Chapter 10 – Product and Brand Decisions

1. Generally speaking, which of the following statements is true concerning product attributes:
   a. Tangible product attributes are more important than intangible ones.
   b. Intangible product attributes are more important than tangible ones.
   c. Both tangible and intangible product attributes are important.
   d. Neither tangible nor intangible product attributes are important.

2. Advertising, company name, news stories, and promotion activities are a few of the elements that contribute to a company’s:
   a. logo development
   b. brand equity
   c. brand image
   d. co-branding effort

3. It has been said that, if terrorists succeeded in destroying every Coca-Cola production facility on the planet, company executives could approach virtually any bank and borrow the billions necessary to rebuild the company. This is a reflection of which concept:
   a. brand equity
   b. co-branding
   c. brand image
   d. brand extension
   e. brand loyalty

4. __________ represents the cumulative added value of a company’s investment in the marketing of a brand over time.
   a. Brand extensions
   b. Co-branding
   c. Brand image
   d. Brand equity
   e. Brand loyalty

5. The Nike swoosh, McDonald’s golden arches, and Apple’s rainbow apple are all examples of:
   a. non-word marks
   b. brand extensions
   c. brand symbols
   d. global brands
   e. both a and c

6. British entrepreneur Richard Branson has built a global business empire by:
   a. relying on brand extension
   b. being the first to use smart cards in major markets
   c. developing local brands
   d. avoiding consumer businesses with established leaders

7. Maslow’s hierarchy is applicable to global marketing because it can help explain how:
   a. “Self-actualization” is the highest-order need in Japan as well as Western nations.
   b. Status needs in different countries can only be fulfilled with localized products.
   c. Basic human needs can drive the development of global products.
   d. “Luxury badging” is irrelevant to companies marketing in Asia.

8. Comparing the traditional formulation of Maslow’s hierarchy with the results of current research on the consumer needs and motivation in Asia, which of the following is correct:
   a. The lowest 3 levels of the hierarchy are the same in the traditional and Asian versions.
   b. The lowest 2 levels of the hierarchy are the same in the traditional and Asian versions.
   c. The lowest 4 levels of the hierarchy are the same in the traditional and Asian versions.
   d. The five levels in the traditional formulation apply equally in the West and in Asia.

9. Which of the following could hinder the success of products labeled “Made in Russia” or “Made in South Africa” in export markets:
a. no possible quality/price positioning  
b. low acceptance of private brands  
c. high product saturation levels in global markets  
d. negative country-of-origin bias

10. The success of many imported beers in the U.S. “premium” segment illustrates the influence of:
   a. attitudes towards foreign products  
b. price advantage because of currency fluctuations  
c. complementarity  
d. penetration pricing strategy

11. Campbell’s has been marketing soup in Japan for more than 40 years. Early on, Japanese consumers were not receptive to ads featuring the Campbell Kids and the “M’m M’m Good” slogan. This compelled Campbell’s to develop ads featuring a talking soup can known as “Mr. Campbell.” Campbell’s also developed soup varieties for Japan with fish as the main protein source and spices that reflect local preferences. As described here, which of the following strategies has Campbell’s used in Japan:
   a. product-communications extension  
b. product extension-communications adaptation  
c. product adaptation-communications extension  
d. product-communication adaptation  
e. product invention

12. Prior to 2004, Nokia launched different cell phone products in different countries at different times. Nokia also used different advertising images and messages in different countries. Which approach to the world marketplace was Nokia using:
   a. product-communications extension  
b. product extension-communications adaptation  
c. product-communication adaptation  
d. product adaptation-communications extension  
e. product invention

13. When introduced in the late 1970s, the VCR created new patterns of consumer behavior. For example, assuming the user could learn to set the timer, he or she could tape programs to watch at a later time. DVD, a playback only video system, was introduced in the late 1990s. DVD discs contain full-length movies with digital sound in a format that resembles conventional music compact discs. Which of the following most accurately describes the respective degree of newness of these two global products:
   a. The VCR is a dynamically continuous innovation; the DVD is a discontinuous innovation.  
b. The VCR is a discontinuous innovation; the DVD is a dynamically continuous innovation.  
c. The VCR and DVD are both dynamically continuous innovations.  
d. The VCR and DVD are both discontinuous innovations.  
e. The VCR and DVD are both continuous innovations.

