CB 8th edition Babin Test Bank

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TRUE/FALSE

1 : The same act of consumption cannot provide both utilitarian and hedonic value.
A : true
B : false

Correct Answer : B

2 : Utilitarian value is the immediate gratification that comes from experiencing some activity.
A : true
B : false

Correct Answer : B

3 : A marketers offering does not create value directly, but rather consumption involves value co-creation.
A : true
B : false

Correct Answer : A

4 : Worth to a consumer is actually a function of much more than price.
A : true
B : false

Correct Answer : A

5 : A corporate strategy deals with how a company goes about creating value for customers.
A : true
B : false

Correct Answer : B

6 : In the context of Customer Relationship Management (CRM), people and groups who help shape a consumers everyday experiences also include people unknown to the consumer.
A : true
B : false

Correct Answer : A

7 : Marketers can maximize the value they receive from exchange by concentrating their marketing efforts on consumers with high customer lifetime values (CLVs).
A : true
B : false

Correct Answer : A

8 : In the context of Consumer Value Framework (CVF), learning and perception are external influences that shape consumption-related behaviors of consumers.
A : true
B : false

Correct Answer : B

9 : Relationship quality reflects the connectedness between a consumer and a retailer, brand, or service provider.
A : true
B : false

Correct Answer : A

10 : A corporate strategy provides the operating orientation for a company.
A : true
B : false

Correct Answer : A

11 : Value can be modeled by playing between what you get and what you have to give to get the product.
A : true
B : false

Correct Answer : A

12 : In the context of Customer Relationship Management (CRM), the social and cultural aspects of life are the internal influences that shape consumption-related behavior of a consumer.
A : true
B : false

Correct Answer : B

13 : Utilitarian and hedonic values are mutually exclusive.
A : true
B : false

Correct Answer : B

14 : Every products value proposition is made up of the basic benefits a product provides and the estimated life of the product.
A : true
B : false

Correct Answer : B

15 : Cognition refers to the feelings experienced during consumption activities or feelings associated with specific objects.
A : true
B : false

Correct Answer : B

16 : A company that focuses on value creation builds innovative solutions around consumer needs and wants, not the physical product.
A : true

B : false

Correct Answer : A

17 : In the context of customer lifetime value (CLV), every customer is equally valuable to a firm.
A : true
B : false

Correct Answer : B

18 : Situational influences are unique to a time or place that can affect consumer decision making and the value received from consumption.
A : true
B : false

Correct Answer : A

19 : The object or activity that allows something else good to happen or be accomplished provides utilitarian value.
A : true
B : false

Correct Answer : A

20 : The Consumer Value Framework (CVF) represents consumer behavior (CB) theory illustrating factors that shape consumption-related behaviors and ultimately determine the value associated with consumption.
A : true
B : false

Correct Answer : A

21 : A market for any product is the sum of the demand existing in individual groups or segments of consumers.
A : true
B : false

Correct Answer : A

22 : In the context of Consumer Value Framework (CVF), social class is an internal influence that shape consumption-related behaviors of consumers.
A : true
B : false

Correct Answer : B

23 : Marketing tactics are ways marketing management is implemented.
A : true
B : false

Correct Answer : A

24 : Hedonic value is derived from a product that helps the consumer solve problems and

accomplish tasks that are a part of being a consumer.
A : true
B : false

Correct Answer : B

25 : The marketing mix represents the factors that shape consumption-related behaviors and ultimately determine the value associated with consumption.
A : true
B : false

Correct Answer : B

26 : In economics, product differentiation is a term used to represent market sensitivity to changes in price or other characteristics.
A : true
B : false

Correct Answer : B

27 : A strong, or high-quality, relationship is typified by a consumer who buys the same brand each time a need for that product arises.
A : true
B : false

Correct Answer : A

28 : In the context of perceptual maps, the ideal point represents temporary factors unique to a time or place that can change the value seen in a buying decision.
A : true
B : false

Correct Answer : B

29 : Consumers ultimately pursue good quality products because they address motivations that manifest themselves in needs and desires.
A : true
B : false

Correct Answer : B

30 : Market segmentation is a marketplace condition in which consumers do not view all competing products as identical to one another.
A : true
B : false

Correct Answer : B

31 : The presence of music in an environment is a social influence.
A : true
B : false

Correct Answer : B

32 : A basic Customer Relationship Management (CRM) premise is that customers form relationships with companies as opposed to companies conducting individual transactions with customers.
A : true
B : false

