

# ch8

Student: \_\_\_\_\_

1. The "Product" area is concerned with what goods and services are produced, but not with decisions about installation, instructions on use, packaging, a brand name, a warranty, or after-sale service.

True False

2. A "Product" should be thought of as potential customer satisfaction or benefits.

True False

3. Product means the need-satisfying offering of a firm.

True False

4. The definition of quality focuses on the producer.

True False

5. When comparing two similar products, the product with the most features is the higher quality product.

True False

6. A "Product" might involve a physical good, a service, or a combination of the two.

True False

7. A service is not a "Product" because services do not include any physical good.

True False

8. Goods are intangible and services are tangible.

True False

9. A product assortment is the set of all product lines and individual products that a firm sells.

True False

10. A product line is a set of individual products that are closely related.

True False

11. An individual product is a particular product within a product line.

True False

12. "Branding" includes the use of trademarks and brand names to identify a product.

True False

13. A trademark can be a word, but cannot be a symbol.

True False

14. A trademark explains what the seller promises about its product.

True False

15. A service logo refers to a type of trademark used for a service offering.

True False

16. A service mark is the same as a trademark, except that it refers to a service offering.

True False

17. Branding is more likely to be successful if the product is the best value for the price, and quality can be consistently maintained.

True False

18. Branding would be more likely to be successful if dependable and widespread availability of a product is possible.

True False

19. Brand familiarity means how well customers recognize and accept a company's brand.

True False

20. Brand preference means customers usually choose the brand over other brands, perhaps out of habit or past experience.

True False

21. Brand insistence means that target customers usually choose the brand over other brands, perhaps because of habit or favorable past experience.

True False

22. Brand insistence means that customers usually choose one brand over other brands, perhaps out of habit or past experience.

True False

23. Brand names that convey a positive image in one language may be meaningless in another.

True False

24. Brand equity is the value of the brand's overall strength in the market.

True False

25. Brand equity is likely to be lower if customers insist on buying a product and retailers are eager to stock it.

True False

26. The Lanham Act spells out the exact method for protecting registered trademarks, but does not force firms to register their trademarks.
- True False
27. If a trademark is to be used in foreign markets, it is wise to register it under the Lanham Act.
- True False
28. Some nations require that a trademark be registered in its home country before it can be registered in a foreign country.
- True False
29. A marketing manager should make sure the firm's brand names do not become so familiar that they become common descriptive terms for certain kinds of products.
- True False
30. A firm can lose all rights to a brand name if the name becomes a common descriptive term for that kind of product.
- True False
31. Family brands may cut promotion costs because the goodwill attached to one or two products may help the others.
- True False
32. A licensed brand can be used by only one company.
- True False
33. There is no real reason for a firm to use individual brands rather than a family brand--except to avoid confusion.
- True False
34. It is usually necessary for a firm to use a family brand rather than individual brands if it plans to offer products at different quality and price levels to different target markets.
- True False
35. A product which has no brand other than the identification of the contents is a generic product.
- True False
36. Generic products are popular in the U.S. and other developed nations, but not in less-developed nations.
- True False
37. Dealer brands are brands created by producers.
- True False

38. Manufacturer brands are always advertised and distributed more widely than dealer brands.

True False

39. The "battle of the brands" is the competition between dealer brands and manufacturer brands.

True False

40. The "battle of the brands" hurts consumers by driving up prices.

True False

41. Packaging can add value to a market offering by promoting, protecting, or enhancing the product.

True False

42. Because packaged products are regularly seen in retail stores, a good package may give a firm more promotion effect than it could possibly afford with advertising.

True False

43. Good packaging can provide a product with an important competitive advantage.

True False

44. Spending money to improve protective packaging may be necessary, but it usually results in higher total distribution costs for a firm's product.

True False

45. Total distribution costs may increase because of packaging.

True False

46. A universal product code (UPC) contains the manufacturer's suggested retail price for the product on which it appears.

True False

47. The universal product code has been opposed by large supermarket chains because it slows down the checkout process.

True False

48. It is illegal for a firm to use a package that cannot be recycled.

True False

49. Federal Fair Packaging and Labeling Act requires that consumer goods be clearly labeled in easy-to-understand terms to give consumers more information.

True False

50. The Federal Fair Packaging and Labeling Act of 1966 requires that consumer products be clearly labeled in understandable terms.

True False

51. The Federal Fair Packaging and Labeling Act of 1966 requires that firms in a product-market reduce the number of package sizes to three or fewer for any product.

True False

52. A warranty explains what the seller promises about its product.

True False

53. Magnuson-Moss Act says that producers must provide a clearly written warranty if they choose to offer any warranty.

True False

54. A warranty must be available for inspection before a purchase is made.

True False

55. Customer service guarantees are becoming less common because service companies can't live up to their promises.

True False

56. There's usually less risk in offering a service guarantee than a warranty on a physical product.

True False

57. Most manufacturers would be wise to provide a strong warranty with their products, because customers like them and they are inexpensive to back up.

True False

58. It may be economically impossible for small firms to offer strong warranties.

True False

59. There are two broad groups of product classes based on the type of customer that will use the product.

True False

60. According to the text, the consumer product classes are based on why consumers use products.

True False

61. The four groups of consumer products are: convenience products, shopping products, specialty products, and unsought products.

True False

62. Products which a consumer needs but isn't willing to spend much time shopping for are convenience products.

True False

63. Consumer products which are bought often, routinely, and without much thought are staples.

True False

64. Staples are consumer products which are sold in places like gourmet shops and health food stores, because convenience is not important to the customer.

True False

65. Convenience products include staples, impulse products, and emergency products.

True False

66. Consumer products which a customer buys on sight as unplanned purchases, may have bought the same way before, and wants "right now" are impulse products.

True False

67. Customers usually plan and shop for impulse products.

True False

68. Emergency products are purchased only when the need is great and urgent, and therefore price is usually not very important.

True False

69. Consumer products that a customer feels are worth the time and effort to compare with competing products are shopping products.

True False

70. Shopping products are products that are purchased immediately when the need is great.

True False

71. Shopping products that a customer sees as basically the same and wants at the lowest price are homogeneous shopping products.

True False

72. Homogeneous shopping products are basically the same in the eyes of the customer and purchase decisions are often based on price.

True False

73. Shopping products that a customer sees as different and wants to inspect for quality and suitability are heterogeneous shopping products.

True False

74. Shopping products that a customer sees as basically the same and wants at the lowest price are heterogeneous shopping products.

True False

75. Consumer products that a customer really wants and is willing to make a special effort to shop for and compare different possibilities are specialty products.

True False

76. Shopping for a specialty product involves comparing the special features of different brands.

True False

77. Specialty products are usually only purchased once-in-a-lifetime, so the customer must search extensively before buying.

True False

78. Firms should try to show the value of unsought products through promotion because people do not want them or know that they are available.

True False

79. Without promotion, unsought products will probably stay unsold.

True False

80. Consumer products which offer really new ideas that potential customers don't know about yet are new unsought products.

True False

81. Personal selling is important for new unsought products, but it tends not to be important for regularly unsought products.

True False

82. For different people, the same product might be a convenience product, a shopping product, or a specialty product.

True False

83. Product class does not vary by country.

True False

84. The demand for business products derives from the demand for final consumer products.

True False

85. Although the total industry demand for business products may be inelastic, the demand facing individual sellers may be extremely elastic.

True False

86. Expense items are depreciated over many years, while capital items are charged off as they are used-- usually in the year of purchase.
- True False
87. Business product classes are based on how buyers think about products and how the products will be used.
- True False
88. Business product classes are based on the way that buyers shop for and buy products, because there is much more shopping for business products compared to consumer products.
- True False
89. Installations are long-lasting capital items such as buildings and land rights, custom-made equipment, and standard equipment.
- True False
90. Installations are not bought very often, but the number of potential buyers at any particular time is usually quite large.
- True False
91. The main difference between installations and accessory equipment is that accessories are capital items while installations are expense items.
- True False
92. Capital items which are more expensive and longer-lived than installations are called accessory equipment.
- True False
93. Raw materials are unprocessed expense items such as farm products and natural products.
- True False
94. Raw materials are short-lived capital items.
- True False
95. One of the important differences between raw materials and other business products is that raw materials usually have to be graded.
- True False
96. An important difference between raw materials and other business products is the need for grading.
- True False
97. Expense items which have had more processing than raw materials and become part of a finished product are component parts and materials.
- True False



98. Component parts usually require much processing to get them ready for assembly.

True False

99. Supplies (business products) are expense items that do not become part of a final product.

True False

100. Professional services are usually expense items which support the operation of a firm.

True False

101. For professional services which are needed only occasionally and require special skills, it is usually better for a firm to have its own employees provide them than to use outsiders.

True False

102. According to the text, "product":

- A. means a physical good.
- B. includes all the elements of a marketing mix.
- C. means the need-satisfying offering of a firm.
- D. refers to goods but not services.
- E. All of the above.

103. "Product" means:

- A. all the services needed with a physical good.
- B. a physical good with all its related services.
- C. the need-satisfying offering of a firm.
- D. all of a firm's producing and distribution activities.
- E. a well-packaged item with a well-advertised brand name.

104. A "product" is best described as:

- A. A purely physical entity.
- B. An image in the mind of the consumer.
- C. A need satisfying offering of a firm.
- D. An intangible service.
- E. All of the technical aspects of production.

105. The need-satisfying offering of a firm is its

- A. promotion.
- B. warranty.
- C. brand.
- D. product.
- E. relative quality.

106. According to the text, product quality means that:

- A. products are designed to meet demanding specifications.
- B. a product satisfies a customer's requirements or needs.
- C. there are not errors in the production process.
- D. the product won't ever break.
- E. None of the above is correct.

107. \_\_\_\_\_ means a product's ability to satisfy a customer's needs or requirements.

- A. Quality
- B. Service
- C. Trademark
- D. Derived demand
- E. Assortment

108. From a marketing perspective, product quality primarily depends on,

- A. the price of a product.
- B. a product working as it is supposed to work.
- C. quality control procedures used during manufacturing.
- D. the customer's specific requirements and needs.
- E. the features of products offered by competitors.

109. From a marketing perspective, a high quality copy machine is one that:

- A. does a good job satisfying a customer's requirements or needs.
- B. offers the most features.
- C. is produced with the best materials.
- D. has the longest warranty.
- E. is designed and manufactured to last the longest.

110. Regarding quality:

- A. the best credit card may not be the one with the highest credit limit.
- B. the best clothing may not be a pair of slacks, but a pair of jeans.
- C. the best computer may not be the most powerful one.
- D. All of the above are true.
- E. None of the above is true.

111. Saxon Shoes is a large independent shoe store. In the men's department, the store offers three different brands of slip-on tassel loafers for men: Bass, priced at \$75; Rockport, priced at \$125; and Allen Edmonds, priced at \$250. In terms of product quality, which of the following is an accurate statement?

- A. The Bass shoes have the lowest quality.
- B. The Allen-Edmonds shoes have the highest quality.
- C. The Rockport shoes have mid-level quality.
- D. The quality of the three brands depends on the degree to which they meet the needs of the consumers in the target market.
- E. All of the above.

112. "Product" means:

- A. A physical good or service which offers potential customer satisfaction.
- B. A physical good with all its related features.
- C. The entire physical output of a firm.
- D. All of the elements in a firm's marketing mix.
- E. Something that has been produced, packaged, branded, and given a warranty.

113. A "product" might include:

- A. a brand name, a package, and a warranty.
- B. instructions.
- C. a service which does not include a physical good at all.
- D. some physical item and its related features.
- E. All of the above.

114. Which of the following is a "product"?

- A. a used car
- B. a bus ride
- C. a haircut
- D. a dental exam
- E. all of the above

115. According to the text, which of the following is NOT a product?

- A. space in Playboy Magazine sold to an advertiser
- B. a Sony PlayStation III
- C. a Broadway musical play
- D. the San Diego Zoo
- E. All of the above are products.

116. Services

- A. are intangible.
- B. often have to be produced in the presence of the customer.
- C. are not easy to store.
- D. are perishable.
- E. all of the above.

117. Services

- A. are tangible.
- B. often have to be produced in the presence of the customer.
- C. are easy to store.
- D. are usually produced before they are sold.
- E. all of the above.

118.Services, as opposed to physical products:

- A. May be stored for later use.
- B. Are usually sold first, and then produced.
- C. Are usually produced and consumed in different time frames.
- D. Never require the presence of the consumer in order to be performed.
- E. None of the above.

119.Vision Co. manufactures and sells tea, coffee, desserts, shoes, and sporting goods. All of these products are its

- A. product line.
- B. equity products.
- C. complementary goods.
- D. product assortment.
- E. brand family.

120.A product assortment is:

- A. something offered by manufacturers but not by retailers.
- B. a particular product within a product line.
- C. a set of products that are closely related.
- D. the set of all product lines and individual products that a firm sells.
- E. None of the above.

121.A company with a large product assortment might

- A. have many product lines with little selection in each.
- B. have a single product line.
- C. have many individual products.
- D. All of the above are true.
- E. Only A and C are true.

122.A large U.S. firm produces potato chips, shortening, dishwasher detergent, laundry detergent, shampoo, disposable diapers, and facial tissues. These are the firm's

- A. product classes.
- B. product assortment.
- C. individual products.
- D. marketing mix.
- E. product line.

123.A product line is a set of individual products that are closely related in which of the following ways?

- A. They are sold to the same target market.
- B. They are produced and/or operate in a similar manner.
- C. They are priced at about the same level.
- D. They are sold through the same type of outlets.
- E. Any or all of the above.

124. Which of the following could be an example of a firm's product line?

- A. coffees.
- B. disposable diapers.
- C. snow skis.
- D. ski boots.
- E. all of the above.

125. Nike, Inc. markets several types of athletic shoes, along with clothing and fitness equipment. In other words, Nike has

- A. product components.
- B. a battle of the brands.
- C. no product assortment.
- D. many product classes.
- E. several product lines.

126. Individual products:

- A. are part of product lines but not product assortments.
- B. may require their own marketing mixes.
- C. are usually distinguished by brand, size, price, or some other characteristic.
- D. All of the above.
- E. Both B and C.

127. Which of the following is the best example of an individual product?

- A. 32-ounce boxes of Gain and Tide.
- B. 3 types of pears.
- C. Six brands of cookies.
- D. 12 oz. size of Pert Plus.
- E. All of the above.

128. A \_\_\_\_\_ is a word, letter, or group of words or letters.

- A. UPC
- B. FTC
- C. trademark
- D. SIC
- E. brand name

129. Which of the following is(are) TRUE?

- A. "Service mark" refers to all means of product identification.
- B. A "trademark" must be attached to a product to be legally protected.
- C. "Branding" refers to the use of symbols to identify a product--but does not include brand names.
- D. "Brand name" is a word, letter, or group of words or letters.
- E. All of the above are true.

130. Words, symbols, or logos that are legally registered for use by a single company are:

- A. Trademarks.
- B. Brand names.
- C. Brand marks.
- D. Service marks.
- E. Watermarks.

131. A trademark

- A. has no legal meaning.
- B. includes those words, symbols, or marks that are legally registered for use by a single company.
- C. is any word, letter, or a group of words or letters.
- D. is the value of a brand to its current owner or to a firm that wants to buy it.
- E. is protected by the Magnuson-Moss Act.

132. Which of the following is(are) TRUE?

- A. A "service mark" is to a service what a "trademark" is to a physical good.
- B. "Trademark" refers to all means of product identification.
- C. A "trademark" must be attached to a product to be legally protected.
- D. All of the above are true.
- E. None of the above are true.

133. Branding is good for some CONSUMERS because it:

- A. makes shopping easier.
- B. provides dependable guides to product quality.
- C. helps assure regular satisfaction.
- D. All of the above.
- E. None of the above.

134. Branding can help BRANDERS because it:

- A. may lower promotion costs.
- B. can improve the company's image.
- C. encourages repeat buying.
- D. may develop customer loyalty.
- E. All of the above.

135. Which of the following is a condition favorable to successful branding?

- A. The product quality is difficult to maintain.
- B. The product is difficult to label and identify by brand.
- C. Favorable shelf locations or display spaces are available in stores.
- D. Limited availability for the product in the market.
- E. All of the above.

136.Branding:

- A. is especially helpful with a low quality product.
- B. is handled by manufacturers, but not intermediaries.
- C. helps consumers, but it is bad for the firm because it increases expenses.
- D. is more likely to be successful if demand for the general product class is strong enough to allow a profitable price.
- E. None of the above is true.

137.Which of the following is NOT favorable to successful branding?

- A. Consistent quality can be maintained.
- B. Access to favorable shelf locations is very limited.
- C. Economies of scale should be possible.
- D. The product is easy to identify by brand or trademark.
- E. Dependable and widespread availability should be possible.

138.Which of the following conditions would not be favorable to branding?

- A. Dependable and widespread availability is possible
- B. Economies of scale in production
- C. Fluctuations in product quality due to inevitable variations in raw materials
- D. Product easy to identify by brand or trademark
- E. Demand is strong so the price can be high enough to be profitable

139.Which of the following would NOT be favorable for successful branding?

- A. The product is hard to identify by brand or trademark.
- B. The product has widespread availability in the market.
- C. The product has economies of scale in production and distribution.
- D. The product offers the best value for the price.
- E. Product quality is easy to maintain.

140.Which of the following would NOT be favorable to successful branding?

- A. The product offers superior customer value
- B. Product quality fluctuates due to variations in raw materials
- C. Dependable and widespread availability
- D. Economies of scale in production
- E. Favorable shelf locations are available

141.Which of the following statements about branding is TRUE?

- A. Customers are willing to buy by brand only when it assures "top quality."
- B. Branding provides product identification for sellers but usually is not important to consumers.
- C. What brand is familiar often varies from one country to another.
- D. All of the above.
- E. None of the above.

142. Which of the following is NOT a level of brand familiarity?

- A. Brand nonexistence.
- B. Brand rejection.
- C. Brand nonrecognition.
- D. Brand preference.
- E. Brand insistence.

143. \_\_\_\_\_ means potential customers won't buy a brand--unless its current image is changed.

- A. Brand preference
- B. Brand rejection
- C. Brand insistence
- D. Brand recognition
- E. Brand nonrecognition

144. Ross Wrigley refuses to buy Billy Goat brand of beer, his attitude toward this brand is called \_\_\_\_\_.

- A. brand rejection
- B. brand familiarity
- C. brand nonrecognition
- D. brand recognition
- E. brand positioning

145. Roberto Vasquez has never owned a Samsung TV, but his parents owned one and were not at all satisfied. As a result, Roberto won't even consider buying a Samsung. As far as Roberto is concerned, Samsung has achieved brand \_\_\_\_\_.

- A. preference
- B. recognition
- C. nonrecognition
- D. rejection
- E. insistence

146. Anita Seagroves visits the local Healthy Glow spa, but dislikes the dirty dressing area and refuses to go back. This is an example of

- A. homogeneous shopping.
- B. trademarking.
- C. brand rejection.
- D. heterogeneous shopping.
- E. brand nonrecognition.

147. \_\_\_\_\_ means a brand is not recognized by final customers at all.

- A. Brand nonrecognition
- B. Brand rejection
- C. Brand insistence
- D. Brand recognition
- E. Brand preference



148. Nonrecognition of the brand name of a firm's product is likely to be LEAST important for:

- A. Coal
- B. Photographic film
- C. Lubricating oils for machinery
- D. Cold tablets
- E. Replacement auto repair parts

149. \_\_\_\_\_ means potential customers remember a particular brand.

- A. Brand preference
- B. Brand non-recognition
- C. Brand insistence
- D. Brand recognition
- E. Brand rejection

150. Target customers choosing a particular brand over other brands, because of habit or favorable past experience have a brand familiarity level of

- A. brand preference.
- B. brand knowledge.
- C. brand insistence.
- D. brand recognition.
- E. brand positioning.

151. \_\_\_\_\_ means target customers will generally choose a particular brand over other brands--perhaps out of habit or past experience.

- A. Brand nonrecognition
- B. Brand preference
- C. Brand insistence
- D. Brand rejection
- E. Brand recognition

152. Beth Sahadi usually buys Sassoon shampoo because she likes its smell. But this morning her local drugstore was out of Sassoon, so she decided to buy another highly advertised brand that was on sale because she really needed to wash her hair that night. For Beth, Sassoon has probably achieved brand:

- A. preference.
- B. insistence.
- C. nonrecognition.
- D. rejection.
- E. extinction.

153. Carlotta Issa is shopping for a new pair of jeans. She has had good experiences with Jordache jeans in the past and is looking for Jordache now. She probably will buy Jordache if she finds some that are at least as good-looking as competitive jeans. This is a good example of:

- A. brand rejection.
- B. brand recognition.
- C. brand remembrance.
- D. brand preference.
- E. brand insistence.

154. \_\_\_\_\_ means potential customers insist on a firm's branded product and are willing to search for it.
- A. Brand insistence
  - B. Brand preference
  - C. Brand nonrecognition
  - D. Brand rejection
  - E. Brand recognition
155. Wu Chen frequently travels to Caracas, Venezuela where the only hotel he will stay at is the Crown Prince Hotel. His level of brand familiarity toward the Crown Prince Hotel is \_\_\_\_\_
- A. brand awareness.
  - B. brand familiarity.
  - C. brand rejection.
  - D. brand recognition.
  - E. brand insistence.
156. Darrell Everwine read a review about a new computer program that appealed to him very much. He decided to try to find the program. However, the new program was in short supply--although other brands with similar features were available. Darrell had to try seven shops before he finally found the program in stock. For Darrell, this program achieved brand:
- A. preference.
  - B. insistence.
  - C. rejection.
  - D. nonrecognition.
  - E. recognition.
157. Applying the text's list of characteristics of a good brand name, which of the following would be the poorest example of a good brand name?
- A. Pizza Hut.
  - B. King Kong Chewing Gum.
  - C. DieHard flashlights.
  - D. General Electric TVs.
  - E. L'eggs hosiery.
158. Which of the characteristics of a good brand name is missing in the following proposed name: "Gnucheo" candy?
- A. Simple
  - B. Short
  - C. Not offensive
  - D. Always timely
  - E. Easy to pronounce
159. Characteristics of a good brand name include all of the following except:
- A. Be easy to spell and pronounce.
  - B. Be trendy and fashionable.
  - C. Describe the product and key benefits.
  - D. Be legally available for use by the firm.
  - E. Match the brand's packaging.

