

Question Paper

Marketing Management-I (MB221): October 2007

- Answer all questions.
- Marks are indicated against each question.

1. An advertisement for Xavier Beach, Goa, invites you to “renew your family’s bond on 24-miles of sugar-white sand and sparkling green waters.” This advertisement is most directly trying to satisfy
- (a) Physiological needs
 - (b) Safety needs
 - (c) Social needs
 - (d) Esteem needs
 - (e) Self actualization needs.
- (1 mark)**
2. Which of the following statements is/are **true** about the guidelines followed by the companies that differentiate their offerings through guarantees?
- I. The service guarantee associated with the product should be always conditional.
 - II. The guarantee should be comprehensible and communicative.
 - III. The guarantee should be meaningful and reassure the customer on those aspects which matter to him.
 - IV. Customers should be able to invoke the guarantee easily and without any hassles.
- (a) Only (I) above
 - (b) Both (II) and (III) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
- (1 mark)**
3. Marrico is into manufacturing and marketing premium quality wheat flour. It is the only product in the premium wheat flour segment. It collects quality wheat from farmers and then sends it for grinding at its own unit. During the grinding process the company adopts the best methods and techniques to maintain quality. The product is packed and marketed only in an attractive 5 KG pack. The product is a big success in the market mainly because of its attractive packaging and also because there are not many major competitors in this segment. The company is the number one player in this segment with the highest market share. Wiley, a new entrant also wanted to capture a good share of the premium quality flour segment. Wiley also maintains the same quality standards as Marrico. As Wiley is new to this segment it faces a stiff competition from Marrico. What will be the **best** strategy for Wiley to attract and tap customers in such competitive scenario?
- (a) Launch the product in different quantity packs
 - (b) Pay more margins to the distributors and retailers to push their product
 - (c) Place their product in all major supermarkets
 - (d) Make alliances with the small players in the market to form an entity greater than Marrico
 - (e) Distribute free samples of the product to the targeted segment.
- (2 marks)**
4. Which of the following statements is/are **not true** about consumer involvement in the various types of purchase decision processes?
- I. Extended problem solving is more likely to be used when purchasing low-involvement products.
 - II. A consumer making a low involvement purchase will typically consider many sellers.
 - III. There will be no external information sources consulted when making a high involvement purchase.
 - IV. Minimal time will be spent searching for a low-involvement product.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
- (1 mark)**

5. Customer service includes several aspects. Dell computers has made placing a requisition so simple that customers who are not aware of new developments in the field can easily browse through various options including the latest components to select as per their requirements. Also, the computer system will be delivered at the place customers want with care. Which of the following aspects of customer service has Dell concentrated on?
- I. Ordering ease.
 - II. Delivery.
 - III. Installation.
 - IV. Guarantees.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (I), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
- (1 mark)**
6. In a research study by Tel-E-Fone Telecommunications, survey calls were made to a randomly selected group in which every member had an equal chance of selection. This type of sample selection is called
- (a) Probability sampling
 - (b) Convenience sampling
 - (c) Judgement sampling
 - (d) Quota sampling
 - (e) Non probability sampling.
- (1 mark)**
7. There are several participants in organizational buying process. Which of the following statements relate (s) to the role of 'approvers'?
- I. They are people who control the flow of information into the organization.
 - II. They are the people in the organization who have formal powers to select the most suitable vendor from a group of vendors.
 - III. They include a panel consisting of senior managers who evaluates the necessity of purchasing the product or service and give sanction to the decision being taken.
 - IV. They are individuals who authorize the purchase process before it is actually implemented by the buyers in the organization.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) Both (III) and (IV) above
 - (d) (I), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
- (1 mark)**
8. Although the concept of marketing emerged after the industrial revolution, the change in businesses in terms of adapting to the concept came about gradually. Businesses have gone through different phases of marketing over the years. Which of the following statements is/are **true** regarding the sales era?
- I. Manufacturers believed that the success of their business depended on outselling the competition.
 - II. Companies realized the need for product promotion and distribution.
 - III. Marketers focused their efforts only on selling products to customers.
 - IV. Customer relationship management first appeared during the sales era.
- (a) Only (I) above
 - (b) Both (II) and (III) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.
- (1 mark)**
9. Smith's Fine Foods is involved in selecting and analyzing a target market and developing a marketing mix to gain long-term competitive advantage. Based on this example, Smith's is in the process of
- (a) Identifying a suitable positioning
 - (b) Creating differentiation
 - (c) Performing a SWOT analysis
 - (d) Creating a marketing strategy

- (e) Segmenting the market.

(1 mark)

10. When Mr. Varun attended his first statistics class, he realized he ought to buy a calculator or else he would be unable to do his assignments. In which stage of the consumer purchase decision process was Mr. Varun in, when he had this realization?

- (a) Information search
(b) Problem recognition
(c) Purchase behavior
(d) Alternative evaluation
(e) Pre-purchase cognition.

(1 mark)

11. The scope for differentiating products varies significantly. Even products such as cement, which are standardized products, can be differentiated. For example Birla Cement differentiates itself by highlighting the fact that red oxide is mixed in cement to protect iron rods from rusting. Birla cement differentiates itself on the basis of

- (a) Product design
(b) Product features
(c) Size of package
(d) Product quality
(e) Product durability.

(1 mark)

12. Manufacturers and marketers use several strategies to manage their product mix effectively. Which of the following strategies involves adding a high priced product to an existing product line and continuing to depend on the old, low priced products for the bulk of the sales?

- (a) Trading down strategy
(b) Repositioning strategy
(c) Trading up strategy
(d) Product mix contraction strategy
(e) Product mix expansion strategy.

(1 mark)

13. Marketing starts with identifying customer needs and wants and ends with satisfying them through a coordinated set of activities that also allow a firm to achieve its own goals. Which of the following is/are **true** about the features of the marketing concept?

- I. Customer orientation places the customer at the beginning as well as at the end of the business cycle.
II. Marketers should lay emphasis on their long term profitability to bear short term losses.
III. Coordinating with different departments or functions can lead to confusion for the marketing department.

- (a) Only (I) above
(b) Both (I) and (II) above
(c) Both (I) and (III) above
(d) Both (II) and (III) above
(e) All (I), (II) and (III) above.

(1 mark)

14. Iodex launched its green colored pain reliever to fight the competition from Moov. This action was, however very late as by then Moov had already become an established brand. Here, Iodex is an example of a

- (a) Slow reactor
(b) Tough competitor
(c) Selective competitor
(d) Unpredictable competitor
(e) Form competitor.

(1 mark)

15. Which of the following is/are **true** regarding 'impulsive buying behavior' of consumers?

- I. A consumer might not be able to express his selection of a brand, but an unconscious decision making process takes place in his mind.
II. The buying behavior gets more volatile with age and experience.

III. It is very much in tune with the psychological and physiological needs of consumers.

- (a) Only (II) above
- (b) Only (III) above
- (c) Both (I) and (II) above
- (d) Both (I) and (III) above
- (e) All (I), (II) and (III) above.

(1 mark)

16. Kodak is one of the leaders in consumer products such as digital cameras, accessories, printers, software, single use cameras, film and processing. The company has established a beneficial presence in the fields of cinematography, graphic communications, document imaging, image sensor solutions etc. Since 1920s it has been following the practice of recovery and reuse of silver and manufacturing solvents and since 1950's the practice of recycling acetate film in its plants. The company also built the first polyster plastic recycling facility in 1970s and started a worldwide recycling program for its container and disposable single-use cameras and by mid 1999 it had recycled more than 250 million cameras. Which of the following **best** describes Kodak's strategy?

- (a) Kodak focused on improving its manufacturing processes by looking at ways and means to produce goods faster, more efficiently and through environmental friendly processes
- (b) Kodak concentrated on environmental management practices in order to be positively recognized as a company which is socially very responsible
- (c) Kodak embraced the concept of coordinated marketing management, which was directed towards the twin goals of varied customer requirements (and satisfaction) and profitability
- (d) Kodak aimed at increasing the company's offerings to tap various consumer segments
- (e) Kodak concentrated on striking a balance between the company's profits and customer requirements (and satisfaction) keeping in mind society's interests.

(2 marks)

17. The consumer can obtain information from a variety of sources. Commercial sources include

- (a) Articles in newspapers and journals
- (b) Handling, examining and using the product
- (c) Advertising, salespeople, dealers, packaging and displays
- (d) Family, friends, neighbours and acquaintances
- (e) Consumer-rating organizations.

(1 mark)

18. Which of the following is **not** a condition necessary for an exchange to take place?

- (a) Each party must have something that interests the other
- (b) Each party must be in a position to communicate and deliver the product
- (c) The parties must involve themselves even if they consider each other undesirable or unacceptable to deal with
- (d) Each party must be free to accept or reject any offer from the other party
- (e) At least two parties must be involved.

(1 mark)

19. Which of the following analyses is very important for marketers as it can generally estimate the extent of profits that each product line brings to the company?

- (a) Marketing cost analysis
- (b) Customer profitability analysis
- (c) Financial situation analysis
- (d) Contribution analysis
- (e) Economies of scale.

