

Chapter 8 Product, Services, and Branding Strategies: Building Customer Value

1) We define a _____ as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.

- A) private brand
- B) service variability
- C) service
- D) product
- E) service encounter

Answer: D

Diff: 1 Page Ref: 224

AACSB: Communication

Skill: Concept

Objective: 8-1

2) _____ are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

- A) Line extensions
- B) Services
- C) Brands
- D) Consumer products
- E) Supplements

Answer: B

Diff: 1 Page Ref: 224

AACSB: Communication

Skill: Concept

Objective: 8-1

3) A product is a key element in the _____. At one extreme, it may consist of pure tangible goods or at the other extreme, pure services.

- A) market offering
- B) brand equity
- C) brand extension
- D) co-branding
- E) value chain

Answer: A

Diff: 1 Page Ref: 224

AACSB: Communication

Skill: Concept

Objective: 8-1

4) To differentiate themselves, many companies are going beyond products and services, they are developing and delivering customer _____.

- A) quality
- B) experiences
- C) brands
- D) product lines
- E) events

Answer: B

Diff: 2 Page Ref: 224

AACSB: Communication

Skill: Concept

Objective: 8-1

5) Product planners need to consider products and services on three levels. Each level adds more customer value. The most basic level is the _____, which addresses the question, "What is the buyer really buying?"

- A) actual product
- B) augmented product
- C) core customer value
- D) co-branding
- E) exchange

Answer: C

Diff: 2 Page Ref: 225

AACSB: Communication

Skill: Concept

Objective: 8-1

6) The third level of a product that product planners must consider is a(n) _____ around the core benefit and actual product that offers additional consumer services and benefits.

- A) brand equity
- B) augmented product
- C) brand extension
- D) industrial product
- E) image

Answer: B

Diff: 2 Page Ref: 225

AACSB: Communication

Skill: Concept

Objective: 8-1

7) Product planners must design the actual product and find ways to _____ it in order to create the bundle of benefits that will provide the most satisfying customer experience.

- A) promote
- B) package
- C) brand
- D) augment
- E) present

Answer: D

Diff: 3 Page Ref: 225

AACSB: Communication

Skill: Concept

Objective: 8-1

8) Products and services fall into two broad classifications based on the types of consumers that use them. Which is one of these broad classes?

- A) industrial products
- B) specialty products
- C) supplies and services
- D) materials and parts
- E) convenience products

Answer: A

Diff: 2 Page Ref: 226

Skill: Concept

Objective: 8-1

9) _____ are products and services bought by final consumers for personal consumption. These include convenience products, shopping products, specialty products, and unsought products.

- A) Services
- B) Consumer products
- C) Line extensions
- D) Industrial products
- E) Straight extensions

Answer: B

Diff: 1 Page Ref: 226

Skill: Concept

Objective: 8-1

10) _____ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. Consumers spend much time and effort in gathering information and making comparisons about these products.

- A) Shopping products
- B) Convenience products
- C) Unsought products
- D) Industrial products
- E) Line extensions

Answer: A

Diff: 2 Page Ref: 226

Skill: Concept

Objective: 8-1

11) _____ are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

- A) Shopping products
- B) Unsought products
- C) Specialty products
- D) Industrial products
- E) Line extensions

Answer: C

Diff: 1 Page Ref: 226

Skill: Concept

Objective: 8-1

12) _____ are consumer products that the consumer either does not know about or knows about but does not normally think about buying. These products require a lot of advertising, personal selling, and other marketing efforts.

- A) Specialty products
- B) Line extensions
- C) Unsought products
- D) Shopping products
- E) Staples

Answer: C

Diff: 1 Page Ref: 226

Skill: Concept

Objective: 8-1

13) _____ are those products purchased for further processing or for use in conducting a business.

- A) Unsought products
- B) Specialty products
- C) Shopping products
- D) Industrial products
- E) Accessories

Answer: D

Diff: 1 Page Ref: 227

Skill: Concept

Objective: 8-1

14) Most manufactured materials and parts are sold directly to _____. Price and service are the major marketing factors; branding and advertising tend to be less important.

- A) consumers
- B) industrial users
- C) brand extensions
- D) co-branders
- E) wholesalers

Answer: B

Diff: 2 Page Ref: 227

Skill: Concept

Objective: 8-1

15) _____ are industrial products that aid in the buyer's production or operations, including installations and accessory equipment.

- A) Materials
- B) Parts
- C) Capital items
- D) Specialty items
- E) Supplies

Answer: C

Diff: 2 Page Ref: 227

Skill: Concept

Objective: 8-1

16) _____ consists of activities undertaken to create, maintain, or change the attitudes and behavior of target consumers toward an organization.

- A) Person marketing
- B) Organization marketing
- C) Internal marketing
- D) Service variability
- E) Intelligence marketing

Answer: B

Diff: 2 Page Ref: 228

AACSB: Communication

Skill: Concept

Objective: 8-1

17) _____ consists of activities undertaken to create, maintain, or change attitudes toward particular people.

- A) Corporate image marketing
- B) Person marketing
- C) Social marketing
- D) Organization marketing
- E) Intermarket marketing

Answer: B

Diff: 1 Page Ref: 228

AACSB: Communication

Skill: Concept

Objective: 8-1

18) _____ involves activities undertaken to create, maintain, or change attitudes toward particular cities, states, and regions.

- A) Idea marketing
- B) Place marketing
- C) Organization marketing
- D) Social marketing
- E) Interactive marketing

Answer: B

Diff: 1 Page Ref: 228

AACSB: Communication

Skill: Concept

Objective: 8-1

19) _____ is defined as the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well being and that of society.

- A) Unsought product marketing
- B) Internal marketing
- C) Social marketing
- D) Product line
- E) Interactive marketing

Answer: C

Diff: 1 Page Ref: 229

AACSB: Ethical Reasoning

Skill: Concept

Objective: 8-1

20) Public health campaigns to reduce alcoholism, drug abuse, smoking, and obesity are all examples of _____.