160. The value of a brand to its current owner or to a firm that wants to buy it is called

- A. brand preference.
- B. brand equity.
- C. brand identity.
- D. brand positioning.
- E. brand reference.

161. Which of the following statements is true?

- A. Consumer demand for a specific brand at a profitable price helps build brand equity.
- B. Brand equity is likely to be higher if retailers are eager to stock the brand.
- C. The value of a brand to its current owner is called brand equity.
- D. It is usually difficult and expensive to build brand recognition.
- E. All of the above are true.

162. The law which focuses on the protection of trademarks and brand names is

- A. the Lanham Act.
- B. the Magnuson-Moss Act.
- C. the Uniform Product Code Act.
- D. the Federal Fair Packaging and Labeling Act.
- E. None of the above.

163. The \_\_\_\_\_ spells out what kinds of marks including brand names can be protected and the exact method of protecting them.

- A. Magnuson-Moss Act
- B. Federal Fair Packaging and Labeling Act
- C. Lanham Act
- D. Wagner Act
- E. Licenses Act

164. Which of the following statements about trademarks is TRUE?

- A. Trademarks must always be registered in their home country only.
- B. In the U.S., common law protects the rights of the owners of brand names and trademarks.
- C. The Lanham Act requires that all trademarks be registered.
- D. Registering under the Lanham Act is often a first step to protecting a trademark to be used in foreign markets.
- E. Both B and D are true.

165. Trademarks

- A. can be legally protected in the U.S. under the Lanham Act.
- B. cannot be registered with a government agency in the U.S.
- C. are legally protected in the United States, but not in any other countries.
- D. and trademark infringement are aggressively policed by a special agency of the U.S. Government.
- E. None of the above is true.

166. Which of the following statements about the Lanham Act is TRUE?

- A. It spells out what kinds of brand names can be protected.
- B. Registration under the Lanham Act only applies to licensed brands.
- C. The Lanham Act makes registration of a brand name mandatory.
- D. Registering under the Lanham Act does not help protect a trademark to be used in foreign markets.
- E. All of the above are true statements.

167. The Lanham Act:

- A. Provides legal guidelines for product warranties.
- B. Forces all companies to register their brands.
- C. Describes the kinds of marks that can be protected and the methods for doing so.
- D. Deals with deceptive product claims and advertisements.
- E. Protects consumers against unsafe products.

168. A trademark or brand name can become public property if:

- A. the owner doesn't renew the registration each year.
- B. it becomes a common descriptive word for the product.
- C. the owner doesn't register it under the Lanham Act.
- D. it is sold in international markets.
- E. All of the above.

169. A producer that is selling all its products under one brand name is using \_\_\_\_\_ brand.

- A. a family
- B. a generic
- C. a licensed
- D. a national
- E. an individual

170. When a company decides to use the same brand name for several products, it is a(n)

- A. individual brand.
- B. family brand.
- C. dealer brand.
- D. private brand.
- E. select brand.

171. Use of family brands

- A. may involve several firms--if one licenses its brand.
- B. is common among both producers and intermediaries.
- C. can provide customers with cues about the quality of new products.
- D. can be efficient, since the brand name will carry over in the firm's advertising.
- E. All of the above are true.

172. Vision Co. manufactures and sells tea, coffee, desserts, shoes, and sporting goods--all under the Vision brand name. These products are
- A. the firm's product line.
  - B. dealer brands.
  - C. sold with a family brand.
  - D. specialty products.
  - E. generic products.
173. A producer of high quality stereo component equipment has developed a new line of very inexpensive, low quality "rack systems" to sell through discount stores. It probably should not use its current \_\_\_\_\_ brand for the new line.
- A. dealer
  - B. licensed
  - C. national
  - D. family
  - E. generic
174. Boatwright College gives manufacturers of clothing and gift items permission to place the college's name and emblem on a wide variety of merchandise. In return, Boatwright is paid a fee for granting this permission. In this case, the Boatwright name and logo is a:
- A. Manufacturer brand.
  - B. Individual brand.
  - C. Dealer brand.
  - D. Licensed brand.
  - E. Private brand.
175. Which of the following would be MOST LIKELY to use individual brands rather than a family brand for its products?
- A. Manufacturer of knives and scissors for "top quality" market
  - B. Manufacturer of canned pet food and sandwich spread for final consumers
  - C. Manufacturer of sweeping compounds, brooms, and mops for business firms
  - D. Manufacturer of flour for the "mass market"
  - E. Manufacturer of packaged potato chips and crackers.
176. Sears uses a \_\_\_\_\_ brand when it uses the same brand name for several products. In contrast, General Motors, by using different brands for each car line, uses \_\_\_\_\_ brands.
- A. individual, generic
  - B. generic, family
  - C. manufacturer, dealer
  - D. national, local
  - E. family, individual

177. Fresher Foods Co. manufactures and sells a variety of dairy products under the Fresh Farm brand name. It decides to introduce a new line of organic jams and preserves under the Tru Flavor Preserves brand name. The new line is using \_\_\_\_\_.

- A. a family brand
- B. an individual brand
- C. a dealer brand
- D. a private brand
- E. a select brand

178. Products which have no brand other than the identification of their contents are called

- A. generic products.
- B. local brands.
- C. regional brands.
- D. licensed products.
- E. dealer brands.

179. "Manufacturer brands" are:

- A. also called family brands.
- B. often called private brands.
- C. called licensed brands.
- D. those having national distribution.
- E. sometimes called national brands.

180. Manufacturer brands are also called \_\_\_\_\_.

- A. Dealer brands.
- B. Global brands.
- C. National brands.
- D. Private brands.
- E. Store brands.

181. A "dealer brand" is sometimes called a \_\_\_\_\_ brand.

- A. national
- B. local
- C. manufacturer
- D. private
- E. regional

182. Sears' Kenmore brand of appliances sold in all Sears stores illustrates two kinds of brands.

- A. dealer and family brands.
- B. local and national brands.
- C. generic and family brands.
- D. licensed and dealer brands.
- E. manufacturer and family brands.

183. Ukrop's Supermarkets places the Ukrop's brand on a wide variety of products that are only available in Ukrop's stores. The Ukrop's brand is referred to as a(n):

- A. Global brand.
- B. Manufacturer brand.
- C. National brand.
- D. Private brand.
- E. Producer brand.

184. Which of the following is true?

- A. Manufacturer brands usually have national distribution while dealer brands are only distributed locally.
- B. Dealer brands are always priced lower than manufacturer brands.
- C. Dealer brands may be distributed as widely or more widely than many manufacturer brands.
- D. Dealer brands are distributed only by chain-store retailers.
- E. All of the above are true.

185. Food Lion (a large supermarket chain that emphasizes "low prices") sells a dealer brand of frozen green beans. Here,

- A. the producer of the green beans probably does a lot of advertising.
- B. a trademark cannot be used.
- C. a similar manufacturer brand is likely to be given less shelf space.
- D. the price to the consumer will probably be higher than for competing manufacturer brands.
- E. None of the above.

186. Dealer brands, compared to manufacturer brands, usually offer wholesalers and retailers:

- A. less risk.
- B. higher gross margins.
- C. faster turnover at reduced selling costs.
- D. products which are presold to target customers.
- E. more prestige.

187. The "battle of the brands" refers to competition between:

- A. manufacturers and intermediaries.
- B. retailers and wholesalers.
- C. retailers and other retailers.
- D. wholesalers and other wholesalers.
- E. manufacturers and other manufacturers.

188. The current status of the "battle of the brands" is that:

- A. dealer brands will seek narrower distribution in the future.
- B. retailers now control the marketplace.
- C. the vast majority of consumers clearly prefer manufacturer brands over dealer brands.
- D. manufacturers are gaining on intermediaries.
- E. competition has reduced the gap in prices.

189. Which of the following statements regarding the "battle of the brands" is true?

- A. It is pretty well over as the manufacturer brands now control the marketplace.
- B. Intermediaries have no real advantages in the battle of the brands.
- C. If the present trend continues, manufacturer brands will disappear.
- D. Manufacturer brands have been losing ground to dealer brands.
- E. The battle of the brands has increased the differences in price between manufacturer brands and dealer brands.

190. Packaging

- A. can serve as a useful enhancement tool.
- B. can increase costs to the consumer.
- C. can serve as a useful promotional tool.
- D. is concerned with protecting the product in shipping and on the shelf.
- E. All of the above are true.

191. Good packaging:

- A. Can make a product easier or safer to use.
- B. Can be an important promotional tool.
- C. Can lower distribution costs.
- D. Can make products easier to handle and display.
- E. All of the above.

192. A good marketing manager knows that:

- A. packaging suppliers are usually a poor source of information.
- B. packaging costs generally reduce the customer value a consumer receives.
- C. packaging costs should be kept to a minimum.
- D. good packaging can tie the product to the rest of a marketing strategy.
- E. All of the above are true.

193. Packaging

- A. objectives should primarily focus on promoting the product at the point of purchase.
- B. is important to manufacturers, but not retailers.
- C. decisions should be based on what package will result in the lowest possible cost to the consumer.
- D. All of the above are true.
- E. None of the above is true.

194. Which of the following statements about packaging is TRUE?

- A. Better packaging almost always increases total distribution cost.
- B. A package should satisfy not only the needs of final consumers but also those of intermediaries.
- C. A package doesn't have much promotion impact at retail stores.
- D. A good package can aid in the promotion effort, but it's not as effective as advertising.
- E. All of the above are true.



195. Which of the following statements about packaging is TRUE?

- A. The number of package sizes for similar products from different manufacturers is increasing dramatically, because most firms realize that this makes direct comparisons among brands harder.
- B. There is very little government regulation of packaging, except for drug products.
- C. A good package can sometimes provide more promotional impact than advertising.
- D. All of the above are true.
- E. None of the above is true.

196. Which of the following statements about the strategic importance of packaging is FALSE?

- A. A package may have more promotional impact than a firm's advertising efforts.
- B. A new package can become the major factor in a new marketing strategy by significantly improving the product.
- C. Packaging is concerned with promoting, protecting, and enhancing.
- D. Better packaging always raises total distribution costs.
- E. A package should satisfy not only the needs of consumers but also those of business and organizational customers.

197. A carefully designed package may:

- A. raise total distribution cost.
- B. provide more "promotion" effect--and at a lower cost--than advertising.
- C. enhance the product by making it easier or safer to use.
- D. offer product information that helps consumers buy.
- E. All of the above are true.

198. A "universal product code" (UPC):

- A. identifies a product with a mark which can be "read" by electronic scanners.
- B. was required by the Federal Fair Packaging and Labeling Act.
- C. slows down the retail checkout process.
- D. involves placing the price per ounce on or near the product.
- E. All of the above are true.

199. The Federal Fair Packaging and Labeling Act:

- A. was created due to consumer criticism of packaging and labeling.
- B. calls on government agencies and industry to try to reduce the number of packaging sizes.
- C. requires that consumer goods be clearly labeled in understandable terms.
- D. all of the above.
- E. A and B only.

200. The Federal Fair Packaging and Labeling Act:

- A. requires that consumer goods be clearly labeled in understandable terms--to give more information.
- B. requires informative labeling of food products regarding nutrients, taste, and texture.
- C. requires informative labeling of food products regarding fat content.
- D. requires the use of universal product codes.
- E. All of the above.

201. The Federal Fair Packaging and Labeling Act calls for all of the following EXCEPT

- A. consumer goods be clearly labeled in easy-to-understand terms.
- B. industry to try and reduce the number of package sizes.
- C. food manufacturers to use a uniform format that allows consumers to compare the nutritional value of different products.
- D. producers to provide a clearly written warranty if they choose to offer any warranty.
- E. Both C and D.

202. The Nutrition Labeling and Education Act of 1990 requires food manufacturers to \_\_\_\_\_.

- A. list the nutritional value of the food product.
- B. use a uniform format in the Nutrition Facts panel.
- C. list the fat content of the food product.
- D. all of the above.
- E. A and C only.

203. A \_\_\_\_\_ explains what the seller promises about its product.

- A. copyright
- B. trademark
- C. brand
- D. service mark
- E. warranty

204. The national law which is primarily concerned with regulating product warranties is

- A. the Lanham Act.
- B. the Magnuson-Moss Act.
- C. the Uniform Product Code Act.
- D. the Federal Fair Packaging and Labeling Act.
- E. None of the above.

205. This \_\_\_\_\_ says that producers must provide a clearly written warranty if they choose to offer any warranty.

- A. Norris-LaGuardia Act
- B. Lanham Act
- C. Wagner Act
- D. Magnuson-Moss Act
- E. Food and Drug Act

206. The Magnuson-Moss Act requires that:

- A. all firms provide written warranties for all products.
- B. a warranty must be clearly written, if one is offered.
- C. all warranties be strong warranties.
- D. all warranties be for at least one year.
- E. all of the above.

207.The Magnuson-Moss Act:

- A. requires that all warranties be "full."
- B. says that all firms must offer written warranties for all products.
- C. requires that all warranties cover at least a one-year period.
- D. says that producers must provide a clearly written warranty if they choose to offer any warranty.
- E. All of the above.

208.If a firm offers a written warranty, it

- A. must be labeled either "full" or "limited."
- B. must be available to buyers before the sale.
- C. shouldn't be "deceptive" or "unfair" per FTC guidelines.
- D. may help create a new strategy.
- E. All of the above are true.

209.Product warranties:

- A. Must be specific and in writing.
- B. Can have a positive effect on perceptions of product quality.
- C. Are governed by the federal Lanham Act.
- D. Are the same as service guarantees.
- E. All of the above.

210.If a firm offers a service guarantee, it

- A. can be effective in creating repeat customers.
- B. takes on more risk than offering a warranty on a physical product.
- C. can be expensive if its employees are apathetic.
- D. All of the above are true.
- E. Only A and C are true.

211.Regarding product classes,

- A. Business product classes are based on how buyers think about products and how the products will be used.
- B. Consumer product classes are based on how consumers think about and shop for products.
- C. The same product may be a consumer product and a business product.
- D. Products are classified by what type of customer will use them.
- E. All of the above are true.

212.Product class is based on the type of \_\_\_\_\_.

- A. Final customer.
- B. Manufacturing process.
- C. Marketing mix.
- D. Marketing strategies.
- E. Shopping strategies.

213. Consumer product classes are based on \_\_\_\_\_, while business product classes are based on \_\_\_\_\_.

- A. how the product is to be used, the price for the product
- B. how consumers shop for the product, how the product is to be used
- C. the price of the product, the quality of the product
- D. how the product is produced, how the product is sold
- E. how the product is sold, how the product is produced

214. The text's consumer product classes are based upon:

- A. methods of distribution.
- B. NAICS codes.
- C. the nature of the products.
- D. the way people think about and shop for products.
- E. the way firms price their products.

215. According to the text, consumer product classes:

- A. are based on how consumers shop for products.
- B. are interesting, but not helpful for planning marketing strategy.
- C. are based on how the products will be used.
- D. are based on the product features involved.
- E. can be broken down into goods, services, and ideas.

216. Consumer product classes

- A. are based on how the product will be used.
- B. are based primarily on how much effort is actually involved in making a purchase.
- C. suggest the type of marketing mix that should be used, but business product classes have little to do with the marketing mix that should be used.
- D. are based on how consumers think about and shop for products.
- E. None of the above is true.

217. The text's consumer product classes are based on:

- A. each product's price level.
- B. the way consumers think about and shop for products.
- C. the channel(s) of distribution used for each product.
- D. the nature of the product and how it will be used.
- E. how the product is produced.

218. The text's consumer product classes are based on:

- A. the demand elasticity of the products.
- B. the way people think about and shop for products.
- C. the type of stores that sell the products.
- D. the quantity in which products will be purchased or used.
- E. how the sellers view the products.

219. Consumer product classes are based on

- A. the level of derived demand.
- B. how consumers think about products.
- C. what types of business products were used to produce them.
- D. how consumers will use the products.
- E. how new and innovative the products are.

220. Which of the following is NOT a consumer product class?

- A. specialty.
- B. unsought.
- C. derived.
- D. shopping.
- E. impulse.

221. Which of the following is NOT one of the consumer product classes discussed in the text?

- A. Unsought products
- B. Innovative products
- C. Shopping products
- D. Convenience products
- E. Specialty products

222. Which of the following is NOT one of the consumer product classes discussed in the text?

- A. Unsought products
- B. Imitation products
- C. Shopping products
- D. Convenience products
- E. Specialty products

223. \_\_\_\_\_ are products a consumer needs but isn't willing to spend much time and effort shopping for.

- A. Convenience products
- B. Unsought products
- C. Homogeneous shopping products
- D. Utility products
- E. Heterogeneous shopping products

224. \_\_\_\_\_ are products a consumer needs but isn't willing to spend much time and effort shopping for.

- A. Convenience products
- B. Unsought products
- C. Homogeneous shopping products
- D. Specialty products
- E. Heterogeneous shopping products

225. Convenience products are products

- A. a consumer needs but is not willing to spend much time or effort shopping for.
- B. which consumers are aware of but not interested in.
- C. meant for use in producing other products.
- D. toward which consumer attitudes may be negative.
- E. that consumers want because they are easy to use or consume.

226. Which of the following is NOT a convenience product?

- A. a staple.
- B. an impulse product.
- C. a business product.
- D. an emergency product.
- E. all of the above are convenience products.

227. Convenience products include:

- A. impulse products.
- B. staple products.
- C. emergency products.
- D. All of the above.
- E. Only A and C above.

228. Which of the following would be a convenience product for most consumers?

- A. Gold jewelry
- B. Butter
- C. Stereo TVs
- D. Dress shoes
- E. Bicycles

229. Which of the following is LEAST likely to be a convenience product for most consumers?

- A. Peanut butter.
- B. Laundry detergent.
- C. Candy bar.
- D. Pair of jeans.
- E. Paper towels.

230. If a consumer product is used regularly and usually bought frequently and routinely with little thought (although branding may be important), this product is:

- A. a routine product.
- B. a specialty product.
- C. a homogeneous shopping product.
- D. a staple product.
- E. a casual product.

231. \_\_\_\_\_ are bought often, routinely, and without much thought.

- A. New unsought products
- B. Staples
- C. Specialty products
- D. Business products
- E. Shopping products

232. Staple products:

- A. need maximum exposure and widespread distribution at low cost.
- B. need adequate representation in major shopping areas.
- C. need widespread distribution but with assurance of preferred display.
- D. need widespread distribution near probable points of use.
- E. can have limited availability as long as display is good.

233. Impulse products are:

- A. products that potential customers do not want yet or know they can buy.
- B. bought quickly--as unplanned purchases--because of a strongly felt need.
- C. any products that consumers search for because of a strongly felt craving.
- D. any convenience products that are bought often and routinely.
- E. All of the above.

234. Impulse products:

- A. are likely to gain or lose sales depending on where they're sold.
- B. require a great deal of advertising.
- C. are a specific type of specialty product.
- D. are usually high in price.
- E. All of the above are correct.

235. Which of the following products in a supermarket is MOST likely to be an impulse product?

- A. oranges.
- B. bread.
- C. frozen peas.
- D. a child's toy.
- E. shampoo.

236. Which of the following products in a supermarket is LEAST likely to be an impulse product?

- A. bread.
- B. local newspaper.
- C. camera film.
- D. an ice cream cone.
- E. flashlight batteries.

237. While shopping in a local supermarket, Jolene Partin came upon an aisle display of cookies and had to have some--immediately. By the time she got to the checkout counter with the rest of her selections, all the cookies were gone. In this case, the cookies were:
- A. an impulse product.
  - B. a staple product.
  - C. an unsought product.
  - D. very nutritious.
  - E. a consumption product.
238. Impulse products:
- A. can have limited availability as long as display is good.
  - B. need widespread distribution with display at point of purchase.
  - C. need enough exposure to facilitate price comparisons.
  - D. need adequate representation in major shopping areas.
  - E. need widespread distribution at low cost.
239. Compared to other consumer products, the major distinguishing characteristic of emergency products is the customer's:
- A. desire to negotiate for a "deal."
  - B. urgency to get the need satisfied.
  - C. willingness to shop around for a lower price.
  - D. interest in the brand name.
  - E. willingness to shop and compare.
240. During a heavy rainstorm, Louie Hirasawa stepped into a drugstore and bought an umbrella--just like the one he had at home--for \$15.00 plus tax. In this case, the umbrella is:
- A. a specialty product.
  - B. a shopping product.
  - C. an unsought product.
  - D. an emergency product.
  - E. an impulse product.
241. When selling \_\_\_\_ products, a marketing manager should recognize that consumers have low price sensitivity and the product should have widespread distribution near the probable point of need.
- A. homogeneous
  - B. specialty
  - C. emergency
  - D. impulse
  - E. regularly unsought
242. Emergency products:
- A. need adequate representation in major shopping areas.
  - B. need widespread distribution but with assurance of preferred display.
  - C. can have limited availability as long as display is good.
  - D. need widespread distribution near probable points of use.
  - E. need widespread distribution at low cost.



243.Regarding consumer product classes, a convenience product is to an emergency product as

- A. a staple is to an emergency product
- B. a shopping product is to a heterogeneous shopping product
- C. an unsought product is to a specialty product
- D. a new unsought product is to a regularly unsought product
- E. a specialty product is to a homogeneous shopping product

244.Regarding the organization of the product classes, an impulse product is to an emergency product as

- A. a new unsought product is to a regularly unsought product.
- B. an installation is to a homogeneous shopping product.
- C. an impulse product is to a convenience product.
- D. a consumer product is to a business product.
- E. a shopping product is to a specialty product.

