Consumer Behavior 12th edition Schiffman Test Bank

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Consumer Behavior, 12e **(Schiffman/Wisenblit)**
Chapter 2 Market Segmentation and Real-Time Bidding

1) The process of dividing a market into distinct subsets of consumers with common needs or characteristics is known as _____.
A) target marketing
B) market segmentation
C) consumer behavior
D) the marketing concept
E) market evaluation
Answer: B
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

2) Qantas Airlines targets four distinct segments: coach passengers, premium economy, business and first class, and uses _____ to clearly differentiate between the options targeted at each segment.
A) positioning
B) behavioral targeting
C) geographic segmentation
D) reverse targeting
E) countersegmentation
Answer: A
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

3) The _____ of a product or service is the process by which a company creates a distinct image and identity for its products, services, and brands in consumers' minds.
A) segmentation
B) target
C) positioning
D) psychographic inventory
E) concentrated marketing strategy
Answer: C
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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4) Which of the following is NOT one of the characteristics of an effective target?
A) identifiable
B) sizeable
C) reachable
D) inaccessible
E) congruent with the marketer's objectives and resources
Answer: D
Diff: 1
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Reflective thinking

5) A financial firm advertising in the Wall Street Journal should use which database to determine which geographic areas of the country include substantial numbers of their Business Class segment?
A) Nielsen MyBestSegments
B) VALS
C) PRIZM
D) Nielsen NetRatings
E) Magazine Readers Index (MRI)
Answer: C
Diff: 3
Skill: Application
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Application of knowledge

6) Consumers' characteristics can be classified as either behavioral or cognitive. In this context, behavioral data can be determined from direct questioning and categorized by a single objective measure. Examples of behavioral data include _____.
A) demographics, gender, and benefits wanted
B) usage rate, level of involvement, and psychographics
C) personality traits, lifestyles, and family life cycle
D) education, quantity of product purchased, and gender
E) level of involvement, awareness of product alternatives, and benefits wanted
Answer: D
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

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7) Consumers' characteristics can be classed as either behavioral or cognitive. In this context, cognitive factors are abstract, can be determined only through more complex psychological and attitudinal questioning, and generally have no single, universal definitions. Examples of cognitive factors include _____.
A) demographics, gender, and benefits wanted
B) usage rate, level of involvement, and education
C) personality traits, lifestyles, and gender
D) education, usage situation, and social class
E) cultural values, personality traits, and benefits sought
Answer: E
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

8) Consumers' characteristics can be classed as either consumer-intrinsic or consumption-specific. In this context, consumer-intrinsic features stem from the consumer's physical, social, and psychological characteristics. Examples of consumer-intrinsic features include _____.
A) demographics, gender, and benefits sought
B) usage rate, level of involvement, and psychographics
C) personality traits, cultural values, and income
D) education, consumption-specific attitudes, and social class
E) attitudes regarding shopping, awareness of product alternatives, and benefits wanted
Answer: C
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

9) Consumers' characteristics can be classed as either consumer-intrinsic or consumption-specific. In this context, consumption-specific features are attitudes and preferences toward specific products or buying situations. Examples of consumption-specific features include _____.
A) demographics, gender, and benefits sought
B) attitudes toward shopping, benefits sought in products, and frequency of leisure activities
C) personality traits, lifestyles, and income
D) education, usage situation, and gender
E) personality traits, awareness of product alternatives, and attitudes toward political issues
Answer: B
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

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10) In reference to consumer characteristics, _____ can be determined from direct questioning or observation and categorized by a simple objective measure, whereas _____ are abstract and can be determined only through more complex psychological and attitudinal questioning.
A) consumption-based features; consumer-intrinsic features
B) behavioral data; cognitive data
C) product-specific features; consumption-based features
D) cognitive data; behavioral data
E) consumer-intrinsic features; consumption-based features
Answer: B
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

11) Another term for psychographic characteristics is _____.
A) age
B) lifestyles
C) benefits sought
D) use-situation factors
E) use-related factors
Answer: B
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

12) Age, gender, and income are bases of which of the following types of segmentation?
A) geographic segmentation
B) sociocultural segmentation
C) benefit segmentation
D) demographic segmentation
E) psychological segmentation
Answer: D
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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13) _____ is/are defined by computing an index based on three quantifiable variables: income, education, and occupation.
A) Demographics
B) Social class
C) Psychographics
D) Personality traits
E) Sociocultural values
Answer: B
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

