## Chapter 01 Test Bank

## Multiple Choice Questions

1. The rise of social media has

A. shifted power from marketers to consumers.

B. helped to strengthen the shift of power from consumers to marketers.

C. helped give rise to the development of online crowd seeking.

D. helped marketers like CVS listen and adapt to consumers in real time.

E. shifted power from marketers to consumers and helped marketers like CVS listen and adapt to consumers in real time.

Answer: E

Explanation:

Social media is a tool that gives consumers power but also allows firms to listen and react in real time via online monitoring of social media trends.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

2. \_\_\_\_\_\_\_\_\_\_ is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

A. Marketing

B. Consumer behavior

C. Psychographics

D. Demographics

E. Psychology

Answer: B

Explanation:

This view of consumer behavior is broader than the traditional one, which focused more narrowly on the buyer and the purchasing process.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

3. One primary function of Harriet's job is to study individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of her company's products and services to satisfy needs and the impacts that these processes have on the consumer and society. Harriet works in the field of \_\_\_\_\_\_\_\_\_\_.

A. social psychology

B. cognitive psychology

C. management

D. consumer behavior

E. organizational behavior

Answer: D

Explanation:

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

4. Which of the following is not true regarding consumer behavior?

A. Organizations are applying theories and information about consumer behavior on a daily basis.

B. It is often necessary to conduct research.

C. Consumer behavior is a complex, multidimensional process.

D. The overall model of consumer behavior presented in the text is accurate in predicting consumer behavior.

E. Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

Answer: D

Explanation:

Sufficient knowledge of consumer behavior exists to provide usable guidelines, but accurate monitoring and practice are required.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

5. Which of the following is a key aspect regarding consumer behavior?

A. Organizations are applying theories and information about consumer behavior on a daily basis.

B. It is often necessary to conduct research.

C. Consumer behavior is a complex, multidimensional process.

D. Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

E. All of these choices are correct.

Answer: E

Explanation:

Sufficient knowledge of consumer behavior exists to provide usable guidelines, but accurate monitoring and practice are required.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

6. Which of the following is not an application of consumer behavior?

A. marketing strategy

B. human resource management

C. regulatory policy

D. informed consumers

E. social marketing

Answer: B

Explanation:

Human resource management is not an application of consumer behavior.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Applications of Consumer Behavior*

7. Thomas wants to gain a usable understanding of consumer behavior in order to help him become a more effective marketing manager. Which application of consumer behavior does this represent?

A. marketing strategy

B. regulatory policy

C. social marketing

D. informed consumers

E. resource management

Answer: A

Explanation:

An accurate understanding of consumer behavior can greatly reduce the odds of failures.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Marketing Strategy*

8. \_\_\_\_\_\_\_\_\_\_ is the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.

A. Social marketing

B. Consumer behavior

C. Regulation

D. Proactive marketing

E. Ethical marketing

Answer: A

Explanation:

Social marketing has been used in attempts to reduce smoking, to encourage environmentally sound behaviors such as recycling, and to support many other important causes.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Social Marketing*

9. Mia is concerned how her marketing activities will affect individual consumers as well as society at large. Mia is implementing

A. conscientious marketing.

B. regulated marketing.

C. ethical marketing.

D. proactive marketing.

E. social marketing.

Answer: E

Explanation:

Social marketing is the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Social Marketing*

10. Most economically developed societies are legitimately referred to as \_\_\_\_\_\_\_\_\_\_ societies.

A. marketing

B. proactive

C. consumption

D. competitive

E. enhanced

Answer: C

Explanation:

Most individuals in these societies spend more time engaged in consumption than in any other activity.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Informed Individuals*

11. Which of the following is used by firms to influence consumers?

A. ads

B. packages

C. store environments

D. sales pitches

E. All of the choices are correct.

Answer: E

Explanation:

Marketers spend billions to influence consumer decisions.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Informed Individuals*

12. To survive in a competitive environment, an organization must provide its target customers more \_\_\_\_\_\_\_\_\_\_ than is provided to them by its competition.

A. product

B. service

C. value

D. feedback

E. attention

Answer: C

Explanation:

Customer value is the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

13. The difference between all the benefits derived from a total product and all the costs of acquiring those benefits is known as

A. price.

B. position.

C. consumer behavior.

D. customer value.

E. equity.

Answer: D

Explanation:

To survive in a competitive environment, an organization must provide its target customers more value than is provided to them by its competition.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

14. Laurie saved for six months to have enough money to buy a new designer outfit to wear to a special party. She had to travel to a larger city to purchase this outfit, but it was worth it to her because it made her feel beautiful and confident. The difference between the benefits Laurie perceived from this purchase and the cost to her to acquire these benefits describes her

A. consumer behavior.

B. customer value.

C. motivation.

D. equity difference.

E. perceptual field.

Answer: B

Explanation:

