**Chapter 5 Multiple Choice Questions**

**1. The process of dividing a market into groups of customers who have similar needs, so that a business can concentrate its efforts on serving the needs of a selected group effectively, is called:**  
a) Market concentration  
b) Market positioning  
c) Market segmentation  
d) Targeted selling

**2. When an identified segment is easy to target and is reachable with a specific marketing plan in a cost effective way, it is a said to be:**

a) Accessible

b) Actionable

c) Measurable

d) Substantial

**3. The family life cycle is:**

a) A way to apply psychological segmentation

b) A way to apply geographical segmentation

c) A way to apply demographic segmentation

d) A way to apply behavioural segmentation

**4. What variable has Smart Options Ltd used to segment its customers into heavy users, light users, frequent users and occasional users of their car hire services?**

a) Brand loyalty

b) Usage rate

c) User status

d) Benefit sought

**5. If Ajie’s Law Chambers were to divide a market into groups based on client knowledge, attitude, use, or response to legal services, they would be using which of the following segmentation forms?**

a) Occasion segmentation

b) Psychological segmentation

c) Loyalty and use segmentation

d) Behavioural segmentation

**6. Segmenting international markets can prove difficult. However, companies often segment based on geographical location and economic development. Using geographical location, all of the following countries can be segmented into one group EXCEPT:**

a) Belgium

b) Finland

c) Bolivia

d) Estonia

**7. Why is market segmentation carried out?**

a) It breaks down large markets into smaller markets

b) It provides an opportunity to surpass competitors

c) It provides a commercially viable method of serving customers

d) It allows the achievement of greater market share

**8. When a company identifies the segment(s) of the market it can serve best and most profitably, it is practicing:**

a) Market differentiation

b) Efficient decision-making

c) Market targeting

d) Marketing positioning

**9. Segmented marketing strategy is also known as \_\_\_\_\_\_\_\_ and is based around \_\_\_\_\_\_\_\_\_\_\_\_\_.**

a) Differentiated marketing; focusing marketing efforts on a number of segments

b) Customised marketing; focusing marketing efforts on individual customers

c) Undifferentiated marketing; focusing marketing efforts on the mass market

d) Concentrated marketing; focusing marketing effort on one segment

**10. If Dzommy Consulting directs or orients its marketing mix to only one of three possible segments, what would be the most suitable term to describe this?**

a) Undifferentiated marketing

b) Differentiated marketing

c) Concentrated marketing

d) Variability marketing

**11. Which strategy can only be sustained when demand significantly exceeds supply, and in situations of monopoly where there is no competition?**

a) Undifferentiated marketing strategy

b) Differentiated marketing strategy

c) Concentrated marketing strategy

d) Customized marketing strategy

**12. If a marketer wanted to set a competitive position for a product and follows this with a detailed marketing mix that would be appropriate to that position, the process would be called:**

a) Marketing mix matrix

b) Market Targeting

c) Market Positioning

d) Market Differentiation

**13. Perceptual maps are used to:**

a) Aid in selling a product or service

b) Aid in positioning a product or service

c) Aid in mass marketing

d) Aid in competitor analysis

**14. A product’s position is based on important attributes as perceived by:**

a) Managers

b) Competitors

c) Consumers

d) Market conditions

**15. Positioning maps**

a) State the relationship between consumers’ buying behaviour

b) Show where consumers place an organisation in relation to its competitors

c) Show consumers what attributes to look out for in competing products

d) None of the above

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