- A) specialty products
- B) social marketing
- C) shopping products
- D) consumer products
- E) responsibility marketing

Answer: B

Diff: 2 Page Ref: 229

AACSB: Ethical Reasoning

Skill: Concept

Objective: 8-1

21) Developing a product or service involves defining the benefits that it will offer. These benefits are communicated and delivered by _____ such as quality, features, and style and design.

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

Answer: B

Diff: 3 Page Ref: 229

AACSB: Communication

Skill: Concept

Objective: 8-2

22) _____ is one of the marketer's major positioning tools because it has a direct impact on product or service performance; it is therefore closely linked to customer value and satisfaction.

- A) Packaging
- B) Product quality
- C) Total quality management
- D) Specialty product marketing
- E) Positioning

Answer: B

Diff: 2 Page Ref: 229

AACSB: Communication

Skill: Concept

Objective: 8-2

23) _____ is an approach in which all the company's people are involved in constantly improving the products, services, and business processes.

- A) Product quality
- B) Brand equity
- C) Total quality management
- D) Specialty product marketing
- E) Positioning

Answer: C

Diff: 2 Page Ref: 230

Skill: Concept

Objective: 8-2

24) What are the two dimensions of product quality?

- A) consistency and level
- B) performance and resistance
- C) design and innovation
- D) conformance and style
- E) feature and design

Answer: A

Diff: 2 Page Ref: 230

Skill: Concept

Objective: 8-2

25) Which of the following types of quality refers to freedom from defects and consistency in delivering a targeted level of performance?

- A) private brand
- B) product
- C) total quality management
- D) conformance
- E) adherence

Answer: D

Diff: 2 Page Ref: 230

Skill: Concept

Objective: 8-2

26) A stripped-down model without any extras is the starting point; a company can create a higher-level model by adding _____.

- A) co-branding
- B) features
- C) product quality
- D) service variability
- E) markets

Answer: B

Diff: 2 Page Ref: 230

Skill: Concept

Objective: 8-2

27) In assessing which new features to add to a product, a company must weigh each feature's _____ to customers versus its _____ to the company.

- A) cost; line extension
- B) cost; service
- C) value; cost
- D) service; line extension
- E) equity; cost

Answer: C

Diff: 3 Page Ref: 230

Skill: Concept

Objective: 8-2

28) A sensational _____ may grab attention and produce pleasing aesthetics, but it does not necessarily improve a product's performance.

- A) design
- B) style
- C) experience
- D) service-profit chain
- E) augmented product

Answer: B

Diff: 2 Page Ref: 230

AACSB: Communication

Skill: Concept

Objective: 8-2

29) _____ contributes to a product's usefulness as well as to its looks.

- A) Style
- B) Design
- C) Package
- D) Brand
- E) Functionality

Answer: B

Diff: 2 Page Ref: 230

Skill: Concept

Objective: 8-2

30) A(n) _____ is a name, term, sign, symbol, design, or a combination of these, that identifies the maker or seller of a product or service.

- A) service
- B) brand
- C) co-branding
- D) internal marketing
- E) external marketing

Answer: B

Diff: 1 Page Ref: 231

AACSB: Communication

Skill: Concept

Objective: 8-2

31) _____ involves designing and producing the container or wrapper for a product.

- A) Packaging
- B) Product line
- C) Service
- D) Branding
- E) Labeling

Answer: A

Diff: 1 Page Ref: 231

Skill: Concept

Objective: 8-2

32) In recent years, product safety and environmental responsibility have become major _____ concerns.

- A) branding
- B) packaging
- C) labeling
- D) service
- E) product line

Answer: B

Diff: 2 Page Ref: 232

AACSB: Ethical Reasoning

Skill: Concept

Objective: 8-2

33) At the very least, the _____ identifies the product or brand. It might also describe several things about the product and promote the brand.

- A) line extension
- B) social marketing
- C) label
- D) specialty product
- E) package

Answer: C

Diff: 1 Page Ref: 232

AACSB: Communication

Skill: Concept

Objective: 8-2

34) The _____ requires sellers to provide detailed nutritional information on food products.

- A) Fair Packaging and Labeling Act of 1966
- B) Nutritional Labeling and Educational Act of 1990
- C) Labeling Act of 1970
- D) Packaging Act of 1970
- E) Federal Trade Commission Act of 1990

Answer: B

Diff: 3 Page Ref: 233

AACSB: Ethical Reasoning

Skill: Concept

Objective: 8-2

35) _____ has been affected by the need to include unit pricing, open dating, and nutritional information.

- A) Branding
- B) Packaging
- C) Labeling
- D) Product line filling
- E) Product mixing

Answer: C

Diff: 2 Page Ref: 233

AACSB: Communication

Skill: Concept

Objective: 8-2

36) Many companies now use a combination of phone, e-mail, fax, Internet, and other technologies to provide _____ .

- A) labeling information
- B) brand equity
- C) support services
- D) packaging advantages
- E) product mixes

Answer: C

Diff: 2 Page Ref: 233

AACSB: Use of IT

Skill: Concept

Objective: 8-2

37) A _____ is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same type of outlets, or fall within given price ranges.

- A) product line
- B) line extension
- C) private brand
- D) convenience product
- E) product bandwidth

Answer: A

Diff: 2 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

38) The major product line decision involves _____.

- A) line stretching
- B) moving the line upward or downward
- C) product line filling
- D) product line length
- E) product packaging

Answer: D

Diff: 3 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

39) Berkowitz Piano Company can expand its product line in one of two common ways. Which of the following is one of those ways?

- A) internal marketing
- B) line filling
- C) product mix
- D) social marketing
- E) line mixing

Answer: B

Diff: 2 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

40) An alternative to product line stretching is _____, adding more items within the present range of the line.