14. The introduction of consumer VCRs in the late 1970s initiated a revolutionized in-home electronic entertainment. For example, assuming the user could learn to set the timer, he or she could tape programs to watch at a later time. What type of innovation did the consumer VCR represent:
   a. a continuous innovation  
b. a dynamically continuous innovation  
c. a discontinuous innovation  
d. a comparative innovation

15. Motorola’s failed Iridium venture was a global satellite telephone network designed to allow users to make or receive calls anywhere on the globe using handsets that are somewhat bigger than typical cellular phones. What type of innovation did Iridium represent:
   a. a continuous innovation  
b. a dynamically continuous innovation  
c. a discontinuous innovation  
d. a platform-based innovation

Chapter 11 - Pricing Decisions

1. For which of the following products does a true global market exist such that the "law of one price" holds true:
   a. compact discs  
b. beer  
c. commercial aircraft  
d. prescription drugs

2. For which of the following does a true global market exist such that the "law of one price" holds true:
   a. commercial aircraft  
b. crude oil
c. integrated circuits
d. none of the above
e. all of the above

3. Which of the following most accurately reflects the impact of international competition on prices in a particular country market:
   a. lower prices typically result
   b. higher prices typically result
   c. international competition has no impact on price levels
   d. international competition generally leads to charges of “dumping”

4. If the manufacturer of a sophisticated new consumer electronics product determines that many target consumers qualify as "innovators" and "early adopters" with relatively inelastic demand curves, the company should use the ____________ pricing strategy:
   a. gray market
   b. skimming
   c. penetration
   d. market holding
   e. cost based

5. Which pricing strategy has the advantage of being simple to calculate but the disadvantage of ignoring demand and competitive conditions:
   a. gray marketing
   b. skimming
   c. penetration
   d. market holding
   e. cost based

6. A manufacturer attempting to set prices for its products in export markets must realize that CAF, VAT, duties, and distributor margins all lead to:
   a. currency devaluations
   b. dumping charges
   c. market skimming
   d. price escalation

7. According to a recent study of European industrial exporters, companies that utilized independent distributors would be most likely to utilize:
   a. ethnocentric pricing
   b. polycentric pricing
   c. regiocentric pricing
   d. geocentric pricing

8. Which automaker was described in Chapter 11 as using an ethnocentric approach to setting prices in the United States:
   a. Toyota
   b. Nissan
   c. Volkswagen
   d. Mercedes

9. Which of the following pricing strategies recognizes both local market differences and the importance of headquarters input into pricing decisions:
   a. ethnocentric pricing
   b. polycentric pricing
   c. geocentric pricing
   d. rigid cost-based pricing

10. The unauthorized distribution of trademarked goods to exploit price differentials in world markets is known as:
    a. market skimming
    b. black marketing
    c. gray marketing
    d. dumping
    e. licensing

11. When Tag Heuer, a marketer of luxury watches, takes out newspaper ads urging consumers to purchase Tag Heuer products from authorized dealers only, the company is attempting to combat the __________ problem.
    a. countertrade
    b. market holding
    c. price escalation
    d. gray market
e. market skimming

12. "Transfer pricing" refers to pricing decisions for:
   a. all international sales
   b. international sales between two non-related companies
   c. intracorporate sales
   d. company sales to government agencies

13. "Cost-based," "market-based," and "negotiated" are three approaches to:
   a. dumping
   b. transfer pricing
   c. gray marketing
   d. price skimming

14. In the 1970s and 1980s, the arrangement by which PepsiCo received payment for soft drink products sold to the Soviet Union was:
   a. switch trading
   b. barter
   c. offset
   d. compensation trading