245.Consumer products which customers see as basically the same and want to buy at the lowest price are called:

- A. heterogeneous shopping products.
- B. homogeneous shopping products.
- C. comparison products.
- D. unsought products.
- E. convenience products.

246.\_\_\_\_\_ shopping products are products that the customer sees as basically the same and wants at the lowest price.

- A. Regularly unsought
- B. New unsought
- C. Specialty
- D. Unsought
- E. Homogeneous

247.When some customers see all competitors' offerings as basically the same and are willing to spend much time and effort to buy the item at the lowest price, the item is:

- A. an analysis product.
- B. a specialty product.
- C. a staple product.
- D. a heterogeneous shopping product.
- E. a homogeneous shopping product.

248.Having a competitive price is likely to

- A. be more important for a homogeneous shopping product than for a specialty product.
- B. be more important for a heterogeneous shopping product than for a homogeneous shopping product.
- C. be more important for an emergency product than for a staple.
- D. keep a product from falling into the "unsought" product class.
- E. None of the above is true.

249. Luke Flaherty wants to buy an electric drill for some jobs around his home. Deciding that all such drills are similar, he reads all the advertisements in his Sunday paper in search of the best price. For Luke, these drills are:
- A. a heterogeneous shopping product.
  - B. a staple product.
  - C. a specialty product.
  - D. a homogeneous shopping product.
  - E. an emergency product.
250. Homogeneous shopping products:
- A. need widespread distribution near probable points of sale.
  - B. need enough exposure to facilitate price comparison.
  - C. need widespread distribution with assurance of preferred display.
  - D. need widespread distribution at low cost.
  - E. None of the above is true.
251. For a homogeneous shopping product, a marketing manager should
- A. provide enough exposure to facilitate price comparison.
  - B. understand that price sensitivity is likely to be low.
  - C. recognize that consumers see a lot of differences across alternatives.
  - D. realize that consumers usually pay little attention to price.
  - E. know that consumer purchases are typically unplanned and bought quickly.
252. When final consumers are willing to spend much time and effort comparing quality and style--with brand and price being less important--the product is:
- A. an inspection product.
  - B. a heterogeneous shopping product.
  - C. a homogeneous shopping product.
  - D. a specialty product.
  - E. All of the above are correct.
253. Customers see \_\_\_\_\_ products as different and want to inspect them for quality and suitability.
- A. heterogeneous
  - B. specialty
  - C. new unsought
  - D. impulse
  - E. convenience
254. A consumer is most likely to want and expect help from a salesperson when shopping for
- A. a regularly unsought product.
  - B. an impulse product.
  - C. a staple.
  - D. a heterogeneous shopping product.
  - E. a homogeneous shopping product.

255. Which of the following is true regarding shopping products?

- A. Price is less important in the purchase of heterogeneous shopping products than homogeneous shopping products.
- B. Compared to heterogeneous shopping products, homogeneous shopping products are usually more standardized.
- C. Buyers usually expect more sales help or service with heterogeneous shopping products.
- D. All of the above are true.
- E. None of the above.

256. Lisa Campos was interested in buying a coffee pot to use at college and an MP3 player for her sister's birthday present. At the local discount store, she compared prices on coffee pots and chose the cheapest. She read the product information on each MP3 player and finally chose one with stereo headphones and a rechargeable battery. For Lisa, the coffee pot was

- A. a convenience product, but the MP3 player was a specialty product.
- B. a heterogeneous shopping product, but the MP3 player was a staple.
- C. an impulse product, but the MP3 player was a convenience product.
- D. a specialty product, but the MP3 player was a heterogeneous shopping product.
- E. a homogeneous shopping product, but the MP3 player was a heterogeneous shopping product.

257. Gavan and Rebekah want to buy a flat-screen TV. They look at several brands in several different stores before finally deciding on a Sharp. This set was the most expensive model they saw, but they felt it had better colors and would be more reliable. In this case, this TV is:

- A. an impulse product.
- B. a heterogeneous shopping product.
- C. an emergency product.
- D. a specialty product.
- E. a homogeneous shopping product.

258. Heterogeneous shopping products:

- A. need adequate representation in major shopping areas near similar products.
- B. need widespread distribution near probable points of sale.
- C. need enough exposure to aid price comparison.
- D. need widespread distribution at low cost.
- E. need widespread distribution but with assurance of preferred display or counter position.

259. A consumer product that a customer really wants - and is willing to make a special shopping effort to find - is

- A. a staple product.
- B. a convenience product.
- C. a heterogeneous shopping product.
- D. a specialty product.
- E. an emergency product.

260.Specialty products:

- A. have a number of close substitutes.
- B. are brands customers request by name.
- C. are generally high in price.
- D. all of the above.
- E. none of the above.

261.A specialty product

- A. may not require much searching to find it, but the customer would be willing to search if necessary.
- B. may carry a well-recognized brand.
- C. may be frequently purchased.
- D. need not be an expensive item.
- E. All of the above.

262.Specialty products are consumer products which:

- A. have elastic demand.
- B. very few customers want or can afford to buy.
- C. are relatively expensive and purchased only rarely.
- D. consumers are willing to search for because they really want them.
- E. All of the above.

263.Regarding specialty products, which of the following is TRUE?

- A. Branding does not play an important role in purchasing specialty products.
- B. It is a customer's willingness to search that makes it a specialty product.
- C. Shopping for a specialty product involves much comparing of products.
- D. It is the extent of searching which the customer has to do that makes it a specialty product.
- E. All of the above are true.

264.Emil Flores won't buy any coffee except "Blue Mountain"--a relatively expensive type that few stores sell. He used to have to drive about 10 miles out of his way to buy it at a small shop--but now he has persuaded his local supermarket manager to handle this coffee. For him, this coffee is

- A. an emergency product.
- B. a specialty product.
- C. a staple product.
- D. an unsought product.
- E. a heterogeneous shopping product.

265.Until recently, Emil Flores wouldn't buy any coffee except "Blue Mountain"--a relatively expensive type that few stores sell. He used to have to drive about 10 miles out of his way to buy it at a small shop. Then he was at a friend's home and tried an inexpensive brand of coffee sold by the local supermarket chain. Now he won't buy anything except that brand. For him, the supermarket coffee is

- A. an emergency product.
- B. a specialty product.
- C. a staple product.
- D. an unsought product.
- E. a heterogeneous shopping product.

266. Denise Hunter had Thomasville brand living room furniture and wanted to buy a particular chair of the same brand. She made a few calls to find a store that had the chair in stock. When she found one, she went there and purchased the chair. For Denise, the chair was
- A. a homogeneous shopping product.
  - B. a specialty product.
  - C. an impulse product.
  - D. a heterogeneous shopping product.
  - E. an emergency product.
267. Mrs. Moreau was planning to have several guests at her home for a traditional Thanksgiving dinner. She had cooked Shady Brook Farms fresh turkeys in the past and had enjoyed them very much. When she went to her usual grocery store, she discovered that the store no longer carried the Shady Brook Farms brand. She called several other grocery stores and was finally able to locate Shady Brook Farms fresh turkeys at a small specialty grocery store approximately 10 miles away. She drove to the store and bought a 20-pound Shady Brook Farms turkey, even though the price per pound was higher than what she normally paid at her usual grocery store. For Mrs. Moreau, the Shady Brook Farms turkey was a:
- A. Homogeneous shopping product.
  - B. Specialty product.
  - C. Heterogeneous shopping product.
  - D. Convenience product.
  - E. Unsought product.
268. Rosalita has a special place in her heart for Fina Pasta. She will make a special effort to find the pasta - even going to another store if she cannot find it at her usual store. For Rosalita, Fina Pasta is a \_\_\_\_\_ product.
- A. homogeneous
  - B. specialty
  - C. unsought
  - D. new unsought
  - E. impulse
269. Specialty products:
- A. need widespread distribution at low cost.
  - B. need enough exposure to facilitate price comparison.
  - C. need adequate representation near similar products.
  - D. need widespread distribution near probable points of sale.
  - E. can have limited availability.
270. Consumer products which consumers do not yet want or know they can buy - and probably would not buy without special promotion even if they saw them - are called:
- A. new brands of well-accepted staples.
  - B. unsought products.
  - C. heterogeneous shopping products.
  - D. emergency products.
  - E. homogeneous shopping products.

271. Unsought products:

- A. require wide distribution but little promotion.
- B. are generally unprofitable.
- C. should not be marketed.
- D. All of the above are true.
- E. None of the above is true.

272. Which of the following is an "unsought product"?

- A. Gravestones aimed at "senior citizens."
- B. A new type of "health food" produced by a new, small company.
- C. Life insurance aimed at college students.
- D. Encyclopedias aimed at new parents.
- E. All of the above.

273. Personal selling is extremely important for sellers of:

- A. specialty products.
- B. regularly unsought products.
- C. heterogeneous shopping products.
- D. new unsought products.
- E. homogeneous shopping products.

274. Customers view regularly unsought products as

- A. basically the same.
- B. really new ideas that potential customers do not know about yet.
- C. undesirable but not unsold forever.
- D. different and they want to inspect them for quality and suitability.
- E. worth the time and effort to compare with competing products.

275. Which of the following statements about consumer products is true?

- A. Convenience products are those that customers want to buy at the lowest possible price.
- B. Shopping products are those products for which customers usually want to use routinized buying behavior.
- C. Specialty products are those that customers usually are least willing to search for.
- D. Unsought products are not shopped for at all.
- E. None of the above statements is true.

276. Regarding consumer products,

- A. All unsought products remain unsought forever.
- B. Convenience products are products which customers want to buy at the lowest possible price.
- C. Price is not important at all for heterogeneous shopping products.
- D. Supermarkets may carry homogeneous shopping products.
- E. Specialty products must be searched for.

277. Which of the following orderings suggests the amount of effort (from little to much) that consumers are willing to spend in searching for the "right" product?
- A. Heterogeneous shopping products, specialty products, unsought products
  - B. Convenience products, homogeneous shopping products, specialty products
  - C. Unsought products, homogeneous shopping products, convenience products
  - D. Staples, heterogeneous shopping products, unsought products
  - E. Homogeneous shopping products, heterogeneous shopping products, staples
278. If a consumer purchases a new watch, the watch is:
- A. a specialty product.
  - B. a heterogeneous shopping product.
  - C. a homogeneous shopping product.
  - D. a convenience product.
  - E. it is not obvious - the watch could be any of the above.
279. A \$50 consumer product which is purchased infrequently is:
- A. an unsought product.
  - B. a convenience product.
  - C. a specialty product.
  - D. a shopping product.
  - E. It might be any of the above.
280. Which of the following are meant for use in producing other products?
- A. Consumer products
  - B. Staples
  - C. Business products
  - D. Convenience products
  - E. Shopping products
281. Which of the following is NOT a business product?
- A. A roll of sheet metal.
  - B. A metal shelf system for storing inventory.
  - C. A custom-built robot for welding metal.
  - D. A pad of paper.
  - E. Any of the above could be a business product.
282. The big difference between the consumer products market and the business products market is
- A. demand.
  - B. derived demand.
  - C. supply.
  - D. availability.
  - E. price sensitivity.

283. The fact that the demand for business products depends a lot on the demand for final consumer products is called:

- A. primary demand.
- B. derived demand.
- C. diminishing demand.
- D. elastic demand.
- E. secured demand.

284. "Derived demand" is best illustrated by the demand for:

- A. tea as a substitute for coffee.
- B. brick because of increasing demand for new homes.
- C. fresh raspberries during the winter months.
- D. CD players because of increasing interest in CD audio discs.
- E. all of the above.

285. Regarding business products:

- A. The demand for consumer products is derived from the demand for business products.
- B. Total industry demand is fairly elastic.
- C. Demand facing individual sellers is always inelastic.
- D. Tax treatments of business products have no importance to business customers.
- E. The demand for business products is derived from the demand for consumer products.

286. Regarding the demand for business products,

- A. Demand for business products is derived from the demand for final consumer products.
- B. The demand facing most individual firms is fairly inelastic.
- C. Industry demand is generally highly elastic.
- D. All of the above.
- E. None of the above.

287. Which of the following is usually NOT true about business products?

- A. The demand curve for a particular industry is usually inelastic.
- B. Demand for consumer products is derived from business products.
- C. The demand curve for individual sellers may be extremely elastic.
- D. Each business product may be only a small part of the cost of a final product.
- E. None of the above, i.e., all ARE true.

288. Why might the demand for business products be INELASTIC, while the demand facing individual sellers of those products is extremely ELASTIC?

- A. Because total demand for business products often exceeds supply.
- B. Because most business producers use reciprocity in their buying.
- C. Because the demand for business products is derived, and some industries have many sellers of essentially homogeneous products.
- D. Because the industry demand is rising.
- E. None of the above is true.



289. VoiceSys, Inc. produces voice-mail switchboard systems used in large office buildings, hotels, and other facilities. VoiceSys's products are selling so well that it has decided to buy new equipment that will increase its production capacity. This example best illustrates
- A. why the demand for a particular seller's equipment is inelastic.
  - B. derived demand.
  - C. why the industry demand for this kind of equipment is quite elastic.
  - D. that the market for installations is a "boom or bust" business.
  - E. All of the above are true.
290. Short-lived goods and services which are charged off as they are used--rather than depreciated over several years--are called:
- A. nontaxable items.
  - B. expense items.
  - C. derived items.
  - D. durables.
  - E. capital items.
291. Which of the following would be treated as an expense item for a children's clothing manufacturer?
- A. cloth.
  - B. sewing needles.
  - C. buttons.
  - D. zippers.
  - E. all of the above.
292. Which of the following would probably be treated as a capital item by a large clothing manufacturer?
- A. computer-controlled fabric cutting machines.
  - B. zippers.
  - C. cloth.
  - D. buttons.
  - E. none of the above.
293. VoiceSys, Inc. produces voice-mail switchboard systems used in large office buildings, hotels, and other facilities. VoiceSys is short of cash, but its products are so profitable and are selling so well that it has decided to buy more production equipment from one of the many suppliers that serve its industry. This example illustrates:
- A. how installations are a boom-or-bust industry.
  - B. why installations may have to be leased or rented.
  - C. derived demand.
  - D. All of the above.
  - E. None of the above.
294. Which of the following is NOT a general characteristic of most business products?
- A. From a tax perspective, all purchases of business products are written off in the year in which the purchase is made.
  - B. Their demand is derived from the demand for final consumer products.
  - C. Buying is not as emotional as with consumer products.
  - D. Buying is basically concerned with economic factors.
  - E. All of the above are characteristics for most business products.

295. When making business buying decisions, it is important to remember that:

- A. capital item purchases can't be fully charged off to the current year's expenses.
- B. expense items are depreciated over several years.
- C. large purchases must be expensed in one year.
- D. capital items are expensed in one year--making them less risky to buy.
- E. expense items are very risky since they cannot be depreciated.

296. The text's business product classes are based on:

- A. how buyers think about products.
- B. how the products are to be used.
- C. the shopping behavior of the buyer.
- D. All of the above.
- E. Both A and B.

297. Business product classes

- A. are based on where buyers shop for products.
- B. are based on how products will be used.
- C. are based on the buying situation--whether the decision is new task, straight rebuy, or modified rebuy.
- D. All of the above are true.
- E. None of the above is true.

298. Which of the following is NOT one of the text's business product classes?

- A. Raw materials
- B. Component parts and materials
- C. Specialty products
- D. Professional services
- E. Installations

299. Which of the following is not a business product classification?

- A. Installations
- B. Accessories
- C. Professional services
- D. Specialty
- E. Supplies

300. Installations:

- A. are important long-lived capital items.
- B. seldom involve multiple-buying influence.
- C. are very large expense items for buyers as soon as they buy.
- D. are purchased often.
- E. are always custom-made.

301. \_\_\_\_\_ are a boom-or-bust business?

- A. Accessories
- B. Professional services
- C. Installations
- D. Specialty
- E. Supplies

302. Which of the following business products to be purchased by a firm is most likely to involve top management in the buying decision?

- A. Raw materials
- B. Accessory equipment
- C. Operating supplies
- D. Installations
- E. Component parts

303. Multiple-buying influence would be most likely for:

- A. Repair items.
- B. Accessories.
- C. Professional services.
- D. Installations.
- E. It would be equally likely for all of the above.

304. "Installation" products:

- A. are hardly ever leased because of the tax disadvantages.
- B. do not include buildings and land rights.
- C. justify multiple buying influence for custom-made equipment but not for standard equipment.
- D. such as custom-made equipment generally require special negotiations for each sale.
- E. All of the above are true.

305. Regarding installations, which is NOT true?

- A. The number of potential customers at any one time is quite large.
- B. Leasing installations may be attractive to buyers.
- C. It is common for sellers to offer specialized services.
- D. The buying needs of potential customers are basically economic.
- E. Multiple buying influence is common.

306. A local copying service is buying a new kind of high speed color copier.

- A. There will probably be more buying influences for the paper for the copier than for the copier.
- B. The copier is likely to be purchased with a new-task buying process.
- C. The copier will be depreciated as an expense item.
- D. A and C are both true.
- E. None of the above is true.

307. Trane Corp. manufactures long-lived, custom-made equipment which its customers treat as capital items. Trane's sales force faces much multiple-buying influence. Trane's products, which do not become part of the customer's final product, are:

- A. accessory equipment.
- B. installations.
- C. MRO items.
- D. component parts.
- E. operating supplies.

308. \_\_\_\_\_ are capital items that cost less and are shorter-lived than installations.

- A. Supplies
- B. Staples
- C. Component parts
- D. Component materials
- E. Accessory equipment

309. \_\_\_\_\_ are short-lived capital items.

- A. Accessories
- B. Installations
- C. Raw materials
- D. Components
- E. Professional services

310. Compared to installations, accessory equipment

- A. is usually less standardized.
- B. involves more multiple-buying influence.
- C. is an expense item instead of a capital item.
- D. is sold to more target markets.
- E. becomes part of the buyer's final product.

311. Regarding business products,

- A. derived demand has little effect on the market for accessory equipment.
- B. sellers of accessory equipment usually must face more competitors than sellers of installations.
- C. at any one time there are usually fewer target customers for accessories than for installations.
- D. accessory equipment is not treated as a capital item.
- E. special services and advice are more important with accessories than with installations.

312. Regarding accessory equipment, which of the following is NOT true?

- A. Multiple buying influence is less important in the purchase of an installation than with accessory equipment.
- B. There are more customers for accessory equipment than for installations.
- C. Specialized services are more important in the purchase of installations than accessories.
- D. There are more sellers of accessory equipment than of installations.
- E. All of the above ARE true.

313. A Hewlett-Packard "all-in-one" printer that serves as a computer printer, fax machine, copier, and scanner would fall into which of the following business product classes?

- A. Accessories.
- B. Components.
- C. Installations.
- D. Raw materials.
- E. Supplies.

314. Sumitomo Bank, a large bank in southern California, has just purchased 120 high-speed telephone fax machines (costing about \$1,300 each) to speed communications among its many offices. The purchase was made by the purchasing manager, who expects the machines to last about five years. In this case, the fax machines are:

- A. accessory equipment.
- B. MRO items.
- C. installations.
- D. component parts.
- E. professional services.

315. Accessory equipment:

- A. needs fair to widespread distribution for prompt delivery.
- B. needs fairly widespread and numerous contacts by experienced and sometimes technically trained personnel.
- C. needs very widespread distribution for prompt delivery.
- D. needs technical contacts to determine specifications required, but widespread contacts usually are not necessary.
- E. needs fairly widespread contacts with users.

316. Which of the following business products are usually treated as expense items?

- A. component parts and materials
- B. raw materials
- C. professional services
- D. supplies
- E. all of the above

317. Raw materials

- A. are treated as expense items.
- B. are unprocessed but eventually become part of a final physical good.
- C. include both farm products and natural products.
- D. All of the above are true.
- E. B and C are true.

318. Raw materials are different from other business products in that:

- A. buyers do not seek sources of supply.
- B. they require more grading.
- C. they require a lot of handling before moving to the next production process.
- D. they never involve contract production arrangements.
- E. pricing decisions for farm products are more complicated.

319. A marketing manager developing a marketing mix to sell \_\_\_\_\_ probably needs to be concerned with grading, transportation, and storing because of seasonal production and/or perishable products.
- A. component parts
  - B. accessories
  - C. impulse
  - D. supplies
  - E. raw materials
320. Procter and Gamble buys unprocessed logs which are handled as little as needed to move them to its plant. Eventually, they become part of P&G's disposable diapers and are considered an expense item on P&G's income statement. For P&G, logs are:
- A. farm products
  - B. supplies
  - C. component parts
  - D. component materials
  - E. raw materials
321. Logs, fish, cotton, and strawberries can all be:
- A. supplies.
  - B. raw materials.
  - C. component parts.
  - D. capital items.
  - E. accessories.
322. Which of the following is NOT a business raw material?
- A. logs.
  - B. coal.
  - C. wheat.
  - D. cattle.
  - E. all of the above are examples.
323. Which of the following is NOT a business raw material?
- A. coal.
  - B. grease.
  - C. sugar cane.
  - D. iron ore.
  - E. logs.
324. A product which becomes part of a buyer's final product, and still requires more processing is called:
- A. a supply.
  - B. a component material.
  - C. a component part.
  - D. a raw material.
  - E. an installation.

325. Which of the following is NOT a component material?

- A. Paper.
- B. Copper wire.
- C. Copper ore.
- D. Copper screens.
- E. None of the above, i.e., all are component materials.

326. A product which becomes part of a buyer's final product and comes finished and ready for assembly is called:

- A. a raw material.
- B. a component material.
- C. a component part.
- D. accessory equipment.
- E. an installation.

327. Bonafide Electric produces electric motors that power refrigerators, air condition units, washing machines, and many other electric appliances produced by various manufacturers. Bonafide Electric is selling

- A. raw materials.
- B. component parts.
- C. MRO items.
- D. accessory equipment.
- E. installations.

328. A firm which makes stereo radios and CD players for car manufacturers who install them directly in their new cars is selling:

- A. component parts.
- B. supplies.
- C. component materials.
- D. installations.
- E. accessory equipment.