Customer value is the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

15. It is critical that a firm consider value from which perspective?

A. the competition's

B. the firm's

C. the customer's

D. the government's

E. the industry's

Answer: C

Explanation:

Marketing strategy seeks to provide the customer with more value than the competition while still producing profit for the firm.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

16. How can an organization provide superior customer value to customers?

A. by conducting market research

B. by offering their products at the lowest price

C. by offering extended warranty coverage on products

D. by doing a better job of anticipating and reacting to customer needs than the competition does

E. by offering more variations of a product

Answer: D

Explanation:

It is critical that a firm consider value from the customer's perspective.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

17. Marketing strategy begins with

A. market segmentation.

B. targeting.

C. conducting an outcomes assessment.

D. objective setting.

E. conducting a market analysis.

Answer: E

Explanation:

The organization identifies groups of individuals, households, or firms with similar needs.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

18. Harold is tasked with developing the marketing strategy for his family's business. What should he do first?

A. segment the market

B. conduct a market analysis

C. decide on which segments to target

D. develop the marketing mix

E. set objectives

Answer: B

Explanation:

The organization identifies groups of individuals, households, or firms with similar needs.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

19. Marketing strategy is formulated in terms of the marketing mix; that is, it involves determining the product, features, price, communications, distribution, and services that will provide customers with superior value. This entire set of characteristics is often referred to as the

A. total product.

B. customer value.

C. offering.

D. value proposition.

E. total value.

Answer: A

Explanation:

The total product is presented to the target market, which is consistently engaged in processing information and making decisions.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

20. Disney World in Orlando, FL has several theme parks, resorts, restaurants, and stores. Each is intentionally created to offer a memorable event for visitors. For example, the Wilderness Lodge is a large resort hotel on the grounds, and everything within it is made to look like log cabins and pioneer days. Even the casual restaurant has the wait staff dressed in pioneer costumes, and they put on funny little skits when they are waiting on customers. Which of the following best describes what Disney is selling?

A. a product

B. a service

C. a bundled product

D. a bundled service

E. an experience

Answer: E

Explanation:

An experience occurs when a company intentionally creates a memorable event for customers.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

21. A holiday shopper who cares about efficiency and stress reduction is known as a(n) \_\_\_\_\_\_\_\_\_\_ shopper.

A. Black Friday

B. Early Bird

C. Last Minute

D. Reluctant

E. Steady

Answer: B

Explanation:

An early bird shopper cares about efficiency and stress reduction.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Customers with Similar Need Sets*

22. Which of the following is a component of a market analysis?

A. market segmentation

B. objectives

C. conditions

D. price

E. All of these choices are correct.

Answer: C

Explanation:

The state of the economy, the physical environment, government regulations, and technological developments affect consumer needs and expectations as well as company and competitor capabilities.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Conditions*

23. Darren is conducting a market analysis for his business, and he has asked your advice on what he should be analyzing. Which of the following should he consider at this step of marketing strategy development?

A. the company's own ability to meet customer needs

B. competitors' capabilities and strategies

C. consumers' needs

D. conditions in the market

E. All of these choices are correct.

Answer: E

Explanation:

Market analysis requires a thorough understanding of the company's own ability to meet customer needs, competitors' capabilities and strategies, consumers' needs, and conditions in the market.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Analysis Components*

24. Jamie is developing a thorough understanding of his company's own capabilities, the capabilities of current and future competitors, the consumption process of potential customers, and the economic, physical, and technological environment in which these elements interact. Which step in the marketing strategy process is Jamie performing?

A. setting objectives

B. segmenting the market

C. conducting a market analysis

D. assessing the outcomes

E. targeting the market

Answer: C

Explanation:

Market analysis requires a thorough understanding of the company's own ability to meet customer needs, competitors' capabilities and strategies, consumers' needs, and conditions in the market.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Analysis Components*

25. Which of the following aspects is evaluated when determining a firm's ability to meet customer needs?

A. financial condition

B. general managerial skills

C. production capabilities

D. technological sophistication

E. All of these choices are correct.

Answer: E

Explanation:

Failure to fully understand strengths and weaknesses can cause serious problems.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Company*

26. Which of the following is not evaluated when analyzing a company's own ability to meet customer needs?

A. competitors

B. financial strengths

C. general managerial skills

D. production capabilities

E. reputation

Answer: A

Explanation:

When analyzing a company's own ability to meet customer needs, competitors are not considered.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Company*

27. As part of developing your company's marketing strategy, you are tasked with analyzing the new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge. Which aspect of your company's capabilities are you assessing?