15. Which type of countertrade arrangement is required by governments seeking to reduce the budgetary impact of expenditures for defense or telecommunications:
   a. barter
   b. switch trading
   c. offset
   d. compensation trading

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Chapter 12 – Global Marketing Channels and Physical Distribution

1. Marketing channels have the potential to create which of the following types of utility:
   a. place utility
   b. time utility
   c. form utility
   d. information utility
   e. all of the above

2. Ebay was a pioneer in a form of online marketing known as:
   a. b-to-c
   b. b-to-b
   c. p-to-p
   d. d-to-d

3. What solution did Andersen Consulting provide to the Moscow Bread Company to solve the problem of stale bread:
   a. deliver the bread frozen
   b. package the bread in plastic bags
   c. MBC should convert a paperless office to cut red tape
   d. deliver the bread sliced rather than in whole loaf form

4. Which of the following is an appropriate guideline for companies selecting independent distributors in international markets:
   a. Select distributors—don't let them select you.
   b. Look for distributors capable of developing markets.
   c. Treat local distributors as long-term partners.
   d. Maintain control over marketing strategy from day one.
   e. All of the above are appropriate guidelines.

5. By definition, ______ feature a narrow but deep merchandise mix and high levels of service.
   a. department stores
   b. specialty retailers
   c. super markets
   d. convenience stores
   e. discount stores

6. Which of the following correctly characterizes the retailing strategy of Benetton, IKEA, and Gap:
   a. few product categories, own-label focus
   b. few product categories, manufacturer brand focus
   c. many product categories, own-label focus
d. many product categories, manufacturer brand focus

7. Which of the following categories best describes the approach of Britain's Marks & Spencer to global retailing:
   a. few product categories, own-label focus
   b. few product categories, manufacturer brand focus
   c. many product categories, own-label focus
   d. many product categories, manufacturer brand focus

8. Which approach to retail expansion is most appropriate when targeting a country that management considers both culturally close and easy to enter:
   a. organic growth
   b. chain acquisition
   c. franchise
   d. joint venture

9. When British entrepreneur Richard Branson established the first Virgin Megastore in France, he invested a great deal of money to develop a retail space on the famous Champs-Elysées. Judging by the approach Branson used, he and his management team must have viewed France as:
   a. culturally close and easy to enter
   b. culturally distant and easy to enter
   c. culturally close and difficult to enter
   d. culturally distant and difficult to enter

10. When Wal-Mart Stores first expanded into Mexico, management established a joint venture with the country's largest retailer. Judging by the approach Wal-Mart used, management must have viewed Mexico as:
    a. culturally close and easy to enter
    b. culturally close and difficult to enter
    c. culturally distant and difficult to enter

11. Physical distribution and logistics are concerned with all but one the following:
    a. order processing
    b. warehousing
    c. inventory management
    d. transportation
    e. designing in-store displays

12. The physical storage of goods that are waiting to be sold is called:
    a. warehousing
    b. order processing
    c. inventory control
    d. franchising

13. "Containerization" refers to a company's:
    a. designing attractive product packaging that will help a product "sell itself"
    b. the use of computer technology to keep a lid on ("contain") distribution costs
    c. using refrigerated warehouses for perishable products
    d. use of standard-sized shipping boxes that can be transported in various ways

14. When a company uses intermodal or multimodal transportation it is:
    a. using multiple channels
    b. using more than one mode of shipping goods
    c. shipping via more than one railroad line
    d. using the services of both UPS and FedEx

15. As described in the text, which global retailer has reconfigured its supply chain and now permits a Taiwanese supplier to ship clothing from the point of manufacture directly to retail stores:
    a. Marks & Spencer
    b. Brooks Brothers
    c. Laura Ashley
    d. Calvin Klein
    e. J.C. Penney

Chapter 13 – Global Marketing Communications I: Advertising and Public Relations

1. Which of the following product category/company pairings best illustrates the concept of "product cultures":

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a. earth-moving equipment/Caterpillar  
b. personal hygiene/Procter & Gamble  
c. coffee bars/Starbucks  
d. batteries/Duracell  
e. automobiles/Ford