Correct Answer : A

33 : Individual differences have little effect on the value experienced by consumers and the reaction consumers have to consumption.
A : true
B : false

Correct Answer : B

34 : The core concept of consumer behavior (CB) is the product quality.
A : true
B : false

Correct Answer : B

35 : Customer Relationship Management (CRM) means each customer represents more than just a single sale.
A : true
B : false

Correct Answer : A

MULTIPLE CHOICE

36 : Daniel is planning to start a mobile food business to cater to office workers. After conducting a small survey, he finds out that consumers prefer quick but healthy food options. He adjusts his menu to incorporate quick and healthy food alternatives. The busy professionals are Daniels _____ for his new restaurant.
A : capital market
B : target market
C : warm market
D : close range market

Correct Answer : B

37 : The characteristics and traits that help define a consumer as a distinct person are called _____.
A : value enhancers
B : touchpoints
C : ideal points
D : individual differences

Correct Answer : D

38 : Which of the following scenarios is an example of hedonic value?
A : A man engaging a tutor for his child
B : A woman hiring a laundry service
C : A man reading the latest fiction novel
D : A woman filling out insurance forms for her car

Correct Answer : C

39 : When firms fail to realize how their products provide value, they run the risk of developing _____.
A : marketing dissonance
B : equity risk
C : margining risk
D : marketing myopia

Correct Answer : D

40 : In the context of Consumer Value Framework (CVF), lifestyle is considered a(n) _____.
A : virtual influence
B : situational influence
C : social influence
D : internal influence

Correct Answer : D

41 : Which of the following statements is true in the context of utilitarian value?
A : Utilitarian value is the immediate gratification that comes from experiencing some activity.
B : Actions that provide utilitarian value are worthwhile because they are an end in and of themselves.
C : When consumers do something to obtain utilitarian value, the action can sometimes be very difficult to explain objectively.
D : When consumers buy something in pursuit of utilitarian value, they can typically provide a clearly rational explanation for the purchase.

Correct Answer : D

42 : Which of the following scenarios is an example of utilitarian value?
A : A child enjoying a ride on a merry-go-round
B : A man hiring a housekeeping service
C : A woman watching a street performance
D : A man playing video games at a gaming kiosk

Correct Answer : B

43 : The Consumer Value Framework (CVF) represents:
A : the set of value-seeking activities that take place as consumers go about addressing their real needs.
B : the multitude of value-producing seller activities that facilitate exchanges between consumers and marketers.
C : the consumer behavior theory, illustrating factors that shape consumption-related behaviors.
D : the approximate worth of a customer to a company in economic terms.

Correct Answer : C

44 : Which of the following is an example of a marketing tactic?
A : Implementing a new technology in order to reduce costs over the next few years
B : Analyzing the marketing budget for the next two years
C : Distributing a product only through discount stores
D : Setting a companys sales goal

Correct Answer : C

45 : Raleigh Trust Bank is analyzing its customer database to identify customers with similar patterns of income and expenditure. The bank is looking at data such as age, sex, family size, loan activity, credit card activity, deposits, withdrawal, and account balances of consumers. The bank has identified three different types of customers based on these factors and is planning to offer different products to better meet the needs of each group. Which of the following marketing concepts is illustrated by the given scenario?
A : Cause marketing
B : Market segmentation
C : Corporate strategy
D : Product augmentation

Correct Answer : B

46 : _____ captures how much gratification a consumer receives from consumption.
A : Value
B : Positioning
C : Costbenefit analysis
D : Effort estimation

Correct Answer : A

47 : In the context of the value equation, which of the following is a benefit for the customer?
A : Interaction
B : Time
C : Prestige
D : Opportunity

Correct Answer : C

48 : Martha, the owner of a small handicrafts store, sometimes decorates her store with festive decorations such as colorful lights, balloons, and fragrant flowers. She observes that customers tend to spend more time in her store and usually end up buying more goods when there is a festive atmosphere in the store. In this scenario, the festive decorations are examples of _____.
A : social influences
B : situational influences
C : utilitarian influences
D : functional influence

Correct Answer : B

49 : A marketing strategy:
A : is the way marketing management is implemented.
B : should provide the vision statement of a company.
C : should provide an effective way of dealing with competition.

D : deals with how a company will be defined.