(1 mark)

20. Data can be collected from two sources i.e., primary and secondary. Mail interviews are one of the methods used in primary data collection. Which of the following is/are **true** with respect to mail interviews?

- I. Mail interviews involve a relatively low cost.
- II. The response rate is high for mail interviews.
- III. Respondents in a mail interview can remain anonymous.
- IV. Respondents can respond to the questionnaire at their own convenience.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above

- (d) (I), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

21. In examining her firm's recently completed market attractiveness-business position model, Jenna Cook finds that the firm's sport sunglasses unit is high on relative market share and relative market growth rate. Which one of the following strategies would this placement on the BCG matrix dictate for the sunglasses unit?

- (a) Invest
- (b) Harvest
- (c) Divest
- (d) Maintain
- (e) Grow.

(1 mark)

22. Which of the following strategies is/are employed by a firm in the decline stage of product life cycle?

- I. Increasing the firm's investment to strengthen its competitive position and dominate the market.
- II. Maintaining the firm's investment level until the market uncertainty passes by.
- III. Introducing fresh advertising campaigns, new packaging and even product re-launches.
- IV. Selectively decreasing the firm's investment level by dropping unprofitable customer groups.

- (a) Only (I) above
- (b) Both (II) and (III) above
- (c) Both (III) and (IV) above
- (d) (I), (II) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

23. Water Side is a restaurant situated on the bank of a lake. The restaurant has excellent view, great menu and a live band to play music to customers. Water Side now faces overfull demand i.e., demand is above supply and the restaurant has no desire or ability to increase supply. Which of the following would be the **best** strategy a marketer can adopt in this case?

- (a) Cater only to the needs of profitable customers
- (b) Cut down the offerings on the menu
- (c) Raise prices and reduce promotion
- (d) Find ways to induce fear in people's mind about visiting the restaurant
- (e) Set up another restaurant.

(2 marks)

24. Uberall solutions Ltd., a Pune based company, has developed software to maintain contact with its sales people to disseminate and receive information. The software works on hand-held device which automates the day-to-day tasks of sales people and also helps them feed in information collected from distributors and stockists about the product, stock levels, different schemes and promotional activities. Which of the following component(s) of MKIS does this system constitute?

- I. Sales reporting systems.
- II. Order to payment cycle.
- III. Marketing intelligence system.
- IV. Marketing decision support system.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

25. The BCG growth-share matrix displays the positions of business units on a graph of the market growth rate against market share of the business units relative to competitors. Which of the following statements is/are **true** with respect to cash cows in BCG matrix?

- I. They often generate as much revenue as they use.
- II. The strategy for marketers is to invest in these units.
- III. These units are net cash generators.
- IV. These business units have a large market share in a mature industry.

- (a) Only (I) above

- (b) Both (I) and (II) above
- (c) Both (III) and (IV) above
- (d) (I), (II) and (III) above
- (e) (II), (III) and (IV) above.

(1 mark)

26. By offering credit through its shops, Allied, a furniture and carpet retailer, is trying to get consumers to

- (a) Decrease both disposable and discretionary income
- (b) Expand disposable income at the expense of discretionary income
- (c) Expand current buying power at the expense of future buying power
- (d) Expand discretionary income
- (e) Expand wealth.

(1 mark)

27. Which of the following is an approach/orientation of the procurement process that involves focusing on improving the overall value chain?

- (a) Buying orientation
- (b) Total quality management
- (c) JIT approach
- (d) Supply chain management orientation
- (e) Procurement orientation.

(1 mark)

28. Companies irrespective of size, have to focus on evaluating the competitors through proper competitive intelligence systems. Which of the following statements is/are **true** about competitive intelligence system?

- I. Information for various decision making processes is collected from two broad sources - employees' knowledge and information from competitors.
- II. A competitive intelligence system can be developed by converting corporate information into individual information.
- III. Information collected should be shared with all departments of the organization.

- (a) Only (I) above
- (b) Only (III) above
- (c) Both (I) and (II) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

(1 mark)

29. DCM Benetton India Ltd. has embarked on catering to the retail segment by opening an exclusive mother and child store, an adult's only store, the baby-on board store and an accessories store. The mother and child store has a wide variety of products including maternity wear, infant wear, educational toys, car seats, strollers etc., targeting the upper class young parents living in cities. The baby-on board store is aimed at pregnant women and children below the age of twelve. The adults-only store showcases Benetton's apparel collection for men and women. The accessories store has the products like luggage, bags, sunglasses and vanity cases. Which of the following can be **correctly** stated about the segments Benetton is targeting?

- (a) DCM Benetton has adopted individual marketing by focusing on individual customer preferences
- (b) DCM Benetton has segmented consumers on the basis of broad similarity with regard to tastes and preferences
- (c) DCM Benetton has made an effort to offer specialized products to smaller segments that have been neglected by other marketers
- (d) DCM Benetton, which has global presence is trying to offer customized products to suit the local markets
- (e) DCM Benetton is trying to target several segments, so that it can cover the whole market.

(2 marks)

30. The political environment is one of the key forces affecting the macro environment of a firm. Which of the following is/are the reasons for which organizations try to maintain good relations with elected politicians?

- I. Politicians are less likely to vote for laws that negatively affect the firms that support them.
- II. Politicians exercise power over trade relations and they can create a favorable environment for international trade.
- III. Politicians influence government spending and can help in acquiring trade accounts.

- (a) Only (I) above
- (b) Only (III) above
- (c) Both (I) and (II) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

(1 mark)

31. The most successful technology company that balances the dual requirements of innovation and reliability in its branding is Intel. Intel believes that markets in Europe and America have matured and countries like India and China will drive the future growth of the company. Therefore, Intel has been conducting market research in these countries. It is making an effort to study the product attributes that customers look for in the product. Intel has plans to launch new technologies and chips in future. To cater to the Indian and Chinese markets, Intel is in the process of developing a new technology called 'Vanderpool' that allows the user to run multiple software programmes on one or more computers, two new chips - a 32 bit Xeon processor and a 64 bit Itanium processor and a technology called 'La Grande' for which Intel is currently working with Microsoft. La Grande is believed to enhance computer security based on hardware. With respect to the various product levels that expound the nature of a product, which product level is Intel addressing?

- (a) Intel is trying to offer the core benefits of good processing
- (b) Intel is attempting to offer the basic product, the micro processor chip
- (c) Intel is trying to include requirements that a customer finds essential to buy a product by identifying attributes customers look for
- (d) Intel is trying to include additional attributes in the product by not limiting itself to consumer expectations by improving and differentiating its products exceeding the normal expectations of buyer
- (e) Intel is trying to include all the improvements that are possible under given technological, economic and competitive conditions for attracting and retaining customers.

(2 marks)

32. Companies continually search for new customers in order to make profits and increase their sales volume. Which of the following is **not** helpful in attracting new customers?

- (a) Developing advertisements
- (b) Mailing to prospective customers
- (c) Participating in trade shows and fairs
- (d) Making personal phone call to customers
- (e) Measuring the defection rate.

(1 mark)

33. The period in the business cycle in which there is extremely high unemployment, low wages, minimum total disposable income, and a lack of confidence in the economy by consumers is known as

- (a) Recovery
- (b) Prosperity
- (c) Depression
- (d) Recession
- (e) Maturity.

(1 mark)

34. Which of the following is/are components of a Marketing Information System?

- I. Internal record system.
- II. Automatic identification system.
- III. Marketing intelligence system.
- IV. Marketing decision support system.

- (a) Only (IV) above
- (b) Both (II) and (III) above
- (c) (I), (II) and (III) above
- (d) (I), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

35. Refrigerator manufacturing companies indicate on the packaging that their products are Chloro Fluoro Carbon (CFC) free elements which when introduced into the atmosphere are capable of destroying ozone layer. This is an attempt to conserve which macro environmental force?

- (a) Economic

- (b) Socio cultural
- (c) Demographic
- (d) Natural
- (e) Legal.

(1 mark)

36. HMT was incorporated in 1953 as a Machine tool manufacturing company. It started manufacturing wrist watches since 1962 producing over 7 million high quality watches per annum in hundreds of designs. HMT watches are the master pieces in engineering excellence and are designed to give years of trouble free service. But in recent past HMT threw its market share to Timex, as Timex adopted better competitive strategies by introducing several models to reach all the segments of the market. HMT was associated with Indianness and had almost become a generic brand in the country. But the company could not cope with changing customer preferences and technological advancement. Timex entered the market with new technology (at that time) – quartz - and introduced watches for all segments of the market, overtaking the market leader HMT. Which of the following is the **most** appropriate strategy that HMT could have applied to avoid losing its market share to Timex?

- (a) HMT could have concentrated on changing customer preferences and developed engineering methods
- (b) HMT could have adopted proper competitive strategies by introducing several models targeting lower, middle and upper segments of the market
- (c) HMT could have come out from its association with the Indianness and position itself as a world class product
- (d) HMT could have followed better advertising and promotional strategies to clearly communicate to the customers about the reliability of the watches
- (e) HMT could have reduced the prices of the watches getting the price advantage in the market.