- A) product mix
- B) interactive marketing
- C) product line filling
- D) co-branding
- E) service marketing

Answer: C

Diff: 2 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

41) When a company lengthens its product line beyond its current range, it is _____.

- A) product line filling
- B) product line stretching
- C) product mixing
- D) increasing product depth
- E) building brand equity

Answer: B

Diff: 2 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

42) A _____ consists of all the product lines and items that a particular seller offers for sale.

- A) product mix
- B) brand line
- C) consumer mix
- D) packaging mix
- E) line extension

Answer: A

Diff: 1 Page Ref: 234

AACSB: Communication

Skill: Concept

Objective: 8-2

43) Product mix _____ refers to the number of different product lines the company carries. Procter & Gamble markets 250 brands organized into many product lines.

- A) length
- B) height
- C) width
- D) perimeter
- E) depth

Answer: C

Diff: 2 Page Ref: 235

AACSB: Communication

Skill: Concept

Objective: 8-2

44) Product mix _____ refers to the number of versions offered of each product in the line. Crest toothpaste comes in 13 varieties, ranging from Crest Multicare to Crest Baking Soda formulations.

- A) length
- B) depth
- C) height
- D) width
- E) perimeter

Answer: B

Diff: 3 Page Ref: 235

AACSB: Communication

Skill: Concept

Objective: 8-2

45) The _____ of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels, or some other way.

- A) length
- B) depth
- C) consistency
- D) width
- E) perimeter

Answer: C

Diff: 3 Page Ref: 235

AACSB: Communication

Skill: Concept

Objective: 8-2

46) A company can increase its business in four ways. Which is NOT one of these ways?

- A) It can add new product lines, thus widening its product mix.
- B) It can lengthen its existing product lines.
- C) It can add more versions of each product and thus deepen its product mix.
- D) It can discontinue some of its lines.
- E) It can increase the consistency of its product mix.

Answer: D

Diff: 1 Page Ref: 235

AACSB: Communication

Skill: Concept

Objective: 8-2

47) Some analysts see _____ as the major enduring asset of a company, outlasting the company's specific products and facilities.

- A) brands
- B) convenience products
- C) specialty products
- D) unsought products
- E) staples

Answer: A

Diff: 1 Page Ref: 235

AACSB: Communication

Skill: Concept

Objective: 8-3

48) A key element in a company's relationship with consumers, a _____ represents consumers' perceptions and feelings about a product and its performance.

- A) product line
- B) product experience
- C) brand
- D) service
- E) product attribute

Answer: C

Diff: 2 Page Ref: 236

AACSB: Communication

Skill: Concept

Objective: 8-3

49) Which of the following is NOT one of the four consumer perception dimensions used by ad agency Young & Rubicam to measure brand strength?

- A) brand differentiation
- B) brand knowledge
- C) brand valuation
- D) brand esteem
- E) brand relevance

Answer: C

Diff: 3 Page Ref: 236

AACSB: Communication

Skill: Concept

Objective: 8-3

50) The total financial value of a brand is estimated through the process of brand _____.

- A) differentiation
- B) valuation
- C) extensions
- D) positioning
- E) equity

Answer: B

Diff: 2 Page Ref: 236

AACSB: Communication

Skill: Concept

Objective: 8-3

51) The fundamental asset underlying brand equity is _____—the value of the customer relationships that the brand creates. A powerful brand is important, but what it really represents is a set of loyal consumers.

- A) the customer mix
- B) customer equity
- C) line equity
- D) service variability
- E) the service encounter

Answer: B

Diff: 3 Page Ref: 238

AACSB: Communication

Skill: Concept

Objective: 8-3

52) Which of the following is the lowest level on which marketers can position their brands in target customers' minds?

- A) interactive marketing
- B) internal marketing
- C) product attributes
- D) strong beliefs and values
- E) added service

Answer: C

Diff: 3 Page Ref: 238

AACSB: Communication

Skill: Concept

Objective: 8-3

53) The strongest brands go beyond attributes or benefit positioning; they are positioned on _____.

- A) desirable benefit
- B) good packaging
- C) service inseparability
- D) strong beliefs and values
- E) customer image

Answer: D

Diff: 2 Page Ref: 239

AACSB: Communication

Skill: Concept

Objective: 8-3

54) Which of the following is NOT a desirable quality for a brand name?

- A) It should suggest something about the product's benefits and qualities.
- B) It should be easy to pronounce, recognize, and remember.
- C) The brand should almost always be a long word to get attention.
- D) The name should translate easily into foreign languages.
- E) It should be distinctive.

Answer: C

Diff: 2 Page Ref: 239

AACSB: Communication

Skill: Concept

Objective: 8-3

55) All of the following are a manufacturer's sponsorship options for a product EXCEPT _____.

- A) manufacturer's brand
- B) multibrands
- C) private brand
- D) licensed brand
- E) co-branding

Answer: B

Diff: 2 Page Ref: 240

Skill: Concept

Objective: 8-3

56) In the competition between _____ and _____ brands, retailers have the advantages of controlling what products will be stocked, where products will be stocked, what prices will be charged, and which products will be featured in print promotions.

- A) national; manufacturer's
- B) store; private
- C) national; private
- D) store; licensed
- E) private; distributor

Answer: C

Diff: 2 Page Ref: 241

Skill: Concept

Objective: 8-3

57) An increasing number of retailers and wholesalers have created their own _____, also called store brands.

- A) unsought products
- B) private brands
- C) specialty products
- D) service variability
- E) shopping products

Answer: B

Diff: 1 Page Ref: 240

Skill: Concept

Objective: 8-3

58) For a fee, some companies _____ names or symbols previously created by other manufacturers, names of well-known celebrities, and/or characters from popular movies and books, any of which can provide an instant and proven brand name.

