

## Ch 9 Test Review Targeting a Market

### Multiple Choice

Identify the choice that best completes the statement or answers the question.

- \_\_\_\_\_ 1. Which of the following statements about mass marketing is true?
- A. It ignores differences among customers.
  - B. It tailors the message to each type of customer.
  - C. It assumes that each customer has unique wants or needs.
  - D. It requires more time and money than niche marketing.
- \_\_\_\_\_ 2. A tool used to compare the strengths and weaknesses of a product or company with other, similar products or companies is a(n) \_\_\_\_\_.
- A. SWOT analysis
  - B. environmental scan
  - C. competitive analysis
  - D. sales analysis
- \_\_\_\_\_ 3. Which of the following statements about niche markets is true?
- A. They are generally small markets.
  - B. They can be very profitable.
  - C. They are broad and encompass the needs of many customers.
  - D. They satisfy the needs of the mass market.
- \_\_\_\_\_ 4. The type of market segmentation that considers how far customers will travel to conduct business is \_\_\_\_\_.
- A. geographic segmentation
  - B. demographic segmentation
  - C. behavioral segmentation
  - D. psychographic segmentation
- \_\_\_\_\_ 5. Which of the following characteristics is *not* an example of demographic segmentation?
- A. ethnicity
  - B. occupation
  - C. age
  - D. attitude
- \_\_\_\_\_ 6. Psychographic segmentation is most likely to be used to identify which of the following groups of people?
- A. people with large families
  - B. people interested in solar-powered solutions
  - C. people who live in urban areas
  - D. people more than 60 years old
- \_\_\_\_\_ 7. Company A and Company B both sell sports equipment. Company A offers lower prices, but Company B offers excellent customer service. Which of the following statements about Company A and Company B is true?
- A. Company A and Company B are indirect competitors.
  - B. Company A is using nonprice competition.
  - C. Company B is using nonprice competition.
  - D. Both Company A and Company B are using price competition.

- \_\_\_\_\_ 8. The process of gathering information on the market in which a company intends to compete is \_\_\_\_\_.  
A. product positioning  
B. customer profiling  
C. market segmentation  
D. market analysis
- \_\_\_\_\_ 9. Which of the following factors is *not* part of a SWOT analysis?  
A. social factors  
B. weaknesses  
C. opportunities  
D. threats
- \_\_\_\_\_ 10. A company's attempt to influence customer perception of its product in relation to the competition is known as \_\_\_\_\_.  
A. competitive analysis  
B. product positioning  
C. competitive advantage  
D. market analysis
- \_\_\_\_\_ 11. The percentage of total sales that one business has in a specific market is its \_\_\_\_\_.  
A. market size  
B. market share  
C. market potential  
D. market analysis
- \_\_\_\_\_ 12. Company A has a market share of 12 percent, Company B has a market share of 42 percent, Company C has a market share of 10 percent, and Company D has a market share of 36 percent. What is the combined market share of the two most successful companies?  
A. 42 percent  
B. 54 percent  
C. 78 percent  
D. 88 percent
- \_\_\_\_\_ 13. Which of the following factors is *not* commonly used to position products in the market?  
A. features and benefits  
B. price and quality  
C. competitive positioning  
D. gender and disposable income
- \_\_\_\_\_ 14. A PEST analysis is a type of \_\_\_\_\_.  
A. competitive analysis  
B. SWOT analysis  
C. environmental scan  
D. sales analysis

- \_\_\_\_\_ 15. The purpose of a(n) \_\_\_\_\_ is to convince consumers that the company's product is the only one that can satisfy their needs.
- A. unique selling proposition
  - B. customer profile
  - C. competitive analysis
  - D. sales analysis

**Matching**

*Match the following terms and identifying phrases.*

- A. behavioral segmentation
- B. benefits
- C. competitive advantage
- D. demographic segmentation
- E. features
- F. geographic segmentation
- G. mass market
- H. niche market
- I. psychographic segmentation
- J. unique selling proposition

- \_\_\_\_\_ 16. Offering better value, features, or service than the competition.
- \_\_\_\_\_ 17. Facts about a good or service.
- \_\_\_\_\_ 18. Divides a market according to personal statistics.
- \_\_\_\_\_ 19. Statement summarizing the features or benefits of a product or business.
- \_\_\_\_\_ 20. Divides a market according to preferences or lifestyle choices.
- \_\_\_\_\_ 21. Traits of a product that serve as an advantage for the customer.
- \_\_\_\_\_ 22. Narrow, specific portion of a market segment.
- \_\_\_\_\_ 23. Divides a market according to where customers live.
- \_\_\_\_\_ 24. Divides a market according to the relationships between customers and the good or service.
- \_\_\_\_\_ 25. Overall group of people who might buy a good or service.

**Completion**

*Complete each statement.*

26. The specific group of customers whose needs and wants a business attempts to satisfy is the business's \_\_\_\_\_ market.
27. The process of dividing a larger market into smaller groups in order to identify a target market is \_\_\_\_\_.

Name: \_\_\_\_\_

ID: A

28. Companies that sell very similar goods or services, such as smartphones or tablet computers, are considered to be \_\_\_\_\_ competitors.
29. A company that offers different, but similar, goods that might be acceptable substitutes for a specific product are considered \_\_\_\_\_ competitors.
30. A population that includes multiple age groups and generations is a(n) \_\_\_\_\_ population.
31. The principles and beliefs that an individual person considers important are his or her \_\_\_\_\_.
32. A person's \_\_\_\_\_ is how the person feels about something.
33. The \_\_\_\_\_, which is used in VALS™ surveys, asks people to rate statements according to how strongly they agree or disagree with the statements.
34. The frequency with which a customer buys or uses a good or service is the customer's \_\_\_\_\_ rate.
35. A customer's \_\_\_\_\_ describes whether the customer is a potential, first-time, occasional, or regular customer.
36. A detailed description of the typical consumer in a specific market segment is a customer \_\_\_\_\_.
37. A(n) \_\_\_\_\_ is an event in which many businesses gather to display their products in booths or exhibits.
38. A company that changes its marketing strategies is said to be \_\_\_\_\_ the product in comparison to the competition.
39. The maximum number of customers and amount of sales that can be generated from a market segment in a specific time period is the market \_\_\_\_\_.
40. The companies with the largest combined market share are called market-share \_\_\_\_\_.

### Short Answer

41. Why does mass marketing save time and money when marketing a product or service?
42. What is the 80/20 rule?
43. What factors are evaluated in a PEST analysis?
44. What four criteria are met by an accurately identified target market?

Name: \_\_\_\_\_

ID: A

45. What is the difference between disposable income and discretionary income?
46. What are the advantages and disadvantages of targeting a specific market segment rather than a larger group of people who may or may not be interested?
47. List the eight types of people identified by a VALS™ survey.
48. Why might a company purchase a competitor's product?
49. The market size for patio furniture is \$10 million. Southern Furniture Company sells \$6 million of patio furniture each year. What is this company's market share?
50. What is the purpose of a sales analysis?