(2 marks)

37. Technological advancement is bringing about a rapid change in the market place and causing intense competition among firms. To deal with these changes companies and marketers are constantly formulating new strategies. Which of the following is/are 'marketer responses' to the changes in the market place?

- I. Marketers are providing better 'form utility' by creating customized/tailor-made products to suit individual needs.
 - II. Companies maintain data warehouses in which they store information about the preferences and buying habits of individual customers.
 - III. Companies are now realizing that they need to focus on the activities in which they are strong, and outsource the remaining activities to other firms which have the required competencies.
 - IV. Companies are now offering services like selling and delivering products over the Internet.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (I), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(1 mark)

38. There are some basic activities, which companies undertake with respect to strategic planning, one of them being establishing the corporate mission. Which of the following statements is/are **true** with regard to a corporate mission?

- I. The corporate mission of an organization explains the business of the organization.
 - II. The corporate mission statement should be developed in tune with the core values of the organization.
 - III. The corporate mission statement should include decorative words like integrity, teamwork, customer satisfaction etc.
- (a) Only (II) above
 - (b) Only (III) above
 - (c) Both (I) and (II) above
 - (d) Both (II) and (III) above
 - (e) All (I), (II) and (III) above.

(1 mark)

39. A power tools company has done consumer research and described its customers as being male, 28-55 years of age, married, 62 percent high school graduates, and earners of below-average income. This is the group of consumers most likely to buy the tools and is referred to as the

- (a) Social responsibility group
- (b) Exchangers
- (c) Target market
- (d) Reference group
- (e) Scanned environment members.

(1 mark)

40. There are four levels of segmentation – segment marketing, individual marketing, niche marketing and local marketing. Which of the following is/are **not true** regarding niche marketing?

- I. It is the marketers effort to position their product in smaller markets that have similar attributes.
- II. A niche is a small segment of the market that has some specific unsatisfied needs.
- III. It is the extreme level of segmentation.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) Both (I) and (III) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

(1 mark)

41. Which of the following is/are strategies used to stimulate sales in the maturity stage?

- I. Investing more in R&D to bring about improvements in the product and product line extensions.
- II. Marketers emphasizing product benefits in order to create a competitive niche in the market.
- III. Marketers resorting to introducing fresh advertising campaigns, new packaging and even product re-launch.
- IV. Abandoning weaker products and concentrating more on profitable products.

- (a) Only (II) above
- (b) Both (I) and (II) above
- (c) (I), (III) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

42. When Ms. Julie gives her card to her customers during a sale and invites them to call with any questions they might have later, which of the following levels of relationship marketing Ms. Julie is practicing?

- (a) The basic level
- (b) The reactive level
- (c) The accountable level
- (d) The proactive level
- (e) The partnership level.

(1 mark)

43. South African wines compete for shelf space in European supermarkets, but they are handicapped by the European perception that South African wine yards are primitive in comparison to those in Australia and Chile. They are also dogged by South African wine farmers' ugly record of crude labor practices and shady deals. Wine is a product that is largely influenced by country of origin and hence the wine industry cannot succeed if South Africa doesn't look good. Which of the following would be the **most** appropriate step to be taken by the South African wine industry to project South Africa in an attractive manner to develop its business?

- (a) To give the wine farmers a stake in the industry
- (b) To advertise more about their country in the targeted countries
- (c) To hire farmers from other places to avoid labor litigations
- (d) To see that no news about the labor problems spreads to other parts of the world
- (e) To develop more tourist places.

(2 marks)

44. There are different levels of investment to build a long term relationship with customers. Which of the following statements is/are **true** relating to different levels of investment to build a long term relationship with customers?

- I. The basic marketing level is where a salesperson sells the product but does not contact the customer again.
- II. The accountable level involves a salesperson selling the product and encouraging the customer to call if the customer has any complaints or queries regarding the product.
- III. The proactive level involves the salesperson contacting the customer from time to time with

suggestions about product usage for improving the product.

IV. The reactive marketing level involves a sales person calling the customer after a small period of time of the actual sale to check if the product is up to the customer's expectations.

- (a) Only (I) above
- (b) Both (I) and (III) above
- (c) Both (II) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

45. Age is widely used in segmentation studies because it can be relatively easy to establish and is associated with variations in spending patterns. Which of the following statements about segmentation by age is/are **not true**?

- I. People may exhibit characteristics of the age they feel rather than their biological age.
- II. Consumers tastes don't change as they get older, but they do need different products.
- III. For most products, it can effectively be used as a single stand alone basis for segmentation.
- IV. Although it is easy to measure it is difficult to estimate how many people in a particular age bracket live in a particular town or country.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

46. Buying decisions generally follow a pattern of overlapping stages. Which of the following **best** describes the typical stages of the buying process?

- (a) Need recognition → Information search → Evaluation → Decision → Post purchase evaluation
- (b) Need recognition → Evaluation → Information search → Decision → Post purchase evaluation
- (c) Information search → Need recognition → Evaluation → Decision → Post purchase evaluation
- (d) Need recognition → Information search → Decision → Evaluation → Post purchase evaluation
- (e) Information search → Need recognition → Decision → Evaluation → Post purchase evaluation.

(1 mark)

47. Which of the following is **least likely** to be associated with a firm's macro-environment?

- (a) A new staff incentive scheme
- (b) Analysis of household savings ratios
- (c) Study of the changing birth rate
- (d) Cultural convergence
- (e) Advancement in technology.

(1 mark)

48. Companies identify their strengths, weaknesses, opportunities and threats in the business environment through SWOT analysis. Which of the following constitutes 'potential resource weaknesses' for an organization?

- I. A weak balance sheet burdened with too much debt.
- II. Loss of sales to substitute products.
- III. Sub par e-commerce systems and capabilities relative to rivals.
- IV. Costly new regulatory requirements.
- V. Not attracting customers as rapidly as rivals due to ho-hum product attributes.

- (a) Both (I) and (II) above
- (b) Both (IV) and (V) above
- (c) (I), (III) and (V) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III), (IV) and (V) above.

(1 mark)

49. There are various bases for product differentiation. If the technology used in a product becomes obsolete fast, the advantage derived from which of the following bases of product differentiation get reduced, in case customers do not pay a premium for it?

- (a) Product form
- (b) Product design
- (c) Product features
- (d) Product quality
- (e) Product durability.

(1 mark)

50. The Colgate-Palmolive Company was founded in 1806 by Mr. William Colgate. The company first began by centering their production around soaps, perfumes, and candles. It introduced oral health care products to the market in 1873, by producing 'its first tooth paste, an aromatic dental cream sold in jars'. By 1991, Colgate-Palmolive had become the leader in not only household products but also in oral health. Other companies that have entered into the tooth brush market include Oral-B, Johnson and Johnson, Procter and Gamble, Smithkline Beecham and Hindustan Lever. By 1991 Oral B held a significant market share of 23.1%. It introduced a new tooth brush that had a patented blue dye in the center bristles. With the increased usage of the brush; the dye fades out and indicates to the user that the brush needs to be replaced, as it is no longer effective. This feature introduced by Oral B led Colgate Palmolive to launch its 'precision tooth brush' in 1993 with the feature of varying length of bristles. With the new line of products being introduced by other companies, Colgate Palmolive had to worry about new products that could compete with its 'precision tooth brush'. In this scenario, which of the following differentiation strategies is the **most** appropriate for Colgate Palmolive's 'precision tooth brush'?

- (a) Introducing new tooth brush with medicinal value for different dental problems faced by the consumers
- (b) Placing a picture on the tooth brush pack, showing the different lengths with different colors of bristles with an explanation of what each length is responsible for doing
- (c) Increasing the length of the handle for comfortable handling of the tooth brush both for the children and the adults
- (d) Pricing the tooth brush equal to or lesser than the prices of the other tooth brushes already available on the market
- (e) Coming up with a new precision tooth brush that lasts longer when compared to other tooth brushes in the market.

(2 marks)

51. Various criteria are used to segment organizational markets. In segmenting organizational markets, which of the following constitute(s) the criterion operating variables?

- I. Company size.
 - II. Company technology.
 - III. Product and brand use technology.
 - IV. Customer capabilities.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(1 mark)

52. Which of the following methods of demand estimation would, for instance, express sales as a dependant variable and as a function of a number of independent variables?

- (a) Survey of buyer intentions
- (b) Time & motion studies
- (c) Statistical demand analysis
- (d) Test marketing method
- (e) Exponential smoothing.

(1 mark)

53. A production operator at a cheese factory discovered that the slicing process could be speeded up if the machine had a certain type of arm attached. He consulted the supervisor about purchasing one. In terms of roles played by people in the buying decision process, the operator would be a

- I. User.
- II. Initiator.
- III. Buyer.
- IV. Decider.
- V. Influencer.

- (a) Both (I) and (III) above
- (b) Both (II) and (V) above
- (c) (I), (II) and (IV) above
- (d) (I), (II) and (V) above
- (e) (I), (II), (IV) and (V) above.