14) When Colgate commonly targets age groups into four segments and offers each one its own toothpaste, they are using _____ segmentation.
A) demographic
B) sociocultural
C) psychological
D) physiological
E) use-related
Answer: A
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

15) _____ information is often the most accessible and cost-effective way to identify a target market.
A) Demographic
B) Sociocultural
C) Psychological
D) Physiological
E) Benefit
Answer: A
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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16) Many marketers target the generation that is 18 to 34 years old, known as the _____.
A) millennial Generation
B) generation X
C) generation Z
D) net gen
E) baby boomers
Answer: A
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

17) Which of the following is NOT an example of the recent shift in traditional gender roles in product targeting and advertising?
A) Van Gogh Blue vodka targeting women
B) Frito-Lay targeting women
C) television shows targeting women
D) department stores targeting men with grooming products
E) Dove Men+Care
Answer: C
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

18) Traditionally, the _____ has been the focus of most marketing efforts.
A) mother
B) family
C) individual
D) child
E) teen
Answer: B
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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19) _____ is felt by many marketers to be a strong indicator of the ability to pay for a product.
A) Age
B) Gender
C) Occupation
D) Education
E) Income
Answer: E
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

20) As a base for market segmentation, _____ is/are commonly computed as a weighted index of education, occupation, and income.
A) social class
B) family life cycle
C) personality traits
D) sociocultural values
E) psychographics
Answer: A
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

21) _____ implies a hierarchy in which individuals in the same class generally have the same degree of status, whereas members of other classes have either higher or lower status.
A) Usage rate
B) Subculture
C) Family life cycle
D) Social class
E) Religion
Answer: D
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
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22) Marketers segment some populations on the basis of cultural heritage and _____ because members of the same culture tend to share the same values, beliefs, and customs.
A) demographics
B) social class
C) ethnicity
D) personality traits
E) sociocultural values
Answer: C
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Diverse and multicultural work environments

23) *PRIZM* is an example of _____ segmentation.
A) demographic
B) geodemographic
C) psychographic
D) sociocultural
E) use-related
Answer: B
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

24) The most popular use of geography in strategic targeting is _____ – a hybrid segmentation scheme based on the premise that people who live close to one another are likely to have similar financial means, tastes, preferences, lifestyles, and consumption habits.
A) countersegmentation
B) geodemographics
C) behavioral targeting
D) social class
E) psychographics
Answer: B
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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25) Consumer innovators are generally characterized by which of the following personality traits?
A) confident enough to experiment and self directed more than others in trying new things
B) reserved and skeptical of marketing information
C) extraverted and risk averse
D) high in exhibition and reserved
E) extraverted and reserved
Answer: A
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

26) Lifestyles, also known as _____, consist of activities, interests, and opinions.
A) psychographics
B) demographics
C) geodemographics
D) personality traits
E) benefit segmentation
Answer: A
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

27) Level of agreement with which of the following statements is associated with the *Personal Controls* Psychographic Factor?
A) I generally give gifts because people expect me to.
B) I seek fun and enjoyment in life.
C) The look of a website is an important factor in my buying decisions.
D) My friends often ask me for advice on fashion.
E) I am more conventional than experimental.
Answer: B
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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28) The widely used segmentation system combining lifestyle and values is _____.
A) PALS
B) VALS
C) LAPS
D) SALS
E) CALS
Answer: B
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

29) The VALS typology classifies the American adult population into eight distinctive subgroups based on their motivations and level of resources. The three primary motivations include _____.
A) ideals, education, and achievement
B) ideals, achievement, and self-expression
C) knowledge, education, and self-expression
D) independence, aptitude, and achievement
E) aptitude, ideals, and self-expression
Answer: B
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

30) In the VALS typology, _____ are motivated by ideals and tend to have low resources. They are generally slow to change as well as technology averse, and tend to prefer familiar products and established brands.
A) Innovators
B) Believers
C) Thinkers
D) Strivers
E) Experiencers
Answer: B
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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31) In the VALS typology, Achievers are motivated by achievement and tend to have high resources. They have goal-oriented lifestyles that center on family and career. This segment tends to prefer _____.
A) familiar products and established brands
B) value over luxury, and tend to buy basic products
C) products that offer durability, functionality, and value
D) products that reflect cultivated tastes for upscale niche products and services
E) premium products that demonstrate success to their peers
Answer: E
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