- A) service
- B) market
- C) package
- D) brand
- E) license

Answer: E

Diff: 2 Page Ref: 241

AACSB: Communication

Skill: Concept

Objective: 8-3

59) _____ occurs when two established brand names of different companies are used on the same product.

- A) A brand extension
- B) Brand equity
- C) Co-branding
- D) Internal marketing
- E) Cannibalization

Answer: C

Diff: 2 Page Ref: 241

AACSB: Communication

Skill: Concept

Objective: 8-3

60) In most _____ situations, one company licenses another company's well-known brand to use in combination with its own.

- A) brand extension
- B) brand equity
- C) co-branding
- D) internal marketing
- E) line extension

Answer: C

Diff: 2 Page Ref: 242

Skill: Concept

Objective: 8-3

- 61) Which of the following is an advantage offered by co-branding?
- A) Manufacturers do not have to invest in creating their own brand names.
 - B) Retailers have exclusive products that cannot be purchased from competitors.
 - C) A company can expand its existing brand into a category it otherwise might have difficulty entering alone.
 - D) Advertising, sales, promotion, and marketing must be carefully coordinated.
 - E) Brand equity is stabilized.

Answer: C

Diff: 2 Page Ref: 242

Skill: Concept

Objective: 8-3

- 62) A company has four choices when it comes to developing brands. What is NOT one of those choices?

- A) line extension
- B) brand extension
- C) multibrands
- D) width and depth extension
- E) new brands

Answer: D

Diff: 3 Page Ref: 242

Skill: Concept

Objective: 8-3

- 63) _____ occur(s) when a company introduces additional items in a given product category under the same brand name, such as new flavors, forms, colors, ingredients, or package sizes.

- A) Line extension
- B) Product mix
- C) Interactive marketing
- D) Service variability
- E) Service intangibility

Answer: A

Diff: 3 Page Ref: 242

Skill: Concept

Objective: 8-3

- 64) A _____ involves the use of a successful brand name to launch new or modified products in a new category.

- A) line extension
- B) product line
- C) brand extension
- D) private brand
- E) brand symbol

Answer: C

Diff: 1 Page Ref: 243

Skill: Concept

Objective: 8-3

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

Answer: D

Diff: 3 Page Ref: 243

Skill: Concept

Objective: 8-3

66) Which strategy involves weeding out weaker brands and focusing marketing dollars only on brands that can achieve the number-one or number-two market share positions in their categories?

- A) megabrand
- B) service inseparability
- C) social marketing
- D) unsought product
- E) undifferentiated

Answer: A

Diff: 2 Page Ref: 243

Skill: Concept

Objective: 8-3

67) Major brand marketers often spend huge amounts on advertising to create brand _____ and to build preference and loyalty.

- A) extension
- B) awareness
- C) packaging
- D) internal marketing
- E) preference

Answer: B

Diff: 2 Page Ref: 244

AACSB: Communication

Skill: Concept

Objective: 8-3

68) While advertising campaigns can help to create name recognition, brand knowledge, and maybe even some brand preference, brands are not maintained by advertising but by _____.

- A) marketing experience
- B) line extensions
- C) brand experience
- D) product mix
- E) word-of-mouth elements

Answer: C

Diff: 2 Page Ref: 244

AACSB: Communication

Skill: Concept

Objective: 8-3

69) Service providers must consider four special characteristics when designing marketing programs. Which is NOT one of these characteristics?

- A) intangibility
- B) inseparability
- C) perishability
- D) interactive marketing
- E) variability

Answer: D

Diff: 3 Page Ref: 244

Skill: Concept

Objective: 8-4

70) _____ means that services cannot be seen, tasted, felt, heard, or smelled before they are bought.

- A) Service inseparability
- B) Service variability
- C) Service intangibility
- D) Service perishability
- E) Service heterogeneity

Answer: C

Diff: 2 Page Ref: 245

Skill: Concept

Objective: 8-4

71) _____ means that services cannot be separated from their providers, whether the providers are people or machines.

- A) Service intangibility
- B) Service inseparability
- C) Service variability
- D) Service perishability
- E) Service heterogeneity

Answer: B

Diff: 1 Page Ref: 245

Skill: Concept

Objective: 8-4

72) Which of the following is NOT one of the links in the service-profit chain, linking service firm profits with employee and customer satisfaction?

- A) internal service quality
- B) evidence management
- C) satisfied and productive service employees
- D) satisfied and loyal customers
- E) healthy service profits and growth

Answer: B

Diff: 3 Page Ref: 246

Skill: Concept

Objective: 8-4

73) Through _____, the service firm trains and motivates its customer-contact employees and supporting service people to work as a team to provide customer satisfaction.

- A) service inseparability
- B) service intangibility
- C) service variability
- D) internal marketing
- E) external marketing

Answer: D

Diff: 2 Page Ref: 247

Skill: Concept

Objective: 8-4

74) Because service quality depends on the quality of buyer-seller interaction during the service encounter, service marketers use _____ to train employees in the art of interacting with customers to satisfy their needs.

- A) interactive marketing
- B) service differentiation
- C) service productivity
- D) internal marketing
- E) external marketing

Answer: A

Diff: 2 Page Ref: 247

Skill: Concept

Objective: 8-4

75) All of the following are methods for developing a differentiated service offer, delivery, or image EXCEPT _____.

- A) offering innovative features
- B) increasing the quantity of service by giving up some quality
- C) having more reliable customer-contact people
- D) developing symbols and branding
- E) designing a superior delivery process

Answer: B

Diff: 2 Page Ref: 248

Skill: Concept

Objective: 8-4

76) When the Twin Six Cafe provides gourmet menu options to its customers, as well as impeccable service□ which even allows customers to hand-select their own cuts of meat□ _____ is(are) are evident.

