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MKTG 301 – Exam 2 – Practice Exam and Check Your Understanding Solutions

1. E; All of these describe idea generation
2. B; R-W-W means Real, Win, Worth Doing
3. B; Your supervisor is asking you for a product concept
4. B; You are developing a simulated test market
5. B; Team-based new product development
6. E; Test marketing is NOT part of the 5 stage product life cycle
7. C; A new product is a product this is PERCEIVED as new by potential customers
8. C; The Johnsons are middle class
9. B; Market segmentation is the process of dividing your market into distinct groups of buyers with different needs, characteristics, or behaviors
10. D; Positioning is NOT one of the 4 Ps (The 4 Ps are Price, Product, Place, and Promotion)
11. B; Market penetration involves increasing sales of CURRENT products to CURRENT market segments
12. D; SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Strengths and Weaknesses are internal. Opportunities and Threats are external
13. B; The executive summary is a BRIEF summary of your main goals and recommendations
14. D; This is the Marketing ROI (Return on Investment)

15. B; Customer insights
16. E
17. B; Cash cows are low growth and high share
18. E; Occupation is NOT a psychological need
19. E; A, B and C are part of the new product adoption process
20. A; Market segmentation
21. C; Replicable is NOT a requirement of market segmentation
22. A; A convenience product is something customers buy frequently, immediately and with minimal research
23. A; Person marketing
24. C; This is an unsought product
25. C; You are developing a controlled test market
26. D; This is called positioning. You want to have your product occupy a clear, distinctive, and desirable place relative to competitors
27. A; Market development
28. A; The Threats and Opportunity Analysis is an assessment of major threats and opportunities your product faces
29. C
30. B; Organizational marketing sells the organization itself
31. D; This is a specialty product
32. E; You are being asked to create a marketing strategy statement
33. D; This is Diversification
34. C; Question marks are low share and high growth
35. C; Corporate image marketing

36. D; You NEVER make everyone your target market.
37. B; Dunkin Donuts chooses to be associated with the everyday person. This is one way that they differentiate themselves from Starbucks.
38. D; Industrial products
39. A; This is your company's competitive advantage
40. E; Organizational marketing is NOT part of the new-product development process
41. B; EasyJet is an example of a brand name that would not be easily extendable. It really limits the company to jets as a product or service line, making it harder for customers to see how they would do more than what their name says. In a previous semester, we had the in-class example of Amazon as an easily extendable brand name.
42. E; All of these will influence your plan



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MKTG 301 – Exam 2 – Check Your Understanding Questions

Check Your Understanding - Chapter 2

- 2.1. The answer is A because, even though these movies are Dogs, they create new customers and drive business to the other product lines.
- 2.2. A; Retrenchment is not a means of growth.
- 2.3. B; We are conducting a portfolio analysis.
- 2.4. B; Place is concerned with logistics and supply chain management. The 4Ps are Product, Price, Place and Promotion
- 2.5. D; Conducting a SWOT analysis is an important tool when reviewing your portfolio, but it is not part of marketing control. In this context control is about collecting data and assessing progress to determine whether you need to make changes to meet your goals and objectives.
- 2.6. B; Here we are engaging in Positioning.

Check Your Understanding - Chapter 6

- 6.1. B and C; Consumer attitudes and knowledge are examples of behavior segmentation.
- 6.2. A; Market segmentation
- 6.3. A; you will want to design a store that will appeal to a part of the State College population; a possible demographic would be female PSU students
- 6.4. C; the target market is based on psychographic segmentation; "Everyone" is NEVER a target market
- 6.5. D; This is more of a slogan or tag line
- 6.6. D; Undifferentiated marketing, which is also called mass marketing is very broad. Niche marketing, in contrast, is very narrowly focused.

Check Your Understanding - Chapter 7

7.1. B; Conformance quality; because Honda is all about consistent performance and reliability

7.2. A; the 4 service characteristics are Intangibility, Inseparability, Perishability, and Variability

7.3. A; You need to look at Width, Depth, Consistency, and Length

7.4. C; Here you are looking at Suitability, Quality, Price, and Style

Notes:

A product is anything that can be offered to a market for attention, acquisition, or consumption that satisfies a customer's want or need.

We label products to identify our product or brand; we use labeling to describe things about the product, support our brand's positioning, and show our logos.

Check Your Understanding – Chapter 8

8.1. F; Both C and D; When you are screening new products, you want to remember **Real, Win, Worth Doing**. This screening framework encourages companies to ask themselves three key questions:

- Is there a real need and will customers buy it?
- Can we win by having a sustainable competitive advantage?
- Is it worth doing?

8.2. E; All of the above except B are true. Being able to quickly grab a large market share is more likely to contribute to new product success than failure

8.3. B and C are correct here. Awareness and evaluation two of the stages of customer new product adoption.

8.4. D; None of these are true. Sudoku was not quickly adopted by customers. In fact, it took years for Sudoku to catch on in Asian markets and even longer for it to catch on in the US.

8.5. D; This is not one of the criticisms we have for the PLC model. Choices A, B and C are all common criticisms of the PLC model.

8.6. A; Styles can last for years, whereas fads and fashions are much shorter-lived.

Notes:

1. The 4 stages of the product life cycle are Introduction, Growth, Maturity and Decline.
2. There are many reasons products fail. These can include:
 - Overestimation of market size
 - Design problems
 - Incorrect positioning
 - Pricing
 - Advertising
 - High development costs
 - Reaction of competition
 - Executive decisions that run contrary to marketing research findings