32) In the VALS typology, Thinkers are motivated by ideals and tend to have high resources. They tend to be well educated and actively seek out information in the decision-making process. This segment tends to prefer _____.
A) familiar products and established brands
B) value over luxury, and tend to buy basic products
C) products that offer reliability and value
D) products that reflect cultivated tastes for upscale niche products and services
E) premium products that demonstrate success to their peers
Answer: C
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

33) In the VALS typology, Makers are motivated by self-expression and tend to have low resources. They choose hands-on constructive activities and spend leisure time with family and close friends. This segment tends to prefer _____.
A) familiar products and established brands
B) value over luxury, and tend to buy basic products
C) products that offer durability, functionality, and value
D) products that reflect cultivated tastes for upscale niche products and services
E) premium products that demonstrate success to their peers
Answer: B
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
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34) In the VALS typology, Innovators are successful, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all three primary motivations in varying degrees. They are change leaders and are the most receptive to new ideas and technologies. This segment tends to prefer _____.
A) familiar products and established brands
B) value over luxury, and tend to buy basic products
C) products that offer durability, functionality, and value
D) products that reflect cultivated tastes for upscale niche products and services
E) premium products that demonstrate success to their peers
Answer: D
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

35) When Colgate offers Colgate Total, which provides 12-hours of germ fighting; Colgate Max Fresh, which fights bad breath; and Colgate Sensitive Pro-Relief for people who have sensitive gums, they are segmenting based on _____.
A) usage rate
B) benefits
C) personality
D) culture
E) values
Answer: B
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

36) Marketers of many products such as soup, laundry detergent, beer, and dog food have found that a relatively small group of heavy users accounts for a disproportionately large percentage of the total product usage. Targeting these heavy users specifically is an example of _____.
A) benefit-based segmentation
B) demographic segmentation
C) cross-cultural segmentation
D) usage-rate segmentation
E) usage situation segmentation
Answer: D
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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37) Rate of usage is strongly related to two cognitive dimensions: product involvement and _____.
A) product awareness status
B) background
C) personality
D) awareness
E) country of origin
Answer: A
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

38) Sunshine Cruise Lines markets Adventure Cruises as a way to see multiple islands from the comfort of a single ship, alleviating the hassle of flying between islands and staying in a different hotel every couple of nights. Targeting consumers who view this convenience as appealing is an example of _____.
A) countersegmentation
B) cultural segmentation
C) usage rate segmentation
D) demographic segmentation
E) benefit segmentation
Answer: E
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

39) Rosetta Car Rental exercises _____ when it stocks more convertible cars in California than in New York.
A) demographic segmentation
B) geographic segmentation
C) sociocultural segmentation
D) psychographic segmentation
E) usage-situation segmentation
Answer: B
Diff: 1
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
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40) Beyond flavor and the presence or absence of sugar, Nicorette offers a gum that will whiten your teeth while satisfying your nicotine craving and helping you quit smoking. This gum has been positioned on the basis of _____.
A) demographic segmentation
B) family life cycle segmentation
C) psychographic segmentation
D) mass marketing
E) benefit segmentation
Answer: E
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

41) _____ segmentation differentiates among heavy users, medium users, light users, and nonusers of a specific product, service or brand.
A) Brand awareness
B) Brand loyalty
C) Usage rate
D) Sociocultural
E) Benefit
Answer: C
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

42) Research has shown that 25 percent of beer drinkers account for about 75 percent of all beer consumed. This is an example of a justification for _____ segmentation.
A) benefit
B) usage rate
C) psychographic
D) lifestyle
E) usage-situation
Answer: B
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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43) Whether or not consumers need to be informed about a product relates to consumers' _____.
A) awareness status
B) usage situation
C) attitude
D) usage rate
E) learning-involvement
Answer: A
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

44) The greeting card industry capitalizes on occasions to sell products; this is a perfect example of _____ segmentation.
A) lifestyle
B) benefit
C) usage situation
D) demographic
E) geographic
Answer: C
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

45) Which of the following is NOT tracked during online navigation to inform behavioral targeting?
A) the sites consumers visit
B) the pages consumers look at on a site
C) lifestyles and personalities
D) how often consumers return to a site
E) brick-and-mortar purchases
Answer: E
Diff: 2
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Information technology