(1 mark)

54. Businesses maintain their market position by making competitive moves to challenge competition. Which of the following is/are **correct** descriptions of various categories of competition?

- I. Market followers serve small segments not pursued by other firms.
- II. Market challengers are firms aiming to increase their market share.
- III. Market challenger firms are invariably small organizations.
- IV. Market leaders adopting a position defense stance will fail in the long run.

- (a) Only (I) above
- (b) Both (II) and (III) above
- (c) (I), (II) and (IV) above
- (d) (II), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

55. Deregulation of the energy industry combined with increased competition in some states during the mid 1990s enabled energy companies to compete for retail customers. By setting up marketing programs they tried to reach consumers by providing them a right to choose their energy provider. Several companies changed their names like Panhandle Eastern became "Panenergy", Natural Gas Clearing house to "Dynergy" for Dynamic energy. Dynergy, Calpine energy companies are relatively unknown amongst financial analysts and wholesale energy buyers due to their low profile image. These companies used many traditional advertising methods to build awareness. But the real troubles for the energy industry occurred when energy giant Enron, declared bankruptcy in 2001. After investors and analysts raised questions about its business model, it was revealed that Enron had employed unorthodox accounting principles to misstate earnings. Moreover, Enron's primary target was to create a positive image with key organizations and decision-makers but not with general public. Share prices for energy firms slumped in the wake of Enron's collapse. But the other energy trading companies like Dynergy, Calpine lined up to assure consumers that Enron's troubles were not indicative of an industry-wide problem as they had nothing to do with Enron. Which of the following marketing tactics would be **best** suitable for Dynergy and Calpine to re-require the confidence that might have been lost in the Enron matter?

- (a) Dynergy and Calpine should not take up any drastic measures and procedures that give an impression of being in a delicate state and try to operate in the usual manner
- (b) Dynergy and Calpine should make the public realize that Enron's problem does not have a bearing on the energy industry as a whole and operations of other companies will continue as they were
- (c) Dynergy and Calpine should relaunch themselves by changing their names to make them consumer friendly and come out with good marketing programs as they had adopted during mid 1990s
- (d) Dynergy and Calpine should adopt proper accounting principles for their financial maintenance which was not taken care of by Enron
- (e) Dynergy and Calpine should have careful control over their entire operations making it transparent to its stakeholders.

(2 marks)

56. Which of the following information is supplied on periodic basis and includes information on market share, customer satisfaction, customer purchase intentions, etc.?

- (a) Monitoring information
- (b) Requested information
- (c) Processing information
- (d) Recurrent information
- (e) Selective information.

(1 mark)

57. Companies measure the profitability of each customer, apart from measuring the profit and loss impact of products, brands and distribution channels. Which of the following is/are the steps in customer profitability analysis?

- I. The product and service profitability of a company can be measured by including all the costs that might be incurred.

- II. Costs that are customer specific should be deducted from the customer profitability.
- III. Divide the various costs into fixed, variable, and semi-variable costs.
- IV. Periodicity of marketing cost analysis should also be decided because periodical analysis helps a company check and control its marketing expenses.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above
- (d) (I), (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

58. Which of the following reference groups have a direct influence on how a person behaves and to which a person belongs and has frequent interactions with other members of the group?

- (a) Membership reference group
- (b) Aspirational reference group
- (c) Disclaimant reference group
- (d) Avoidance group
- (e) Celebrity group.

(1 mark)

59. Bobcards, as part of its 10th anniversary celebrations offered a bonanza to customers by launching special schemes such as card spend contest, loyalty rewards for its existing customers and woman exclusive card. Bobcards expected this to result in

- (a) Customer delight
- (b) Attracting new customers
- (c) Brand awareness
- (d) Brand equity
- (e) Customer selectivity.

(1 mark)

60. Which of the following constitute(s) happenings that would affect the 'Demographic environment' of a firm?

- I. The changing role of women in India has given rise to the demand for consumer products.
- II. A literate customer is more demanding and conscious about products available.
- III. Communication has undergone a major change due to which access and reach to customers is greater and easier.
- IV. Senior citizen reflects the demand for healthcare services, retirement housing and financial planning.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) (I), (II) and (III) above
- (d) (I), (II) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

(1 mark)

61. Organizations believe that they should only own reserves that help in performing critical functions. All other functions may be outsourced. This helps them optimize cost structure and eliminate unnecessary flab from the organization. Which business component is being focused on here?

- (a) Processes
- (b) Resources
- (c) Organization
- (d) Stakeholders
- (e) Technology.

(1 mark)

62. Which of the following purchases would be the **best** example of a new task purchase for a company that provides sales training seminars to consumer product companies?

- (a) The renewal of subscriptions to trade journals that provide information about their target markets' customers
- (b) The hiring of a company to prepare a web site for the company's new on-line instructional service
- (c) The hiring of a temporary employee to act as a receptionist while the regular employee is out on

- maternity leave
- (d) The purchase of computer paper, pencils and pens, paper clips, file folders and other office supplies
- (e) The printing of business cards for new sales trainers.

(1 mark)

63. Musicale is into the business of manufacturing and marketing of audio cassettes tapes in the United States. The company is known for its good quality standards, which has made the company, grow rapidly. Musicale has concentrated only on the consumer market since its inception. It has captured a major market share in United States with its efficient distribution channels across the country. When the company came into business, there were not many competitors in the industry, but gradually new players were attracted to the business and entered the industry. In the recent past, there has been a phenomenal decrease in the company's sales. The company realized that there was a huge strategic planning gap between their future desired sales and the projected sales. To address this gap musicale undertook several intensive growth strategies. Which of the following constitute the **most** appropriate market penetration strategy for Musicale?

- I. Musicale could also tap the office and factory markets instead of concentrating only on consumer markets.
 - II. Musicale could try to attract its competitors' customers by finding major weaknesses in their products and marketing programmes.
 - III. Musicale could try to convince non users of cassettes to start using cassettes by finding out people who do not own any tape recorders.
 - IV. Musicale could try to show the benefits of using their cassettes for music recordings or dictation and encourage their current customers to buy more.
 - V. Musicale might seek additional distribution channels in its present locations by adding mass merchandising channels in addition to stereo equipment dealers.
- (a) Both (II) and (III) above
 - (b) (I), (III) and (V) above
 - (c) (II), (III) and (IV) above
 - (d) (I), (II), (III) and (IV) above
 - (e) All (I), (II), (III), (IV) and (V) above.

(2 marks)

64. Companies respond in several ways to rapid changes and competition in the market place. Which of the following strategies would a company adopt to respond when it performs poorly in financial terms, faces intense competition or erosion of market share, or discovers emerging marketing opportunities?

- (a) Benchmarking
- (b) Decentralization
- (c) Outsourcing
- (d) Reengineering
- (e) Customization.

(1 mark)

65. Consumer products can be classified in various categories. Which of the following statements is/are **true** about the category of 'specialty products'?

- I. They are products that are relatively inexpensive and are bought frequently.
 - II. They are products that are available through a few select outlets or only through a single outlet.
 - III. They are products that have one or more unique characteristic features.
 - IV. They are products that a customer purchases when he is faced with a sudden problem.
- (a) Only (I) above
 - (b) Both (II) and (III) above
 - (c) Both (III) and (IV) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(1 mark)

66. Sagar is a manager responsible for ensuring his hotel group, realizes the maximum revenues when receiving bookings for hotel rooms. An old client, Kishore met him and said he needed bookings for some 20 rooms on a certain date. He demanded some discount for old times' sake, too. Sagar went back to his database, thought over and realized that there is a lot of demand for accommodation on the date that Kishore has requested rooms. Usually during that time Sagar's hotel offers accommodation at a higher price keeping in mind the demand. At the same time, Sagar got a call from a client who was ready to pay more amount for the same number of rooms that Kishore has demanded, as all the hotels in the city are already reserved. If Sagar will give away those 20 rooms to Kishore, he will not only have to

give Kishore the discount which he demanded but also will lose the additional amount which he would be getting from the new client. In this regard, from a long term service industry perspective, what would be the **best** decision for Sagar?

- (a) Accept Kishore's offer and book 20 rooms for him
- (b) Accept the new client's offer and book 20 rooms for him
- (c) Provide rooms to the old client at some other suitable accommodation
- (d) Adjust the available rooms between the old customer and Kishore by explaining the situation to both of them
- (e) Buy out another hotel close to the present one and close accommodate both Kishore and the old client and also satisfy the heavy demand.

(2 marks)

67. Wrigley's Chewing Gum ran an advertising campaign that targeted heavy smokers. The advertising indicated that "when you can't smoke, chew Wrigley's." This is an example of which type of behavioral segmentation?

- (a) Usage rate
- (b) Loyalty status
- (c) Benefits sought
- (d) User status
- (e) Occasion.

(1 mark)

68. In which approach of the marketing costs analysis is the net income calculated by deducting only direct expenses from the gross margin?

- (a) Full costs
- (b) Marginal costs
- (c) Contribution margin
- (d) Fixed costs
- (e) Average costs.