- A) only an actual product
- B) only an augmented product
- C) only a core benefit
- D) both a core benefit and an actual product
- E) a core benefit, an actual product, and an augmented product

Answer: E

Diff: 3 Page Ref: 225

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

77) A hickory rocking chair, handmade by an Amish woodcarver in Lancaster, Pennsylvania, from locally grown wood is an example of a(n) _____.

- A) convenience product
- B) shopping product
- C) specialty product
- D) service
- E) augmented product

Answer: C

Diff: 2 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

78) You have an upset stomach. Your spouse rushes to the corner convenience store for a bottle of Pepto-Bismol. This product is a(n) _____ product.

- A) convenience
- B) unsought
- C) specialty
- D) shopping
- E) augmented

Answer: A

Diff: 2 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

79) Mabel Lu is planning to buy a new washing machine. She notices that they come in numerous price ranges. She wants to make sure she gets the most for her money. This product is a(n) _____ product.

- A) convenience
- B) unsought
- C) specialty
- D) shopping
- E) augmented

Answer: D

Diff: 2 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

80) Which of the following does NOT belong to the materials and parts group of industrial products?

- A) farm products such as wheat
- B) natural products such as iron ore
- C) repair and maintenance items
- D) petroleum
- E) lumber

Answer: C

Diff: 1 Page Ref: 227

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

81) Which of the following capital items is NOT considered accessory equipment?

- A) buildings
- B) hand tools
- C) lift trucks
- D) desks
- E) chairs

Answer: A

Diff: 1 Page Ref: 227

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

82) Paper, pencils, lubricants, paint, nails, and brooms are examples of _____.

- A) supplies
- B) capital items
- C) raw materials
- D) specialty products
- E) installations

Answer: A

Diff: 1 Page Ref: 227

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

83) General Electric's campaign stating, "We bring good things to life" is an example of _____.

- A) personal marketing
- B) corporate image marketing
- C) product quality
- D) product line
- E) social marketing

Answer: B

Diff: 2 Page Ref: 228

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

84) "I love New York" is an example of _____.

- A) corporate image advertising
- B) person marketing
- C) organization marketing
- D) social advertising
- E) place marketing

Answer: E

Diff: 2 Page Ref: 228

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

85) The Ad Council of America has developed dozens of _____ marketing campaigns, including classics such as "Smokey the Bear," "Keep America Beautiful," and "Only You Can Prevent Forest Fires."

- A) social
- B) brand equity
- C) service
- D) product line
- E) place

Answer: A

Diff: 1 Page Ref: 229

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

86) To achieve their social change objectives, social marketing programs _____.

- A) utilize only the promotional P of the marketing mix
- B) utilize only the promotional and product Ps of the marketing mix
- C) work to influence individuals' behavior to improve their well-being
- D) utilize all of the Ps in the marketing mix
- E) C and D

Answer: E

Diff: 3 Page Ref: 229

AACSB: Analytic Skills

Skill: Application

Objective: 8-1

87) Which of the following is the most important for product designers to consider as they develop a product?

- A) which product features can be added to create higher-level models
- B) how the product appears
- C) what the product's technical specifications are
- D) how customers will use and benefit from the product
- E) how the product is packaged to attract spontaneous purchases

Answer: D

Diff: 3 Page Ref: 231

AACSB: Analytic Skills

Skill: Application

Objective: 8-2

88) Helene Curtis began to market shampoo for normal hair. In an attempt to increase profits and use excess market capacity, Helene Curtis then marketed shampoo for oily hair and color-treated hair. This is an example of _____.

- A) line filling
- B) social marketing
- C) a shopping product
- D) an unsought product
- E) people marketing

Answer: A

Diff: 3 Page Ref: 234

AACSB: Reflective Thinking

Skill: Application

Objective: 8-2

89) Which of the following is(are) examples of product line depth?

- A) hamburger and cheeseburger
- B) hamburger and fries
- C) Coke and Diet Coke
- D) A and C
- E) all of the above

Answer: D

Diff: 3 Page Ref: 235

AACSB: Reflective Thinking

Skill: Application

Objective: 8-2

90) Chicken of the Sea brand tuna sells more than the same size Kroger brand tuna, even though the Kroger tuna costs \$0.15 less per can. Chicken of the Sea has brand _____.

- A) extension
- B) equity
- C) specialty
- D) service
- E) valuation

Answer: B

Diff: 2 Page Ref: 236

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

91) A manager of a Holiday Inn said, "We have power and value in the market and people are willing to pay for it." This manager is referring to _____.

- A) social marketing
- B) specialty products
- C) brand equity
- D) line filling
- E) product length

Answer: C

Diff: 2 Page Ref: 236

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

92) Costco's Kirkland products are an example of a(n) _____.

- A) organizational brand
- B) support brand
- C) private brand
- D) sponsorship brand
- E) manufacturer's brand

Answer: C

Diff: 2 Page Ref: 240

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

93) An apparel marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented?

- A) line extension
- B) brand extension
- C) multibranding
- D) new brands
- E) rebranding

Answer: B

Diff: 2 Page Ref: 243

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

94) Each new iPod product introduction advances the causes of democratizing technology and approachable innovation. iPod, an expert at fostering customer community, has been ranked one of the Breakaway Brands by the brand consultancy Landor Associates. iPod is positioned on _____.

- A) attributes
- B) benefits
- C) variation
- D) selection
- E) beliefs and values

Answer: E

Diff: 2 Page Ref: 239

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

95) Manor Plaza Barber's customers have noticed that the quality of a haircut depends on who provides it as well as when, where, and how it is provided. What have the customers noticed?

- A) service intangibility
- B) service inseparability
- C) service variability
- D) service perishability
- E) service distinction

Answer: C

Diff: 2 Page Ref: 245

AACSB: Reflective Thinking

Skill: Application

Objective: 8-4

96) The impossibility of a barber storing haircuts for later sale is an example of which of the following?