A. financial strength

B. marketing skills

C. general managerial skills

D. production capabilities

E. reputation

Answer: B

Explanation:

Marketing skills include new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Company*

28. A portion of a larger market whose needs differ somewhat from the larger market is referred to as a(n)

A. market segment.

B. niche.

C. subgroup.

D. ancillary market.

E. secondary market.

Answer: A

Explanation:

To be viable, a segment must be large enough to be served profitably.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

29. Smaller women like to purchase fashionable clothes just as much as any women. However, most clothes are not proportioned for their smaller size and do not fit well. As a result, several manufacturers offer "petite" sizes of clothing for this group of consumers. Women who comprise this group have needs that differ somewhat from the total market and represent a

A. demographic segment.

B. lifestyle segment.

C. market potential.

D. sub-market.

E. market segment.

Answer: E

Explanation:

A market segment is a portion of a larger market whose needs differ somewhat from the larger market.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

30. Tracking consumers' online activity and delivering specific banner ads based on that activity is known as

A. clickstream.

B. blogging.

C. spam.

D. behavioral targeting.

E. electronic targeting.

Answer: D

Explanation:

Behavioral targeting is an example of how technology is making individualized communication increasingly cost effective.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

31. Tacoda Systems tracks consumers' online activity and delivers specific banners based on that activity. This tracking and ad delivery system has been installed on almost 3,000 websites, and advertisers pay on a pay-for-performance basis, which means that advertisers pay Tacoda Systems only when a consumer clicks on their ad. The tracking of online activity and delivery of ads based on that activity is called

A. click-throughs.

B. behavioral targeting.

C. spamming.

D. blogging.

E. cookie targeting.

Answer: B

Explanation:

Tracking consumers' online activity and delivering specific banner ads based on that activity is known as behavioral targeting.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

32. What is the first step in market segmentation?

A. describe each group

B. group customers with similar needs sets

C. identify product-related need sets

D. select an attractive segment to serve

E. set objectives for segmenting

Answer: C

Explanation:

Most products in developed economies satisfy more than one need.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

33. What is the last step in market segmentation?

A. describing each group

B. selecting an attractive segment(s) to serve

C. identifying product-related need sets

D. grouping customers with similar need sets

E. deciding the segmenting scheme

Answer: B

Explanation:

The last step in market segmentation is selecting an attractive segment(s) to serve.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

34. Which of the following is not a step in market segmentation?

A. set budget

B. identify product-related need sets

C. group customers with similar need sets

D. describe each group

E. select an attractive segment(s) to serve

Answer: A

Explanation:

Setting a budget is not a step in market segmentation.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

35. Carlos is attempting to segment the market for his company's products. Where should he begin?

A. set objectives

B. identify product-related need sets

C. group customers with similar need sets

D. describe each group

E. select an attractive segment(s) to serve

Answer: B

Explanation:

The first step in market segmentation is identifying product-related need sets.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

36. Which term reflects the fact that most products in developed economies satisfy more than one need?

A. multiplicity

B. duplicity

C. need array

D. need set

E. value proposition

Answer: D

Explanation:

Products can meet different needs beyond their basic function.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Product-Related Need Sets*

37. Barry is looking for a car that is dependable yet stylish enough to let others know that he has achieved a respectable status in his life and career. He also wants it to be a high-performance automobile. Dependability, status, and performance represent Barry's

A. self-image.

B. need set.

C. alter ego.

D. unarticulated needs.

E. lifestyle.

Answer: B

Explanation:

Products can meet different needs beyond their basic function.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Product-Related Needs*

38. Which of the following is used to describe a group of consumers with similar needs sets?

A. demographics

B. lifestyles

C. media usage

D. demographics and lifestyles

E. demographics, lifestyles, and media usage

Answer: E

Explanation:

Designing an effective marketing program requires having a complete understanding of the potential customers.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Description of Each Group*

39. Talbot's is a women's clothing store that offers classic fashions at a slightly premium price (i.e., a wool skirt typically costs over $100). During the process of market segmentation, Talbot's identified a group of consumers who are larger than average women yet still want stylish clothing. Further research into this segment revealed that these women tend to be between the ages of 35 and 50, are career-oriented, have a household income over $50,000, and are married with children under the age of 18 living at home. This group is also heavy users of magazines and newspapers as well as prime-time television. Which step of market segmentation does this describe?

A. identifying product-related need sets

B. grouping customer with similar need sets

C. describing each group

D. selecting an attractive segment(s) to serve

E. profiling current customers

Answer: C

Explanation:

Designing an effective marketing program requires having a complete understanding of the potential customers.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Description of Each Group*

40. The segment(s) within the larger market on which an organization will focus its marketing effort is referred to as the

A. need set.

B. target market.

C. customer set.

D. strategic market.

E. primary market.

Answer: B

Explanation:

The selection of a target market is based on the ability to provide the selected segment(s) with superior customer service at a profit.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Attractive Segment(s) to Serve*

41. J&J Produce is a distributor of fresh produce. They conducted a thorough analysis of its market and identified groups of consumers that had similar product-related needs. One particular market identified wanted fresh and unique produce, such as Swiss chard, radicchio, and exotic fruits, and they were willing to pay higher prices for these choices. J&J Produce decided to focus its marketing effort on this segment of the total market. This segment is J&J's