2. A company that successfully creates standardized global advertising can reap which potential advantage:  
a. economies of scale  
b. improved access to distribution channels  
c. "first mover" status in uncovering global market  
d. creative leverage  
e. all of the above

3. Which company ranks number 1 in terms of ad spending in Europe:  
a. General Motors  
b. Philip Morris  
c. Unilever  
d. Procter & Gamble  
e. Coca-Cola

4. __________ is the phrase global marketers use to describe ads with common design elements into which localized elements are inserted for individual country markets.  
a. "Pattern advertising"  
b. "Template advertising"  
c. "Cookie-cutter advertising"  
d. "Model advertising"  
e. "Stereotype advertising"

5. In the language of global marketing, __________ is the phrase used to describe advertising that represents a middle ground between 100% standardization and 100% localization:  
a. "stereotype advertising"  
b. "pattern advertising"  
c. "template advertising"  
d. "cookie-cutter advertising"  
e. "compromise advertising"

6. In the Czech Republic and other Central European nations, bans on tobacco advertising are being enforced because of:  
a. growing concern about health hazards associated with smoking  
b. a dislike of global brands crowding out local brands  
c. a desire to return to communist-era policies  
d. a desire to comply with EU regulations

7. The advertising promise that captures the reason that people buy products is known as:  
a. creative strategy  
b. the advertising appeal  
c. the selling proposition  
d. the creative execution  
e. the big idea

8. Which of the following is most likely to prevent a global ad from conveying the intended meaning to target audiences:  
a. SRC influence on the ad's creators  
b. use of back translations  
c. the widespread acceptance of global product cultures  
d. convergence of consumer wants and needs

9. According to a research study described in Chapter 13, a TV advertisement that presents a rational appeal by means of an argument-type execution would be well suited to:  
a. Monochronic cultures with low power distance, high uncertainty avoidance, and a good supply of marketing professionals.  
b. Collectivist cultures with high power distance and high uncertainty avoidance.  
c. Collectivist cultures with high power distance, high advertising expenditures, and strict government control.  
d. High power distance, high advertising expenditures, and a limited supply of advertising professionals.

10. According to a research study described in Chapter 13, a TV advertisement that presents a rational appeal by means of an lecture-type execution would be well suited to:  
a. Monochronic cultures with low power distance, high uncertainty avoidance, and a good supply of marketing professionals. (page 455, hard)
b. Collectivist cultures with high power distance and high uncertainty avoidance.
c. Collectivist cultures with high power distance, high advertising expenditures, and strict government control.
d. High power distance, high advertising expenditures, and a limited supply of advertising professionals.

11. According to research described in Chapter 13, a TV advertisement that presents an emotional appeal by means of a dramatic-type execution would be well suited to:
   a. Monochronic cultures with low power distance, high uncertainty avoidance, and a good supply of marketing professionals.
   b. Collectivist cultures with high power distance and high uncertainty avoidance.
   c. Collectivist cultures with high power distance, high advertising expenditures, and strict government control.
   d. High power distance, high advertising expenditures, and a limited supply of advertising professionals.

12. In which country are global marketers likely to encounter the most restrictions on advertising:
   a. United States
   b. Japan
   c. Saudi Arabia
   d. Russia

13. One task of the _________ department to generate nonpaid forms of communication to foster goodwill among customers and others.
   a. sales promotion
   b. global marketing
   c. headquarters
   d. public relations
   e. advertising

14. Chapter 11 included a print ad sponsored by the American steel industry urging the president to clamp down on low-priced steel imports. This is an example of ____________ advertising.
   a. local advertising
   b. pattern advertising
   c. global advertising
   d. advocacy advertising

15. Recently, some of the biggest advertising holding companies have acquired leading public relations agencies. The best explanation for this trend is:
   a. A growing realization of the importance of IMC.
   b. Increasing client demands for localized PR campaigns.
   c. Stepped-up efforts by large companies to combat anti-globalization activists.
   d. Declining demand for global public relations means agencies have to agree to be acquired or risk going out of business.