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46) _____ consists of looking at merchandise at a physical store, scanning its barcode with smartphones and using these devices to check the items' prices and purchase the items online.
A) Mobile Targeting
B) Geofencing
C) Psychographics
D) Showrooming
E) GPS marketing
Answer: D
Diff: 2
Skill: Concept
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Information technology

47) _____ are measures that predict consumers' future purchases on the basis of past buying information and other data.
A) Showroom analytics
B) Predictive analytics
C) Geofencing analytics
D) Social analytics
E) Consumer spying analytics
Answer: B
Diff: 2
Skill: Concept
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Information technology

48) Acxiom databases track all of the following EXCEPT _____.
A) weight
B) vacation dreams
C) household health worries
D) education
E) fingerprints
Answer: E
Diff: 1
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Application of knowledge

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49) _____ are bits of computer code placed on browsers to keep track of online activity.
A) Data brokers
B) Candies
C) Cookies
D) Binodes
E) Real-time bidding
Answer: C
Diff: 2
Skill: Concept
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Information technology

50) Which of the following is NOT one of the characteristics of an effective target?
A) identifiable
B) sizeable
C) reachable
D) inaccessible
E) congruent with the marketer's objectives and resources
Answer: D
Diff: 1
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Reflective thinking

51) Promotional alerts sent to the smartphones of customers, who opted into this service, when the customers near or enter the store is called _____.
A) psychographic segmentation
B) geodemographic segmentation
C) real-time bidding
D) showrooming
E) geofencing
Answer: E
Diff: 2
Skill: Application
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Application of knowledge

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52) Most marketers prefer to target consumer segments that are _____.
A) small
B) profitable
C) unpredictable
D) inaccessible
E) expensive to pursue
Answer: B
Diff: 1
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Reflective thinking

53) Peter wants to segment the target audience for his frozen yogurt shop based on benefits sought. Unlike demographic variables, the benefits sought variable is difficult to measure, so it is not as _____.
A) profitable
B) stable in terms of consumption patterns
C) identifiable
D) inaccessible
E) expensive to pursue
Answer: C
Diff: 2
Skill: Application
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Application of knowledge

54) The image and unique identity of a product, service or brand in consumers' minds is called its _____.
A) position
B) perception
C) segment
D) target
E) imposition
Answer: A
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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55) _____ is the process by which a company intentionally changes the distinct image and identity that its product or brand occupies in consumers' minds.
A) Premier position
B) Positioning against competition
C) Repositioning
D) Key attribute positioning
E) Umbrella positioning
Answer: C
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

MUSEUM MINI CASE: Central City Art Museum is looking to increase museum revenues by trying to draw more people to the museum. Research has shown that the most frequent users of the museum are over 55 years old, have college degrees, and have a household income of over $100,000. Less frequent users of the museum have the same education and income profile as frequent users, but tend to be younger, between 35 and 55. Surveys suggest that these younger adults would use the museum more frequently, but do not have enough time due to the demands of their children and families. In order to increase museum entrance revenues, the administrative team wants to attract people who are likely to become heavy users of the museum when they get older, and try to bring them into the heavy user category at an earlier age. In an effort to encourage heavy museum use, the museum has begun a membership program that offers discounts on museum entrance and gift shop purchases and special exhibit preview events for members. The museum has also begun to offer free children's art and museum appreciation classes on weekend afternoons that will allow younger adults to drop their children off once a week and then enjoy the museum's exhibits and café. In order to promote its new children's programming, the museum acquired an address list of local households with children, including the ages of those children, and intends to send tailored messages specifically highlighting programming that is age-appropriate for each household's children.

56) In the MUSEUM MINI CASE, dividing museum attendees into frequent users, less frequent users, and non-users is known as _____.
A) geographic segmentation
B) benefit segmentation
C) usage rate segmentation
D) sociocultural segmentation
E) psychographic segmentation
Answer: C
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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57) In the MUSEUM MINI CASE, the museum's approach to promoting its new children's programming is best described as _____.
A) showrooming
B) geofencing
C) narrowcasting
D) concentrated marketing
E) demographic segmentation
Answer: E
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