Correct Answer : C

50 : In the context of Consumer Value Framework (CVF), _____ is an internal influence.
A : timing
B : categorization
C : family influence
D : acculturation

Correct Answer : B

51 : Which of the following is true of market segmentation?
A : It is essentially a part of the marketing tactics.
B : It is created by the marketers through differentiated offerings.
C : It is a part of the corporate strategy.
D : It is created by consumers through their unique preferences.

Correct Answer : D

52 : As the manager of a leading bank, Ashley regularly collates information about the banks clients from the customer preference page of the banks website. This enables the bank to make more client-oriented decisions, leading to longer-lasting affiliations with clients. Ashleys actions are an example of _____.
A : Customer Relationship Management (CRM)
B : marketing management
C : Total Quality Management (TQM)
D : internal marketing management

Correct Answer : A

53 : The term _____ signifies which market segment a company will serve with a specific marketing mix.
A : nascent market
B : close range market
C : target market
D : warm market

Correct Answer : C

54 : Which of the following is an element of the marketing mix?
A : Relationship quality
B : Distribution strategy
C : Corporate strategy
D : External influence

Correct Answer : B

55 : _____ deals with how a firm will be defined and sets general goals.
A : Corporate strategy
B : A marketing strategy
C : Customer Relationship Management
D : Perceptual mapping

Correct Answer : A

56 : Andrea wanted to purchase a gaming desktop computer. After a lot of research, she decided to buy a desktop from a retail store which was giving 3 videogames free with the computer. In this scenario, the gaming computer, along with free videogames, is an example of a(n) _____.
A : diversified product
B : differentiated product
C : segmented product
D : augmented product

Correct Answer : D

57 : Amy is a member of the readers club in her school. Before she buys any new book, she checks what is popular with the others in her club. In the context of Consumer Value Framework (CVF), Amys readers club is a part of her _____ that influences Amys reading experiences.
A : value network
B : social environment
C : internal environment
D : integrated network

Correct Answer : B

58 : Unlike utilitarian value, hedonic value:
A : is a means to an end.
B : solves problems or accomplishes tasks.
C : can be rationally explained.
D : is subjective in nature.

Correct Answer : D

59 : PrimeAqua Inc. is a company that manufactures and markets bodysuits for professional kayakers. These consumers are predominantly in the age group of 2545 years. In the given scenario, the market segment that PrimeAqua Inc. serves with a specific marketing mix is called its _____.
A : emerging market
B : warm market
C : target market
D : high-end market

Correct Answer : C

60 : In the context of Consumer Value Framework (CVF), which of the following is an external influence?
A : Search
B : Categorization
C : Enculturation
D : Perception

Correct Answer : C

61 : The term _____ means the original product plus the extra things needed to increase the

value from consumption.
A : augmented product
B : complete product
C : differentiated product
D : enhanced product

Correct Answer : A

62 : FameTech is an American software company whose clients are based in France. The company has formed a team to determine the direction the organization should take over the next five years. The focus of this team is to increase the companys clientele in Europe. The company is keen on taking advantage of the opportunities and avoiding threats in the changing environment. In the context of consumer value, this team is involved in developing a _____ for the organization.
A : blueprint
B : strategy
C : Customer Relationship Management (CRM) system
D : Consumer Value Framework (CVF)

Correct Answer : B

63 : Natalie and her friends enjoy visiting upscale stores together. Sometimes they indulge in buying things they do not need. The experience of buying things in expensive stores gives them pleasure and satisfaction. In the given scenario, Natalie and her friends experience _____.
A : instrumental value
B : utilitarian value
C : hedonic value
D : terminal value

Correct Answer : C

64 : Sam needed a new pair of bicycle pedals as the pedals of his bicycle had cracks in them. After visiting several stores to find the right ones, he purchased a pair from a local store, All Things Sports, and was satisfied that his needs were met. Which of the following best describes the type of value Sam received?
A : Premium value
B : Utilitarian value
C : Hedonic value
D : Terminal value

Correct Answer : B

65 : Amanda and Steve wanted to open a convenience store. After conducting some research, they decided to open the store near one of the residential areas of the town that did not have any other convenience store. The people residing in the nearby residential area welcomed the idea of a store close by, and the venture was a success. Which of the following strategies did Amanda and Steve implement to start their business?
A : The blue ocean strategy
B : The cannibalization strategy
C : The acquisition strategy
D : The penetration strategy

Correct Answer : A

66 : A garment manufacturing company, Stitch Inc., plans to launch a clothing line for teenagers. Before designing the clothes, it surveys teenagers to understand their requirements. In the given scenario, the teenage group can be best described as the _____.
A : emerging market
B : target market
C : close range market
D : community market