329. A firm which makes special batteries that boat and motorcycle manufacturers buy and install directly in their new boats and cycles is selling:

- A. supplies.
- B. component parts.
- C. component materials.
- D. installations.
- E. accessory equipment.

330. Regarding component parts,

- A. the original equipment market and the after market for component parts are typically separate target markets.
- B. a product originally sold as a component part may become a consumer product when sold in the "after market."
- C. component buyers want dependable suppliers.
- D. All of the above are true.
- E. None of the above is true.

331. A marketing manager for a firm which produces component parts should keep in mind that:

- A. most component buyers prefer to rely on one reliable source of supply.
- B. the after market for component parts generally requires the same marketing mix as the one used to serve the original equipment market.
- C. quality is not as important with components as it is with supplies.
- D. the original equipment market and the after market for component parts should be viewed as separate target markets.
- E. All of the above are true statements.

332. Michelin manufactures tires which truck producers buy and install on their trucks. This company

- A. sells installations for which multiple buying influence is likely to be quite important.
- B. is likely to have good opportunities in the "after market."
- C. is selling to the OEM market.
- D. All of the above are true.
- E. Both B and C are true.

333. Business products which are necessary expense items, and continually used up, but which do not become part of the buyer's final product are:

- A. component materials.
- B. supplies.
- C. component parts.
- D. raw materials.
- E. accessory equipment.

334. "MRO items" are:

- A. supplies.
- B. natural products.
- C. modified rebuy orders.
- D. accessory equipment.
- E. component parts and materials.

335. Which of the following is not one of the types of supplies?

- A. Maintenance supplies
- B. Repair supplies
- C. Operating supplies
- D. Professional supplies
- E. Small operating supplies

336. Allan Clapp is a purchasing agent for Deep River Mfg. Co. He regularly buys items such as nails, light bulbs, brooms, and sweeping compounds. In other words, he buys:

- A. components.
- B. supplies.
- C. installations.
- D. professional services.
- E. accessory equipment.



337. When business buyers purchase items such as grease, electricity, typing paper, and paper clips, they are buying:
- A. accessory equipment.
  - B. operating supplies.
  - C. components.
  - D. repair supplies.
  - E. maintenance supplies.
338. Regarding business supplies, which of the following is NOT true?
- A. Maintenance items are to business buyers as convenience products are to final consumers.
  - B. Supplies do not become part of a final product, but they are expense items.
  - C. Buyers of important operating supplies are likely to be particularly concerned about dependability.
  - D. Operating supplies are frequently called "accessories."
  - E. A seller of repair supplies is likely to face fewer competitors than a seller of operating supplies.
339. Regarding supplies,
- A. new-task buying is typical with most purchases.
  - B. only one supplier is generally available.
  - C. branding is not important for maintenance and small operating supplies.
  - D. All of the above are true.
  - E. None of the above is true.
340. Operating supplies typically:
- A. need technical and experienced personal contacts, probably at top-management level.
  - B. need widespread distribution or prompt delivery.
  - C. need technical contacts to determine specifications required, but widespread contacts usually are not necessary.
  - D. need skillful personal selling by producer.
  - E. None of the above is correct.
341. Business professional services:
- A. may not be purchased outside the firm if they are needed regularly.
  - B. support a firm's operations.
  - C. are offered by a growing number of specialists.
  - D. are generally treated as expense items.
  - E. All of the above are true.
342. Drue Valentine is a management consultant who helps manufacturers improve their quality-control procedures for new products. Drue is selling:
- A. supplies.
  - B. components.
  - C. accessories.
  - D. MROs.
  - E. professional services.

343. The Garland Advertising Agency provides promotional assistance to small and medium-sized firms that cannot afford to pay the fees charged by large national advertising agencies. Garland would fall into which of the following business product classes?

- A. Components.
- B. Installations.
- C. Professional services.
- D. Raw materials.
- E. Supplies.

344. Regarding business products, which of the following is NOT true?

- A. Availability may be more important than low price to a buyer of repair items.
- B. Quality of service may be more important than low price to a buyer of professional services.
- C. A broad product assortment may be more important than low price to a buyer of supply items.
- D. All of the above are true.
- E. None of the above is true.

**Use this information for questions that refer to the Sunny Day Foods (SDF) Case.**

For six months Kim Wu has been working for Sunny Day Foods (SDF), a fast-growing manufacturer of organic foods. After graduating college, she worked for four years as a sales rep for a nationally known food company. But, she jumped at the chance when SDF contacted her about becoming marketing manager for its breakfast foods division, which sells dry cereals and a pancake mix.

Kim spent the first few months on the job trying to better understand SDF, its product line, and marketing strategy. She reviewed the company's past marketing research, commissioned new research, and talked to both consumers and retailers. Now, the CEO of the company wants her thoughts on what the company's marketing strategy should be for the next few years.

Her research indicates that among cereal customers there are at least five segments of customers who use SDF products.

- a) One segment, *the loyalists*, has a strong preference for one or two of the SDF cereals. These customers often go out of their way to visit a store with their favorite SDF cereal and buy only that product at the store.
- b) Another segment, *the regulars*, buys SDF cereals without much thought. For them it is just part of their routine and, if you ask them why they pick the cereal, they'd say it's just a habit.
- c) A third segment, *the deal prone*, sees SDF cereals as just another organic cereal. They view all organic cereals as pretty much the same and buy whichever brand seems to offer the best deal that week.
- d) A fourth segment, *the politicians*, consists of former buyers of SDF cereals. A few years ago the company took a strong stand in a presidential race - and these customers resented it. Now, they boycott all SDF foods because of that incident.
- e) A fifth segment, *SDF who?*, is made up of consumers who buy organic cereals but who don't have much awareness of particular organic brand names.

In reviewing how SDF currently brands its products, Kim sees that it is using several different approaches. The Sunny Day Foods brand is used on most products the company sells. But a few years ago the company brought out an instant organic oatmeal with the Hot 'n Healthy name. SDF also makes cereal sold by a health food chain; the package for that chain uses the store's own name, Nature's Foods, as the brand name for the cereal.

345. Which product class best describes how regulars view SDF cereals?

- A. Staples
- B. Impulse product
- C. Heterogeneous product
- D. Specialty product

346. Which product class best describe how loyalists view SDF cereals?

- A. Impulse product
- B. Shopping product
- C. Specialty product
- D. Regularly unsought product

347. Which product class best describes how deal prone customers view SDF cereals?

- A. Staples
- B. Homogeneous shopping product
- C. Heterogeneous shopping product
- D. Regularly unsought product

348. For which market segment would in-store demonstrations of SDF cereals be most effective?

- A. Loyalists
- B. Regulars
- C. Deal prone
- D. Politicos
- E. SDF Who?

349. For which market segment would widespread distribution NOT be as important?

- A. Politicos
- B. SDF who?
- C. Loyalists
- D. Deal prone
- E. Regulars

350. For which market segment would coupons be most effective?

- A. Loyalists
- B. Regulars
- C. Deal prone
- D. Politicos
- E. SDF who?

351. What best describes the level of brand familiarity that customers in "the loyalists" segment have with SDF?

- A. Brand rejection
- B. Nonrecognition
- C. Brand recognition
- D. Brand preference
- E. Brand insistence

352. What best describes the level of brand familiarity that customers in "the deal prone" segment have with SDF?

- A. Brand nonrecognition
- B. Brand recognition
- C. Brand rejection
- D. Brand preference
- E. Brand insistence

353. What best describes the level of brand familiarity that customers in "the regulars" segment have with SDF?

- A. Brand rejection
- B. Brand insistence
- C. Brand preference
- D. Brand nonrecognition
- E. Brand recognition

354. What best describes the level of brand familiarity that customers in "the politicos" segment have with SDF?

- A. Brand insistence
- B. Brand rejection
- C. Brand preference
- D. Brand nonrecognition
- E. Brand recognition

355. What best describes the level of brand familiarity that customers in "SDF who?" segment have with SDF?

- A. Brand insistence
- B. Brand rejection
- C. Brand nonrecognition
- D. Brand recognition
- E. Brand preference

356. Which of the following terms best describes the "Sunny Day Foods" brand?

- A. Individual brand
- B. Licensed brand
- C. Dealer brand
- D. Family brand
- E. Private brand

357. Which of the following terms best describes the "Nature's Foods" brand?

- A. Private brand
- B. Generic product
- C. Individual brand
- D. Licensed brand
- E. Manufacturer brand

358. Which of the following terms best describes the "Hot 'n Healthy" brand?

- A. Manufacturer brand
- B. Individual brand
- C. Family brand
- D. Generic product
- E. Private brand

## ch8 Key

1. The "Product" area is concerned with what goods and services are produced, but not with decisions about installation, instructions on use, packaging, a brand name, a warranty, or after-sale service.  
(p. 193)

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #1  
Question Type: Definition  
Self-Test: No

2. A "Product" should be thought of as potential customer satisfaction or benefits.  
(p. 193)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #2  
Question Type: Definition  
Self-Test: No

3. Product means the need-satisfying offering of a firm.  
(p. 193)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #3  
Question Type: Definition  
Self-Test: No

4. The definition of quality focuses on the producer.  
(p. 193)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #4  
Question Type: Comprehension  
Self-Test: No

5. When comparing two similar products, the product with the most features is the higher quality product.  
(p. 193-194)

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #5  
Question Type: Definition  
Self-Test: No

6. A "Product" might involve a physical good, a service, or a combination of the two.  
(p. 194)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #6  
Question Type: Definition  
Self-Test: No

7. A service is not a "Product" because services do not include any physical good.  
(p. 194)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #7  
Question Type: Definition  
Self-Test: No

8. Goods are intangible and services are tangible.  
(p. 195)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 08 #8  
Question Type: Definition  
Self-Test: No

9. A product assortment is the set of all product lines and individual products that a firm sells.  
(p. 196)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #9  
Question Type: Definition  
Self-Test: No

10. A product line is a set of individual products that are closely related.  
(p. 196)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #10  
Question Type: Comprehension  
Self-Test: No

11. An individual product is a particular product within a product line.  
(p. 197)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #11  
Question Type: Definition  
Self-Test: No

12. "Branding" includes the use of trademarks and brand names to identify a product.  
(p. 197)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #12  
Question Type: Definition  
Self-Test: No

13. A trademark can be a word, but cannot be a symbol.  
(p. 197)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #13  
Question Type: Definition  
Self-Test: No

14. A trademark explains what the seller promises about its product.  
(p. 197)

**FALSE**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #14  
Question Type: Definition  
Self-Test: No

15. A service logo refers to a type of trademark used for a service offering.  
(p. 197)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #15  
Question Type: Definition  
Self-Test: No



16. A service mark is the same as a trademark, except that it refers to a service offering.  
(p. 197)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #16  
Question Type: Definition  
Self-Test: No

17. Branding is more likely to be successful if the product is the best value for the price, and quality can be consistently maintained.  
(p. 198)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #17  
Question Type: Definition  
Self-Test: No

18. Branding would be more likely to be successful if dependable and widespread availability of a product is possible.  
(p. 198)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #18  
Question Type: Definition  
Self-Test: No

19. Brand familiarity means how well customers recognize and accept a company's brand.  
(p. 199)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #19  
Question Type: Definition  
Self-Test: No

20. Brand preference means customers usually choose the brand over other brands, perhaps out of habit or past experience.  
(p. 199)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #20  
Question Type: Definition  
Self-Test: No

21. Brand insistence means that target customers usually choose the brand over other brands, perhaps because of habit or favorable past experience.

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #21  
Question Type: Definition  
Self-Test: No

22. Brand insistence means that customers usually choose one brand over other brands, perhaps out of habit or past experience.

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #22  
Question Type: Definition  
Self-Test: No

23. Brand names that convey a positive image in one language may be meaningless in another.

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #23  
Question Type: Definition  
Self-Test: No

24. Brand equity is the value of the brand's overall strength in the market.

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #24  
Question Type: Comprehension  
Self-Test: No

25. Brand equity is likely to be lower if customers insist on buying a product and retailers are eager to stock it.

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #25  
Question Type: Definition  
Self-Test: No

26. The Lanham Act spells out the exact method for protecting registered trademarks, but does not force firms to register their trademarks.  
(p. 200)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #26  
Question Type: Definition  
Self-Test: No

27. If a trademark is to be used in foreign markets, it is wise to register it under the Lanham Act.  
(p. 200)

**TRUE**

AACSB: 5. Diversity understanding  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #27  
Question Type: Definition  
Self-Test: No

28. Some nations require that a trademark be registered in its home country before it can be registered in a foreign country.  
(p. 200)

**TRUE**

AACSB: 5. Diversity understanding  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #28  
Question Type: Definition  
Self-Test: No

29. A marketing manager should make sure the firm's brand names do not become so familiar that they become common descriptive terms for certain kinds of products.  
(p. 200)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #29  
Question Type: Definition  
Self-Test: No

30. A firm can lose all rights to a brand name if the name becomes a common descriptive term for that kind of product.  
(p. 200-201)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #30  
Question Type: Definition  
Self-Test: No

31. Family brands may cut promotion costs because the goodwill attached to one or two products may help the others.  
(p. 202)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #31  
Question Type: Definition  
Self-Test: No

32. A licensed brand can be used by only one company.  
(p. 202)

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #32  
Question Type: Definition  
Self-Test: No

33. There is no real reason for a firm to use individual brands rather than a family brand--except to avoid confusion.  
(p. 202)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #33  
Question Type: Definition  
Self-Test: No

34. It is usually necessary for a firm to use a family brand rather than individual brands if it plans to offer products at different quality and price levels to different target markets.  
(p. 202)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #34  
Question Type: Definition  
Self-Test: No

35. A product which has no brand other than the identification of the contents is a generic product.  
(p. 202)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #35  
Question Type: Definition  
Self-Test: No

36. Generic products are popular in the U.S. and other developed nations, but not in less-developed nations.  
(p. 202)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #36  
Question Type: Definition  
Self-Test: No

37. Dealer brands are brands created by producers.  
(p. 202)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #37  
Question Type: Definition  
Self-Test: No

38. Manufacturer brands are always advertised and distributed more widely than dealer brands.  
(p. 202-203)

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #38  
Question Type: Definition  
Self-Test: No

39. The "battle of the brands" is the competition between dealer brands and manufacturer brands.  
(p. 203)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #39  
Question Type: Definition  
Self-Test: No

40. The "battle of the brands" hurts consumers by driving up prices.  
(p. 203)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #40  
Question Type: Definition  
Self-Test: No

41. Packaging can add value to a market offering by promoting, protecting, or enhancing the product.  
(p. 203)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #41  
Question Type: Comprehension  
Self-Test: No

42. Because packaged products are regularly seen in retail stores, a good package may give a firm more promotion effect than it could possibly afford with advertising.  
(p. 204)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #42  
Question Type: Definition  
Self-Test: No

43. Good packaging can provide a product with an important competitive advantage.  
(p. 204)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #43  
Question Type: Comprehension  
Self-Test: No

44. Spending money to improve protective packaging may be necessary, but it usually results in higher total distribution costs for a firm's product.  
(p. 204)

**FALSE**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #44  
Question Type: Definition  
Self-Test: No

45. Total distribution costs may increase because of packaging.  
(p. 204)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #45  
Question Type: Definition  
Self-Test: No

46. A universal product code (UPC) contains the manufacturer's suggested retail price for the product on which it appears.  
(p. 205)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #46  
Question Type: Comprehension  
Self-Test: No

47. The universal product code has been opposed by large supermarket chains because it slows down the checkout process.  
(p. 205)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #47  
Question Type: Definition  
Self-Test: No

48. It is illegal for a firm to use a package that cannot be recycled.  
(p. 205-206)

**FALSE**

AACSB: 2 Ethical reasoning  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #48  
Question Type: Definition  
Self-Test: No

49. Federal Fair Packaging and Labeling Act requires that consumer goods be clearly labeled in easy-to-understand terms to give consumers more information.  
(p. 206)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 08 #49  
Question Type: Comprehension  
Self-Test: No

50. The Federal Fair Packaging and Labeling Act of 1966 requires that consumer products be clearly labeled in understandable terms.  
(p. 206)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #50  
Question Type: Definition  
Self-Test: No

51. The Federal Fair Packaging and Labeling Act of 1966 requires that firms in a product-market reduce the number of package sizes to three or fewer for any product.  
(p. 206)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #51  
Question Type: Definition  
Self-Test: No

52. A warranty explains what the seller promises about its product.  
(p. 207)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #52  
Question Type: Definition  
Self-Test: No

53. Magnuson-Moss Act says that producers must provide a clearly written warranty if they choose to offer any warranty.  
(p. 207)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 08 #53  
Question Type: Definition  
Self-Test: No

54. A warranty must be available for inspection before a purchase is made.  
(p. 207)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #54  
Question Type: Definition  
Self-Test: No

55. Customer service guarantees are becoming less common because service companies can't live up to their promises.  
(p. 208)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #55  
Question Type: Definition  
Self-Test: No



56. There's usually less risk in offering a service guarantee than a warranty on a physical product.  
(p. 208)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #56  
Question Type: Definition  
Self-Test: No

57. Most manufacturers would be wise to provide a strong warranty with their products, because customers like them and they are inexpensive to back up.  
(p. 208)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #57  
Question Type: Definition  
Self-Test: No

58. It may be economically impossible for small firms to offer strong warranties.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #58  
Question Type: Definition  
Self-Test: No

59. There are two broad groups of product classes based on the type of customer that will use the product.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #59  
Question Type: Definition  
Self-Test: No

60. According to the text, the consumer product classes are based on why consumers use products.  
(p. 208)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #60  
Question Type: Definition  
Self-Test: No

61. The four groups of consumer products are: convenience products, shopping products, specialty products, and unsought products.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #61  
Question Type: Definition  
Self-Test: No

62. Products which a consumer needs but isn't willing to spend much time shopping for are convenience products.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #62  
Question Type: Definition  
Self-Test: No

63. Consumer products which are bought often, routinely, and without much thought are staples.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #63  
Question Type: Definition  
Self-Test: No

64. Staples are consumer products which are sold in places like gourmet shops and health food stores, because convenience is not important to the customer.  
(p. 208)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #64  
Question Type: Definition  
Self-Test: No

65. Convenience products include staples, impulse products, and emergency products.  
(p. 208)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #65  
Question Type: Definition  
Self-Test: No

66. Consumer products which a customer buys on sight as unplanned purchases, may have bought the same way before, and wants "right now" are impulse products.  
(p. 208-209)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #66  
Question Type: Definition  
Self-Test: No

67. Customers usually plan and shop for impulse products.  
(p. 208-209)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #67  
Question Type: Definition  
Self-Test: No

68. Emergency products are purchased only when the need is great and urgent, and therefore price is usually not very important.  
(p. 209)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #68  
Question Type: Definition  
Self-Test: No

69. Consumer products that a customer feels are worth the time and effort to compare with competing products are shopping products.  
(p. 209)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #69  
Question Type: Definition  
Self-Test: No

70. Shopping products are products that are purchased immediately when the need is great.  
(p. 209)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #70  
Question Type: Definition  
Self-Test: No

71. Shopping products that a customer sees as basically the same and wants at the lowest price are homogeneous shopping products.  
(p. 209)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #71  
Question Type: Definition  
Self-Test: No

72. Homogeneous shopping products are basically the same in the eyes of the customer and purchase decisions are often based on price.  
(p. 209)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #72  
Question Type: Comprehension  
Self-Test: No

73. Shopping products that a customer sees as different and wants to inspect for quality and suitability are heterogeneous shopping products.  
(p. 210)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #73  
Question Type: Definition  
Self-Test: No

74. Shopping products that a customer sees as basically the same and wants at the lowest price are heterogeneous shopping products.  
(p. 210)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #74  
Question Type: Definition  
Self-Test: No

75. Consumer products that a customer really wants and is willing to make a special effort to shop for and compare different possibilities are specialty products.  
(p. 210)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #75  
Question Type: Definition  
Self-Test: No

76. Shopping for a specialty product involves comparing the special features of different brands.  
(p. 210)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #76  
Question Type: Definition  
Self-Test: No

77. Specialty products are usually only purchased once-in-a-lifetime, so the customer must search extensively before buying.  
(p. 210)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #77  
Question Type: Definition  
Self-Test: No

78. Firms should try to show the value of unsought products through promotion because people do not want them or know that they are available.  
(p. 210)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #78  
Question Type: Definition  
Self-Test: No

79. Without promotion, unsought products will probably stay unsold.  
(p. 210)

**TRUE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #79  
Question Type: Definition  
Self-Test: No

80. Consumer products which offer really new ideas that potential customers don't know about yet are new unsought products.  
(p. 210)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #80  
Question Type: Definition  
Self-Test: No

81. Personal selling is important for new unsought products, but it tends not to be important for regularly unsought products.  
(p. 210-211)

**FALSE**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #81  
Question Type: Definition  
Self-Test: No

82. For different people, the same product might be a convenience product, a shopping product, or a specialty product.  
(p. 211)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #82  
Question Type: Definition  
Self-Test: No

83. Product class does not vary by country.  
(p. 211)

**FALSE**

AACSB: 5. Diversity understanding  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #83  
Question Type: Definition  
Self-Test: No

84. The demand for business products derives from the demand for final consumer products.  
(p. 211)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #84  
Question Type: Definition  
Self-Test: No

85. Although the total industry demand for business products may be inelastic, the demand facing individual sellers may be extremely elastic.  
(p. 212)

**TRUE**

AACSB: 8 Financial  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #85  
Question Type: Comprehension  
Self-Test: No

86. Expense items are depreciated over many years, while capital items are charged off as they are used-- usually in the year of purchase.  
(p. 212)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #86  
Question Type: Definition  
Self-Test: No

87. Business product classes are based on how buyers think about products and how the products will be used.  
(p. 212)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #87  
Question Type: Definition  
Self-Test: No

88. Business product classes are based on the way that buyers shop for and buy products, because there is much more shopping for business products compared to consumer products.  
(p. 212)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #88  
Question Type: Definition  
Self-Test: No

89. Installations are long-lasting capital items such as buildings and land rights, custom-made equipment, and standard equipment.  
(p. 213)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #89  
Question Type: Definition  
Self-Test: No

90. Installations are not bought very often, but the number of potential buyers at any particular time is usually quite large.  
(p. 213)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #90  
Question Type: Definition  
Self-Test: No

91. The main difference between installations and accessory equipment is that accessories are capital items while installations are expense items.  
(p. 213)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #91  
Question Type: Definition  
Self-Test: No

92. Capital items which are more expensive and longer-lived than installations are called accessory equipment.  
(p. 213)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #92  
Question Type: Definition  
Self-Test: No

93. Raw materials are unprocessed expense items such as farm products and natural products.  
(p. 213)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #93  
Question Type: Definition  
Self-Test: No

94. Raw materials are short-lived capital items.  
(p. 213)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #94  
Question Type: Definition  
Self-Test: No

95. One of the important differences between raw materials and other business products is that raw materials usually have to be graded.  
(p. 213)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #95  
Question Type: Definition  
Self-Test: No



96. An important difference between raw materials and other business products is the need for grading.  
(p. 213)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #96  
Question Type: Definition  
Self-Test: No

97. Expense items which have had more processing than raw materials and become part of a finished product are component parts and materials.  
(p. 213)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #97  
Question Type: Definition  
Self-Test: No

98. Component parts usually require much processing to get them ready for assembly.  
(p. 213)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #98  
Question Type: Definition  
Self-Test: No

99. Supplies (business products) are expense items that do not become part of a final product.  
(p. 214)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #99  
Question Type: Definition  
Self-Test: No

100. Professional services are usually expense items which support the operation of a firm.  
(p. 214)

**TRUE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #100  
Question Type: Definition  
Self-Test: No

101. For professional services which are needed only occasionally and require special skills, it is usually better for a firm to have its own employees provide them than to use outsiders.