A. need set.

B. primary market.

C. customer set.

D. target market.

E. market focus.

Answer: D

Explanation:

The segment(s) within the larger market on which an organization will focus its marketing effort is referred to as the target market.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Attractive Segment(s) to Serve*

42. Which of the following is used to evaluate the attractiveness of various market segments?

A. segment size

B. distribution available

C. fit with company image

D. cost to serve

E. All of these choices are correct.

Answer: E

Explanation:

Many criteria are used to evaluate and compare the attractiveness of various market segments.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Attractive Segment(s) to Serve*

43. Juan has segmented the market for boats and is currently analyzing each with respect to several factors, such as size, growth rate, competitor strength, fit with company image, distribution available, cost to serve, and risk before deciding which segment to target. Which step of market segmentation is Juan conducting?

A. identifying product-related need sets

B. grouping customer with similar need sets

C. describing each group

D. selecting an attractive segment(s) to serve

E. profiling current customers

Answer: D

Explanation:

Many criteria are used to evaluate and compare the attractiveness of various market segments.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Attractive Segment(s) to Serve*

44. The product, price, communications, distribution, and services provided to the target market is referred to as the

A. need set.

B. marketing mix.

C. marketing set.

D. decision set.

E. value proposition.

Answer: B

Explanation:

The combination of these elements meets customer needs and provides customer value.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy*

45. Which of the following is part of the marketing mix?

A. product

B. price

C. communications

D. distribution

E. All of these choices are correct.

Answer: E

Explanation:

Product, price, communications, and distribution are all part of the marketing mix.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy*

46. A(n) \_\_\_\_\_\_\_\_\_\_ is anything a consumer acquires or might acquire to meet a perceived need.

A. satisfier

B. end state

C. product

D. value proposition

E. outcome

Answer: C

Explanation:

The term product is used to refer to physical products and primary or core services.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Product*

47. To be successful, a product must

A. meet the needs of the target market better than the competition does.

B. be lower priced than competitors' products.

C. be of higher quality than competitors' products.

D. be advertised more than competitors' products.

E. have greater distribution than the competition does.

Answer: A

Explanation:

To be successful, a product must meet the needs of the target market better than the competition does.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Product*

48. \_\_\_\_\_\_\_\_\_\_ include(s) advertising, the sales force, public relations, packaging, and any other signal that the firm provides about itself and its products.

A. Value promotions

B. Brand equity

C. Distribution

D. Market segmentation

E. Marketing communications

Answer: E

Explanation:

Marketing communications includes advertising, the sales force, public relations, packaging, and any other signal that the firm provides about itself and its products.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Communications*

49. Which of the following is included in marketing communications?

A. advertising

B. sales force

C. public relations

D. packaging

E. All of these choices are correct.

Answer: E

Explanation:

Advertising, sales force, public relations, and packaging are all included in marketing communications.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Communications*

50. Which of the following is not a critical question for developing marketing communications?

A. Who do we want to communicate with?

B. What effect do we want to have?

C. What message will achieve the desired result?

D. What media should we use?

E. All of these choices are critical questions.

Answer: E

Explanation:

An effective communications strategy requires answers to these critical questions.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Communications*

51. \_\_\_\_\_\_\_\_\_\_ is the amount of money one must pay to obtain the right to use the product.

A. Consumer cost

B. Total cost

C. Price

D. Value

E. Customer value

Answer: C

Explanation:

One can buy ownership of a product or, for many products, limited usage rights.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Price*

52. Amy purchased a new 32" LCD high-definition television and paid $400 for it. This amount of money Amy had to pay to obtain this product is known as the

A. total cost.

B. value.

C. value proposition.

D. price.

E. consumer cost.

Answer: D

Explanation:

Price is the amount of money one must pay to obtain the right to use the product.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Price*

53. \_\_\_\_\_\_\_\_\_\_ is everything the consumer must surrender in order to receive the benefits of owning/using the product.

A. Value

B. Consumer cost

C. Price

D. Opportunity cost

E. Value proposition

Answer: B

Explanation:

Firms seek to provide customer value by reducing the non-price costs of owning or operating a product.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Price*

54. Timothy and his wife are considering the purchase of a new car. In addition to the price, they are also considering the cost of insurance, gasoline, maintenance, finance charges, and license fees. All of these factors combined represent the

A. value.

B. price.

C. opportunity cost.

D. consumer cost.

E. value proposition.

Answer: D

Explanation:

Price is everything the consumer must surrender in order to receive the benefits of owning/using the product.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Price*

55. Which element of the marketing mix is concerned with having the product available where target customers can buy it?

A. product

B. price

C. distribution

D. communications

E. placement

Answer: C

Explanation:

Good distribution decisions require a sound knowledge of where target customers shop for the product in question.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Distribution*

56. Tony's job entails making sure his company's products get to retailers so that target customers can buy them. Which element of the marketing mix is Tony involved with?