- A) service intangibility
- B) service inseparability
- C) service variability
- D) service perishability
- E) low-context services

Answer: D

Diff: 2 Page Ref: 246

AACSB: Reflective Thinking

Skill: Application

Objective: 8-4

97) Gina's Nail Salon is serious about pleasing its customers. Employees are trained to immediately and pleasantly respond to any customer complaints, and they are empowered to offer discounts and free add-ons to customers who believe they have received anything less than the best service. Gina's Nail Salon focuses on _____.

- A) differentiating its offer
- B) good service recovery
- C) internal marketing
- D) image marketing
- E) productivity

Answer: B

Diff: 1 Page Ref: 249

AACSB: Reflective Thinking

Skill: Application

Objective: 8-4

Refer to the scenario below to answer the following questions.

Herb Marks built his enterprise on the faithful patronage of four specialty shops and a large contract from Elmore Distributors. But after two years, the maker of novelty pens and pencils had to rethink his strategy when his two-year contract with Elmore ended.

Herb built a company reputation on the manufacture and distribution of a variety of wooden writing utensils with customized engravings. Specialty shops loved to display the products in their fancy, lighted showcases, but such specialty shops alone were not profitable. Herb Marks established a brand name, known merely as Marks, and decided to expand on it.

Herb extended his writing utensil lines to include quills, felt-tip pens, and multiple-cartridge pens that write in different colors. He even added a line of various grades of personalized stationery and business cards. Perhaps Herb's biggest added touch, however, was the addition of two salespeople who would work to explain the diverse array of products offered by Marks, as well as nurture existing accounts.

"We make an excellent product," Herb Marks stated, "and we honor a good guarantee on everything we sell. But let's face it—we face hundreds of competitors! We need Marks representatives out there to help prospects understand what they should demand in something as simple as a writing tool."

The Marks brand was fast-becoming synonymous with top-notch customer service. Part of the purchase package brought personal visits from the Marks representative, before the purchase and long after.

98) An easier, more comfortable, more stylish transfer of thought onto paper is the _____ of Herb's offerings.

- A) tangible good
- B) core customer value
- C) actual product
- D) augmented product
- E) pure service

Answer: B

Diff: 2 Page Ref: 225

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

99) What type of consumer products does Marks manufacture?

- A) industrial
- B) convenience
- C) specialty
- D) shopping
- E) unsought

Answer: C

Diff: 2 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

100) The new felt-tip pens, multiple-cartridge pens, and quills are all examples of _____.

- A) product line filling
- B) multibranding
- C) megabranding
- D) product line inconsistencies
- E) licensed brands

Answer: A

Diff: 1 Page Ref: 234

AACSB: Reflective Thinking

Skill: Application

Objective: 8-2

101) A service is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.

Answer: FALSE

Diff: 1 Page Ref: 224

Skill: Concept

Objective: 8-1

102) Sony offers consumers more than just camcorders; it provides consumers with a complete solution to their picture-taking problems. This offering is called an augmented product.

Answer: TRUE

Diff: 3 Page Ref: 225

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

103) Unsought products are products that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort.

Answer: FALSE

Diff: 1 Page Ref: 226

Skill: Concept

Objective: 8-1

104) Shopping products are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style.

Answer: TRUE

Diff: 2 Page Ref: 226

Skill: Concept

Objective: 8-1

105) Style is a larger concept than design. Design describes the appearance of a product.

Answer: FALSE

Diff: 3 Page Ref: 230

Skill: Concept

Objective: 8-2

106) Branding can add consumer value to a product.

Answer: TRUE

Diff: 2 Page Ref: 231

AACSB: Communication

Skill: Concept

Objective: 8-2

107) Because so many purchase decisions are made in stores, a product's packaging may be a seller's last and best chance to influence consumers.

Answer: TRUE

Diff: 2 Page Ref: 232

AACSB: Communication

Skill: Concept

Objective: 8-2

108) Product support services identify the product or brand, describe several things about the product, and promote the product through attractive graphics.

Answer: FALSE

Diff: 2 Page Ref: 233

AACSB: Communication

Skill: Concept

Objective: 8-2

109) Quaker produces a variety of cereals. This variety is called its product line.

Answer: TRUE

Diff: 2 Page Ref: 234

AACSB: Reflective Thinking

Skill: Application

Objective: 8-2

110) Cannibalization and customer confusion about product differentiation are two potential results if line filling is overdone.

Answer: TRUE

Diff: 3 Page Ref: 234

Skill: Concept

Objective: 8-2

111) A company can stretch its product either upward or downward, but not both directions.

Answer: FALSE

Diff: 1 Page Ref: 234

Skill: Concept

Objective: 8-2

112) A company might stretch its product line upward to add prestige to its current products.

Answer: TRUE

Diff: 2 Page Ref: 234

Skill: Concept

Objective: 8-2

113) A company's product mix has four important dimensions: width, length, depth, and consistency.

Answer: TRUE

Diff: 1 Page Ref: 235

Skill: Concept

Objective: 8-2

114) Dove marketers can go beyond the brand's cleansing cream properties and talk about the resulting benefit of softer skin. This is known as product attributes in brand positioning.

Answer: FALSE

Diff: 3 Page Ref: 238

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

115) Attributes are the least desirable level for brand positioning because competitors can easily copy attributes and customers are more interested in what attributes will do for them than in the attributes themselves.

Answer: TRUE

Diff: 2 Page Ref: 238

Skill: Concept

Objective: 8-3

116) Retailers and wholesalers who have created their own brands—such as Wal-Mart's Sam's Choice beverages and food products—are participating in co-branding.

Answer: FALSE

Diff: 3 Page Ref: 241

AACSB: Reflective Thinking

Skill: Application

Objective: 8-3

117) When a company introduces a new brand name in the same product category, it is called line extension.