(p. 214)

**FALSE**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #101  
Question Type: Definition  
Self-Test: No

102. According to the text, "product":

(p. 193)

- A. means a physical good.
- B. includes all the elements of a marketing mix.
- C.** means the need-satisfying offering of a firm.
- D. refers to goods but not services.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #102  
Question Type: Definition  
Self-Test: No

103. "Product" means:

(p. 193)

- A. all the services needed with a physical good.
- B. a physical good with all its related services.
- C.** the need-satisfying offering of a firm.
- D. all of a firm's producing and distribution activities.
- E. a well-packaged item with a well-advertised brand name.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #103  
Question Type: Self-Test  
Self-Test: Self-Test

104. A "product" is best described as:

(p. 193)

- A. A purely physical entity.
- B. An image in the mind of the consumer.
- C.** A need satisfying offering of a firm.
- D. An intangible service.
- E. All of the technical aspects of production.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #104  
Question Type: Definition  
Self-Test: No

105. The need-satisfying offering of a firm is its  
(p. 193)

- A. promotion.
- B. warranty.
- C. brand.
- D. product.**
- E. relative quality.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #105  
Question Type: Comprehension  
Self-Test: No

106. According to the text, product quality means that:  
(p. 193)

- A. products are designed to meet demanding specifications.
- B. a product satisfies a customer's requirements or needs.**
- C. there are not errors in the production process.
- D. the product won't ever break.
- E. None of the above is correct.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #106  
Question Type: Definition  
Self-Test: No

107. \_\_\_\_\_ means a product's ability to satisfy a customer's needs or requirements.  
(p. 193)

- A. Quality**
- B. Service
- C. Trademark
- D. Derived demand
- E. Assortment

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #107  
Question Type: Definition  
Self-Test: No

108. From a marketing perspective, product quality primarily depends on,  
(p. 193)

- A. the price of a product.
- B. a product working as it is supposed to work.
- C. quality control procedures used during manufacturing.
- D. the customer's specific requirements and needs.**
- E. the features of products offered by competitors.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #108  
Question Type: Comprehension  
Self-Test: No

109. From a marketing perspective, a high quality copy machine is one that:  
(p. 193)

- A. does a good job satisfying a customer's requirements or needs.
- B. offers the most features.
- C. is produced with the best materials.
- D. has the longest warranty.
- E. is designed and manufactured to last the longest.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #109  
Question Type: Comprehension  
Self-Test: No

110. Regarding quality:

(p. 193-194)

- A. the best credit card may not be the one with the highest credit limit.
- B. the best clothing may not be a pair of slacks, but a pair of jeans.
- C. the best computer may not be the most powerful one.
- D. All of the above are true.
- E. None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #110  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

111. Saxon Shoes is a large independent shoe store. In the men's department, the store offers three different brands of slip-on tassel loafers for men: Bass, priced at \$75; Rockport, priced at \$125; and Allen Edmonds, priced at \$250. In terms of product quality, which of the following is an accurate statement?  
(p. 193-194)

- A. The Bass shoes have the lowest quality.
- B. The Allen-Edmonds shoes have the highest quality.
- C. The Rockport shoes have mid-level quality.
- D. The quality of the three brands depends on the degree to which they meet the needs of the consumers in the target market.
- E. All of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #111  
Question Type: Application  
Self-Test: No

112. "Product" means:

(p. 194)

- A. A physical good or service which offers potential customer satisfaction.
- B. A physical good with all its related features.
- C. The entire physical output of a firm.
- D. All of the elements in a firm's marketing mix.
- E. Something that has been produced, packaged, branded, and given a warranty.

AACSB: 9 Value creation

Chapter: 8

Difficulty: Medium

LearnObj: 1

Perreault - Chapter 08 #112

Question Type: Definition

Self-Test: No

113. A "product" might include:

(p. 194)

- A. a brand name, a package, and a warranty.
- B. instructions.
- C. a service which does not include a physical good at all.
- D. some physical item and its related features.
- E. All of the above.

AACSB: 6. Reflective thinking

Chapter: 8

Difficulty: Easy

LearnObj: 1

Perreault - Chapter 08 #113

Question Type: Comprehension

Self-Test: No

114. Which of the following is a "product"?

(p. 194)

- A. a used car
- B. a bus ride
- C. a haircut
- D. a dental exam
- E. all of the above

AACSB: 6. Reflective thinking

Chapter: 8

Difficulty: Easy

LearnObj: 1

Perreault - Chapter 08 #114

Question Type: Application

Self-Test: No

115. According to the text, which of the following is NOT a product?

(p. 194)

- A. space in Playboy Magazine sold to an advertiser
- B. a Sony PlayStation III
- C. a Broadway musical play
- D. the San Diego Zoo
- E. All of the above are products.

AACSB: 6. Reflective thinking

Chapter: 8

Difficulty: Easy

LearnObj: 1

Perreault - Chapter 08 #115

Question Type: Application

Self-Test: No

116. Services

(p. 195-196)

- A. are intangible.
- B. often have to be produced in the presence of the customer.
- C. are not easy to store.
- D. are perishable.
- E.** all of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 2  
Perreault - Chapter 08 #116  
Question Type: Comprehension  
Self-Test: No

117. Services

(p. 195)

- A. are tangible.
- B.** often have to be produced in the presence of the customer.
- C. are easy to store.
- D. are usually produced before they are sold.
- E. all of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 2  
Perreault - Chapter 08 #117  
Question Type: Comprehension  
Self-Test: No

118. Services, as opposed to physical products:

(p. 195)

- A. May be stored for later use.
- B.** Are usually sold first, and then produced.
- C. Are usually produced and consumed in different time frames.
- D. Never require the presence of the consumer in order to be performed.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 2  
Perreault - Chapter 08 #118  
Question Type: Comprehension  
Self-Test: No

119. Vision Co. manufactures and sells tea, coffee, desserts, shoes, and sporting goods. All of these products are its

(p. 196)

- A. product line.
- B. equity products.
- C. complementary goods.
- D.** product assortment.
- E. brand family.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #119  
Question Type: Application  
Self-Test: No

120. A product assortment is:

(p. 196)

- A. something offered by manufacturers but not by retailers.
- B. a particular product within a product line.
- C. a set of products that are closely related.
- D.** the set of all product lines and individual products that a firm sells.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #120  
Question Type: Definition  
Self-Test: No

121. A company with a large product assortment might

(p. 196)

- A. have many product lines with little selection in each.
- B. have a single product line.
- C. have many individual products.
- D.** All of the above are true.
- E. Only A and C are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #121  
Question Type: Self-Test  
Self-Test: Self-Test

122. A large U.S. firm produces potato chips, shortening, dishwasher detergent, laundry detergent, shampoo, disposable diapers, and facial tissues. These are the firm's

(p. 196)

- A. product classes.
- B.** product assortment.
- C. individual products.
- D. marketing mix.
- E. product line.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #122  
Question Type: Application  
Self-Test: No

123. A product line is a set of individual products that are closely related in which of the following ways?

(p. 196)

- A. They are sold to the same target market.
- B. They are produced and/or operate in a similar manner.
- C. They are priced at about the same level.
- D. They are sold through the same type of outlets.
- E.** Any or all of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #123  
Question Type: Integrating  
Self-Test: No

124. Which of the following could be an example of a firm's product line?

(p. 196)

- A. coffees.
- B. disposable diapers.
- C. snow skis.
- D. ski boots.
- E.** all of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 1  
Perreault - Chapter 08 #124  
Question Type: Application  
Self-Test: No

125. Nike, Inc. markets several types of athletic shoes, along with clothing and fitness equipment. In other words, Nike has

(p. 196)

- A. product components.
- B. a battle of the brands.
- C. no product assortment.
- D. many product classes.
- E.** several product lines.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #125  
Question Type: Application  
Self-Test: No

126. Individual products:

(p. 197)

- A. are part of product lines but not product assortments.
- B. may require their own marketing mixes.
- C. are usually distinguished by brand, size, price, or some other characteristic.
- D. All of the above.
- E.** Both B and C.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #126  
Question Type: Definition  
Self-Test: No

127. Which of the following is the best example of an individual product?

(p. 197)

- A. 32-ounce boxes of Gain and Tide.
- B. 3 types of pears.
- C. Six brands of cookies.
- D.** 12 oz. size of Pert Plus.
- E. All of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 1  
Perreault - Chapter 08 #127  
Question Type: Application  
Self-Test: No



128. A \_\_\_\_\_ is a word, letter, or group of words or letters.

(p. 197)

- A. UPC
- B. FTC
- C. trademark
- D. SIC
- E. brand name**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #128  
Question Type: Definition  
Self-Test: No

129. Which of the following is(are) TRUE?

(p. 197)

- A. "Service mark" refers to all means of product identification.
- B. A "trademark" must be attached to a product to be legally protected.
- C. "Branding" refers to the use of symbols to identify a product--but does not include brand names.
- D. "Brand name" is a word, letter, or group of words or letters.**
- E. All of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #129  
Question Type: Integrating  
Self-Test: No

130. Words, symbols, or logos that are legally registered for use by a single company are:

(p. 197)

- A. Trademarks.**
- B. Brand names.
- C. Brand marks.
- D. Service marks.
- E. Watermarks.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #130  
Question Type: Comprehension  
Self-Test: No

131. A trademark

(p. 197)

- A. has no legal meaning.
- B. includes those words, symbols, or marks that are legally registered for use by a single company.**
- C. is any word, letter, or a group of words or letters.
- D. is the value of a brand to its current owner or to a firm that wants to buy it.
- E. is protected by the Magnuson-Moss Act.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #131  
Question Type: Definition  
Self-Test: No

132. Which of the following is(are) TRUE?

(p. 197)

- A. A "service mark" is to a service what a "trademark" is to a physical good.
- B. "Trademark" refers to all means of product identification.
- C. A "trademark" must be attached to a product to be legally protected.
- D. All of the above are true.
- E. None of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #132  
Question Type: Integrating  
Self-Test: No

133. Branding is good for some CONSUMERS because it:

(p. 198)

- A. makes shopping easier.
- B. provides dependable guides to product quality.
- C. helps assure regular satisfaction.
- D. All of the above.
- E. None of the above.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #133  
Question Type: Comprehension  
Self-Test: No

134. Branding can help BRANDERS because it:

(p. 198)

- A. may lower promotion costs.
- B. can improve the company's image.
- C. encourages repeat buying.
- D. may develop customer loyalty.
- E. All of the above.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #134  
Question Type: Comprehension  
Self-Test: No

135. Which of the following is a condition favorable to successful branding?

(p. 198)

- A. The product quality is difficult to maintain.
- B. The product is difficult to label and identify by brand.
- C. Favorable shelf locations or display spaces are available in stores.
- D. Limited availability for the product in the market.
- E. All of the above.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #135  
Question Type: Comprehension  
Self-Test: No

136. Branding:

(p. 198)

- A. is especially helpful with a low quality product.
- B. is handled by manufacturers, but not intermediaries.
- C. helps consumers, but it is bad for the firm because it increases expenses.
- D.** is more likely to be successful if demand for the general product class is strong enough to allow a profitable price.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #136  
Question Type: Comprehension  
Self-Test: No

137. Which of the following is NOT favorable to successful branding?

(p. 198)

- A. Consistent quality can be maintained.
- B.** Access to favorable shelf locations is very limited.
- C. Economies of scale should be possible.
- D. The product is easy to identify by brand or trademark.
- E. Dependable and widespread availability should be possible.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #137  
Question Type: Comprehension  
Self-Test: No

138. Which of the following conditions would not be favorable to branding?

(p. 198)

- A. Dependable and widespread availability is possible
- B. Economies of scale in production
- C.** Fluctuations in product quality due to inevitable variations in raw materials
- D. Product easy to identify by brand or trademark
- E. Demand is strong so the price can be high enough to be profitable

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #138  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

139. Which of the following would NOT be favorable for successful branding?

(p. 198)

- A.** The product is hard to identify by brand or trademark.
- B. The product has widespread availability in the market.
- C. The product has economies of scale in production and distribution.
- D. The product offers the best value for the price.
- E. Product quality is easy to maintain.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #139  
Question Type: Application  
Self-Test: No

140. Which of the following would NOT be favorable to successful branding?

(p. 198)

- A. The product offers superior customer value
- B.** Product quality fluctuates due to variations in raw materials
- C. Dependable and widespread availability
- D. Economies of scale in production
- E. Favorable shelf locations are available

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #140  
Question Type: Application  
Self-Test: No

141. Which of the following statements about branding is TRUE?

(p. 198)

- A. Customers are willing to buy by brand only when it assures "top quality."
- B. Branding provides product identification for sellers but usually is not important to consumers.
- C.** What brand is familiar often varies from one country to another.
- D. All of the above.
- E. None of the above.

AACSB: 5. Diversity understanding  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #141  
Question Type: Comprehension  
Self-Test: No

142. Which of the following is NOT a level of brand familiarity?

(p. 199)

- A.** Brand nonexistence.
- B. Brand rejection.
- C. Brand nonrecognition.
- D. Brand preference.
- E. Brand insistence.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #142  
Question Type: Comprehension  
Self-Test: No

143. \_\_\_\_\_ means potential customers won't buy a brand--unless its current image is changed.

(p. 199)

- A. Brand preference
- B.** Brand rejection
- C. Brand insistence
- D. Brand recognition
- E. Brand nonrecognition

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #143  
Question Type: Definition  
Self-Test: No

144. Ross Wrigley refuses to buy Billy Goat brand of beer, his attitude toward this brand is called \_\_\_\_\_.  
(p. 199)

- A. brand rejection
- B. brand familiarity
- C. brand nonrecognition
- D. brand recognition
- E. brand positioning

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #144  
Question Type: Application  
Self-Test: No

145. Roberto Vasquez has never owned a Samsung TV, but his parents owned one and were not at all satisfied. As a result, Roberto won't even consider buying a Samsung. As far as Roberto is concerned, Samsung has achieved brand \_\_\_\_\_.  
(p. 199)

- A. preference
- B. recognition
- C. nonrecognition
- D. rejection
- E. insistence

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #145  
Question Type: Application  
Self-Test: No

146. Anita Seagroves visits the local Healthy Glow spa, but dislikes the dirty dressing area and refuses to go back. This is an example of  
(p. 199)

- A. homogeneous shopping.
- B. trademarking.
- C. brand rejection.
- D. heterogeneous shopping.
- E. brand nonrecognition.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #146  
Question Type: Application  
Self-Test: No

147. \_\_\_\_\_ means a brand is not recognized by final customers at all.  
(p. 199)

- A. Brand nonrecognition
- B. Brand rejection
- C. Brand insistence
- D. Brand recognition
- E. Brand preference

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #147  
Question Type: Definition  
Self-Test: No

148. Nonrecognition of the brand name of a firm's product is likely to be LEAST important for:  
(p. 199)

- A. Coal
- B. Photographic film
- C. Lubricating oils for machinery
- D. Cold tablets
- E. Replacement auto repair parts

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #148  
Question Type: Self-Test  
Self-Test: Self-Test

149. \_\_\_\_\_ means potential customers remember a particular brand.  
(p. 199)

- A. Brand preference
- B. Brand non-recognition
- C. Brand insistence
- D. Brand recognition
- E. Brand rejection

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #149  
Question Type: Definition  
Self-Test: No

150. Target customers choosing a particular brand over other brands, because of habit or favorable past experience have a brand familiarity level of  
(p. 199)

- A. brand preference.
- B. brand knowledge.
- C. brand insistence.
- D. brand recognition.
- E. brand positioning.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #150  
Question Type: Comprehension  
Self-Test: No

151. \_\_\_\_\_ means target customers will generally choose a particular brand over other brands--perhaps out of habit or past experience.

(p. 199)

- A. Brand nonrecognition
- B. Brand preference**
- C. Brand insistence
- D. Brand rejection
- E. Brand recognition

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #151  
Question Type: Definition  
Self-Test: No

152. Beth Sahadi usually buys Sassoon shampoo because she likes its smell. But this morning her local drugstore was out of Sassoon, so she decided to buy another highly advertised brand that was on sale because she really needed to wash her hair that night. For Beth, Sassoon has probably achieved brand:

(p. 199)

- A. preference.**
- B. insistence.
- C. nonrecognition.
- D. rejection.
- E. extinction.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #152  
Question Type: Application  
Self-Test: No

153. Carlotta Issa is shopping for a new pair of jeans. She has had good experiences with Jordache jeans in the past and is looking for Jordache now. She probably will buy Jordache if she finds some that are at least as good-looking as competitive jeans. This is a good example of:

(p. 199)

- A. brand rejection.
- B. brand recognition.
- C. brand remembrance.
- D. brand preference.**
- E. brand insistence.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #153  
Question Type: Application  
Self-Test: No

154. \_\_\_\_\_ means potential customers insist on a firm's branded product and are willing to search for it.  
(p. 199)

- A. Brand insistence
- B. Brand preference
- C. Brand nonrecognition
- D. Brand rejection
- E. Brand recognition

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #154  
Question Type: Definition  
Self-Test: No

155. Wu Chen frequently travels to Caracas, Venezuela where the only hotel he will stay at is the Crown Prince Hotel. His level of brand familiarity toward the Crown Prince Hotel is \_\_\_\_\_  
(p. 199)

- A. brand awareness.
- B. brand familiarity.
- C. brand rejection.
- D. brand recognition.
- E. brand insistence.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #155  
Question Type: Application  
Self-Test: No

156. Darrell Everwine read a review about a new computer program that appealed to him very much. He decided to try to find the program. However, the new program was in short supply--although other brands with similar features were available. Darrell had to try seven shops before he finally found the program in stock. For Darrell, this program achieved brand:  
(p. 199)

- A. preference.
- B. insistence.
- C. rejection.
- D. nonrecognition.
- E. recognition.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #156  
Question Type: Application  
Self-Test: No



157. Applying the text's list of characteristics of a good brand name, which of the following would be the poorest example of a good brand name?  
(p. 200)

- A. Pizza Hut.
- B.** King Kong Chewing Gum.
- C. DieHard flashlights.
- D. General Electric TVs.
- E. L'eggs hosiery.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #157  
Question Type: Application  
Self-Test: No

158. Which of the characteristics of a good brand name is missing in the following proposed name: "Gnucleo" candy?  
(p. 200)

- A. Simple
- B. Short
- C. Not offensive
- D. Always timely
- E.** Easy to pronounce

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #158  
Question Type: Application  
Self-Test: No

159. Characteristics of a good brand name include all of the following except:  
(p. 200)

- A. Be easy to spell and pronounce.
- B.** Be trendy and fashionable.
- C. Describe the product and key benefits.
- D. Be legally available for use by the firm.
- E. Match the brand's packaging.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #159  
Question Type: Comprehension  
Self-Test: No

160. The value of a brand to its current owner or to a firm that wants to buy it is called  
(p. 200)

- A. brand preference.
- B. brand equity.**
- C. brand identity.
- D. brand positioning.
- E. brand reference.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #160  
Question Type: Definition  
Self-Test: No

161. Which of the following statements is true?

(p. 199-200)

- A. Consumer demand for a specific brand at a profitable price helps build brand equity.
- B. Brand equity is likely to be higher if retailers are eager to stock the brand.
- C. The value of a brand to its current owner is called brand equity.
- D. It is usually difficult and expensive to build brand recognition.
- E. All of the above are true.**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #161  
Question Type: Comprehension  
Self-Test: No

162. The law which focuses on the protection of trademarks and brand names is

(p. 200)

- A. the Lanham Act.**
- B. the Magnuson-Moss Act.
- C. the Uniform Product Code Act.
- D. the Federal Fair Packaging and Labeling Act.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #162  
Question Type: Comprehension  
Self-Test: No

163. The \_\_\_\_\_ spells out what kinds of marks including brand names can be protected and the exact method of protecting them.