A. product

B. price

C. distribution

D. communications

E. placement

Answer: C

Explanation:

Distribution is concerned with having the product available where target customers can buy it

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Distribution*

57. Auxiliary or peripheral activities that are performed to enhance the primary product or primary service is referred to as

A. service.

B. supplemental product.

C. intangible benefits.

D. secondary product.

E. ancillary attributes.

Answer: A

Explanation:

A firm must explicitly manage its auxiliary services to have a competitive advantage.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Service*

58. Which of the following is not considered one of the firm's outcomes of the marketing strategy and consumer behavior process?

A. product position

B. customer satisfaction

C. service

D. sales and profits

E. All of these choices are considered outcomes for the firm.

Answer: C

Explanation:

Service is not considered one of the firm's outcomes of the marketing strategy and consumer behavior process.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Firm Outcomes*

59. An image of the product or brand in the consumer's mind relative to competing products and brands is referred to as the product's

A. equity.

B. extension.

C. message.

D. placement.

E. position.

Answer: E

Explanation:

This image consists of a set of beliefs, pictorial representations, and feelings about the product or brand.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Firm Outcomes*

60. A product's position refers to

A. its shelf location in retail stores.

B. an image of the product in the consumer's mind relative to competing products.

C. its price relative to other products in the firm's product line.

D. its price relative to competitors' products.

E. its stage in the product development process.

Answer: B

Explanation:

This image consists of a set of beliefs, pictorial representations, and feelings about the product or brand.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Firm Outcomes*

61. Rod is surveying consumers to gain a better understanding of his restaurant's image relative to competing restaurants. Rod is concerned with his restaurant's

A. position.

B. equity.

C. placement.

D. driver.

E. satisfaction index.

Answer: A

Explanation:

A product's position refers to an image of the product in the consumer's mind relative to competing products.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Firm Outcomes*

62. Which outcome of marketing strategy produces the revenue necessary for the firm to continue in business?

A. customer satisfaction

B. product position

C. consumption

D. social welfare

E. sales and profits

Answer: E

Explanation:

Firms evaluate the success of their marketing programs in terms of sales revenues and profits.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Firm Outcomes*

63. John purchases and is satisfied with his SUV because he believes that it provides greater crash safety than a sedan even though this is not technically true. John's satisfaction is based on the distinction between

A. primary need fulfillment and secondary need fulfillment.

B. actual need fulfillment and perceived need fulfillment.

C. initial need fulfillment and repeat need fulfillment.

D. articulated need fulfillment and unarticulated need fulfillment.

E. attribute fulfillment and benefit fulfillment.

Answer: B

Explanation:

These two processes are closely related and are often identical; however, at times they differ.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Individual Outcomes*

64. \_\_\_\_\_\_\_\_\_\_ occurs when individuals or groups make consumption decisions that have negative consequence for their long-run well-being.

A. Disintermediation

B. Conspicuous consumption

C. Disenfranchisement

D. Injurious consumption

E. Demarketing

Answer: D

Explanation:

Examples are overspending, consumption of unhealthy products such as alcohol and cigarettes, and gambling.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Individual Outcomes*

65. Bob and his friends go out every weekend and drink until they get drunk. Then they drive home in that condition. Which type of consumption does this represent?

A. injurious consumption

B. severe consumption

C. conspicuous consumption

D. unethical consumption

E. antisocial consumption

Answer: A

Explanation:

Injurious consumption occurs when individuals or groups make consumption decisions that have negative consequence for their long-run well-being.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Individual Outcomes*

66. Which of the following is a societal outcome of marketing strategy and consumer behavior?

A. sales

B. need satisfaction

C. social welfare

D. customer satisfaction

E. product position

Answer: C

Explanation:

Consumer decisions affect the general social welfare of a society.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Society Outcomes*

67. Which of the following is not a societal outcome of marketing strategy and consumer behavior?

A. economic outcomes

B. customer satisfaction

C. physical environment outcomes

D. social welfare

E. All of these choices are societal outcomes.

Answer: B

Explanation:

Customer satisfaction is not a societal outcome of marketing strategy and consumer behavior.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Society Outcomes*

68. Which is not a step in the consumer's decision process?

A. information search

B. postpurchase processes

C. problem recognition

D. alternative evaluation and selection

E. self-concept analysis

Answer: E

Explanation:

Self-concept analysis is not a step in the consumer's decision process.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

69. Which of the following is an internal influence on consumer behavior?

A. culture

B. family

C. attitudes

D. marketing activities

E. reference groups

Answer: C

Explanation:

Attitudes is an internal influence on consumer behavior.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

70. Which is not an external influence on consumer behavior?

A. culture

B. family

C. social status

D. perception

E. marketing activities

Answer: D

Explanation:

Perception is an internal influence on consumer behavior.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

71. Teresa is trying to understand her customers better. She is examining the external influences that shape her customers' self-concepts and lifestyles. Which of the following is a possible external influence Teresa could examine?