58) In the MUSEUM MINI CASE, the most important differentiating factor between frequent and less frequent users is _____.
A) income
B) age
C) gender
D) education
E) stage of family life cycle
Answer: E
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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CRUISE MINI CASE: Sunshine Cruise Lines is a cruise operator that offers three- to seven-day cruises along five Caribbean routes. It has developed a reputation as a party cruise operator and the majority of its revenue comes from vacationing college students. This type of customer demand is highly cyclical, and Sunshine finds that repeat purchase is high while its consumers are in college, but practically disappears after graduation. In an effort to encourage its customers to continue taking Sunshine Cruises after they have graduated, the cruise operator has begun offering Adventure Cruises, with port stops on islands known for eco-tourism and biodiversity, both on land and offshore, appealing to young professionals who like to hike and scuba dive or snorkel. In contrast to its party cruises, Sunshine focuses its marketing message for Adventure Cruises on activities at port stops and the convenience of being able to explore several Caribbean destinations from the comfort of a single ship. Adventure Cruises are roughly 15% more expensive than party cruises, priced to discourage a raucous college-age party crowd, and do not allow children under 18. The first season of Adventure Cruises was a great success and, much to Sunshine's surprise, attracted not only the intended young professional crowd, but also many empty nester couples who were looking for a reasonably priced, active vacation.

59) In the CRUISE MINI CASE, of the eight VALS segments, Sunshine is most likely targeting _____ with its new Adventure Cruises.
A) Makers
B) Survivors
C) Experiencers
D) Strivers
E) Believers
Answer: C
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

60) In the CRUISE MINI CASE, Sunshine markets Adventure Cruises as a way to see multiple islands from the comfort of a single ship, alleviating the hassle of flying between islands and staying in a different hotel every couple of nights. Targeting consumers who view this convenience as appealing is an example of _____.
A) countersegmentation
B) cultural segmentation
C) usage rate segmentation
D) demographic segmentation
E) benefit segmentation
Answer: E
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

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RENTAL CAR MINI CASE: Rosetta Car Rental operates car rental lots at airports nationwide. It specifically targets vacationers and advertises in travel magazines and through travel websites with a campaign that emphasizes its quality customer service and well-maintained cars. Rosetta stocks its lots based on a number of factors, including climate and the type of activities it expects its renters to undertake. For example, Rosetta stocks more convertible cars in its warm California lots than in New York. Its Colorado lots stock a large number of station wagons, vans, and SUVs to accommodate skiers and snow-boarders and all their gear.

61) In the RENTAL CAR MINI CASE, Rosetta exercises _____ when it stocks more convertible cars in California than in New York.
A) demographic segmentation
B) geographic segmentation
C) sociocultural segmentation
D) psychographic segmentation
E) usage-situation segmentation
Answer: B
Diff: 1
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

62) In the RENTAL CAR MINI CASE, Rosetta focuses on vacation travelers, as opposed to business travelers. Dividing the market in this way is known as _____.
A) psychographic segmentation
B) geographic segmentation
C) demographic segmentation
D) sociocultural segmentation
E) psychological segmentation
Answer: A
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

63) Targeting is the process of dividing a market into subsets of consumers with common needs or characteristics.
Answer: FALSE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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64) When Qantas Airlines offers First Class, Business Class, Premium Economy, and Economy, with different features and amenities for each segment, they are engaged in positioning.
Answer: TRUE
Diff: 1
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

65) Effectively catering to the distinct needs of consumers by offering them clearly differentiated products involves much higher research, production, advertising, and distribution costs.
Answer: TRUE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

66) Positioning is the process by which a company creates a distinct image and identity for its products, services, and brands in consumers' minds.
Answer: TRUE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

67) Marketers use segmentation research to identify the most appropriate media in which to place advertisements.
Answer: TRUE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

68) Most marketers prefer to target consumer segments that are relatively stable in terms of demographic and psychological factors and that have needs that are likely to grow larger over time.
Answer: TRUE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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69) Every segment that can be identified is inherently viable and profitable as a basis for targeted marketing.
Answer: FALSE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

70) Personality traits and cultural values are consumer-intrinsic cognitive factors.
Answer: TRUE
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

71) Geographic characteristics serve as the core of almost all segmentations.
Answer: FALSE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

72) Demographic variables can reveal ongoing trends that signal business opportunities, such as shifts in age and income distribution.
Answer: TRUE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

73) When it comes to financial investments people who are older and closer to retirement tend to be more cautious.
Answer: TRUE
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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74) Consumers in different social classes tend to vary in terms of values, product preferences, and buying habits.
Answer: TRUE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