Correct Answer : B

67 : Which of the following products is an augmented product?
A : A smartphone with the latest specifications and features
B : A car with three years of free service
C : A house with electricity and water
D : A cutlery set that is made of stainless steel

Correct Answer : B

68 : _____ is a personal assessment of the net worth a consumer obtains from an activity.
A : Value
B : Judgment
C : Benefit
D : Effort

Correct Answer : A

69 : A product with backward sloping demand displays:
A : a positive price-to-quantity demanded relationship.
B : a negative price-to-quantity demanded relationship.
C : a higher consumer sensitivity toward price than toward product quality.
D : a higher consumer sensitivity toward price than toward product desirability.

Correct Answer : A

70 : Which of the following statements is true of situational influences?
A : They cannot change the value seen in a buying decision and received from consumption.
B : They include elements like attitude, lifestyle, and emotional intelligence.
C : They shape consumer behavior and even change buying patterns.
D : They are not temporary as they stem from cultural values of a consumer.

Correct Answer : C

71 : In the context of Customer Relationship Management (CRM), which of the following statements is true?
A : Customers who experience high value from service do not equate it to high-quality relationship.
B : Loyal customers are more profitable than customers who consider switching brand or providers each time they make a purchase.
C : Irrespective of the relationship quality, customers are highly receptive to brand extensions.
D : High-quality is typified by a consumer who occasionally shops at other stores but keep returning to the preferred store again and again.

Correct Answer : B

72 : Siesta Inc., a mattress store, recently launched a new range of mattresses. According to the management of the company, these mattresses are made with advanced technology and guarantee a good sleep. However, the sales are not very promising. An in-store survey shows that consumers find the mattresses expensive and are reluctant to invest too much in a product that is new in the market. To boost the sales, the marketing team decides to reduce the price by ten percent and offer a three-month return policy. As soon as these changes are implemented, the sale of the new mattresses picks up. The reduction in the price and the offer of return policy are examples of _____.
A : situational influences
B : switching costs
C : marketing tactics
D : loyalty programs

Correct Answer : C

73 : Since childhood, Megs parents always told her that fruits are good for health. As a result, Meg developed a liking for fruits. She makes sure to include fruits in everyday diet. In this scenario, Megs thinking or mental process is referred to as _____.
A : internal influence
B : cognition
C : induction
D : situational influence

Correct Answer : B

74 : In the context of hedonic value, which of the following statements is true?
A : The actions to obtain hedonic value can sometimes be very difficult to explain objectively.
B : The actions that provide hedonic value are worthwhile because they provide a means to an end.
C : Hedonic value is the gratification derived from actions that help a consumer solve problems.
D : The actions that provide hedonic value allow something to be accomplished.

Correct Answer : A

75 : The term _____ refers to the thinking or mental processes that go on as we process and store things that can become knowledge.
A : value co-creation
B : cognition
C : affect
D : circadian rhythm

Correct Answer : B

76 : The zero moment of truth is the point when:
A : an organization accepts the failure of a product in the market.
B : a consumer realizes that a product has failed to live up to expectations.
C : the demand for a newly introduced product exceeds the production capacity of a company.
D : a passive shopper becomes an active shopper and actively seeks out exchange alternatives.

Correct Answer : D

77 : _____ represents the degree of connectedness between a consumer and a service provider.
A : Relationship quality
B : Utilitarian value
C : Hedonic value
D : Cognition

Correct Answer : A

78 : EasyShop, a chain of supermarkets, recognizes that it needs to increase revenue in the face of severe budget cuts due to the weak economy. The store has decided to run a sale every month and upgrade their stock more regularly so that customers see new products every month. They are planning to offer a wider selection of brands for men and women. They are also planning to advertise on billboards, radio, and television, and in newspapers throughout the state. In this scenario, which of the following strategies is EasyShop using?
A : Marketing tactics
B : Product differentiation
C : Perceptual mapping
D : Customer value proposition

Correct Answer : A

79 : In the value equation, which of the following is identified as a sacrifice for a consumer?
A : Convenience
B : Experience
C : Opportunity
D : Prestige

Correct Answer : C

80 : Cullen and MacNeils is a printing press. It currently faces a threat from the electronic media. The company primarily views itself as a printing company instead of a company that delivers the benefits that the consumers want. In the given scenario, Cullen and MacNeils outlook is an example of _____.
A : marketing myopia
B : attitude inoculation
C : positive disconfirmation
D : marketing dissonance