A. motives

B. personality

C. perception

D. attitudes

E. culture

Answer: E

Explanation:

Culture is perhaps the most pervasive influence on consumer behavior.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

72. Kate Spade is a brand of clothing, accessories, and home products. Brand managers at this company are trying to learn which internal influences impact their customers' needs and desires most. Which of the following is a possible internal influence these managers should examine?

A. culture

B. personality

C. family

D. social status

Answer: B

Explanation:

Personality is an individual's characteristic response tendencies across similar situations.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

73. What is the first step in the consumer decision process?

A. problem recognition

B. budget setting

C. information search

D. outlet selection

E. alternative evaluation and selection

Answer: A

Explanation:

The first step in the consumer decision process is problem recognition.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

74. Which of the following statements is true regarding the overall model of consumer behavior?

A. It is sufficiently detailed so as to predict particular behaviors.

B. Family and culture are internal influences on consumer behavior.

C. Personality, emotions, and attitudes represent external influences on consumer behavior.

D. A consumer's self-concept and lifestyle influence his or her needs and desires.

E. Experiences and acquisitions have little effect on the process.

Answer: D

Explanation:

A consumer's self-concept and lifestyle influence his or he needs and desires.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

75. The totality of an individual's thoughts and feelings about him- or herself is known as

A. lifestyle.

B. self-concept.

C. internal influences.

D. external influences.

E. consumption outcomes.

Answer: B

Explanation:

Self-concept is reflected in a lifestyle.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: Self-Concept and Lifestyle*

76. \_\_\_\_\_\_\_\_\_\_ represents how one lives, including the products one buys, how one uses them, what one thinks about them, and how one feels about them.

A. Lifestyle

B. Self-concept

C. Position

D. Status

E. Social class

Answer: A

Explanation:

Lifestyle is the sum of the person's past decisions and future plans.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: elf-Concept and Lifestyle*

77. Which type of decisions involve very little effort or thought on the part of the consumer?

A. primary decisions

B. top-of-mind decisions

C. low-involvement decisions

D. automatic decisions

E. self-related decisions

Answer: C

Explanation:

Most consumer decisions involve very little effort or thought on the part of the consumer.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: Self-Concept and Lifestyle*

78. Karen was at the checkout at the grocery store and remembered that she was out of chewing gum that she normally likes to keep in her purse. Without much thought, she grabbed two packages of the gum she likes. What type of consumer decision does this illustration?

A. primary decision

B. top-of-mind decision

C. low-involvement decision

D. automatic decision

E. self-related decision

Answer: C

Explanation:

Low-involvement decisions involve very little effort or thought on the part of the consumer.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: Self-Concept and Lifestyle*

79. According to the "Consumer Insight" in your text, buying auto insurance represents which form of consumption meaning?

A. mundane

B. avoidance

C. innovative brands

D. function

E. All of these choices are correct.

Answer: B

Explanation:

Consumption has many meanings. Insurance represents risk reduction and thus garners meaning in helping to avoid such risks.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-05 Discuss issues involving consumption meanings and firm attempts to influence them.  
Topic: The Meaning of Consumption*

80. What does the consumption of a product like Nikes mean to Andre Hank, the formerly homeless consumer discussed in the text?

A. that he can afford a brand that is superior in meeting his physical needs

B. his peers will now accept him

C. they serve as a visible symbol that he is back as a successful member of society

D. his peers will try to be more like him

E. they serve as a reminder of what he used to have

Answer: C

Explanation:

Low-income consumers want the same products and services other consumers want.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-05 Discuss issues involving consumption meanings and firm attempts to influence them.  
Topic: The Meaning of Consumption*

## True or False Questions

81. Consumer behavior is a complex, multidimensional process.

Answer: TRUE

Explanation:

Consumer decisions often involve numerous steps, and are influenced by a host of factors including demographics, lifestyle, and cultural values.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

82. Marketing decisions and regulations are based on exact knowledge of consumer behavior.

Answer: FALSE

Explanation:

Marketing decisions based on explicit consumer behavior theory, assumptions, and research are more likely to be successful than those based on hunches or intuition.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Marketing Strategy*

83. Economically developed societies are often referred to as marketing societies.

Answer: FALSE

Explanation:

Most economically developed societies are often referred to as consumption societies.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Informed Individuals*

84. It is critical that a firm consider value from the customer's perspective.

Answer: TRUE

Explanation:

To survive in a competitive environment, an organization must provide its target customers with more value than is provided to them by its competitors.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

85. Marketing strategy begins with objective setting.

Answer: FALSE

Explanation:

Marketing strategy begins with an analysis of the market the organization is considering.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

86. Product features, price, communications, distribution, and services together are often referred to as customer value.