Answer: FALSE

Diff: 2 Page Ref: 242

Skill: Concept

Objective: 8-3

118) Customers come to know a brand through a wide range of contacts and touch points, including word of mouth, personal interactions with company people, telephone interactions, and company Web pages.

Answer: TRUE

Diff: 1 Page Ref: 244

AACSB: Communication

Skill: Concept

Objective: 8-3

119) An example of service variability is that within a given Marriott hotel, one registration-desk employee may be cheerful and efficient, whereas another may be unpleasant and slow.

Answer: TRUE

Diff: 3 Page Ref: 245

AACSB: Reflective Thinking

Skill: Application

Objective: 8-4

120) Service inseparability means that the quality of services depends on who provides them, as well as when, where, and how they are provided.

Answer: FALSE

Diff: 2 Page Ref: 245

Skill: Concept

Objective: 8-4

121) In a service business, the customer and front-line service employee interact to create the service.

Answer: TRUE

Diff: 2 Page Ref: 246

Skill: Concept

Objective: 8-4

122) The service-profit chain is the set of all product lines and items that a particular seller offers for sale.

Answer: FALSE

Diff: 2 Page Ref: 246

Skill: Concept

Objective: 8-4

123) One aspect of managing service differentiation is the company's service delivery.

Answer: TRUE

Diff: 2 Page Ref: 248

Skill: Concept

Objective: 8-4

124) Customer retention is perhaps the best measure of quality—a service firm's ability to hang on to its customers depends on how consistently it delivers value to them.

Answer: TRUE

Diff: 2 Page Ref: 248

Skill: Concept

Objective: 8-4

125) Good service recovery can turn angry customers into loyal customers and can even win more customer purchasing and loyalty than if no problem had occurred in the first place.

Answer: FALSE

Diff: 2 Page Ref: 249

Skill: Concept

Objective: 8-4

126) Products and services fall into two broad classes based on the types of consumers that use them. Name these two broad classes and describe how they are different from each other.

Answer: The two broad classes are consumer products and industrial products. Consumer products and services—those bought by final consumers—are usually classified according to consumer shopping habits. Consumer products include convenience products, shopping products, specialty products, and unsought products. Industrial products are distinguished from consumer products by the purpose for which they were purchased. Industrial products are those that are purchased for further processing or for use in conducting a business. These products include the three broad categories of materials and parts, capital items, and supplies and services.

Diff: 2 Page Ref: 226-227

AACSB: Analytic Skills

Skill: Application

Objective: 8-1

127) Name and describe three decisions that companies make regarding their individual products and services.

Answer: Decisions to be made in the development and marketing of individual products and services include 1) product attributes, 2) branding, 3) packaging, 4) labeling, and 5) product support services. Product attribute decisions involve product quality, features, and style and design. Branding decisions include selecting a brand name and developing a brand strategy. Packaging involves designing and producing a product's container; packaging provides many key benefits, such as protection, economy, convenience, and promotion. Labeling identifies the product and may describe and promote the product and brand. Companies must also make a decision about product support services, which are usually a minor or major part of a market offering.

Diff: 1 Page Ref: 229

AACSB: Communication

Skill: Application

Objective: 8-2

128) Describe the role of packaging.

Answer: Packaging involves designing and producing the container or wrapper for a product. Packaging contains and protects the product, but it also is used to attract customer attention, to describe the product, and to make the sale. Innovative packaging may give a company an edge over competitors.

Diff: 1 Page Ref: 231

AACSB: Communication

Skill: Application

Objective: 8-2

129) Explain the history of legal concerns about packaging and labels.

Answer: The Federal Trade Commission Act of 1914 held that false, misleading, or deceptive labels or packages constitute unfair competition. Labels can mislead consumers, fail to describe important ingredients, or fail to include needed safety warnings. To address this problem, several federal and state laws regulate labeling. The Fair Packaging and Labeling Act of 1966, for example, set mandatory labeling requirements, encouraged voluntary industry packaging standards, and allowed federal agencies to set packaging regulations in specific industries. The Nutritional Labeling and Education Act of 1990 requires sellers to provide detailed nutritional information on food products; the Food and Drug Administration regulates the use of health-related terms such as low-fat, light, and high-fiber.

Diff: 3 Page Ref: 233

AACSB: Ethical Reasoning

Skill: Application

Objective: 8-2

130) Compare product mix width, length, consistency, and depth.

Answer: Product mix width refers to the number of different product lines the company carries; product length refers to the total number of products carried in a company's product lines. Consistency refers to how closely related the various product lines are in end use. Product depth refers to the number of versions offered of each product in the line.

Diff: 2 Page Ref: 235

AACSB: Analytic Skills

Skill: Application

Objective: 8-2

131) A manufacturer has four brand sponsorship options. Describe what they are.

Answer: A manufacturer can launch its own brand (manufacturer's brand or national brand). It can sell to resellers who give the product a private brand (or store brand). It can market licensed brands, using names or symbols created by other manufacturers, names of celebrities, or characters from popular movies or television. Finally, a manufacturer can join forces with another company to co-brand a product.

Diff: 2 Page Ref: 240

AACSB: Communication

Skill: Application

Objective: 8-3

132) A company has four choices when it comes to developing brands. Describe what they are.
Answer: The company can introduce line extensions, brand extensions, multibrands, or entirely new brands. A line extension involves extending a current brand name to new forms, colors, sizes, flavors, etc. in one of the company's existing product categories. In contrast, a brand extension extends a current brand name to a new or modified product in a new product category. Multibranding involves introducing several brands within the same category. Finally a company may decide that a new brand name is needed, particularly if the power of an existing brand name is declining or the company is entering a new product category.

Diff: 2 Page Ref: 242

AACSB: Communication

Skill: Application

Objective: 8-3

133) Services are characterized by four key characteristics. Name and describe these four characteristics.