Chapter 14 – Global Marketing Communication Decisions II: Sales Promotion, Personal Selling and Special Forms of Marketing Communication

1. A marketer of fine French cognac offers fancy cigar ashtrays as prizes to consumers who correctly solve a crossword puzzle. Which of the following most accurately describes this offer:
   a. price promotion
   b. non-price promotion
   c. trade sales promotion
   d. sweepstakes promotion

2. Which of the following trends is consistent with a relatively high level of headquarters involvement in sales promotions:
   a. higher proportion of marketing budget allocated to sales promotion activities
   b. need for managerial skills with promotion formulation and implementation
   c. strong global brand
   d. increased retail concentration and consolidation
   e. all of the above

3. Which of the following is not one of the steps in the Strategic/Consultative Selling Model:
   a. develop personal selling philosophy
   b. develop relationship strategy
   c. develop product strategy
   d. develop ethnocentric policy
   e. develop customer strategy

4. Which of the following is not a step in the strategic/consultative selling model:
   a. develop a marketing mix
b. develop a personal selling philosophy
c. develop a product strategy
d. develop a relationship strategy
e. develop a presentation strategy

5. Which of the following shows the steps of the presentation plan in the correct order:
   a. negotiation—>demonstration—>approach—>presentation
   b. demonstration—>negotiation—>presentation—>approach
   c. approach—>presentation—>demonstration—>negotiation
   d. presentation—>approach—>negotiation—>demonstration

6. In personal selling, which of the following shows the six stages of the presentation strategy in the correct sequence:
   a. approach—>presentation—>demonstration—>negotiation—>closing—>servicing the sale
   b. demonstration—>negotiation—>approach—>presentation—>servicing the sale—>closing
   c. closing—>approach—>servicing the sale—>negotiation—>presentation—>demonstration
   d. presentation—>demonstration—>negotiation—>approach—>closing—>servicing the sale

7. When a company must decide on the composition of its foreign sales force, which alternative is generally the most expensive:
   a. expatriates
   b. third-country nationals
   c. host-country nationals
   d. agents of any nationality

8. When a company must decide on the composition of its foreign sales force, which alternative(s) would generally be least expensive:
   a. expatriates
   b. third-country nationals
   c. host-country nationals
   d. both b and c

9. In which global selling situation would a regiocentric company be most likely to utilize third country nationals as sales agents:
   a. developed country/high tech product
   b. developed country/low tech product
   c. less developed country/high tech product
   d. less developed country/low tech product

10. Which of the following is not characteristic of direct marketing:
    a. Marketer relinquishes control of product when it is turned over to channel intermediaries.
    b. Advertising serves to generate an immediate inquiry or purchase.
    c. Repetition is used individual advertisements.
    d. Customer experiences high perceived risk.

11. Which of the following is not characteristic of mass marketing:
    a. Advertising is used to generate an immediate inquiry or purchase.
    b. Repetition of ads is the key to awareness and remembering.
    c. Product benefits do not typically include home delivery.
    d. Customer perceives relatively little risk.

12. Which country or region offers direct marketers the advantage of a well-developed mailing list industry:
    a. Japan
    b. Western Europe
    c. Latin America
    d. United States

13. In Chapter 14, Thomas Burke, an executive at Saatchi & Saatchi, is quoted as saying __________ are "the most powerful form of advertising ever created."
    a. corporate advocacy ads
    b. infomercials
    c. banner ads on the Internet
    d. direct mail campaigns

14. About two-thirds of sponsorship spending is allocated to:
    a. arts events
    b. causes (humanitarian, environmental, etc)
    c. festivals, fairs, annual events
    d. sports events
15. The Mini Cooper automobile was featured prominently in the recent blockbuster film *The Italian Job*. This illustrates the importance of ________ as a global marketing communication tool.
   a. consumer sales promotion
   b. sampling
   c. product placement
   d. trade sales promotion

Answer Key

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