles in bright prints and bold colors. Although these are the styles worn at her office, she rejects them and purchases a wardrobe in neutrals and black. Rachael’s decision is most likely driven by _____ factors.
   a. impersonal
   b. interpersonal
   c. personal
   d. institutional

5. When spouses independently make equal numbers of decisions about product purchases, they are said to be acting ___________.
   a. syncratically
   b. in a wife-dominant fashion
   c. autonomic
   d. entirely independently

6. Bristol-Myers Squibb, a large pharmaceutical company, has developed a campaign featuring Lance Armstrong promoting their development of anti-cancer drugs. The campaign slogan, “Together We Can Prevail” meets which criteria in Maslow’s Hierarchy of Needs?
   a. Esteem
   b. Safety
   c. Self-actualization
   d. Physiological

7. Purchases that have potentially high levels of social or economic consequences ___________.
   a. usually require relatively little investment of time and effort
   b. are known as low-involvement decisions
   c. usually require independent decision making
   d. are known as high-involvement purchase decisions

8. Marketers can attempt to shape the outcome of the post purchase evaluation by ___________.
   a. helping consumers to identify potential problems or needs
   b. offering personal assistance with any problem experienced with the product
   c. attempting to convince consumers that a competing brand does not meet their criteria
   d. trying to get consumers to expand their evoked sets to include their product
9. In which of the following steps of the consumer decision making process does the marketer try to help prospective buyers identify and recognize potential problems or needs?
   a. Problem or opportunity recognition
   b. Search
   c. Evaluation of alternatives
   d. Postpurchase evaluation

13. When a product is unique or difficult to categorize, the thought process involved in a purchase decision is known as ____________.
   a. extended problem solving
   b. research analysis
   c. extensive analysis buying
   d. limited problem solving

14. Which of the following consumer problem-solving behaviors requires the least effort?
   a. Extended problem solving
   b. Limited problem solving
   c. Routinized response behavior
   d. Variety seeking buying behavior

15. Individuals and firms that acquire goods and services to be used, directly or indirectly, in producing other goods and services are referred to as ____________.
   a. remanufacturers
   b. the commercial market
   c. non-governmental organizations
   d. institutional traders

16. As a category of the B2B market, institutions ____________.
   a. tend to have greater financial resources than industrial customers
   b. consist of wholesalers and retailers, who sell the products they buy to final consumers
   c. are both private and public, and often have rigid purchasing procedures
   d. have a more focused marketing approach to business than other players

17. In the B2B marketplace, segmentation based on how industrial purchasers will use the product is called ____________.
   a. segmentation by purchasing category
   b. segmentation by customer type
   c. end-use application segmentation
   d. segmentation by demographic characteristics

18. The demand for automated teller machines (ATMs) is based on consumer demand for banking convenience. This is an example of ____________.
   a. joint demand
   b. derived demand
   c. volatile demand
d. demand variability

19. Which of the following is one of the disadvantages of outsourcing?
   a. Increasing expenses to remain competitive
   b. Compromises on the quality and speed of software development and maintenance
   c. Slows down efforts in bringing new products to market
   d. Inflation in wages of employees

20. A(n) _____ is a trade industry vendor who develops a comprehensive procurement plan for a retail buyer.
   a. category captain
   b. merchandiser
   c. inventory coordinator
   d. gatekeeper

21. Which of the following statements regarding the nature of the business market is true?
   a. Distribution channels for business products are significantly longer than those for consumer products.
   b. Customer relationships for business products tend to be short-term and transactions-based.
   c. Personal selling plays a larger role in business products markets than in consumer markets.
   d. Customer service plays a smaller role in the distribution of business products, as compared to the consumer market.

25. The implementation of the North American Free Trade Agreement required a change in the system used for almost 70 years to categorize U.S. business firms. The change resulted in ____________.
   a. the abandonment of any attempt at categorization until a new plan can be devised
   b. a new system called the RIAA plan, which closely parallels the ISO system of industrial coding used in Europe
   c. the abandonment of the Standard Industry Classification (SIC) for the North American Industry Classification System (NAICS)
   d. the MILSPEC system that assigns code numbers to products rather than firms

26. Which type of segmentation would customer relationship management systems be most useful in?
   a. End-use application
   b. Demographic
   c. Customer type
   d. Purchase category

27. Dell Computer purchases parts and resources for its computers from multiple suppliers that are spread across the world. This practice is known as ____________.
   a. global sourcing
   b. offshoring
   c. outsourcing
d. reciprocity

28. Which of the following statements is true regarding the influence of organizational factors on purchasing decisions?
a. Decentralized buying focuses more on long-term relationships with suppliers.
b. Personal selling skills and user preferences carry more weight in decentralized purchasing situations.
c. Centralized buying tends to emphasize short-term results.
d. A company with a centralized procurement function operates very similarly to one that delegates purchasing decisions to divisional or geographic units.

29. Approximately one-fifth of the U.S. national GDP generated by services comes from
   __________.
a. retailing  
b. banking  
c. tourism  
d. entertainment

30. A nation’s size, per-capita income, and stage of economic development determine its prospects as a host for __________.
a. regional economic integration  
b. international business expansion  
c. free trade association  
d. public private partnership

31. ISO 9000 standards set requirements for __________.
a. product quality  
b. prices  
c. worker compensation  
d. environmental protection

32. Which organization was established as a result of GATT?
a. NAFTA  
b. EU  
c. WTO  
d. FTAA

33. _____ is a contractual arrangement in which a wholesaler or retailer agrees to meet the operating requirements of a manufacturer.
a. Foreign licensing  
b. Franchising  
c. Joint licensing  
d. Offset licensing
34. A standard marketing strategy that is modified only minimally for use in each of the firm’s foreign markets is a _____ marketing strategy.
   a. lateral entry
   b. unipolar
   c. global
   d. multidomestic

35. The legal environment for U.S. firms operating abroad results from three forces: (1) _____, (2) U.S. law, and (3) legal requirements of host nations.
   a. international law
   b. International Monetary Fund (IMF)
   c. commercial law
   d. General Agreement on Tariffs and Trade (GATT)

36. Which of the following is NOT a trade barrier to an exporter?
   a. Tariffs
   b. Import quotas
   c. Subsidies
   d. Related party trade

37. The basic purpose of revenue tariffs is to ___________.
   a. raise the retail prices of imported products to match or exceed those of similar domestic products
   b. raise money for the country into which the products are being imported
   c. counter the effects of protective tariffs on the domestic market
   d. stabilize the prices of imported goods

38. Which trade barrier limits the number of units of products in certain categories that can cross a country’s border for resale, with the motive to protect domestic industry and preserve foreign exchange?
   a. exchange control
   b. embargo
   c. subsidies
   d. import quotas

39. Among the forms of multinational economic integration, the one that seeks to reconcile all government regulations affecting trade is the ___________.
   a. united state
   b. customary union
   c. common market
   d. free-trade area

40. Assume China and the United States are involved in a trade dispute. Which organization will attempt to resolve the dispute?
   a. WTO
b. GATT  
c. EU  
d. United Nations