(p. 200)

- A. Magnuson-Moss Act
- B. Federal Fair Packaging and Labeling Act
- C. Lanham Act**
- D. Wagner Act
- E. Licenses Act

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #163  
Question Type: Comprehension  
Self-Test: No

164. Which of the following statements about trademarks is TRUE?

(p. 200)

- A. Trademarks must always be registered in their home country only.
- B. In the U.S., common law protects the rights of the owners of brand names and trademarks.
- C. The Lanham Act requires that all trademarks be registered.
- D. Registering under the Lanham Act is often a first step to protecting a trademark to be used in foreign markets.
- E. Both B and D are true.**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #164  
Question Type: Comprehension  
Self-Test: No

165. Trademarks

(p. 200)

- A. can be legally protected in the U.S. under the Lanham Act.**
- B. cannot be registered with a government agency in the U.S.
- C. are legally protected in the United States, but not in any other countries.
- D. and trademark infringement are aggressively policed by a special agency of the U.S. Government.
- E. None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #165  
Question Type: Comprehension  
Self-Test: No

166. Which of the following statements about the Lanham Act is TRUE?

(p. 200)

- A. It spells out what kinds of brand names can be protected.**
- B. Registration under the Lanham Act only applies to licensed brands.
- C. The Lanham Act makes registration of a brand name mandatory.
- D. Registering under the Lanham Act does not help protect a trademark to be used in foreign markets.
- E. All of the above are true statements.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #166  
Question Type: Self-Test  
Self-Test: Self-Test

167. The Lanham Act:

(p. 200)

- A. Provides legal guidelines for product warranties.
- B. Forces all companies to register their brands.
- C. Describes the kinds of marks that can be protected and the methods for doing so.**
- D. Deals with deceptive product claims and advertisements.
- E. Protects consumers against unsafe products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #167  
Question Type: Comprehension  
Self-Test: No

168. A trademark or brand name can become public property if:

(p. 200)

- A. the owner doesn't renew the registration each year.
- B.** it becomes a common descriptive word for the product.
- C. the owner doesn't register it under the Lanham Act.
- D. it is sold in international markets.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #168  
Question Type: Application  
Self-Test: No

169. A producer that is selling all its products under one brand name is using \_\_\_\_\_ brand.

(p. 201)

- A.** a family
- B. a generic
- C. a licensed
- D. a national
- E. an individual

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #169  
Question Type: Definition  
Self-Test: No

170. When a company decides to use the same brand name for several products, it is a(n)

(p. 201)

- A. individual brand.
- B.** family brand.
- C. dealer brand.
- D. private brand.
- E. select brand.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #170  
Question Type: Definition  
Self-Test: No

171. Use of family brands

(p. 202)

- A. may involve several firms--if one licenses its brand.
- B. is common among both producers and intermediaries.
- C. can provide customers with cues about the quality of new products.
- D. can be efficient, since the brand name will carry over in the firm's advertising.
- E.** All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #171  
Question Type: Comprehension  
Self-Test: No

172. Vision Co. manufactures and sells tea, coffee, desserts, shoes, and sporting goods--all under the Vision brand name. These products are  
(p. 201-202)
- A. the firm's product line.
  - B. dealer brands.
  - C.** sold with a family brand.
  - D. specialty products.
  - E. generic products.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #172  
Question Type: Application  
Self-Test: No

173. A producer of high quality stereo component equipment has developed a new line of very inexpensive, low quality "rack systems" to sell through discount stores. It probably should not use its current \_\_\_\_\_ brand for the new line.  
(p. 202)
- A. dealer
  - B. licensed
  - C. national
  - D.** family
  - E. generic

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #173  
Question Type: Application  
Self-Test: No

174. Boatwright College gives manufacturers of clothing and gift items permission to place the college's name and emblem on a wide variety of merchandise. In return, Boatwright is paid a fee for granting this permission. In this case, the Boatwright name and logo is a:  
(p. 202)
- A. Manufacturer brand.
  - B. Individual brand.
  - C. Dealer brand.
  - D.** Licensed brand.
  - E. Private brand.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #174  
Question Type: Comprehension  
Self-Test: No

175. Which of the following would be MOST LIKELY to use individual brands rather than a family brand for its products?  
(p. 202)

- A. Manufacturer of knives and scissors for "top quality" market
- B.** Manufacturer of canned pet food and sandwich spread for final consumers
- C. Manufacturer of sweeping compounds, brooms, and mops for business firms
- D. Manufacturer of flour for the "mass market"
- E. Manufacturer of packaged potato chips and crackers.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #175  
Question Type: Application  
Self-Test: No

176. Sears uses a \_\_\_\_\_ brand when it uses the same brand name for several products. In contrast, General Motors, by using different brands for each car line, uses \_\_\_\_\_ brands.  
(p. 202)

- A. individual, generic
- B. generic, family
- C. manufacturer, dealer
- D. national, local
- E.** family, individual

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #176  
Question Type: Application  
Self-Test: No

177. Fresher Foods Co. manufactures and sells a variety of dairy products under the Fresh Farm brand name. It decides to introduce a new line of organic jams and preserves under the Tru Flavor Preserves brand name. The new line is using \_\_\_\_\_.  
(p. 202)

- A. a family brand
- B.** an individual brand
- C. a dealer brand
- D. a private brand
- E. a select brand

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #177  
Question Type: Application  
Self-Test: No

178. Products which have no brand other than the identification of their contents are called  
(p. 202)

- A. generic products.
- B. local brands.
- C. regional brands.
- D. licensed products.
- E. dealer brands.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #178  
Question Type: Definition  
Self-Test: No

179. "Manufacturer brands" are:  
(p. 202)

- A. also called family brands.
- B. often called private brands.
- C. called licensed brands.
- D. those having national distribution.
- E. sometimes called national brands.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #179  
Question Type: Definition  
Self-Test: No

180. Manufacturer brands are also called \_\_\_\_\_.  
(p. 202)

- A. Dealer brands.
- B. Global brands.
- C. National brands.
- D. Private brands.
- E. Store brands.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #180  
Question Type: Comprehension  
Self-Test: No

181. A "dealer brand" is sometimes called a \_\_\_\_\_ brand.  
(p. 202)

- A. national
- B. local
- C. manufacturer
- D. private
- E. regional

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #181  
Question Type: Definition  
Self-Test: No

182. Sears' Kenmore brand of appliances sold in all Sears stores illustrates two kinds of brands.

(p. 201-202)

- A. dealer and family brands.
- B. local and national brands.
- C. generic and family brands.
- D. licensed and dealer brands.
- E. manufacturer and family brands.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #182  
Question Type: Application  
Self-Test: No

183. Ukrop's Supermarkets places the Ukrop's brand on a wide variety of products that are only available in Ukrop's stores. The Ukrop's brand is referred to as a(n):

(p. 202)

- A. Global brand.
- B. Manufacturer brand.
- C. National brand.
- D. Private brand.
- E. Producer brand.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #183  
Question Type: Comprehension  
Self-Test: No

184. Which of the following is true?

(p. 202-203)

- A. Manufacturer brands usually have national distribution while dealer brands are only distributed locally.
- B. Dealer brands are always priced lower than manufacturer brands.
- C. Dealer brands may be distributed as widely or more widely than many manufacturer brands.
- D. Dealer brands are distributed only by chain-store retailers.
- E. All of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 3  
Perreault - Chapter 08 #184  
Question Type: Integrating  
Self-Test: No



185. Food Lion (a large supermarket chain that emphasizes "low prices") sells a dealer brand of frozen green beans. Here,

(p. 203)

- A. the producer of the green beans probably does a lot of advertising.
- B. a trademark cannot be used.
- C.** a similar manufacturer brand is likely to be given less shelf space.
- D. the price to the consumer will probably be higher than for competing manufacturer brands.
- E. None of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #185  
Question Type: Application  
Self-Test: No

186. Dealer brands, compared to manufacturer brands, usually offer wholesalers and retailers:

(p. 203)

- A. less risk.
- B.** higher gross margins.
- C. faster turnover at reduced selling costs.
- D. products which are presold to target customers.
- E. more prestige.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #186  
Question Type: Self-Test  
Self-Test: Self-Test

187. The "battle of the brands" refers to competition between:

(p. 203)

- A.** manufacturers and intermediaries.
- B. retailers and wholesalers.
- C. retailers and other retailers.
- D. wholesalers and other wholesalers.
- E. manufacturers and other manufacturers.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #187  
Question Type: Definition  
Self-Test: No

188. The current status of the "battle of the brands" is that:

(p. 203)

- A. dealer brands will seek narrower distribution in the future.
- B. retailers now control the marketplace.
- C. the vast majority of consumers clearly prefer manufacturer brands over dealer brands.
- D. manufacturers are gaining on intermediaries.
- E.** competition has reduced the gap in prices.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #188  
Question Type: Comprehension  
Self-Test: No

189. Which of the following statements regarding the "battle of the brands" is true?

(p. 203)

- A. It is pretty well over as the manufacturer brands now control the marketplace.
- B. Intermediaries have no real advantages in the battle of the brands.
- C. If the present trend continues, manufacturer brands will disappear.
- D.** Manufacturer brands have been losing ground to dealer brands.
- E. The battle of the brands has increased the differences in price between manufacturer brands and dealer brands.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 3  
Perreault - Chapter 08 #189  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

190. Packaging

(p. 203-204)

- A. can serve as a useful enhancement tool.
- B. can increase costs to the consumer.
- C. can serve as a useful promotional tool.
- D. is concerned with protecting the product in shipping and on the shelf.
- E.** All of the above are true.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 08 #190  
Question Type: Comprehension  
Self-Test: No

191. Good packaging:

(p. 203-204)

- A. Can make a product easier or safer to use.
- B. Can be an important promotional tool.
- C. Can lower distribution costs.
- D. Can make products easier to handle and display.
- E.** All of the above.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #191  
Question Type: Application  
Self-Test: No

192. A good marketing manager knows that:

(p. 204)

- A. packaging suppliers are usually a poor source of information.
- B. packaging costs generally reduce the customer value a consumer receives.
- C. packaging costs should be kept to a minimum.
- D.** good packaging can tie the product to the rest of a marketing strategy.
- E. All of the above are true.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #192  
Question Type: Self-Test  
Self-Test: Self-Test

193. Packaging

(p. 204)

- A. objectives should primarily focus on promoting the product at the point of purchase.
- B. is important to manufacturers, but not retailers.
- C. decisions should be based on what package will result in the lowest possible cost to the consumer.
- D. All of the above are true.
- E.** None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #193  
Question Type: Comprehension  
Self-Test: No

194. Which of the following statements about packaging is TRUE?

(p. 204)

- A. Better packaging almost always increases total distribution cost.
- B.** A package should satisfy not only the needs of final consumers but also those of intermediaries.
- C. A package doesn't have much promotion impact at retail stores.
- D. A good package can aid in the promotion effort, but it's not as effective as advertising.
- E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 08 #194  
Question Type: Comprehension  
Self-Test: No

195. Which of the following statements about packaging is TRUE?

(p. 204)

- A. The number of package sizes for similar products from different manufacturers is increasing dramatically, because most firms realize that this makes direct comparisons among brands harder.
- B. There is very little government regulation of packaging, except for drug products.
- C.** A good package can sometimes provide more promotional impact than advertising.
- D. All of the above are true.
- E. None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 08 #195  
Question Type: Integrating  
Self-Test: No

196. Which of the following statements about the strategic importance of packaging is FALSE?

(p. 204)

- A. A package may have more promotional impact than a firm's advertising efforts.
- B. A new package can become the major factor in a new marketing strategy by significantly improving the product.
- C. Packaging is concerned with promoting, protecting, and enhancing.
- D. Better packaging always raises total distribution costs.
- E. A package should satisfy not only the needs of consumers but also those of business and organizational customers.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #196  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

197. A carefully designed package may:

(p. 203-204)

- A. raise total distribution cost.
- B. provide more "promotion" effect--and at a lower cost--than advertising.
- C. enhance the product by making it easier or safer to use.
- D. offer product information that helps consumers buy.
- E. All of the above are true.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 08 #197  
Question Type: Comprehension  
Self-Test: No

198. A "universal product code" (UPC):

(p. 205)

- A. identifies a product with a mark which can be "read" by electronic scanners.
- B. was required by the Federal Fair Packaging and Labeling Act.
- C. slows down the retail checkout process.
- D. involves placing the price per ounce on or near the product.
- E. All of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 4  
Perreault - Chapter 08 #198  
Question Type: Comprehension  
Self-Test: No

199. The Federal Fair Packaging and Labeling Act:

(p. 206)

- A. was created due to consumer criticism of packaging and labeling.
- B. calls on government agencies and industry to try to reduce the number of packaging sizes.
- C. requires that consumer goods be clearly labeled in understandable terms.
- D.** all of the above.
- E. A and B only.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #199  
Question Type: Definition  
Self-Test: No

200. The Federal Fair Packaging and Labeling Act:

(p. 206)

- A.** requires that consumer goods be clearly labeled in understandable terms--to give more information.
- B. requires informative labeling of food products regarding nutrients, taste, and texture.
- C. requires informative labeling of food products regarding fat content.
- D. requires the use of universal product codes.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 08 #200  
Question Type: Comprehension  
Self-Test: No

201. The Federal Fair Packaging and Labeling Act calls for all of the following EXCEPT

(p. 206)

- A. consumer goods be clearly labeled in easy-to-understand terms.
- B. industry to try and reduce the number of package sizes.
- C. food manufacturers to use a uniform format that allows consumers to compare the nutritional value of different products.
- D. producers to provide a clearly written warranty if they choose to offer any warranty.
- E.** Both C and D.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 4  
Perreault - Chapter 08 #201  
Question Type: Comprehension  
Self-Test: No

202. The Nutrition Labeling and Education Act of 1990 requires food manufacturers to \_\_\_\_\_.  
(p. 206)

- A. list the nutritional value of the food product.
- B. use a uniform format in the Nutrition Facts panel.
- C. list the fat content of the food product.
- D.** all of the above.
- E. A and C only.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 4  
Perreault - Chapter 08 #202  
Question Type: Comprehension  
Self-Test: No

203. A \_\_\_\_\_ explains what the seller promises about its product.  
(p. 207)

- A. copyright
- B. trademark
- C. brand
- D. service mark
- E.** warranty

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #203  
Question Type: Definition  
Self-Test: No

204. The national law which is primarily concerned with regulating product warranties is  
(p. 207)

- A. the Lanham Act.
- B.** the Magnuson-Moss Act.
- C. the Uniform Product Code Act.
- D. the Federal Fair Packaging and Labeling Act.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 08 #204  
Question Type: Comprehension  
Self-Test: No

205. This \_\_\_\_\_ says that producers must provide a clearly written warranty if they choose to offer any warranty.  
(p. 207)

- A. Norris-LaGuardia Act
- B. Lanham Act
- C. Wagner Act
- D. Magnuson-Moss Act**
- E. Food and Drug Act

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 08 #205  
Question Type: Definition  
Self-Test: No

206. The Magnuson-Moss Act requires that:  
(p. 207)

- A. all firms provide written warranties for all products.
- B. a warranty must be clearly written, if one is offered.**
- C. all warranties be strong warranties.
- D. all warranties be for at least one year.
- E. all of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #206  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

207. The Magnuson-Moss Act:  
(p. 207)

- A. requires that all warranties be "full."
- B. says that all firms must offer written warranties for all products.
- C. requires that all warranties cover at least a one-year period.
- D. says that producers must provide a clearly written warranty if they choose to offer any warranty.**
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 5  
Perreault - Chapter 08 #207  
Question Type: Self-Test  
Self-Test: Self-Test

208. If a firm offers a written warranty, it  
(p. 207)

- A. must be labeled either "full" or "limited."
- B. must be available to buyers before the sale.
- C. shouldn't be "deceptive" or "unfair" per FTC guidelines.
- D. may help create a new strategy.
- E. All of the above are true.**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #208  
Question Type: Comprehension  
Self-Test: No

209. Product warranties:

(p. 207)

- A. Must be specific and in writing.
- B.** Can have a positive effect on perceptions of product quality.
- C. Are governed by the federal Lanham Act.
- D. Are the same as service guarantees.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #209  
Question Type: Comprehension  
Self-Test: No

210. If a firm offers a service guarantee, it

(p. 208)

- A. can be effective in creating repeat customers.
- B. takes on more risk than offering a warranty on a physical product.
- C. can be expensive if its employees are apathetic.
- D.** All of the above are true.
- E. Only A and C are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 5  
Perreault - Chapter 08 #210  
Question Type: Comprehension  
Self-Test: No

211. Regarding product classes,

(p. 208)

- A. Business product classes are based on how buyers think about products and how the products will be used.
- B. Consumer product classes are based on how consumers think about and shop for products.
- C. The same product may be a consumer product and a business product.
- D. Products are classified by what type of customer will use them.
- E.** All of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #211  
Question Type: Comprehension  
Self-Test: No

212. Product class is based on the type of \_\_\_\_\_.

(p. 208)

- A.** Final customer.
- B. Manufacturing process.
- C. Marketing mix.
- D. Marketing strategies.
- E. Shopping strategies.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #212  
Question Type: Comprehension  
Self-Test: No



213. Consumer product classes are based on \_\_\_\_\_, while business product classes are based on \_\_\_\_\_.  
(p. 208)

- A. how the product is to be used, the price for the product
- B. how consumers shop for the product, how the product is to be used**
- C. the price of the product, the quality of the product
- D. how the product is produced, how the product is sold
- E. how the product is sold, how the product is produced

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #213  
Question Type: Definition  
Self-Test: No

214. The text's consumer product classes are based upon:  
(p. 208)

- A. methods of distribution.
- B. NAICS codes.
- C. the nature of the products.
- D. the way people think about and shop for products.**
- E. the way firms price their products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #214  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

215. According to the text, consumer product classes:  
(p. 208)

- A. are based on how consumers shop for products.**
- B. are interesting, but not helpful for planning marketing strategy.
- C. are based on how the products will be used.
- D. are based on the product features involved.
- E. can be broken down into goods, services, and ideas.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #215  
Question Type: Comprehension  
Self-Test: No

216. Consumer product classes

(p. 208)

- A. are based on how the product will be used.
- B. are based primarily on how much effort is actually involved in making a purchase.
- C suggest the type of marketing mix that should be used, but business product classes have little to do with the marketing mix that should be used.
- D.** are based on how consumers think about and shop for products.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #216  
Question Type: Comprehension  
Self-Test: No

217. The text's consumer product classes are based on:

(p. 208)

- A. each product's price level.
- B.** the way consumers think about and shop for products.
- C. the channel(s) of distribution used for each product.
- D. the nature of the product and how it will be used.
- E. how the product is produced.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #217  
Question Type: Definition  
Self-Test: No

218. The text's consumer product classes are based on:

(p. 208)

- A. the demand elasticity of the products.
- B.** the way people think about and shop for products.
- C. the type of stores that sell the products.
- D. the quantity in which products will be purchased or used.
- E. how the sellers view the products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #218  
Question Type: Definition  
Self-Test: No

219. Consumer product classes are based on

(p. 208)

- A. the level of derived demand.
- B.** how consumers think about products.
- C. what types of business products were used to produce them.
- D. how consumers will use the products.
- E. how new and innovative the products are.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #219  
Question Type: Comprehension  
Self-Test: No

220. Which of the following is NOT a consumer product class?

(p. 208)

- A. specialty.
- B. unsought.
- C. derived.**
- D. shopping.
- E. impulse.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #220  
Question Type: Comprehension  
Self-Test: No

221. Which of the following is NOT one of the consumer product classes discussed in the text?

(p. 208)

- A. Unsought products
- B. Innovative products**
- C. Shopping products
- D. Convenience products
- E. Specialty products

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #221  
Question Type: Integrating  
Self-Test: No

222. Which of the following is NOT one of the consumer product classes discussed in the text?

(p. 208)

- A. Unsought products
- B. Imitation products**
- C. Shopping products
- D. Convenience products
- E. Specialty products

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #222  
Question Type: Integrating  
Self-Test: No

223. \_\_\_\_\_ are products a consumer needs but isn't willing to spend much time and effort shopping for.

(p. 208)

- A. Convenience products**
- B. Unsought products
- C. Homogeneous shopping products
- D. Utility products
- E. Heterogeneous shopping products

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #223  
Question Type: Definition  
Self-Test: No

224. \_\_\_\_\_ are products a consumer needs but isn't willing to spend much time and effort shopping for.  
(p. 208)

- A. Convenience products
- B. Unsought products
- C. Homogeneous shopping products
- D. Specialty products
- E. Heterogeneous shopping products

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #224  
Question Type: Definition  
Self-Test: No

225. Convenience products are products  
(p. 208)

- A. a consumer needs but is not willing to spend much time or effort shopping for.
- B. which consumers are aware of but not interested in.
- C. meant for use in producing other products.
- D. toward which consumer attitudes may be negative.
- E. that consumers want because they are easy to use or consume.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #225  
Question Type: Comprehension  
Self-Test: No

226. Which of the following is NOT a convenience product?  
(p. 208)

- A. a staple.
- B. an impulse product.
- C. a business product.
- D. an emergency product.
- E. all of the above are convenience products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #226  
Question Type: Comprehension  
Self-Test: No

227. Convenience products include:  
(p. 208)

- A. impulse products.
- B. staple products.
- C. emergency products.
- D. All of the above.
- E. Only A and C above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #227  
Question Type: Definition  
Self-Test: No

228. Which of the following would be a convenience product for most consumers?

(p. 208)

- A. Gold jewelry
- B. Butter**
- C. Stereo TVs
- D. Dress shoes
- E. Bicycles

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #228  
Question Type: Application  
Self-Test: No

229. Which of the following is LEAST likely to be a convenience product for most consumers?

(p. 208)

- A. Peanut butter.
- B. Laundry detergent.
- C. Candy bar.
- D. Pair of jeans.**
- E. Paper towels.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #229  
Question Type: Comprehension  
Self-Test: No

230. If a consumer product is used regularly and usually bought frequently and routinely with little thought (although branding may be important), this product is:

(p. 208)

- A. a routine product.
- B. a specialty product.
- C. a homogeneous shopping product.
- D. a staple product.**
- E. a casual product.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #230  
Question Type: Self-Test  
Self-Test: Self-Test

231. \_\_\_\_\_ are bought often, routinely, and without much thought.

