# Arizona State University (ASU) MKT300 Marketing and Business Performance Exam 2 Practice (Sample)

Study Guide

BY EXAMZIFY

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# Questions

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1. What action does product mix width involve?
   A. Add or remove product line
   B. Increase price on multiple items
   C. Enhance marketing strategies
   D. Focus solely on customer service

2. What is assessed in the business analysis stage of product development?
   A. Customer preferences
   B. Marketing communication methods
   C. Costs, sales predictions, and potential profitability
   D. Competitor pricing

3. What does a dynamically continuous product do?
   A. Creates a completely new product category
   B. Improves existing features
   C. Functionally replaces existing products
   D. Uses technology to enhance user experience

4. What occurs when brand equity becomes so strong that consumers use brand names to describe an entire product category?
   A. The brand loses its distinct identity
   B. The brand becomes a Master Brand
   C. The brand is no longer recognizable
   D. The brand diminishes in value

5. Which of the following is the final step in the New Product Development Process?
   A. Commercialization
   B. Business Analysis
   C. Idea Generation
   D. Market Testing

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6. What does a Product Portfolio represent?

A. The total number of product lines a company offers

B. The company's entire product mix and lines

C. Individual product variations within a line

D. The marketing strategy employed for a specific product

7. Brand Equity is defined as?

A. A measure of a brand's social media influence

B. A measure of a brand's value

C. A measure of customer satisfaction

D. A measure of market share

8. Which product characteristic indicates how well a product meets consumer needs?

A. Relative Advantage

B. Complexity

C. Compatibility

D. Trialability

9. What characterizes a Private Individual Brand?

A. It features both the company and product names

B. It stands alone without a company brand

C. It uses the family name of the company

D. It promotes multiple products under the same name

10. Which type of new product category is described as a product invention?

A. Continuous product

B. Dynamically continuous product

C. Discontinuous product

D. Incremental product

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# Answers

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1. A
2. C
3. A
4. B
5. A
6. B
7. B
8. C
9. B
10. C

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# Explanations

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1. What action does product mix width involve?

A. Add or remove product line

B. Increase price on multiple items

C. Enhance marketing strategies

D. Focus solely on customer service

Product mix width pertains to the total number of different product lines a company offers. When discussing this concept, adding or removing a product line directly pertains to the breadth of the product mix. By expanding the width, a company introduces new product lines, thus enriching its offerings and potentially reaching a wider audience or addressing various market segments. Conversely, if a company decides to reduce its width, it may remove certain product lines that are underperforming or no longer align with the company's strategic direction. On the other hand, increasing prices on multiple items, enhancing marketing strategies, or focusing solely on customer service do not directly influence the width of a product mix. These actions might pertain to pricing strategy, marketing effectiveness, or customer relationship management, respectively, but they do not relate to the number of different product lines available in a company’s assortment.

2. What is assessed in the business analysis stage of product development?

A. Customer preferences

B. Marketing communication methods

C. Costs, sales predictions, and potential profitability

D. Competitor pricing

In the business analysis stage of product development, the focus is on evaluating the financial viability of the product concept. This stage involves detailed assessments of costs associated with the product, predictions regarding future sales, and an analysis of the potential profitability that the product might generate once it is launched in the market. By conducting this analysis, businesses can determine if the product aligns with their financial objectives and if they can reasonably expect to recoup their investment while achieving desirable profit margins. Understanding costs helps companies set appropriate pricing strategies, while sales predictions provide insights into market demand. The consideration of profitability ties these elements together, ensuring that the product is not only viable but also worthwhile from a business perspective. This stage is critical as it informs decision-making on whether to proceed with development, adjust the concept, or abandon it entirely based on financial forecasts.

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3. What does a dynamically continuous product do?

   A. Creates a completely new product category

   B. Improves existing features

   C. Functionally replaces existing products

   D. Uses technology to enhance user experience

A dynamically continuous product typically refers to an innovation that retains some core characteristics of existing products while introducing significant changes that can alter consumer behavior. This type of innovation does not create a completely new product category; rather, it modifies or enhances existing products in meaningful ways. In this context, the correct answer highlights that a dynamically continuous product improves existing features, addressing consumer needs while still relating to familiar products. It can involve changes that are substantial enough to necessitate a shift in consumer usage, but not so drastic as to create something entirely new. The focus is on how these improvements can enhance functionality or user experience, ultimately leading to broader market acceptance while still operating within the established framework of existing categories. Therefore, the innovation serves to elevate the current category rather than establish a brand new one.

4. What occurs when brand equity becomes so strong that consumers use brand names to describe an entire product category?