Correct Answer : A

81 : What do the x- and y-axes on a perceptual map represent?
A : The hedonic value and utilitarian value that consumers get from product
B : The ideal point and the actual attributes of all the competing products in a market
C : The dimensions that consumers use to separate competitors on specific characteristics
D : The profitability of a particular product as a function of time

Correct Answer : C

82 : The customer lifetime value (CLV) is equal to the net present value (npv) of the stream of profits over a customers lifetime, _____.
A : minus the net expenses associated with satisfying that customer

B : plus the worth attributed to the equity a good customer can bring in the form of positive referrals
C : plus the opportunity costs saved from having loyal customers
D : minus the cost associated with identifying segments of consumers containing valuable customers

Correct Answer : B

83 : Bells & Berries Inc., a cosmetic manufacturing company, is planning to venture into the health care product market. The companys analyst has prepared a graphical depiction of the positioning of competing brands. The graph helps the marketing team identify opportunities in the market and diagnose potential problems in the marketing mix. The graphical representation prepared by the analyst is called a _____.
A : perceptual map
B : distribution graph
C : normal curve
D : demand curve

Correct Answer : A

84 : A Customer Relationship Management (CRM) system:
A : tracks detailed information about customers.
B : deals with how the firm will be defined and sets general goals.
C : provides information necessary for a consumer to make a buying decision.
D : is a tool used to depict graphically the positioning of competing products.

Correct Answer : A

85 : Consumers ultimately pursue _____.
A : relationship quality
B : value
C : innovation
D : good quality product

Correct Answer : B

86 : An automobile marketer is interested in studying the internal influences that affect the psychology of the potential buyers of luxury automobiles. The marketer would most likely be studying the:
A : cultural values of the potential buyers.
B : social status of the potential buyers.
C : attitudes of the potential buyers toward brands.
D : effect of acculturation on the potential buyers.

Correct Answer : C

87 : Which of the following statements is true of Customer Relationship Management (CRM)?
A : It utilizes its resources primarily to cater to loyal customers.
B : It considers each customer to be a potential stream of resources.
C : It believes companies are more likely to conduct individual transactions with customers.
D : It believes that customers are more affected by internal influences rather than external influences.

Correct Answer : B

88 : In the context of Consumer Value Framework (CVF), timing is considered a(n) _____.
A : virtual influence
B : situational influence
C : social influence
D : internal influence

Correct Answer : B

89 : Which of the following formulas best represents the customer lifetime value (CLV)?
A : CLV = npv (sales costs) npv (equity)
B : CLV = npv (sales costs) / npv (fixed cost)
C : CLV = npv (sales costs) + npv (equity)
D : CLV = npv (sales costs) npv (fixed cost)

Correct Answer : C

90 : Hannah is an avid reader and looks forward to going to the library at the end of each week to issue more books. The sense of satisfaction she derives from this activity is termed as _____.
A : Affect
B : Schema
C : Value
D : Cognition

Correct Answer : A

ESSAY

91 : Explain the concept of customer lifetime value (CLV).

Correct Answer : Answers will vary. CLV represents the approximate worth of a customer to a company in economic terms. Put another way, CLV is the overall, long-term profitability of an individual consumer. Although there is no generally accepted formula for the CLV, the basic idea is simple:CLV = npv (sales – costs) + npv (equity)The CLV then is equal to the net present value (npv) of the stream of profits over a customer's lifetime, plus the worth attributed to the equity a good customer can bring in the form of positive referrals and word of mouth.

92 : Discuss how social environment acts as an external influence on a consumer.

Correct Answer : Answers will vary. The social environment includes people and groups who help shape a consumer's everyday experiences. Some influence is personal, meaning the consumer actually knows the people; some is impersonal, coming from unknown people like celebrities; and still other influence is virtual, coming from unknown sources online or in social networks. In addition, any time a consumer chooses to do something, at least in part, to please or appeal to another consumer, the social environment plays a role in that process. Group influence is one mechanism through which social influences work. Simple decisions ranging from what breakfast foods to buy to complicated things like attending a university all are shaped by subtle influences like acculturation, the sometimes not-so-subtle influence of family and friends.

93 : In the context of the Consumer Value Framework (CVF), discuss the importance of Customer Relationship Management (CRM).