75) The family life cycle is a classification of the phases most families go through, and each stage represents an important target segment to many marketers.
Answer: TRUE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

76) Education, occupation, and income tend to be closely correlated.
Answer: TRUE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

77) A composite variable that includes marital status, size of family, age of family members (focusing on the age of the oldest or youngest child), and employment status of the head of household classifies the family into a "typical" stage.
Answer: TRUE
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

78) Social Class is the division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and members of all other classes have either higher or lower status.
Answer: TRUE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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79) Procter and Gamble (P&G), the world's largest maker of consumer goods and advertiser, has been worried about the financial hardship of America's middle class, which it believes will be long lasting. P&G's definition of middle class is households with annual income between $50,000 and $100,000, which amounts to 40% of the country's households.
Answer: TRUE
Diff: 1
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

80) Culturally distinct segments cannot be prospects for the same product and can only be targeted efficiently with unique promotional appeals for unique products.
Answer: FALSE
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Diverse and multicultural work environments

81) Absolut Vodka has introduced limited editions of flavored vodkas in major cities with the cities' names integrated into the brand and with well-recognized features of the city embedded in the ads.
Answer: TRUE
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

82) P$YCLE segments consumers based on the household's lifestage class.
Answer: FALSE
Diff: 3
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

83) Colgate, probably the world's most sophisticated marketer of personal care products, markets its offerings according to consumers' need in caring for their teeth and maintaining oral hygiene.
Answer: TRUE
Diff: 1
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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84) Consumers belonging to the VALS segment called Believers are motivated by desire for achievement and have moderate resources, so they are trendy and seek approval from others.
Answer: FALSE
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

85) Long stays and repeat visits to a product's website are not related to high levels of product and purchase involvement or purchase intentions.
Answer: FALSE
Diff: 2
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Information technology

86) Showrooming sends promotional alerts to the smartphones of customers who opt-in when the customers enter or near the store.
Answer: FALSE
Diff: 2
Skill: Concept
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Information technology

87) Web crawlers are programs that capture content across the Internet and transmit it to the data broker's servers.
Answer: TRUE
Diff: 1
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Information technology

88) Geofencing consists of sending promotional alerts to the smartphones of customers who are near or had entered the store.
Answer: TRUE
Diff: 1
Skill: Application
LO: 2.2: To understand how to identify, select, and reach target markets.
AACSB: Information technology

89) An impression is a customer that becomes available for real-time bidding.
Answer: TRUE
Diff: 1
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Reflective thinking

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90) Distinguish between targeting, positioning, and segmentation. In your response, please indicate the correct order for the three steps.
Answer: The first step is segmentation, which separates the market into subsets of consumers with common needs or characteristics. The segments are characterized by shared needs that are different from the shared needs of other segments. The second step is targeting, which involves the selection of segments the company wishes to pursue. The third step is positioning, during which the company creates a distinct image and identity for its products, services, and brands in consumers' minds. The image must differentiate the company's offering from competing ones and communicate to the target audience that the product/service fulfills their needs better than competing offerings.
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

91) Identify and discuss the four criteria that make market segments effective targets.
Answer: To be an effective target, a market segment should be:
a. identifiable – marketers must be able to identify the concrete and measurable features of consumers who belong to each group of common needs
b. profitable – enough consumers must be part of the segment to make targeting it profitable
c. accessible – marketers must be able to communicate with their consumers effectively and economically
d. reachable – accessible in terms of both media and cost
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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92) What is the difference between behavioral data and cognitive data? Explain the difference in measurement and provide examples of consumer-intrinsic and consumption-based information associated with each type.
Answer: Behavioral data is evidence-based, can be determined from direct questioning (or observation), and categorized along objective and measurable criteria. This information can be either: (a) consumer-intrinsic (e.g., a person's age, gender, marital status, income and education); or (b) consumption-based (e.g., quantity of product purchased, frequency of leisure activities or the frequency of buying a given product).