Answer: The four service characteristics are intangibility, inseparability, variability, and perishability. Services are intangible: they cannot be seen, tasted, felt, heard, or smelled before they are bought. Services are inseparable: they are produced and consumed at the same time and cannot be separated from their providers, whether the providers are people or machines. Services are variable: their quality may vary greatly, depending on who provides them and when, where, and how they are provided. Services are perishable: they cannot be stored for later sale or use.

Diff: 2 Page Ref: 245

AACSB: Analytic Skills

Skill: Application

Objective: 8-4

134) Good service companies focus attention on both customers and employees. Describe what the service-profit chain and internal marketing are, and how they differ from each other.

Answer: The service-profit chain links service firm profits with employee and customer satisfaction. The links in the service-profit chain are as follows: internal service quality leads to satisfied and productive employees, who create greater service value, which leads to satisfied and loyal customers, who create healthy service profits and growth. Internal marketing by a service firm refers to training and effectively motivating its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction. The service-profit chain deals with employees and customers. Internal marketing deals with training employees.

Diff: 3 Page Ref: 246

AACSB: Communication

Skill: Application

Objective: 8-4

135) How can service providers use a differentiated offer, delivery, and image to avoid competing solely on price?

Answer: A service offer can include innovative features that differentiate the company's offers from competitors. Service delivery can be differentiated by hiring and training more reliable customer-contact people, developing a superior physical environment in which the service is delivered, and designing a superior delivery process. Services can also be differentiated through symbols and branding, creating an image that sets a company's services apart from competitors'.

Diff: 2 Page Ref: 248

AACSB: Analytic Skills

Skill: Application

Objective: 8-4

136) Give an example of the most basic level of product, the core benefit.

Answer: Examples are numerous. A salon owner, providing similar services of a day spa, may focus on "pampering yourself in total relaxation."

Diff: 2 Page Ref: 225

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

137) Give examples of the second level of product, the actual product.

Answer: A salon owner may market hair- and nail-care products and services, full- and partial-body massages, workout equipment and training, and social activities, and so forth.

Diff: 1 Page Ref: 225

AACSB: Analytic Skills

Skill: Application

Objective: 8-1

138) Give an example of an augmented product.

Answer: Examples will vary. An augmented product may include the customer of a salon having the option of having most of the services performed in the privacy and solitude of his or her home.

Diff: 2 Page Ref: 225

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

139) Give three examples of convenience products.

Answer: Examples may include soft drinks, milk, and candy.

Diff: 1 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

140) Give three examples of shopping products.

Answer: Examples may include washing machines, lawn mowers, and furniture.

Diff: 1 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

141) Give three examples of specialty products.

Answer: Examples may include a Rolex watch, a Jaguar sports car, or an around-the-world cruise.

Diff: 1 Page Ref: 226

AACSB: Reflective Thinking

Skill: Application

Objective: 8-1

142) What do industrial supplies and consumer convenience products have in common? How do they differ?

Answer: Industrial supplies are purchased for further use in conducting a business, while convenience products are purchased by final consumers for personal consumption; both types of products are usually purchased with a minimum of effort or comparison.

Diff: 3 Page Ref: 227

AACSB: Analytic Skills

Skill: Application

Objective: 8-1

143) How does a brand name add value to a product?

Answer: Quality and consistency can be identified through a brand; experience with or knowledge of another's experience with a brand helps a buyer know what features, benefits, and quality to expect from a product.

Diff: 2 Page Ref: 231

AACSB: Analytic Skills

Skill: Application

Objective: 8-2

144) How might a flower shop engage in line stretching?

Answer: A flower shop may offer single-stem, fresh-cut flowers, sold individually, small arrangements, bouquets, or large ceremonial sprays; with line stretching, the flower shop will offer a wide array of products geared toward all types of flower buyers.

Diff: 3 Page Ref: 234

AACSB: Analytic Skills

Skill: Application

Objective: 8-2

145) Why might a company pursue a strategy of less product line consistency?

Answer: A company might want to increase its business by building a reputation in several product fields.

Diff: 2 Page Ref: 235

AACSB: Analytic Skills

Skill: Application

Objective: 8-2

146) Consumers form relationships with products via brands. What might happen that allows a consumer to move from merely recognizing a brand to preferring a brand?

Answer: A consumer has likely tried the brand at least once in order to prefer it over others; or, perhaps the consumer prefers a brand merely because he or she has been exposed to a catchy ad or promotional gimmick.

Diff: 2 Page Ref: 236

AACSB: Analytic Skills

Skill: Application

Objective: 8-3

147) Why is it important for a brand promise to be simple and honest?

Answer: Consumers who purchase the product and believe it does not live up to the promise will develop a negative image of the brand; they will be less likely to become loyal customers.

Diff: 2 Page Ref: 239

AACSB: Analytic Skills

Skill: Application

Objective: 8-3

148) Consider such brand names as A1 Steak Sauce, 409, A & D Ointment, A & W Root Beer, and Super 8. Why might such names with alphanumeric characters aid in brand name selection?

Answer: Such brands are easy to pronounce, easy to recognize, and easy to remember.

Diff: 2 Page Ref: 239

AACSB: Communication

Skill: Application

Objective: 8-3

149) How might measuring service quality be more difficult than measuring product quality?

Answer: Products are tangible; therefore, measuring quality across several dimensions—such as durability, functionality, and so on—may be easier or performed more consistently than when measuring service quality.

Diff: 3 Page Ref: 245

AACSB: Analytic Skills

Skill: Application

Objective: 8-4

150) As a service provider, why might you perceive the buyer-seller relationship in the service encounter to be especially critical?

Answer: Customers' perceptions are established during the service encounter. At this time, based on these perceptions, customers can become loyal, long-term buyers. It is critical that service sellers establish sound relationships from the beginning.

Diff: 2 Page Ref: 247

AACSB: Analytic Skills

Skill: Application

Objective: 8-4