Answer: FALSE

Explanation:

This set of features is often referred to as the total product.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Hard  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Marketing Strategy and Consumer Behavior*

87. Holiday shoppers who primarily care about time savings are known as Black Friday shoppers.

Answer: FALSE

Explanation:

Holiday shoppers who primarily care about time savings are known as Last-Minute shoppers.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Customers with Similar Need Sets*

88. Marketing skills include a firm's financial expertise, general managerial skills, production capabilities, research and development capabilities, technological sophistication, and reputation.

Answer: FALSE

Explanation:

Marketing skills include new-product capabilities, channel strength, advertising abilities, service capabilities, marketing research abilities, and market and consumer knowledge.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: The Company*

89. Tracking consumers' online activity and sending them specific banner ads based on that activity is known as behavioral targeting.

Answer: TRUE

Explanation:

Behavioral targeting is an example of how technology is making individualized communication increasingly cost effective.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

90. The term used to reflect the fact that most products in developed economies satisfy more than one need is customer value.

Answer: FALSE

Explanation:

The term is need set.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Product-Related Need Sets*

91. A target market is that segment(s) of the larger market on which a company will focus its marketing effort.

Answer: TRUE

Explanation:

The selection of a target market is based on the ability to provide the selected segment(s) with superior customer service at a profit.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Easy  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Attractive Segment(s) to Serve*

92. The outcomes of a firm's marketing strategy are determined by its interaction with the consumer decision process.

Answer: TRUE

Explanation:

The consumer decision process intervenes between the marketing strategy and the outcomes.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Consumer Decisions*

93. Two key processes involved in need satisfaction are the actual need fulfillment and the perceived need fulfillment.

Answer: TRUE

Explanation:

These two processes are closely related and are often identical; however, at times they differ.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Individual Outcomes*

94. A consumer's needs and desires are shaped by his or her self-concept and lifestyle.

Answer: TRUE

Explanation:

These self-concepts and lifestyles produce needs and desires, many of which require consumption decisions to satisfy.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

95. Lifestyle is the totality of an individual's thoughts and feelings about him- or herself.

Answer: FALSE

Explanation:

The totality of an individual's thoughts and feelings about him- or herself is known as lifestyle.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Remember  
Difficulty: Moderate  
Gradable: automatic  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: Self-Concept and Lifestyle*

## Essay Questions

96. Describe the field of consumer behavior, and discuss the four key aspects of consumer behavior that make it an important area of study.

Explanation:

The field of consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Four key aspects of consumer behavior that make it an important area of study are:

1. Successful marketing decisions by commercial firms, nonprofit organizations, and regulatory agencies require extensive information about consumer behavior. Organizations are applying theories and information about consumer behavior on a daily basis.
2. There is a need to collect information about the specific consumers involved in the marketing decision at hand.
3. Consumer behavior is a complex, multidimensional process.
4. Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Hard  
Gradable: manual  
Learning Objective: 01-01 Define consumer behavior.  
Topic: Consumer Behavior and Marketing Strategy*

97. List and briefly describe applications of consumer behavior.

Explanation:

**Marketing Strategy–**all marketing strategies and tactics are based on explicit or implicit beliefs about consumer behavior, and knowledge of consumer behavior can be an important competitive advantage.

**Regulatory Policy–**various regulatory bodies exist to develop, interpret, and/or implement policies designed to protect and aid consumers. Clearly, effective regulation of many marketing practices requires an extensive knowledge of consumer behavior.

**Social Marketing–**the application of marketing strategies and tactics to alter or create behaviors that have a positive effect on the targeted individuals or society as a whole. Successful social marketing strategy requires a sound understanding of consumer behavior.

**Informed Individuals–**most economically developed societies are legitimately referred to as consumption societies. Knowledge of consumer behavior can enhance our understanding of our environment and ourselves. Such an understanding is essential for sound citizenship, effective purchasing behavior, and reasoned business ethics.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: manual  
Learning Objective: 01-02 Summarize the applications of consumer behavior.  
Topic: Applications of Consumer Behavior*

98. List and briefly describe the four steps involved in market segmentation.

Explanation:

1. **Identifying product-related need sets.** The first task is to identify need sets that the organization is capable, or could become capable, of meeting. Identifying the various need sets that the firm's current or potential product might satisfy typically involves consumer research.
2. **Grouping customers with similar need sets.** This step generally involves consumer research.
3. **Describing each group.** Once consumers with similar need sets are identified, they should be described in terms of their demographic, lifestyles, and media usage. It is necessary to have a complete understanding of potential customers for a marketing program to be effective.
4. **Selecting an attractive segment(s) to serve.** Once we are sure we have a thorough understanding of each segment, we must select our target market, which is that segment(s) of the larger market on which we will focus our marketing efforts. Factors to consider include a segment's size and growth rate, competitor strength, customer satisfaction with existing products, fit with company image, objectives, and resources, distribution availability, and so on.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: manual  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Market Segmentation*

99. Briefly describe the outcomes of marketing strategy for the firm, consumers, and society.

Explanation:

**Firm Outcomes–**include product position, sales, and customer satisfaction. A product's position is the image of the product or brand in the consumer's mind relative to competing products and brands. Sales are a critical outcome, as they produce the revenue necessary for the firm to continue in business, and virtually all firms evaluate the success of their marketing program in terms of sales. Customer satisfaction is a major concern of marketers because it is generally more profitable to maintain existing customers than to replace them with new ones.