Cognitive factors are abstracts that "reside" in the consumer's mind, can be determined only through psychological and attitudinal questioning, and, generally, have no single, universal definitions. This data can also be either: (a) consumer-intrinsic, such as personality traits, cultural values and attitudes towards politics and social issues; or (b) consumption-specific attitudes and preferences, the benefits sought in products and attitudes regarding shopping.
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Analytical thinking

93) List the reasons all segmentation programs include demographic data.
Answer:
1. Demographics are the easiest and most logical way to classify people and can be measured more precisely than the other segmentation bases.
2. Demographics offer the most cost-effective way to locate and reach specific segments because most of the secondary data compiled about any population is based on demographics (e.g., U.S. Census Bureau, audience profiles of various media).
3. Using demographics, marketers can identify new segments created by shifts in populations' age, income, and location.
4. Many consumption behaviors, attitudes, and media exposure patterns are directly related to demographics. For example, many products are gender-specific, and music preferences are very closely related to one's age; for this reason, local radio stations specializing in various types of music are an efficient and economical way to target different age groups. Leisure activities and interests, as well as the media one watches or reads, are a function of a person's age, education, and income.
Diff: 2
Skill: Concept
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Reflective thinking

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94) Provide an example of how a demographic variable has been used to position a product to a target market.
Answer: Examples may vary, and can include Age, Income, Social Class, Ethnicity, Occupation, Marital Status, Household Type and Size, and Geographical Location. One example from the text for age is: Colgate divides the pre-teens toothpaste group into four segments and offers each one its own toothpaste. Colgate offers "My First Colgate" to children up to age 2, "Colgate Dora the Explorer" to ages 2 to 5, and "Colgate SpongeBob SquarePants" and "Colgate Pop Stars" to older, preteen children.
Diff: 2
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

95) Position a health club offering to one of the VALS segments. In your description of the positioning for the segment, please note the segment's primary motivation, level of resources, level of innovativeness, and values and consumption patterns.
Answer: Answers will vary based on the segment selected. For example, if the student chooses Innovators, they would note members of the segment have abundant resources, are innovative/risk-taking, are motivated by ideals, achievement, and self-esteem. They are successful, sophisticated, and curious/open-minded to new ideas and technologies. The health club should be positioned as a high-end, niche service with cutting edge, technologically advanced workout equipment. The price can be high, and the location should be posh to accommodate the segment's desire for the finer things in life. Promotional materials should communicate how the health club allows them to express their taste, personalities, and success.
Diff: 3
Skill: Application
LO: 2.1: To understand how to segment markets along demographics, lifestyles, product benefits and usage, and media exposure.
AACSB: Application of knowledge

96) What questions can be answered using predictive analytics?
Answer: Some of the questions that can be answered by predictive analytics include: (1) When leaving a given page, what content and pages are visitors likely to look at next? (2) Which website features (and combinations of features) are likely to persuade people to register with a website? (3) What are the characteristics of visitors likely to return to a website and why? and (4) What factors make visitors click on specific ads?
Diff: 2
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Application of knowledge

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97) What is showrooming? Provide an example of how a retailer might combat it.
Answer: Showrooming consists of looking at merchandise at a physical store, scanning its barcode with smartphones and using these devices to check the items' prices online, where they end up buying them. In response, some physical stores started geofencing, which are promotional alerts sent to the smartphones of customers, who opted into this service, when the customers near or enter the store. Other ways a retailer might combat it is providing higher levels of customer service, exclusive offerings, complimentary add-ons, and price matching guarantees.
Diff: 2
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Application of knowledge

98) What is real-time bidding? What is an impression?
Answer: It is a technique that allows advertisers to reach the right user, in the right place, at the right time, and also sets the price that advertisers pay for each "eyeball" or "impression" (i.e., for each person reached). Real-time bidding (RTB) takes place when advertisers buy inventories of customers, termed eyeballs, on a per impression basis, via programmed instantaneous auction.

An impression is a term for a customer that becomes available for real-time bidding.
Diff: 1
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Application of knowledge

99) What are the four groups of sites that collect information for real-time bidding?
Answer: They are: (1) Advertising: services like Double Click that invisibly collect personal information and display ads. (2) Analytics: companies like Scorecard Research that invisibly collect personal information and build profiles of consumers as they browse the web. These profiles can be connected with persons' names. (3) Social: companies like Facebook Like or Tweet use widgets that connect back to the social networking service when the widgets load on the page. These widgets allow the social networks to track consumers' browsing activities even when consumers are not on the social network's website. (4) Unblocked content: companies like You Tube and Buzzfeed deliver useful content online, but may also invisibly collect personal information.
Diff: 2
Skill: Application
LO: 2.3: To understand real-time bidding as compared with market segmentation.
AACSB: Information technology

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