(1 mark)

69. Which of the following is/are necessary skill(s) required by a manager for a strategic alliance to be successful?

- I. A manager should have an in-depth knowledge of the functions of an organization.
- II. A manager should have a broad vision and act as an effective interface between the employees of the two companies.
- III. Managers should concentrate on long-term relationships rather than focusing on immediate benefits.

- (a) Only (I) above
- (b) Both (I) and (II) above
- (c) Both (I) and (III) above
- (d) Both (II) and (III) above
- (e) All (I), (II) and (III) above.

(1 mark)

70. The number of channel levels from raw material to final product, in which a company participates, defines its

- (a) Industry scope
- (b) Geographical scope
- (c) Vertical scope
- (d) Competence scope
- (e) Strategy scope.

(1 mark)

71. The Indian government had total control over the telecom sector, with BSNL and MTNL being the only players, before this sector was opened to private players. Today there are a number of players in the market. In this context, which of the following can be stated to be **true**?

- I. Market dynamics have totally changed due to competition.
- II. A large number of innovations have taken place in this sector.
- III. At present the market is oligopolistic in nature.
- IV. At present the market is characterized by perfect competition.

- (a) Only (I) above

- (b) Both (I) and (III) above
- (c) Both (II) and (IV) above
- (d) (I), (II) and (III) above
- (e) (II), (III) and (IV) above.

(1 mark)

72. The process of satisfying customers and suppliers by aligning the different business models for organizational effectiveness, with constant focus on development and innovativeness with dynamic organizational culture refers to

- (a) Total quality management
- (b) Competitive intelligence system
- (c) Total quality force
- (d) Cost leadership strategy
- (e) Generic strategy.

(1 mark)

73. Inelastic demand in industrial markets refers to a situation where

- (a) Demand for a given product fluctuates very little over time
- (b) Price increases or decreases will not significantly alter demand for a given product
- (c) Demand for a given product fluctuates wildly over time
- (d) The demand for one product depends heavily on the demand for another product
- (e) Supply for a given product cannot keep up with the demand for it.

(1 mark)

74. In a world of cut-throat competition, companies can survive only when they outsmart competition; adapt themselves to the changing marketing environment rather than just pushing the sales. The marketers can do this through customer satisfaction. Which of the following is/are the instances of measures that help on building customer satisfaction?

- I. A company delivering superior quality products.
 - II. A company lowering prices of existing products.
 - III. A computer manufacturing company conducting a training program for its dealers and their employees who interact with the companies customers.
 - IV. A company aiming to add value at every stage of its value chain.
- (a) Only (I) above
 - (b) Both (I) and (III) above
 - (c) Both (II) and (IV) above
 - (d) (I), (II) and (IV) above
 - (e) (II), (III) and (IV) above.

(1 mark)

75. Which of the following is/are the recommendations proposed by Theodore Levitt to overcome marketing myopia?

- I. Market orientation should permeate throughout the organization.
 - II. Managers need to be proactive and visionary.
 - III. Be customer led, not product oriented.
- (a) Only (I) above
 - (b) Only (III) above
 - (c) Both (I) and (II) above
 - (d) Both (I) and (III) above
 - (e) All (I), (II) and (III) above.

(1 mark)

76. Kimberly-Clark closed down a number of small under performing businesses like Midwest Express that limited the opportunities for improving its airline business. This is an example of

- (a) Product line pruning
- (b) Product line extension
- (c) Product line filling
- (d) Product line modernization
- (e) Product line stretching.

(1 mark)

77. Consumer products can be classified into various categories. Which of the following statements is/are **true** about the categories of 'unsought products'?

- I. They are products that are relatively inexpensive and are bought frequently.
 - II. They are products for which a buyer is willing to spend time and effort in planning and making purchase decisions.
 - III. They are products that customers are not greatly aware of the need for the product and they do not think it necessary to purchase the product.
 - IV. They are products that a customer purchases when he is faced with a sudden problem.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) Both (III) and (IV) above
 - (d) (I), (II) and (III) above
 - (e) (II), (III) and (IV) above.

(1 mark)

78. The identification of the best businesses for a company as those operating in highly attractive industries where the company has high business strength is characteristic of which portfolio planning tool?

- (a) BCG growth-share matrix
- (b) SWOT analysis
- (c) GE strategic business-planning model
- (d) ABC executive judgment planning model
- (e) TQM product planning process.

(1 mark)

79. There are various levels of a product. The additional benefits and consumer service built around the actual product constitutes the

- (a) Core product
- (b) Expected product
- (c) Augmented product
- (d) Basic product
- (e) Potential product.

(1 mark)

80. Anita, a buyer for Nestle, buys carpeting for use in an office area. What determines whether this carpeting is a consumer or an industrial product?

- (a) The price of the carpet
- (b) The type of selling organization
- (c) The terms of the sale
- (d) The buyer's intended use of the product
- (e) Whether the carpet is a replacement item.

(1 mark)

81. In March 2002, India's number one chocolate company, Cadbury India Limited, launched a new advertisement campaign for its flagship chocolate brand, Cadbury's Dairy Milk. The campaign featured a television commercial that was significantly different from the company's earlier commercials for the brand. It featured Cyrus Broacha (MTV VJ) singing the theme "khane walon ko khane ka bahaana chaahiye". Cadbury intended to increase its customer base from just serving a limited segment. Which of the following **best** describe(s) Cadbury's strategy?

- I. Conveying the idea that Cadbury Dairy Milk is for everyone irrespective of age.
 - II. Conveying the idea that no specific occasion is required to have Cadbury Dairy Milk.
 - III. Appealing to adults in India who sought a rational justification for chocolate consumption.
 - IV. Appealing to consumers in India based on the tastes and preferences of various classes of people.
- (a) Only (I) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (I), (II) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(2 marks)

82. Selling a set of interlocking products or a set of production, inventory control, distribution, or other services to satisfy the buyer's need for a smooth running operation is called

- (a) Systems selling
- (b) Major account management
- (c) Interactive selling

- (d) Wheel of retailing
- (e) Collective selling.

(1 mark)

83. Consumers pass through different stages before actually buying products. Which of the following statements relate(s) to the stage of 'information search' in the consumer buying decision process?

- I. Consumer realizes that he has an unsatisfied need.
 - II. Past purchase experiences help the customer reduce the time for information search and evaluation.
 - III. Consumer analyzes the information available with him to select the right brand or product.
 - IV. A consumer realizes the need for a product and tries to gather information regarding the product.
- (a) Only (II) above
 - (b) Both (I) and (II) above
 - (c) (I), (II) and (III) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(1 mark)

84. E-commerce companies looking to attract customers are discovering that personalization goes beyond creating customized information. Lands' End Live website offers visitors the opportunity to talk with a customer service representative. Lands' End Live allows customers to "try on" clothes online using virtual models based on measurements supplied by customers. Nordstrom takes a similar approach with its websites to ensure that online buyers are as satisfied with the company's customer service as the in-store visitors and with the click of a button. Lands' End Live and Nordstrom are trying to

- (a) Offer the lowest total customer cost
- (b) Retain customers for long-term relationships
- (c) Create demand for the product
- (d) Acquire new customers for its products
- (e) Develop competitive environment.

(1 mark)

85. Which one of the following buying situations is **most consistent** with routine response behavior?

- (a) Anil buying his first pair of basketball shoes
- (b) Gita buying a new set of tyres for her car
- (c) Sunil buying a new fishing rod and reel
- (d) Sita buying a 10kg rice bag at Food World
- (e) Manoj buying a new software program.

(1 mark)

86. A builder who has a full order book during a period of economic prosperity and leaves his potential customers waiting for work to be completed is **most likely** showing what type of business orientation?

- (a) Marketing orientation
- (b) Selling orientation
- (c) Production orientation
- (d) Societal marketing orientation
- (e) Product orientation.

(1 mark)

87. There are several primary data collection methods. Which of the following is/are **not true** about telephonic interview?

- I. People cannot be easily reached.
 - II. The reluctance level of respondents is usually high.
 - III. The cost of conducting telephonic interviews is low compared to cost of personal interviews.
 - IV. They are often conducted when the information required is great and needs to be collected quickly.
- (a) Only (II) above
 - (b) Both (I) and (IV) above
 - (c) Both (II) and (IV) above
 - (d) (II), (III) and (IV) above
 - (e) All (I), (II), (III) and (IV) above.

(1 mark)

88. The scope for differentiating products varies significantly. Hindustan Lever Ltd., developed its Lux toilet soap in a liquid form and marketed it as a separate product. Which of the following product differentiation strategies did Lux use to distinguish itself from other similar companies?

- (a) Product form
- (b) Product features
- (c) Size of package
- (d) Product quality
- (e) Product durability.