(p. 208)

- A. New unsought products
- B. Staples**
- C. Specialty products
- D. Business products
- E. Shopping products

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #231  
Question Type: Comprehension  
Self-Test: No

232. Staple products:

(p. 208-209)

- A. need maximum exposure and widespread distribution at low cost.
- B. need adequate representation in major shopping areas.
- C. need widespread distribution but with assurance of preferred display.
- D. need widespread distribution near probable points of use.
- E. can have limited availability as long as display is good.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #232  
Question Type: Comprehension  
Self-Test: No

233. Impulse products are:

(p. 208)

- A. products that potential customers do not want yet or know they can buy.
- B. bought quickly--as unplanned purchases--because of a strongly felt need.
- C. any products that consumers search for because of a strongly felt craving.
- D. any convenience products that are bought often and routinely.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #233  
Question Type: Comprehension  
Self-Test: No

234. Impulse products:

(p. 209)

- A. are likely to gain or lose sales depending on where they're sold.
- B. require a great deal of advertising.
- C. are a specific type of specialty product.
- D. are usually high in price.
- E. All of the above are correct.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #234  
Question Type: Definition  
Self-Test: No

235. Which of the following products in a supermarket is MOST likely to be an impulse product?

(p. 209)

- A. oranges.
- B. bread.
- C. frozen peas.
- D. a child's toy.
- E. shampoo.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #235  
Question Type: Application  
Self-Test: No

236. Which of the following products in a supermarket is LEAST likely to be an impulse product?  
(p. 209)

- A. bread.
- B. local newspaper.
- C. camera film.
- D. an ice cream cone.
- E. flashlight batteries.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #236  
Question Type: Application  
Self-Test: No

237. While shopping in a local supermarket, Jolene Partin came upon an aisle display of cookies and had to have some--immediately. By the time she got to the checkout counter with the rest of her selections, all the cookies were gone. In this case, the cookies were:

- A. an impulse product.
- B. a staple product.
- C. an unsought product.
- D. very nutritious.
- E. a consumption product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #237  
Question Type: Application  
Self-Test: No

238. Impulse products:  
(p. 209)

- A. can have limited availability as long as display is good.
- B. need widespread distribution with display at point of purchase.
- C. need enough exposure to facilitate price comparisons.
- D. need adequate representation in major shopping areas.
- E. need widespread distribution at low cost.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #238  
Question Type: Comprehension  
Self-Test: No

239. Compared to other consumer products, the major distinguishing characteristic of emergency products is the customer's:

(p. 209)

- A. desire to negotiate for a "deal."
- B.** urgency to get the need satisfied.
- C. willingness to shop around for a lower price.
- D. interest in the brand name.
- E. willingness to shop and compare.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #239  
Question Type: Comprehension  
Self-Test: No

240. During a heavy rainstorm, Louie Hirasawa stepped into a drugstore and bought an umbrella--just like the one he had at home--for \$15.00 plus tax. In this case, the umbrella is:

(p. 209)

- A. a specialty product.
- B. a shopping product.
- C. an unsought product.
- D.** an emergency product.
- E. an impulse product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #240  
Question Type: Application  
Self-Test: No

241. When selling \_\_\_\_ products, a marketing manager should recognize that consumers have low price sensitivity and the product should have widespread distribution near the probable point of need.

(p. 209)

- A. homogeneous
- B. specialty
- C.** emergency
- D. impulse
- E. regularly unsought

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #241  
Question Type: Comprehension  
Self-Test: No



242. Emergency products:

(p. 209)

- A. need adequate representation in major shopping areas.
- B. need widespread distribution but with assurance of preferred display.
- C. can have limited availability as long as display is good.
- D.** need widespread distribution near probable points of use.
- E. need widespread distribution at low cost.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #242  
Question Type: Comprehension  
Self-Test: No

243. Regarding consumer product classes, a convenience product is to an emergency product as

(p. 209)

- A. a staple is to an emergency product
- B.** a shopping product is to a heterogeneous shopping product
- C. an unsought product is to a specialty product
- D. a new unsought product is to a regularly unsought product
- E. a specialty product is to a homogeneous shopping product

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #243  
Question Type: Integrating  
Self-Test: No

244. Regarding the organization of the product classes, an impulse product is to an emergency product as

(p. 209)

- A.** a new unsought product is to a regularly unsought product.
- B. an installation is to a homogeneous shopping product.
- C. an impulse product is to a convenience product.
- D. a consumer product is to a business product.
- E. a shopping product is to a specialty product.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #244  
Question Type: Comprehension  
Self-Test: No

245. Consumer products which customers see as basically the same and want to buy at the lowest price are called:

(p. 209)

- A. heterogeneous shopping products.
- B.** homogeneous shopping products.
- C. comparison products.
- D. unsought products.
- E. convenience products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #245  
Question Type: Definition  
Self-Test: No

246. \_\_\_\_\_ shopping products are products that the customer sees as basically the same and wants at the lowest price.  
(p. 209)

- A. Regularly unsought
- B. New unsought
- C. Specialty
- D. Unsought
- E.** Homogeneous

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #246  
Question Type: Comprehension  
Self-Test: No

247. When some customers see all competitors' offerings as basically the same and are willing to spend much time and effort to buy the item at the lowest price, the item is:  
(p. 209)

- A. an analysis product.
- B. a specialty product.
- C. a staple product.
- D. a heterogeneous shopping product.
- E.** a homogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #247  
Question Type: Definition  
Self-Test: No

248. Having a competitive price is likely to  
(p. 209-210)

- A.** be more important for a homogeneous shopping product than for a specialty product.
- B. be more important for a heterogeneous shopping product than for a homogeneous shopping product.
- C. be more important for an emergency product than for a staple.
- D. keep a product from falling into the "unsought" product class.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #248  
Question Type: Self-Test  
Self-Test: Self-Test

249. Luke Flaherty wants to buy an electric drill for some jobs around his home. Deciding that all such drills are similar, he reads all the advertisements in his Sunday paper in search of the best price. For Luke, these drills are:

(p. 209)

- A. a heterogeneous shopping product.
- B. a staple product.
- C. a specialty product.
- D.** a homogeneous shopping product.
- E. an emergency product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #249  
Question Type: Application  
Self-Test: No

250. Homogeneous shopping products:

(p. 209)

- A. need widespread distribution near probable points of sale.
- B.** need enough exposure to facilitate price comparison.
- C. need widespread distribution with assurance of preferred display.
- D. need widespread distribution at low cost.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #250  
Question Type: Comprehension  
Self-Test: No

251. For a homogeneous shopping product, a marketing manager should

(p. 209)

- A.** provide enough exposure to facilitate price comparison.
- B. understand that price sensitivity is likely to be low.
- C. recognize that consumers see a lot of differences across alternatives.
- D. realize that consumers usually pay little attention to price.
- E. know that consumer purchases are typically unplanned and bought quickly.

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #251  
Question Type: Application  
Self-Test: No

252. When final consumers are willing to spend much time and effort comparing quality and style--with brand and price being less important--the product is:

(p. 210)

- A. an inspection product.
- B.** a heterogeneous shopping product.
- C. a homogeneous shopping product.
- D. a specialty product.
- E. All of the above are correct.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #252  
Question Type: Comprehension  
Self-Test: No

253. Customers see \_\_\_\_\_ products as different and want to inspect them for quality and suitability.

(p. 210)

- A.** heterogeneous
- B. specialty
- C. new unsought
- D. impulse
- E. convenience

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #253  
Question Type: Definition  
Self-Test: No

254. A consumer is most likely to want and expect help from a salesperson when shopping for

(p. 210)

- A. a regularly unsought product.
- B. an impulse product.
- C. a staple.
- D.** a heterogeneous shopping product.
- E. a homogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #254  
Question Type: Comprehension  
Self-Test: No

255. Which of the following is true regarding shopping products?

(p. 209-210)

- A. Price is less important in the purchase of heterogeneous shopping products than homogeneous shopping products.
- B. Compared to heterogeneous shopping products, homogeneous shopping products are usually more standardized.
- C. Buyers usually expect more sales help or service with heterogeneous shopping products.
- D.** All of the above are true.
- E. None of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #255  
Question Type: Comprehension  
Self-Test: No

256. Lisa Campos was interested in buying a coffee pot to use at college and an MP3 player for her sister's birthday present. At the local discount store, she compared prices on coffee pots and chose the cheapest. She read the product information on each MP3 player and finally chose one with stereo headphones and a rechargeable battery. For Lisa, the coffee pot was

(p. 209-210)

- A. a convenience product, but the MP3 player was a specialty product.
- B. a heterogeneous shopping product, but the MP3 player was a staple.
- C. an impulse product, but the MP3 player was a convenience product.
- D. a specialty product, but the MP3 player was a heterogeneous shopping product.
- E.** a homogeneous shopping product, but the MP3 player was a heterogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #256  
Question Type: Application  
Self-Test: No

257. Gavan and Rebekah want to buy a flat-screen TV. They look at several brands in several different stores before finally deciding on a Sharp. This set was the most expensive model they saw, but they felt it had better colors and would be more reliable. In this case, this TV is:

(p. 210)

- A. an impulse product.
- B.** a heterogeneous shopping product.
- C. an emergency product.
- D. a specialty product.
- E. a homogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #257  
Question Type: Application  
Self-Test: No

258. Heterogeneous shopping products:

(p. 209-210)

- A. need adequate representation in major shopping areas near similar products.
- B. need widespread distribution near probable points of sale.
- C. need enough exposure to aid price comparison.
- D. need widespread distribution at low cost.
- E. need widespread distribution but with assurance of preferred display or counter position.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #258  
Question Type: Comprehension  
Self-Test: No

259. A consumer product that a customer really wants - and is willing to make a special shopping effort to find - is

(p. 210)

- A. a staple product.
- B. a convenience product.
- C. a heterogeneous shopping product.
- D. a specialty product.
- E. an emergency product.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #259  
Question Type: Definition  
Self-Test: No

260. Specialty products:

(p. 210)

- A. have a number of close substitutes.
- B. are brands customers request by name.
- C. are generally high in price.
- D. all of the above.
- E. none of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #260  
Question Type: Definition  
Self-Test: No

261. A specialty product

(p. 210)

- A. may not require much searching to find it, but the customer would be willing to search if necessary.
- B. may carry a well-recognized brand.
- C. may be frequently purchased.
- D. need not be an expensive item.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #261  
Question Type: Definition  
Self-Test: No

262. Specialty products are consumer products which:

(p. 210)

- A. have elastic demand.
- B. very few customers want or can afford to buy.
- C. are relatively expensive and purchased only rarely.
- D.** consumers are willing to search for because they really want them.
- E. All of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #262  
Question Type: Comprehension  
Self-Test: No

263. Regarding specialty products, which of the following is TRUE?

(p. 210)

- A. Branding does not play an important role in purchasing specialty products.
- B.** It is a customer's willingness to search that makes it a specialty product.
- C. Shopping for a specialty product involves much comparing of products.
- D. It is the extent of searching which the customer has to do that makes it a specialty product.
- E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #263  
Question Type: Comprehension  
Self-Test: No

264. Emil Flores won't buy any coffee except "Blue Mountain"--a relatively expensive type that few stores sell. He used to have to drive about 10 miles out of his way to buy it at a small shop--but now he has persuaded his local supermarket manager to handle this coffee. For him, this coffee is

(p. 210)

- A. an emergency product.
- B.** a specialty product.
- C. a staple product.
- D. an unsought product.
- E. a heterogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #264  
Question Type: Application  
Self-Test: No

265. (p. 210) Until recently, Emil Flores wouldn't buy any coffee except "Blue Mountain"--a relatively expensive type that few stores sell. He used to have to drive about 10 miles out of his way to buy it at a small shop. Then he was at a friend's home and tried an inexpensive brand of coffee sold by the local supermarket chain. Now he won't buy anything except that brand. For him, the supermarket coffee is

- A. an emergency product.
- B.** a specialty product.
- C. a staple product.
- D. an unsought product.
- E. a heterogeneous shopping product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #265  
Question Type: Application  
Self-Test: No

266. (p. 210) Denise Hunter had Thomasville brand living room furniture and wanted to buy a particular chair of the same brand. She made a few calls to find a store that had the chair in stock. When she found one, she went there and purchased the chair. For Denise, the chair was

- A. a homogeneous shopping product.
- B.** a specialty product.
- C. an impulse product.
- D. a heterogeneous shopping product.
- E. an emergency product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #266  
Question Type: Application  
Self-Test: No

267. (p. 210) Mrs. Moreau was planning to have several guests at her home for a traditional Thanksgiving dinner. She had cooked Shady Brook Farms fresh turkeys in the past and had enjoyed them very much. When she went to her usual grocery store, she discovered that the store no longer carried the Shady Brook Farms brand. She called several other grocery stores and was finally able to locate Shady Brook Farms fresh turkeys at a small specialty grocery store approximately 10 miles away. She drove to the store and bought a 20-pound Shady Brook Farms turkey, even though the price per pound was higher than what she normally paid at her usual grocery store. For Mrs. Moreau, the Shady Brook Farms turkey was a:

- A. Homogeneous shopping product.
- B.** Specialty product.
- C. Heterogeneous shopping product.
- D. Convenience product.
- E. Unsought product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #267  
Question Type: Application  
Self-Test: No



268. Rosalita has a special place in her heart for Fina Pasta. She will make a special effort to find the pasta -  
(p. 210) - even going to another store if she cannot find it at her usual store. For Rosalita, Fina Pasta is a \_\_\_\_\_ product.

- A. homogeneous
- B. specialty**
- C. unsought
- D. new unsought
- E. impulse

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #268  
Question Type: Comprehension  
Self-Test: No

269. Specialty products:

(p. 209-210)

- A. need widespread distribution at low cost.
- B. need enough exposure to facilitate price comparison.
- C. need adequate representation near similar products.
- D. need widespread distribution near probable points of sale.
- E. can have limited availability.**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #269  
Question Type: Comprehension  
Self-Test: No

270. Consumer products which consumers do not yet want or know they can buy - and probably would not  
(p. 210) buy without special promotion even if they saw them - are called:

- A. new brands of well-accepted staples.
- B. unsought products.**
- C. heterogeneous shopping products.
- D. emergency products.
- E. homogeneous shopping products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #270  
Question Type: Definition  
Self-Test: No

271. Unsought products:

(p. 210)

- A. require wide distribution but little promotion.
- B. are generally unprofitable.
- C. should not be marketed.
- D. All of the above are true.
- E.** None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #271  
Question Type: Comprehension  
Self-Test: No

272. Which of the following is an "unsought product"?

(p. 210-211)

- A. Gravestones aimed at "senior citizens."
- B. A new type of "health food" produced by a new, small company.
- C. Life insurance aimed at college students.
- D. Encyclopedias aimed at new parents.
- E.** All of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #272  
Question Type: Application  
Self-Test: No

273. Personal selling is extremely important for sellers of:

(p. 211)

- A. specialty products.
- B.** regularly unsought products.
- C. heterogeneous shopping products.
- D. new unsought products.
- E. homogeneous shopping products.

AACSB: 8 Financial  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #273  
Question Type: Comprehension  
Self-Test: No

274. Customers view regularly unsought products as

(p. 211)

- A. basically the same.
- B. really new ideas that potential customers do not know about yet.
- C.** undesirable but not unsold forever.
- D. different and they want to inspect them for quality and suitability.
- E. worth the time and effort to compare with competing products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #274  
Question Type: Definition  
Self-Test: No

275. Which of the following statements about consumer products is true?

(p. 208-210)

- A. Convenience products are those that customers want to buy at the lowest possible price.
- B. Shopping products are those products for which customers usually want to use routinized buying behavior.
- C. Specialty products are those that customers usually are least willing to search for.
- D. Unsought products are not shopped for at all.**
- E. None of the above statements is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #275  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

276. Regarding consumer products,

(p. 208-210)

- A. All unsought products remain unsought forever.
- B. Convenience products are products which customers want to buy at the lowest possible price.
- C. Price is not important at all for heterogeneous shopping products.
- D. Supermarkets may carry homogeneous shopping products.**
- E. Specialty products must be searched for.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #276  
Question Type: Integrating  
Self-Test: No

277. Which of the following orderings suggests the amount of effort (from little to much) that consumers are willing to spend in searching for the "right" product?

(p. 208-210)

- A. Heterogeneous shopping products, specialty products, unsought products
- B. Convenience products, homogeneous shopping products, specialty products**
- C. Unsought products, homogeneous shopping products, convenience products
- D. Staples, heterogeneous shopping products, unsought products
- E. Homogeneous shopping products, heterogeneous shopping products, staples

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #277  
Question Type: Integrating  
Self-Test: No

278. If a consumer purchases a new watch, the watch is:  
(p. 211)

- A. a specialty product.
- B. a heterogeneous shopping product.
- C. a homogeneous shopping product.
- D. a convenience product.
- E.** it is not obvious - the watch could be any of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #278  
Question Type: Application  
Self-Test: No

279. A \$50 consumer product which is purchased infrequently is:  
(p. 211)

- A. an unsought product.
- B. a convenience product.
- C. a specialty product.
- D. a shopping product.
- E.** It might be any of the above.

AACSB: 5. Diversity understanding  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #279  
Question Type: Application  
Self-Test: No

280. Which of the following are meant for use in producing other products?  
(p. 211)

- A. Consumer products
- B. Staples
- C.** Business products
- D. Convenience products
- E. Shopping products

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #280  
Question Type: Comprehension  
Self-Test: No

281. Which of the following is NOT a business product?  
(p. 211)

- A. A roll of sheet metal.
- B. A metal shelf system for storing inventory.
- C. A custom-built robot for welding metal.
- D. A pad of paper.
- E.** Any of the above could be a business product.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #281  
Question Type: Application  
Self-Test: No

282. The big difference between the consumer products market and the business products market is  
(p. 211)

- A. demand.
- B. derived demand.**
- C. supply.
- D. availability.
- E. price sensitivity.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #282  
Question Type: Comprehension  
Self-Test: No

283. The fact that the demand for business products depends a lot on the demand for final consumer products is called:  
(p. 211)

- A. primary demand.
- B. derived demand.**
- C. diminishing demand.
- D. elastic demand.
- E. secured demand.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #283  
Question Type: Definition  
Self-Test: No

284. "Derived demand" is best illustrated by the demand for:  
(p. 211)

- A. tea as a substitute for coffee.
- B. brick because of increasing demand for new homes.**
- C. fresh raspberries during the winter months.
- D. CD players because of increasing interest in CD audio discs.
- E. all of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #284  
Question Type: Application  
Self-Test: No

285. Regarding business products:  
(p. 211)

- A. The demand for consumer products is derived from the demand for business products.
- B. Total industry demand is fairly elastic.
- C. Demand facing individual sellers is always inelastic.
- D. Tax treatments of business products have no importance to business customers.
- E. The demand for business products is derived from the demand for consumer products.**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #285  
Question Type: Comprehension  
Self-Test: No

286. Regarding the demand for business products,  
(p. 211)

- A. Demand for business products is derived from the demand for final consumer products.
- B. The demand facing most individual firms is fairly inelastic.
- C. Industry demand is generally highly elastic.
- D. All of the above.
- E. None of the above.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #286  
Question Type: Self-Test  
Self-Test: Self-Test

287. Which of the following is usually NOT true about business products?  
(p. 211)

- A. The demand curve for a particular industry is usually inelastic.
- B. Demand for consumer products is derived from business products.
- C. The demand curve for individual sellers may be extremely elastic.
- D. Each business product may be only a small part of the cost of a final product.
- E. None of the above, i.e., all ARE true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #287  
Question Type: Integrating  
Self-Test: No

288. Why might the demand for business products be INELASTIC, while the demand facing individual sellers of those products is extremely ELASTIC?  
(p. 212)

- A. Because total demand for business products often exceeds supply.
- B. Because most business producers use reciprocity in their buying.
- C. Because the demand for business products is derived, and some industries have many sellers of essentially homogeneous products.
- D. Because the industry demand is rising.
- E. None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 7  
Perreault - Chapter 08 #288  
Question Type: Integrating  
Self-Test: No

289. (p. 211) VoiceSys, Inc. produces voice-mail switchboard systems used in large office buildings, hotels, and other facilities. VoiceSys's products are selling so well that it has decided to buy new equipment that will increase its production capacity. This example best illustrates
- A. why the demand for a particular seller's equipment is inelastic.
  - B. derived demand.**
  - C. why the industry demand for this kind of equipment is quite elastic.
  - D. that the market for installations is a "boom or bust" business.
  - E. All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 7  
Perreault - Chapter 08 #289  
Question Type: Application  
Self-Test: No

290. (p. 212) Short-lived goods and services which are charged off as they are used--rather than depreciated over several years--are called:
- A. nontaxable items.
  - B. expense items.**
  - C. derived items.
  - D. durables.
  - E. capital items.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #290  
Question Type: Definition  
Self-Test: No

291. (p. 212) Which of the following would be treated as an expense item for a children's clothing manufacturer?
- A. cloth.
  - B. sewing needles.
  - C. buttons.
  - D. zippers.
  - E. all of the above.**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #291  
Question Type: Application  
Self-Test: No

292. Which of the following would probably be treated as a capital item by a large clothing manufacturer?  
(p. 212)

- A. computer-controlled fabric cutting machines.
- B. zippers.
- C. cloth.
- D. buttons.
- E. none of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #292  
Question Type: Application  
Self-Test: No

293. VoiceSys, Inc. produces voice-mail switchboard systems used in large office buildings, hotels, and other facilities. VoiceSys is short of cash, but its products are so profitable and are selling so well that it has decided to buy more production equipment from one of the many suppliers that serve its industry. This example illustrates:

- A. how installations are a boom-or-bust industry.
- B. why installations may have to be leased or rented.
- C. derived demand.
- D. All of the above.
- E. None of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 7  
Perreault - Chapter 08 #293  
Question Type: Application  
Self-Test: No

294. Which of the following is NOT a general characteristic of most business products?  
(p. 212)

- A. From a tax perspective, all purchases of business products are written off in the year in which the purchase is made.
- B. Their demand is derived from the demand for final consumer products.
- C. Buying is not as emotional as with consumer products.
- D. Buying is basically concerned with economic factors.
- E. All of the above are characteristics for most business products.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 7  
Perreault - Chapter 08 #294  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid



295. When making business buying decisions, it is important to remember that:  
(p. 212)

- A. capital item purchases can't be fully charged off to the current year's expenses.
- B. expense items are depreciated over several years.
- C. large purchases must be expensed in one year.
- D. capital items are expensed in one year--making them less risky to buy.
- E. expense items are very risky since they cannot be depreciated.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 7  
Perreault - Chapter 08 #295  
Question Type: Comprehension  
Self-Test: No

296. The text's business product classes are based on:  
(p. 212)

- A. how buyers think about products.
- B. how the products are to be used.
- C. the shopping behavior of the buyer.
- D. All of the above.
- E. Both A and B.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #296  
Question Type: Definition  
Self-Test: No

297. Business product classes  
(p. 212)

- A. are based on where buyers shop for products.
- B. are based on how products will be used.
- C. are based on the buying situation--whether the decision is new task, straight rebuy, or modified rebuy.
- D. All of the above are true.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 7  
Perreault - Chapter 08 #297  
Question Type: Comprehension  
Self-Test: No

298. Which of the following is NOT one of the text's business product classes?  
(p. 212)

- A. Raw materials
- B. Component parts and materials
- C. Specialty products
- D. Professional services
- E. Installations

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #298  
Question Type: Definition  
Self-Test: No

299. Which of the following is not a business product classification?

(p. 212)

- A. Installations
- B. Accessories
- C. Professional services
- D. Specialty**
- E. Supplies

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #299  
Question Type: Comprehension  
Self-Test: No

300. Installations:

(p. 213)

- A.** are important long-lived capital items.
- B. seldom involve multiple-buying influence.
- C. are very large expense items for buyers as soon as they buy.
- D. are purchased often.
- E. are always custom-made.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #300  
Question Type: Definition  
Self-Test: No

301. \_\_\_\_\_ are a boom-or-bust business?