**Consumer (Individual) Outcomes–**include need satisfaction and injurious consumption. The most obvious outcome of the consumption process for an individual is some level of satisfaction of the need that initiated the consumption process. Two key processes are involved: actual need fulfillment and the perceived need fulfillment. Injurious consumption occurs when individuals or groups make consumption decisions that have negative consequences for their long-run well-being.

**Society Outcomes–**include economic outcomes, physical environment outcomes, and social welfare. The cumulative impact of consumers' purchase decisions is a major determinant of the state of a given country's economy. Consumers make decisions that have a major impact on the physical environments of both their own and other societies. Consumer decisions affect the general social welfare of a society as well. Injurious consumption affects society as well as the individuals involved.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: manual  
Learning Objective: 01-03 Explain how consumer behavior can be used to develop marketing strategy.  
Topic: Outcomes*

100. Alex is developing the marketing strategy for a brand of men's clothing. Before he develops his strategy, Alex will conduct research to better understand his customers. Briefly describe a conceptual model that includes the factors he should consider in his research.

Explanation:

This question is attempting to get students to broadly discuss the elements of the overall model of consumer behavior illustrated in Figure 1-3 and discussed in the chapter. Factors Alex should consider include external influences (i.e., culture, subculture, demographics, social status, reference groups, family, and marketing influences) and internal influences (i.e., perception, learning, memory, motives, personality, emotions, and attitudes). These external and internal factors shape consumers' self-concepts and lifestyles. These self-concepts and lifestyles produce needs and desires, many of which require consumption decisions to satisfy.

*AACSB: Analytical Thinking  
Accessibility: Keyboard Navigation  
Blooms: Understand  
Difficulty: Moderate  
Gradable: manual  
Learning Objective: 01-04 Explain the components that constitute a conceptual model of consumer behavior.  
Topic: The Nature of Consumer Behavior*

**Chapter 01 Test Bank Summary**

|  |  |
| --- | --- |
| *Category* | *# of Questions* |
| AACSB: Analytical Thinking | 100 |
| Accessibility: Keyboard Navigation | 100 |
| Blooms: Remember | 68 |
| Blooms: Understand | 32 |
| Difficulty: Easy | 22 |
| Difficulty: Hard | 17 |
| Difficulty: Moderate | 61 |
| Gradable: automatic | 95 |
| Gradable: manual | 5 |
| Learning Objective: 01-01 Define consumer behavior. | 7 |
| Learning Objective: 01-02 Summarize the applications of consumer behavior. | 9 |
| Learning Objective: 01-03 Explain how consumer behavior can be used  to develop marketing strategy. | 68 |
| Learning Objective: 01-04 Explain the components that constitute a conceptual  model of consumer behavior. | 14 |
| Learning Objective: 01-05 Discuss issues involving consumption meanings and  firm attempts to influence them. | 2 |
| Topic: Applications of Consumer Behavior | 2 |
| Topic: Attractive Segment(s) to Serve | 5 |
| Topic: Communications | 3 |
| Topic: Conditions | 1 |
| Topic: Consumer Behavior and Marketing Strategy | 7 |
| Topic: Consumer Decisions | 1 |
| Topic: Customers with Similar Need Sets | 2 |
| Topic: Description of Each Group | 2 |
| Topic: Distribution | 2 |
| Topic: elf-Concept and Lifestyle | 1 |
| Topic: Firm Outcomes | 5 |
| Topic: Individual Outcomes | 4 |
| Topic: Informed Individuals | 3 |
| Topic: Market Analysis Components | 2 |
| Topic: Market Segmentation | 10 |
| Topic: Marketing Strategy | 4 |
| Topic: Marketing Strategy and Consumer Behavior | 12 |
| Topic: Outcomes | 1 |
| Topic: Price | 4 |
| Topic: Product-Related Need Sets | 2 |
| Topic: Product-Related Needs | 1 |
| Topic: Self-Concept and Lifestyle | 4 |
| Topic: Service | 1 |
| Topic: Social Marketing | 2 |
| Topic: Society Outcomes | 2 |
| Topic: The Company | 4 |
| Topic: The Meaning of Consumption | 2 |
| Topic: The Nature of Consumer Behavior | 9 |
| Topic: The Product | 2 |