(1 mark)

Suggested Answers

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1. Answer : (c)
Reason : Social needs are also called belongingness needs or need for love. They involve the desire to affiliate with and be accepted by others.
2. Answer : (d)
Reason : The service guarantee associated with the product should be unconditional. The guarantee should be comprehensible and communicative. The guarantee should be meaningful and reassure the customer on those aspects, which matter to him. Customers should be able to invoke the guarantee easily and without any hassles.
Hence option (d) is the answer.
3. Answer : (a)
Reason : In this scenario the best option available for Wiley is to launch the product in different quantity packs ranging from may be 1kg. It is so because; the best strategy available for any company if possible is to convert the major strength of the competitors into their major weakness. The competitor would never expect that their major strength would become their major weakness and also they will need much time to review the situation in favor of them. In this scenario also, Marico's major strength was its packaging which was available only in the 5 kg pack. And also, by launching the product in different quantity packs, will definitely reach more customers. As the customer's needs may be different from each other. Some may consume it regularly and some may consume it occasionally.
4. Answer : (c)
Reason : When customers buy low-cost, regularly purchased/routine products, they do not make significant efforts to gather much information about the product. Instead they choose the brand, which they are familiar with or have been choosing for a long time. Purchase decision in such cases is quick. Therefore, customer involvement in such purchase decisions is low. Hence Option (c) is the answer.
5. Answer : (b)
Reason : Ordering ease refers to the ease with which the customer can place the order for the product. Where as Delivery refers to how well the product has been delivered to the customer with speed and care. Therefore both care and ordering ease has been provided by the dell in their customer services.
6. Answer : (a)
Reason : Simple random sampling is probability sampling where each member of the universe has an equal chance of being selected. (b) Convenience sampling is chosen on the basis of convenience. (c) Judgment sampling, the representative sample selected on the basis of expert judgment. (d) In quota sampling, the demographic characteristics of interest are present in the representative sample in the same proportion as in the population. (e) In purposive sampling, the sample is selected purposely not to be representative in order to fulfill certain objectives.
7. Answer : (c)
Reason : Approvers are those individuals who authorize the purchase process before it is actually implemented by the buyers in the organization. Usually, a panel consisting of senior managers evaluates the necessity of purchasing the product or service and approves the decision being taken. Therefore statements (III) and (IV) are correct and option (c) is the correct answer.
8. Answer : (c)
Reason : In sales era, marketers focused their efforts only on selling their products to the customer. Manufacturers believed that the success of their business depended on outselling the competition. Marketers focused their efforts only on selling their products to the customers.
9. Answer : (d)
Reason : The overall plan for marketing a product that includes selecting and analyzing a target market and creating and maintaining a marketing mix is known as marketing strategy.
10. Answer : (b)
Reason : Recognizing the need for a calculator while working on assignments is an example of the problem recognition stage in the buying process.
11. Answer : (b)
Reason : Product features are the characteristics that allow a product to perform certain functions. A firm can differentiate its product from that of the competitor by adding or removing certain features. Therefore Birla Cement works has added a feature by adding red oxide that prevents from rusting.
12. Answer : (c)
Reason : (c) By adding a higher priced or prestige item to a product line, a manufacturer "trades up" in the hope

of attracting customers for its lower-priced items as well. (a) Marketers who adopt a trading down strategy add low priced products to their already existing line of specialty products. (b) Product repositioning is more a psychological exercise to play on the collective minds of the target group. (d) Sometimes firms eliminate products or product lines to thin out their product lines that contribute little to profits. (c) Product expansion necessitates adding new products to an existing product line or adding new product lines to an existing product mix.

13. Answer : (b)

Reason : Important features of the marketing concept are :

Statement (I) Consumer orientation: Consumer orientation places the customer at the beginning as well as at the end of the business cycle that is, the consumer becomes the focal point for the business.

Statement (II) Long term profitability: Marketers should lay emphasis on their long-term profitability. Sometimes, they might have to bear short-term losses to gain long-term profitability.

Statement (III) Functional integration: Lack of coordination between different departments or functions can hamper the performance of an organization. The marketing department must be properly coordinated with other functional groups like R&D, finance, personnel and manufacturing.

Hence option (b) is the answer.

14. Answer : (a)

Reason : Slow reactor type of competitor reacts very slowly to the competition. (b) Tough competitor is a type of competitor who strongly retaliates to the slightest move of his competitors. (c) Selective competitor is a type of competitor who reacts to only certain types of strategies, perhaps to added product features or line extensions. (d) Unpredictable competitor is a type of competitor who may or may not respond to the strategies of his competitors. (e) Option is not relevant.

15. Answer : (d)

Reason : The impulse buying behavior gets more conditioned with age and experience.

16. Answer : (e)

Reason : Kodak has been concentrating on recycling acetate film in its plants itself and built the first polystyrene plastic recycling facility. It also started a worldwide recycling program for its container and disposable single-use cameras keeping in view the health, safety and environmental management practices. Over the different eras in the evolution of marketing, Kodak was concentrating on the era of Societal marketing concept. Where Kodak was not only providing quality products, needs, wants and interests of the target market but also concentrating on society's interest. Kodak had realized much earlier that, in the near future the customers will be showing interest on only the environmental friendly products due to the increasing pollution from various sources. So, Kodak concentrated on the products which were environment friendly, keeping in mind the customers tastes and preferences, which in turn would generate positive income.

17. Answer : (c)

Reason : Commercial sources include advertisements-print media, broadcasting media and the internet and other marketing sources like department stores and retail outlets.

18. Answer : (c)

Reason : For an exchange to take place, the parties must involve themselves voluntarily and should consider each other desirable and acceptable to deal with.

19. Answer : (a)

Reason : Marketing cost analysis is very important for marketers since it provides them with the estimate of the extent of profits that each product line brings to the company. (b) Customer profitability has become crucial and strategic tool for companies. It analyzes the revenues of the company to identify the profit contribution of a customer. (c) Financial situation analysis is used to analyze the current situation of an organization and ratio analysis is one of the widely used tools for financial situation analysis. (d) Contribution analysis deals with techniques for determining profitability at the market segment level, the product level, the distribution level and the customer level. (e) This option is not relevant.

20. Answer : (d)

Reason : Mail interviews are widely used for the collection of information, since the cost is relatively low. Respondents in a mail interview can be anonymous if they wish to. The advantage of the mail interview is that the respondent can respond to the questionnaire at his convenience. One of the biggest problems in mail interviews is the low response rate.

21. Answer : (a)

Reason : The BCG growth-share matrix displays the position of business units comparing their market growth rate against their market share relative to competitors. It contains four cells – question marks, star, cash cows and dogs. Stars are the business units, which have a large market share in fast growing markets. The sunglasses unit is therefore a star. As per the BCG matrix, firms need to invest in stars as long as the industry is still emerging and market share is also growing.

22. Answer : (d)
 Reason : Introducing fresh advertising campaigns, new packaging and even product re-launches is a strategy for the maturity stage. Regaining market share is difficult during the decline stage. Therefore, firms will not invest in high cost activities such as advertising and sales promotion.
23. Answer : (c)
 Reason : When demand is overfull, marketers must adopt a demarketing strategy to reduce demand temporarily or permanently. Amongst the options, raising prices and reducing promotion would bring down the demand. Option (a) and (b) will not necessarily balance the demand and supply. Option (d) is suitable when the demand is unwholesome i.e., for products such as cigarettes etc. Option (e) is not applicable because as per information in the question, the Water Side has no desire or ability to set up another restaurant.
24. Answer : (a)
 Reason : The sales reporting system enables a company to keep in contact with its marketing team by disseminating and receiving the latest information. Sales representatives use computer technology to feed in the latest information about the market, customers and the product to their head office. The Uberall solutions provides a hand held device that can help salespeople provide real time information to dealers, wholesalers etc.
25. Answer : (c)
 Reason : Statements (III) and (IV) are the correct statements with regard to cash cows. Whereas statements (I) and (II) are not correct i.e., They often generate as much revenue as they use. And, the strategy for marketers is to invest in these units
 The correct statements are : (III) These units are net cash generators
 (IV) These business units have a large market share in a mature industry.
26. Answer : (c)
 Reason : The buying power of a person depends upon the availability of financial resources and the state of the economy. Credit is obtained from financial institutions, banks, credit card providers and store Marketers can lure customers to use credit by offering them attractive rates and payment plans. Thus by offering credit, a marketer is expanding current buying power of the consumer at the expense of future buying power.
27. Answer : (d)
 Reason : Organizations employ individuals who have an extensive knowledge about the supplier markets and their product managers. Such individuals facilitate efficiency in the procurement process by identifying the right suppliers who can offer tailor-made solutions to the organization's requirements.
28. Answer: (b)
 Reason: Statement (III) in case of 'analysis and evaluation of data' stage competitive intelligence system. All the other options are incorrect hence option (b) is the answer.
29. Answer : (c)
 Reason : Niche marketing can be defined as the marketers' effort to position their service in smaller markets that have similar attributes and have been neglected by the other markets.
 A niche is a comparatively smaller segment like the DCM Benetton which will have a limited customer base because of its specialized product offerings that have been neglected by the other marketers.
 In segment marketing, customers are segmented on the basis of a broad similarity with regard to some attributes such as tastes, preferences etc.
 In individual marketing, marketers focus on individual customers.
 In local marketing, Marketers offer customized products like Mc Donalds
30. Answer : (e)
 Reason : All the given statements are the reasons for which organizations try to maintain good relations with elected political officials true.
31. Answer : (d)
 Reason : By conducting the marketing research, Intel is trying to enhance its value of their product. At the same time, Intel is trying to put in additional attributes in the product by not limiting the attributes of product to what the customer expects. Therefore option (d) is the correct answer.
32. Answer : (e)
 Reason : Measuring the defection rate helps in retaining customers. All other options are helpful in attracting new customers.
33. Answer : (c)
 Reason : In depression stage the rate of unemployment is very high, wages are very low, gross national product drops and customers lack confidence in the economy. (a) In recovery stage the high unemployment rate

begins to decline, purchasing power increases and the willingness to buy reduces slowly. (b) In growth or prosperity stage, the employment rate is high, interest rates are low, inflation is low, and income is high. (d) In recession stage of business cycle, jobs are slashed and consequently the willingness of people to spend money decreases considerably. (e) Maturity is not a stage in business cycle.