(p. 213)

- A. Accessories
- B. Professional services
- C. Installations**
- D. Specialty
- E. Supplies

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #301  
Question Type: Comprehension  
Self-Test: No

302. Which of the following business products to be purchased by a firm is most likely to involve top management in the buying decision?

(p. 213)

- A. Raw materials
- B. Accessory equipment
- C. Operating supplies
- D. Installations**
- E. Component parts

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #302  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

303. Multiple-buying influence would be most likely for:

(p. 213)

- A. Repair items.
- B. Accessories.
- C. Professional services.
- D. Installations.**
- E. It would be equally likely for all of the above.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #303  
Question Type: Application  
Self-Test: No

304. "Installation" products:

(p. 213)

- A. are hardly ever leased because of the tax disadvantages.
- B. do not include buildings and land rights.
- C. justify multiple buying influence for custom-made equipment but not for standard equipment.
- D. such as custom-made equipment generally require special negotiations for each sale.**
- E. All of the above are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #304  
Question Type: Comprehension  
Self-Test: No

305. Regarding installations, which is NOT true?

(p. 213)

- A. The number of potential customers at any one time is quite large.**
- B. Leasing installations may be attractive to buyers.
- C. It is common for sellers to offer specialized services.
- D. The buying needs of potential customers are basically economic.
- E. Multiple buying influence is common.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #305  
Question Type: Comprehension  
Self-Test: No

306. A local copying service is buying a new kind of high speed color copier.

(p. 213)

- A. There will probably be more buying influences for the paper for the copier than for the copier.
- B. The copier is likely to be purchased with a new-task buying process.**
- C. The copier will be depreciated as an expense item.
- D. A and C are both true.
- E. None of the above is true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #306  
Question Type: Comprehension  
Self-Test: No

307. (p. 213) Trane Corp. manufactures long-lived, custom-made equipment which its customers treat as capital items. Trane's sales force faces much multiple-buying influence. Trane's products, which do not become part of the customer's final product, are:

- A. accessory equipment.
- B. installations.**
- C. MRO items.
- D. component parts.
- E. operating supplies.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #307  
Question Type: Application  
Self-Test: No

308. (p. 213) \_\_\_\_\_ are capital items that cost less and are shorter-lived than installations.

- A. Supplies
- B. Staples
- C. Component parts
- D. Component materials
- E. Accessory equipment**

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #308  
Question Type: Definition  
Self-Test: No

309. (p. 213) \_\_\_\_\_ are short-lived capital items.

- A. Accessories**
- B. Installations
- C. Raw materials
- D. Components
- E. Professional services

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #309  
Question Type: Definition  
Self-Test: No

310. Compared to installations, accessory equipment

(p. 213)

- A. is usually less standardized.
- B. involves more multiple-buying influence.
- C. is an expense item instead of a capital item.
- D. is sold to more target markets.**
- E. becomes part of the buyer's final product.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #310  
Question Type: Comprehension  
Self-Test: No

311. Regarding business products,

(p. 213)

- A. derived demand has little affect on the market for accessory equipment.
- B. sellers of accessory equipment usually must face more competitors than sellers of installations.**
- C. at any one time there are usually fewer target customers for accessories than for installations.
- D. accessory equipment is not treated as a capital item.
- E. special services and advice are more important with accessories than with installations.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #311  
Question Type: Integrating  
Self-Test: No

312. Regarding accessory equipment, which of the following is NOT true?

(p. 213)

- A. Multiple buying influence is less important in the purchase of an installation than with accessory equipment.**
- B. There are more customers for accessory equipment than for installations.
- C. Specialized services are more important in the purchase of installations than accessories.
- D. There are more sellers of accessory equipment than of installations.
- E. All of the above ARE true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #312  
Question Type: Comprehension  
Self-Test: No

313. A Hewlett-Packard "all-in-one" printer that serves as a computer printer, fax machine, copier, and scanner would fall into which of the following business product classes?  
(p. 213)

- A. Accessories.
- B. Components.
- C. Installations.
- D. Raw materials.
- E. Supplies.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #313  
Question Type: Comprehension  
Self-Test: No

314. Sumitomo Bank, a large bank in southern California, has just purchased 120 high-speed telephone fax machines (costing about \$1,300 each) to speed communications among its many offices. The purchase was made by the purchasing manager, who expects the machines to last about five years. In this case, the fax machines are:  
(p. 213)

- A. accessory equipment.
- B. MRO items.
- C. installations.
- D. component parts.
- E. professional services.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #314  
Question Type: Application  
Self-Test: No

315. Accessory equipment:  
(p. 213)

- A. needs fair to widespread distribution for prompt delivery.
- B. needs fairly widespread and numerous contacts by experienced and sometimes technically trained personnel.
- C. needs very widespread distribution for prompt delivery.
- D. needs technical contacts to determine specifications required, but widespread contacts usually are not necessary.
- E. needs fairly widespread contacts with users.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #315  
Question Type: Comprehension  
Self-Test: No

316. Which of the following business products are usually treated as expense items?

(p. 213-214)

- A. component parts and materials
- B. raw materials
- C. professional services
- D. supplies
- E.** all of the above

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #316  
Question Type: Definition  
Self-Test: No

317. Raw materials

(p. 213)

- A. are treated as expense items.
- B. are unprocessed but eventually become part of a final physical good.
- C. include both farm products and natural products.
- D.** All of the above are true.
- E. B and C are true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #317  
Question Type: Definition  
Self-Test: No

318. Raw materials are different from other business products in that:

(p. 213)

- A. buyers do not seek sources of supply.
- B.** they require more grading.
- C. they require a lot of handling before moving to the next production process.
- D. they never involve contract production arrangements.
- E. pricing decisions for farm products are more complicated.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #318  
Question Type: Comprehension  
Self-Test: No

319. A marketing manager developing a marketing mix to sell \_\_\_\_\_ probably needs to be concerned with grading, transportation, and storing because of seasonal production and/or perishable products.

(p. 213)

- A. component parts
- B. accessories
- C. impulse
- D. supplies
- E.** raw materials

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #319  
Question Type: Application  
Self-Test: No

320. Procter and Gamble buys unprocessed logs which are handled as little as needed to move them to its plant. Eventually, they become part of P&G's disposable diapers and are considered an expense item on P&G's income statement. For P&G, logs are:

(p. 213)

- A. farm products
- B. supplies
- C. component parts
- D. component materials
- E. raw materials**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #320  
Question Type: Application  
Self-Test: No

321. Logs, fish, cotton, and strawberries can all be:

(p. 213)

- A. supplies.
- B. raw materials.**
- C. component parts.
- D. capital items.
- E. accessories.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #321  
Question Type: Application  
Self-Test: No

322. Which of the following is NOT a business raw material?

(p. 213)

- A. logs.
- B. coal.
- C. wheat.
- D. cattle.
- E. all of the above are examples.**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #322  
Question Type: Application  
Self-Test: No



323. Which of the following is NOT a business raw material?

(p. 213)

- A. coal.
- B. grease.**
- C. sugar cane.
- D. iron ore.
- E. logs.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #323  
Question Type: Application  
Self-Test: No

324. A product which becomes part of a buyer's final product, and still requires more processing is called:

(p. 213)

- A. a supply.
- B. a component material.**
- C. a component part.
- D. a raw material.
- E. an installation.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #324  
Question Type: Definition  
Self-Test: No

325. Which of the following is NOT a component material?

(p. 213)

- A. Paper.
- B. Copper wire.
- C. Copper ore.**
- D. Copper screens.
- E. None of the above, i.e., all are component materials.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #325  
Question Type: Application  
Self-Test: No

326. A product which becomes part of a buyer's final product and comes finished and ready for assembly is called:

(p. 213)

- A. a raw material.
- B. a component material.
- C. a component part.**
- D. accessory equipment.
- E. an installation.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #326  
Question Type: Definition  
Self-Test: No

327. Bonafide Electric produces electric motors that power refrigerators, air condition units, washing machines, and many other electric appliances produced by various manufacturers. Bonafide Electric is selling

(p. 213)

- A. raw materials.
- B.** component parts.
- C. MRO items.
- D. accessory equipment.
- E. installations.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #327  
Question Type: Application  
Self-Test: No

328. A firm which makes stereo radios and CD players for car manufacturers who install them directly in their new cars is selling:

(p. 213)

- A.** component parts.
- B. supplies.
- C. component materials.
- D. installations.
- E. accessory equipment.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #328  
Question Type: Application  
Self-Test: No

329. A firm which makes special batteries that boat and motorcycle manufacturers buy and install directly in their new boats and cycles is selling:

(p. 213)

- A. supplies.
- B.** component parts.
- C. component materials.
- D. installations.
- E. accessory equipment.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #329  
Question Type: Application  
Self-Test: No

330. Regarding component parts,  
(p. 213)

- A. the original equipment market and the after market for component parts are typically separate target markets.
- B. a product originally sold as a component part may become a consumer product when sold in the "after market."
- C. component buyers want dependable suppliers.
- D.** All of the above are true.
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #330  
Question Type: Comprehension  
Self-Test: No

331. A marketing manager for a firm which produces component parts should keep in mind that:  
(p. 213)

- A. most component buyers prefer to rely on one reliable source of supply.
- B. the after market for component parts generally requires the same marketing mix as the one used to serve the original equipment market.
- C. quality is not as important with components as it is with supplies.
- D.** the original equipment market and the after market for component parts should be viewed as separate target markets.
- E. All of the above are true statements.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #331  
Question Type: LearnAid  
Self-Test: Self-Test & Learn Aid

332. Michelin manufactures tires which truck producers buy and install on their trucks. This company  
(p. 213)

- A. sells installations for which multiple buying influence is likely to be quite important.
- B. is likely to have good opportunities in the "after market."
- C. is selling to the OEM market.
- D. All of the above are true.
- E.** Both B and C are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #332  
Question Type: Application  
Self-Test: No

333. Business products which are necessary expense items, and continually used up, but which do not become part of the buyer's final product are:

(p. 214)

- A. component materials.
- B. supplies.**
- C. component parts.
- D. raw materials.
- E. accessory equipment.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #333  
Question Type: Definition  
Self-Test: No

334. "MRO items" are:

(p. 214)

- A. supplies.**
- B. natural products.
- C. modified rebuy orders.
- D. accessory equipment.
- E. component parts and materials.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #334  
Question Type: Definition  
Self-Test: No

335. Which of the following is not one of the types of supplies?

(p. 214)

- A. Maintenance supplies
- B. Repair supplies
- C. Operating supplies
- D. Professional supplies**
- E. Small operating supplies

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #335  
Question Type: Comprehension  
Self-Test: No

336. Allan Clapp is a purchasing agent for Deep River Mfg. Co. He regularly buys items such as nails, light bulbs, brooms, and sweeping compounds. In other words, he buys:

(p. 214)

- A. components.
- B. supplies.**
- C. installations.
- D. professional services.
- E. accessory equipment.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #336  
Question Type: Application  
Self-Test: No

337. When business buyers purchase items such as grease, electricity, typing paper, and paper clips, they are buying:

(p. 214)

- A. accessory equipment.
- B. operating supplies.**
- C. components.
- D. repair supplies.
- E. maintenance supplies.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #337  
Question Type: Application  
Self-Test: No

338. Regarding business supplies, which of the following is NOT true?

(p. 214)

- A. Maintenance items are to business buyers as convenience products are to final consumers.
- B. Supplies do not become part of a final product, but they are expense items.
- C. Buyers of important operating supplies are likely to be particularly concerned about dependability.
- D. Operating supplies are frequently called "accessories."**
- E. A seller of repair supplies is likely to face fewer competitors than a seller of operating supplies.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #338  
Question Type: Comprehension  
Self-Test: No

339. Regarding supplies,

(p. 214)

- A. new-task buying is typical with most purchases.
- B. only one supplier is generally available.
- C. branding is not important for maintenance and small operating supplies.
- D. All of the above are true.
- E.** None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #339  
Question Type: Comprehension  
Self-Test: No

340. Operating supplies typically:

(p. 214)

- A. need technical and experienced personal contacts, probably at top-management level.
- B.** need widespread distribution or prompt delivery.
- C. need technical contacts to determine specifications required, but widespread contacts usually are not necessary.
- D. need skillful personal selling by producer.
- E. None of the above is correct.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #340  
Question Type: Comprehension  
Self-Test: No

341. Business professional services:

(p. 214)

- A. may not be purchased outside the firm if they are needed regularly.
- B. support a firm's operations.
- C. are offered by a growing number of specialists.
- D. are generally treated as expense items.
- E.** All of the above are true.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #341  
Question Type: Comprehension  
Self-Test: No

342. Drue Valentine is a management consultant who helps manufacturers improve their quality-control procedures for new products. Drue is selling:

(p. 214)

- A. supplies.
- B. components.
- C. accessories.
- D. MROs.
- E. professional services.**

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #342  
Question Type: Application  
Self-Test: No

343. The Garland Advertising Agency provides promotional assistance to small and medium-sized firms that cannot afford to pay the fees charged by large national advertising agencies. Garland would fall into which of the following business product classes?

(p. 214)

- A. Components.
- B. Installations.
- C. Professional services.**
- D. Raw materials.
- E. Supplies.

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Easy  
LearnObj: 6  
Perreault - Chapter 08 #343  
Question Type: Comprehension  
Self-Test: No

344. Regarding business products, which of the following is NOT true?

(p. 212-214)

- A. Availability may be more important than low price to a buyer of repair items.
- B. Quality of service may be more important than low price to a buyer of professional services.
- C. A broad product assortment may be more important than low price to a buyer of supply items.
- D. All of the above are true.**
- E. None of the above is true.

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #344  
Question Type: Comprehension  
Self-Test: No

**Use this information for questions that refer to the Sunny Day Foods (SDF) Case.**

For six months Kim Wu has been working for Sunny Day Foods (SDF), a fast-growing manufacturer of organic foods. After graduating college, she worked for four years as a sales rep for a nationally known food company. But, she jumped at the chance when SDF contacted her about becoming marketing manager for its breakfast foods division, which sells dry cereals and a pancake mix.

Kim spent the first few months on the job trying to better understand SDF, its product line, and marketing strategy. She reviewed the company's past marketing research, commissioned new research, and talked to both consumers and retailers. Now, the CEO of the company wants her thoughts on what the company's marketing strategy should be for the next few years.

Her research indicates that among cereal customers there are at least five segments of customers who use SDF products.

- a) One segment, *the loyalists*, has a strong preference for one or two of the SDF cereals. These customers often go out of their way to visit a store with their favorite SDF cereal and buy only that product at the store.
- b) Another segment, *the regulars*, buys SDF cereals without much thought. For them it is just part of their routine and, if you ask them why they pick the cereal, they'd say it's just a habit.
- c) A third segment, *the deal prone*, sees SDF cereals as just another organic cereal. They view all organic cereals as pretty much the same and buy whichever brand seems to offer the best deal that week.
- d) A fourth segment, *the politicians*, consists of former buyers of SDF cereals. A few years ago the company took a strong stand in a presidential race - and these customers resented it. Now, they boycott all SDF foods because of that incident.
- e) A fifth segment, *SDF who?*, is made up of consumers who buy organic cereals but who don't have much awareness of particular organic brand names.

In reviewing how SDF currently brands its products, Kim sees that it is using several different approaches. The Sunny Day Foods brand is used on most products the company sells. But a few years ago the company brought out an instant organic oatmeal with the Hot 'n Healthy name. SDF also makes cereal sold by a health food chain; the package for that chain uses the store's own name, Nature's Foods, as the brand name for the cereal.

Perreault - Chapter 08

345. Which product class best describes how regulars view SDF cereals?

(p. 208)

- A. Staples
- B. Impulse product
- C. Heterogeneous product
- D. Specialty product

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #345  
Question Type: Application  
Self-Test: No



346. Which product class best describe how loyalists view SDF cereals?

(p. 210)

- A. Impulse product
- B. Shopping product
- C. Specialty product**
- D. Regularly unsought product

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #346  
Question Type: Application  
Self-Test: No

347. Which product class best describes how deal prone customers view SDF cereals?

(p. 209)

- A. Staples
- B. Homogeneous shopping product**
- C. Heterogeneous shopping product
- D. Regularly unsought product

AACSB: 3 Analytical skills  
Chapter: 8  
Difficulty: Medium  
LearnObj: 6  
Perreault - Chapter 08 #347  
Question Type: Application  
Self-Test: No

348. For which market segment would in-store demonstrations of SDF cereals be most effective?

(p. 208-210)

- A. Loyalists
- B. Regulars
- C. Deal prone
- D. Politicos
- E. SDF Who?**

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #348  
Question Type: Application  
Self-Test: No

349. For which market segment would widespread distribution NOT be as important?

(p. 208-210)

- A. Politicos
- B. SDF who?
- C. Loyalists**
- D. Deal prone
- E. Regulars

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Hard  
LearnObj: 6  
Perreault - Chapter 08 #349  
Question Type: Application  
Self-Test: No

350. For which market segment would coupons be most effective?

(p. 208-210)

- A. Loyalists
- B. Regulars
- C. Deal prone**
- D. Politicos
- E. SDF who?

AACSB: 9 Value creation

Chapter: 8

Difficulty: Hard

LearnObj: 6

Perreault - Chapter 08 #350

Question Type: Application

Self-Test: No

351. What best describes the level of brand familiarity that customers in "the loyalists" segment have with SDF?

(p. 199)

- A. Brand rejection
- B. Nonrecognition
- C. Brand recognition
- D. Brand preference
- E. Brand insistence**

AACSB: 9 Value creation

Chapter: 8

Difficulty: Medium

LearnObj: 3

Perreault - Chapter 08 #351

Question Type: Application

Self-Test: No

352. What best describes the level of brand familiarity that customers in "the deal prone" segment have with SDF?

(p. 199)

- A. Brand nonrecognition
- B. Brand recognition**
- C. Brand rejection
- D. Brand preference
- E. Brand insistence

AACSB: 9 Value creation

Chapter: 8

Difficulty: Medium

LearnObj: 3

Perreault - Chapter 08 #352

Question Type: Application

Self-Test: No

353. What best describes the level of brand familiarity that customers in "the regulars" segment have with SDF?  
(p. 199)

- A. Brand rejection
- B. Brand insistence
- C. Brand preference**
- D. Brand nonrecognition
- E. Brand recognition

AACSB: 9 Value creation  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #353  
Question Type: Application  
Self-Test: No

354. What best describes the level of brand familiarity that customers in "the politicians" segment have with SDF?  
(p. 199)

- A. Brand insistence
- B. Brand rejection**
- C. Brand preference
- D. Brand nonrecognition
- E. Brand recognition

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #354  
Question Type: Application  
Self-Test: No

355. What best describes the level of brand familiarity that customers in "SDF who?" segment have with SDF?  
(p. 199)

- A. Brand insistence
- B. Brand rejection
- C. Brand nonrecognition**
- D. Brand recognition
- E. Brand preference

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #355  
Question Type: Application  
Self-Test: No

356. Which of the following terms best describes the "Sunny Day Foods" brand?

(p. 201)

- A. Individual brand
- B. Licensed brand
- C. Dealer brand
- D.** Family brand
- E. Private brand

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #356  
Question Type: Application  
Self-Test: No

357. Which of the following terms best describes the "Nature's Foods" brand?

(p. 202)

- A.** Private brand
- B. Generic product
- C. Individual brand
- D. Licensed brand
- E. Manufacturer brand

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #357  
Question Type: Application  
Self-Test: No

358. Which of the following terms best describes the "Hot 'n Healthy" brand?

(p. 202)

- A. Manufacturer brand
- B.** Individual brand
- C. Family brand
- D. Generic product
- E. Private brand

AACSB: 6. Reflective thinking  
Chapter: 8  
Difficulty: Medium  
LearnObj: 3  
Perreault - Chapter 08 #358  
Question Type: Application  
Self-Test: No

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