Correct Answer : Answers will vary. CRM is a systematic information management system that collects, maintains, and reports detailed information about customers to enable a more customer-oriented managerial approach. A basic CRM premise is that customers form relationships with companies as opposed to companies conducting individual transactions with customers. A CRM system tracks detailed information about customers so marketers can make more customer-oriented decisions that hopefully lead to longer-lasting relationships. CRM means each customer represents a potential stream of resources rather than just a single sale.

94 : Briefly explain the concept of market segmentation?

Correct Answer : Answers will vary. Market segmentation is the separation of a market into groups based on the different demand curves associated with each group. Market segmentation is a marketplace condition; numerous segments exist in some markets, but very few segments may exist in others. Market segmentation is not really a marketing tactic because the segments are created by consumers through their unique preferences. Market segmentation is critically important to effective marketing, though, and the marketing researcher's job becomes identifying segments and describing the segments' members based on characteristics such as age, income, geography, and lifestyle.

95 : Discuss the importance of perceptual maps for spotting opportunities in the marketplace.

Correct Answer : Answers will vary. Perceptual maps are widely used to plot the way consumers view competitors in an industry. They are very useful for spotting opportunities in the marketplace. They allow a business to better understand exactly whom they compete with, and identify what-if situations by examining what would happen if they changed an offering by raising or lowering characteristics. Very commonly, brands analyze themselves on a perceptual map with price and quality as the dimensions. If a firm lowers price or raises quality, their competition may well change. Perceptual mapping is used in practically every competitive industry, including the nonprofit sector. The simple two-dimensional graphics give the user an easy way to analyze a market.

96 : Utilitarian value and hedonic value are not mutually exclusive. Illustrate with an example.

Correct Answer : Answers will vary. Rather than being viewed as opposites, utilitarian value and hedonic value are not mutually exclusive. In other words, the same act of consumption can provide both utilitarian value and hedonic value. Dining in a place like the Hard Rock Café is an event. One doesn't have to go to Hard Rock to eat, but dining there is a lot of fun—an experience! However, the Hard Rock consumer also accomplishes the task of having something to eat—getting nourished. In fact, the very best consumer experiences are those that provide both high utilitarian value and high hedonic value.

97 : Discuss the concept of value co-creation.

Correct Answer : Answers will vary. Value co-creation is the realization that a consumer is necessary and must play a part in order to produce value. A marketer can only propose a way of creating value to consumers. In other words, the marketer cannot create value alone. Rather, consumers add resources in the form of knowledge and skills to do their own part in the consumption process. The marketer's offering does not create value directly, but rather consumption involves value co-creation. The marketer serves its customer by making potentially beneficial outcomes of consumption available, but the customer plays a role in whether or not

the offering's attributes actually do prove beneficial, and therefore valuable. The consumer and marketer, as a true service provider, are active in turning the offer into value.

98 : Explain the concept of marketing myopia and its relevance in marketing.

Correct Answer : Answers will vary. When companies define themselves in terms of products like phones, cable, or even the Internet, they often fail to realize how they truly serve customers. When firms fail to realize how their products provide value, they run the risk of developing marketing myopia, defined as a condition in which a company views itself competing in a product business rather than in a value- or benefits-producing business. Thus, when technology makes a good or service obsolete, the myopic business goes out of business. In contrast, the company that focuses on value creation builds innovative solutions around consumer needs and wants, not the physical product.

99 : Explain how perceptual maps are useful in understanding consumers and delivering superior value.

Correct Answer : Answers will vary. Perceptual maps are used to depict graphically the positioning of competing products. Positioning refers to the way a product is perceived by a consumer and can be represented by the number and types of characteristics that consumers perceive. When marketing analysts examine perceptual maps, they can identify competitors, identify opportunities for doing more business, and diagnose potential problems in the marketing mix. For instance, the analyst may realize that by changing the amount of some product characteristic, they can move closer to some segment's ideal point, and thus increase the competitiveness of the product.

100 : Briefly describe different components of the Consumer Value Framework (CVF).

Correct Answer : Answers will vary. The CVF represents consumer behavior theory, illustrating factors that shape consumption-related behaviors and ultimately determine the value associated with consumption. The different components of CVF are relationship quality, consumption process, internal influences, and external influences. Relationship quality reflects the connectedness between a consumer and a retailer, brand, or service provider. The consumption process involves deciding what is needed, what the options for exchange might be, and the inevitable reaction to consumption. Internal influences are the things that go on inside the mind and heart of the consumer or that are truly a part of the consumer psychologically. External influences are the social and cultural aspects of life as a consumer.