34. Answer : (d)

Reason : The sales reporting system enables a company to keep in contact with its marketing team by disseminating and receiving the latest information. Sales representatives use computer technology to feed in the latest information about the market, customers and the product to their head office. The components of a marketing information system are: the internal record system, marketing research system, marketing intelligence system and the marketing decision support system. Automatic identification system is not a component of the marketing information system.

35. Answer : (d)

Reason : Organizations consume natural resources for the production of goods and services. Technological developments have led to ecological imbalances. Therefore, companies are producing products that maintain the ecological balance and to contribute to the natural environment, which in turn influences business.

36. Answer : (a)

Reason : Companies can be divided into three categories on the basis of their value – based communication.

1. Companies that have innovated the product in the country but have not developed it over a period of time.
2. Companies that were unsuccessful because of unclear value positioning.
3. Companies that have innovated value and were successful in sustaining it over a period of time.
4. Companies like HMT, Bajaj (scooters), Fiat, Hindustan Motors, and Escorts are examples of the first category. These are the companies that have innovated the product in the country but have not developed it over a period of time.

37. Answer : (b)

Reason : The statements in (I) and (II) are the market responses. Whereas statements (III) and (IV) are the company responses. Hence option (b) is the answer.

38. Answer : (c)

Reason : The mission statement should be as authentic as possible by *excluding* common 'decorative' words like 'integrity' 'teamwork', customer satisfaction etc. Therefore option (c) i.e., statements (I) and (II) are true.

39. Answer : (c)

Reason : Target markets are groups of customers with similar needs and wants that a company serves.

40. Answer : (b)

Reason : Individual marketing is the extreme level of segmentation in which marketers focus on individual customers.

41. Answer : (c)

Reason : Marketers emphasize the products benefits in order to create a competitive niche in the growth stage. Competition is fierce at maturity stage as many brands compete at the same time. During maturity stage marketers will not emphasize on the product benefits, instead they will resort to advertising campaign, new packaging and even product re-launches.

42. Answer : (b)

Reason : Relationship marketing is building mutually satisfying long-term relationships with customers. The aim of customer relationship management is to produce high customer equity. There are five levels of customer relationship building. Alternative (a) is incorrect as in basic level the salesperson simply sell the product. In accountable marketing the salesperson phones the customer to check whether the product is meeting expectations, hence alternative (c) is incorrect. Alternative (d) is incorrect because in the proactive level of relationship marketing the salesperson contacts the customer from time to time with suggestions about improved products uses or new products.

43. Answer : (a)

Reason : In the given situation, the most appropriate way to make South Africa attractive is to give wine farmers a stake in the wine industry. By doing this they can solve the labor disputes, which in turn show the positive side in the quality of the wine. The labor will put much more effort in order to gain more profit. By doing this they can change the beliefs of the European countries about the crude labor practices in South Africa. This move will also have a positive effect on the South African wine industry in the form of exports.

44. Answer : (b)

Reason : There are five different levels of investment to build a long term relationship with customers.

1. Basic marketing: A sales person sells the product but does not contact the customer again.
2. Reactive marketing: A sales person sells the product and encourages the customer to call if the customer has any complaints or queries regarding the product.
3. Accountable marketing: A sales person calls the customer after a small period of time of the actual sale to check whether the product is meeting the customer's expectations. The salesperson also solicits information like suggestions with regard to product improvement and enquires if the customer is disappointed with the product in anyway. This information helps the company continuously improve its offerings.
4. Proactive marketing: The salesperson contacts the customer from time to time with suggestions about product usage for improving the product.
5. Partnership marketing: Companies need to work in tandem (arrangement of two or more companies) with their customers to provide better services to them and improve the performance.

All the statements except (II)nd and (IV)th statement is wrong.

45. Answer : (d)
 Reason : Age is widely used in segmentation studies because it can be relatively easy to establish and associated with variations in spending patterns. However, there is a lot of evidence that people perceived age may be more important for explaining their buying behavior than their actual age.
46. Answer : (a)
 Reason : Most models of buyer behavior see a need triggering a search for information, which is then evaluate before a decision is made. Once the product has been purchased, a further evaluation takes place, which will feed into the next buying cycle.
47. Answer : (a)
 Reason : A new staff incentive scheme should be considered as part of the internal environment and not the macro-environment of a firm.
48. Answer : (c)
 Reason : The following constitute 'potential resource weaknesses' for an organization:
 I. A weak balance sheet burdened with too much debt.
 III. Sub par e-commerce systems and capabilities relative to rivals.
 V. Not attracting customers as rapidly as rivals due to ho-hum product attributes.
 Statement (II) and (IV) are potential threats to an organization.
49. Answer : (e)
 Reason : If the technology used in a product becomes obsolete fast, the advantage derived by the marketer from its durability also gets reduced.
50. Answer : (b)
 Reason : Option (b) concentrates on all the aspects of differentiation strategies like packaging, design, usage and feature of the Colgate Palmolive's precision toothbrush which play an important role in differentiating itself from the other toothbrushes.
 Whereas option (a) concentrates on its feature of medical values.
 Option (c) concentrates on the size or weight of the product.
 Option (d) concentrates on the pricing of its precision brush.
 Option (e) concentrates on the durability of its product.
 Therefore option (b) can be the most appropriate differentiation strategy that Colgate Palmolive can use.
51. Answer : (d)
 Reason : Company technology, product and brand use technology and customer capabilities are operating variables on which organizational segmentation can be based. Company size is a demographic variable on which organizational segmentation can be based.
52. Answer : (c)
 Reason : Statistical demand analysis method determines the effect of factors such as marketing expenditure and the price of the product on its sales. (a) Consumers behave differently at different times, and therefore to forecast sales, it is essential to conduct consumer research surveys. (b) Time and motion studies take into account trends over a period of time. (d) Test marketing is nothing but testing the sales of the product in the market for a few days. (e) Companies use past sales information for projecting future sales patterns.
53. Answer : (d)

Reason : The people who use the products or services are the users. Users may sometimes also act as potential influencers as well as initiators of the buying decision process.

Hence option (d) is the answer.

54. Answer : (c)

Reason : Market challengers are runner-up companies that aggressively attack competitors to get more market share. Therefore statement (III) is not correct regarding market challengers.

55. Answer : (e)

Reason: As the Enron situation created unfavourable consumer awareness for other firms attempting to carry out normal energy branding activities, Dynegy, Calpine and others that had nothing to do with the way Enron did business, still had to receive negative responses that forced them to respond from a defensive position. Therefore with careful control over their operations and making it transparent to its stakeholders, Dynegy and Calpine will be able to go back to business as usual.

It is not a proper solution to concentrate on only one single aspect like (1) concentrate on publicizing or (2) by changing names, or (3) by adopting good accounting principles will not guarantee the consumers for the company's survival.

56. Answer : (d)

Reason : Recurrent information is supplied on periodic basis and includes information on market share, customer satisfaction, customer purchase intentions, etc.

57. Answer : (b)

Reason : Steps in customer profitability analysis are

1. The product and service profitability of a company can be measured by including all the costs that might be incurred.
2. After estimating the actual economic profitability of the products and services, managers should determine the profitability of the customers by observing which products customers buy.
3. Costs that are customer specific should be deducted from the customer profitability.
4. Until stage three, all the costs have not been included. There are certain overhead costs that are incurred by the company such as traveling expenses of the top management, capital expenditure on the building of head quarters and so on.

Statements (I) and (II) are the steps of customer profitability analysis. Whereas steps (III) and (IV) are not the steps of customer profitability analysis but they are the steps of marketing costs analysis.

58. Answer : (a)

Reason : Membership reference group is the group to which a person holds membership and has frequent interaction with other members of the group. (b) Aspirational group is one to which the individual is not a member but aspires to be in that group. (c) Group to which individual does not hold an membership. (d) Includes religious groups, professional associations and trade unions with which the interaction of customer is formal and infrequent. (e) Secondary reference group includes religious groups, professional groups, celebrity groups, etc.

59. Answer : (a)

Reason : The customer is highly delighted when the product or service performance exceeds expectations. A delighted customer may become loyal, bringing more business to the firm and so he becomes brand loyal.

60. Answer : (d)

Reason : Demographic Environment : Demographic variables help in distinguishing consumer groups, that is people having homogenous needs according to their specific wants, preferences and usage rates.

Infants: The population of India is growing at an alarming rate. The rate of infant deaths has declined considerably due to the advancement in medicine and technology.

Occupation and Literacy: A literate customer is more demanding and conscious to advertising. The awareness level of both literate and occupational customers is relatively high.

Senior citizens: This consumer group boosts the demand for tourism, healthcare services, retirement housing, select skin care products, and financial planning.

Whereas statement (III) is related to political environment.

Therefore statements (I), (II) and (IV) are related to the demographic environment.

61. Answer : (b)

Reason: Business firm needs resources like electric power, human resources, buildings, equipment, materials, vehicles, water, etc. to carry out its day to day activities.

Options (a) (c) (d) are the other business components and option (e) is irrelevant.

62. Answer : (b)

Reason : New task buying is a situation in which a buyer purchases a product for the first time. The hiring of company to prepare a web site for the company's new online instructional service is a example of new task purchase for a company that provides sales training seminars to consumer product companies.

63. Answer : (c)

Reason : Statements (II), (III) and (IV) are the intensive growth strategies in its current or existing business. Whereas the statements (I) and (V) are the product development strategies. Therefore option (c) is the correct answer.

64. Answer : (d)

Reason : Reengineering is the process of redesigning the organization structure, business processes and associated systems to achieve a dramatic improvement in business performance. Companies reengineer their processes when they perform poorly in financial terms, face intense competition or erosion of market share, or discover emerging marketing opportunities.

65. Answer : (b)

Reason : Specialty products: These are the products that have one or more unique characteristic features. These products are available through a few select outlets or only through a single outlet.

66. Answer : (a)

Reason : In the present situation, the best thing that Sagar can do is to accept Kishore's offer and book for him 20 rooms. This is the best option available for Sagar as it emphasizes more on the importance of customer loyalty as well as customer retention. There is a world wide accepted concept that a loyal customer can generate more revenue for the company than many new customers. And also from the companies' point of view, they have to spend a lot to attract a new customer. A loyal customer will also be a prospect for new products launched by the company. He will not only purchase the product but also advertise about the company through word of mouth and also definitely influence the purchasing decision of new customers.

In the present situation though Kishore is asking for some discount, Sagar can still afford to give him those rooms. This will help Sagar to build up strong relationship with Kishore who will become a loyal customer in the long run.

67. Answer : (a)

Reason : Usage rate- (quantity consumed or patronage—store visits during a specific period). The usage rate of a particular product/service can be divided into heavy, medium and light. Marketers are usually attracted to heavy users rather than other types of users. Whether a person is a nonuser or a light, medium, or heavy user is important in many segmentation problems. The 80/20 rule, a concept that suggests 80 percent of a firm's sales are obtained from 20 percent of its customers, is not fixed ; exactly 80 and 20 percent but suggests that a large fraction of a firm's sales come from a small fraction of its customers.

68. Answer : (c)

Reason : The contribution margin approach highlights the behavior of controllable costs and pinpoints the contribution of each segment towards profits and indirect fixed costs. All other options are not applicable.

69. Answer : (e)

Reason : To lead a strategic alliance, a manager should have an in-depth knowledge of the functions of an organization. For an alliance to be successful, a manager should have a broad vision and act as an effective interface between the employees of the two companies. Managers should concentrate on long term relationships rather than focusing on immediate benefits.

70. Answer : (c)

Reason : Vertical scope of the firm deals with the number of channel levels from the raw material stage to the final product. Industry scope indicates the range of industries that the firm will operate in. Likewise the geographical scope deals with the locations in which the firms operate. Competence scope deals with the firm capability to operate in an environment or business.

71. Answer : (d)

Reason : Statement (IV), Perfect competition is a structure where more sellers and more buyers exist here there are limited number of sellers like BSNL, MTNL and other private players. All other options are true. Hence option (d) is the answer.

72. Answer : (a)

Reason : Total quality management is essentially the constant striving to produce what the customers want by carefully eliminating defects prior to and after the products have been delivered.

73. Answer : (b)

Reason : Inelastic demand is one in which the increase or decrease in the price of the raw material does not significantly impact the purchase process of an organization, unless and until there is a large change in

the price.

74. Answer : (b)

Reason : Complete customer satisfaction is achieved by

- I. A company delivering superior quality products.
- III. A computer manufacturing company conducting a training program for its dealers and their employees who interact with the companies customers.

Hence option (b) is the answer.

75. Answer : (e)

Reason: The belief that there are no substitutes for the industry's major products is a condition for obsolescence as a result of marketing myopia.

76. Answer : (a)

Reason : Product line pruning is reducing the depth of a product line by deleting less profitable offerings in particular product category. (b) Product Line Extension is adding depth to an existing product line by introducing new products in the same product category. Product line extensions give customers greater choice and help to protect the firm from a flanking attack by a competitor. (c) Product line filling : adding more products to the existing range of the product line. (d) Product line modernization is strategy in which items in a product line are modified to suit modern styling and tastes and re-launched. (e) Product line stretching is introducing new products into a product line.

77. Answer : (c)

Reason : Unsought products are the products that a customer purchases when he is faced with a sudden problem. Customers are not greatly aware of the need and they do not think it vitally necessary to purchase the product, e.g., Umbrellas, repair services, etc. Marketers use personal selling and advertising to market these products. They indulge in aggressive selling tactics for promoting these products e.g. Insurance policies.

78. Answer : (c)

Reason : In the General Electric model the strategic business units are plotted in the matrix with nine cells. Each strategic business unit is measured using criteria such as industry attractiveness and business unit strength.

79. Answer : (c)

Reason: Marketers consider five levels of product while planning the market offering; core product, basic product, expected product, augmented product and potential product. The additional benefits built around the actual product constitute the augmented product. Alternative (a) is incorrect because core product is the fundamental benefit that the customer is really buying. Expected product is the set of attributes and conditions buyers normally expect when they purchase the product; hence option (b) is incorrect. Option (d) is incorrect because the basic product is very much related to the core benefit of the product. Potential product encompasses all the possible augmentations and transformations the product or offering might undergo in the future; hence, alternative (e) is incorrect.

80. Answer : (d)

Reason : Products can be classified depending on who the final purchaser is and how he uses them. Based on the usage of the products, they are divided into consumer products and industrial products.

81. Answer : (c)

Reason : Cadbury tried to keep changing with time. Like a 12 year old boy might like chocolates very much but may slowly start disliking it after he attains the age of 30. This is the reason behind Cadbury's focusing on youth and old age people in its chocolate advertisements to boost up its product sales in the 14 year and above segment.

Therefore Cadbury has tried to concentrate on tastes and preferences of a customer along with changing age and occasion.

82. Answer : (a)

Reason : System selling is a process in which a seller himself sells all the raw materials needed by a purchaser. System selling is a marketing tool that can take two different forms. One, a manufacturer may sell a system of interlocking products (which is likely to involve participation with original equipment manufacturer or subcontractors). Two, the seller may sell a system of production, inventory control, distribution, and other services to satisfy the buyer's need for a smooth running operation. Option (b) is incorrect as major account management refers to increasing sales and developing long-term relationships with major customers of the organization. Option (c) is incorrect as interactive selling is a non-store retailing method. Option (d) is incorrect as wheel of retailing refers to evolutionary changes in retailing. Option (e) is not relevant.

83. Answer : (a)

Reason : Information Search: A consumer who realizes the need for a product will try to gather information regarding the product. Information search helps the customer understand the features of a product and

competing brands better. Past purchase experiences can also help the customer reduce the time for information search and evaluation. Therefore option (a) is the correct answer.

84. Answer : (b)

Reason : Acquiring a new customer costs five times more to get a new customer than to retain an existing one. A loyal set of customers keeps the selling cost down and is likely to be more profitable in the future. A retained customer is also less sensitive to price changes and is not easily driven away by ads of competitors' products.

85. Answer : (d)

Reason : Routine behavior includes products purchased frequently and those that are low priced. There is little or no involvement in the purchase of such products. Purchasing a 10 kg rice bag best fits this category.

86. Answer : (c)

Reason : The production concept or orientation holds that consumers will prefer products that are widely available and inexpensive. Companies that tend to be inward looking and concentrate on their own production needs rather than customer's needs have a production orientation. (a) The marketing concept holds that the key to achieving its organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating superior customer value to its chosen target markets. (b) The selling concept holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products. (d) The societal-marketing concept holds that the organization's task is to determine the needs, wants and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors do. (e) The product concept holds that the consumers will favor those products that offer the most quality, performance and innovative features.

87. Answer : (b)

Reason : People can be easily reached on telephone and the reluctance level of respondents is usually high. They are often conducted when information required is not great. Personal interviews are costlier than telephonic interviews.

88. Answer : (a)

Reason : Products can be differentiated based on their form i.e. size, shape and other physical attributes of the product. Product form is the sum total of the physical attributes of a product. Therefore, HLL used the strategy of changing the product form and not on product design, product feature, package, quality and durability.

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