   A. The brand loses its distinct identity

   B. The brand becomes a Master Brand

   C. The brand is no longer recognizable

   D. The brand diminishes in value

When brand equity becomes so strong that consumers begin using the brand name to refer to an entire product category, the brand essentially becomes a Master Brand. This phenomenon indicates a high level of recognition and affinity among consumers, where the brand transcends its specific products to represent an entire category. For instance, brands like "Kleenex" or "Band-Aid" are often used interchangeably with facial tissue and adhesive bandages, respectively. This illustrates the power and dominance of these brands in their respective markets. As a Master Brand, it not only signifies a strong identity but also represents the pinnacle of brand loyalty and consumer trust. When a brand reaches this level, it often enjoys a competitive advantage, as it has embedded itself in the minds of consumers to such an extent that it becomes synonymous with the product itself. The other options do not accurately reflect the outcome of such strong brand equity. The brand maintains its identity and does not diminish in value; instead, it enhances its visibility and market position.

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5. Which of the following is the final step in the New Product Development Process?

   A. Commercialization

   B. Business Analysis

   C. Idea Generation

   D. Market Testing

The final step in the New Product Development Process is commercialization. This stage involves launching the product in the market after it has undergone various earlier stages, such as idea generation, market testing, and business analysis. Commercialization entails not only the actual market introduction but also the planning and execution of marketing strategies, production, and distribution to ensure the product's success in the marketplace. In this stage, companies focus on building awareness, creating promotional strategies, setting pricing, and establishing distribution channels. Feedback from the market may also influence ongoing marketing adjustments. This culmination makes commercialization critical, as it represents the transition from concept to a fully available product for consumers. The preceding steps, while essential for the development process, are focused on refining the idea, assessing feasibility, and testing the market before the actual launch occurs.

6. What does a Product Portfolio represent?

   A. The total number of product lines a company offers

   B. The company's entire product mix and lines

   C. Individual product variations within a line

   D. The marketing strategy employed for a specific product

A Product Portfolio represents the company's entire product mix and lines, encompassing all the products that a company offers to the market. This includes various product categories and the different lines within those categories, illustrating how the products interact and cater to different consumer needs. This holistic view of a company’s offerings provides insights into how the products fit together strategically, allowing businesses to manage them effectively for maximum impact. It also emphasizes the variety of products available and helps in understanding market segmentation, targeting, and positioning strategies because it considers the diversity within the product range. By analyzing the full product portfolio, companies can make informed decisions regarding product development, resource allocation, and marketing efforts, ensuring they address consumer demands across different segments. In contrast, focusing solely on the total number of product lines would be too narrow, as it does not account for the depth and breadth of variations and offerings within those lines. Individual product variations represent only a slice of the portfolio, and while they are important, they do not capture the broader strategic overview provided by the entire mix. Similarly, the marketing strategy pertains to how a specific product is promoted rather than the overall representation of the product offerings.

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7. Brand Equity is defined as?

A. A measure of a brand's social media influence

B. A measure of a brand's value

C. A measure of customer satisfaction

D. A measure of market share

Brand equity refers to the value that a brand adds to a product or service beyond the functional benefits it provides. This value is derived from consumers' perceptions of the brand, which can be influenced by various factors such as brand awareness, brand loyalty, perceived quality, and brand associations. When a brand has strong equity, it can command higher prices, achieve greater customer loyalty, and even create a competitive advantage in the marketplace. Choosing the option that defines brand equity as a measure of a brand's value encapsulates its fundamental essence. It highlights how strong brand equity reflects the financial and market position of the brand, which can be quantified in terms of customer preferences and behaviors. The other options do not accurately capture the broader concept of brand equity. While social media influence, customer satisfaction, and market share can contribute to or be impacted by brand equity, they are not direct measures of the overall value that a brand provides to consumers and the business.

8. Which product characteristic indicates how well a product meets consumer needs?

A. Relative Advantage

B. Complexity

C. Compatibility

D. Trialability

The characteristic that indicates how well a product meets consumer needs is compatibility. When a product is compatible, it means that it aligns well with the preferences, values, and existing practices of consumers. High compatibility suggests that the product can easily be integrated into the consumers' lives without significant changes to their behavior or routines, making it more likely to satisfy their needs effectively. In contrast, relative advantage pertains to how a product is perceived as better than competitors, complexity refers to how difficult a product is to understand or use, and trialability involves how easily a product can be tested or sampled by potential customers. While these factors can influence the overall success of a product, compatibility directly addresses the alignment between the product characteristics and consumer expectations, which is crucial for meeting those needs.

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9. What characterizes a Private Individual Brand?

A. It features both the company and product names

B. It stands alone without a company brand

C. It uses the family name of the company

D. It promotes multiple products under the same name

A Private Individual Brand is characterized by its independence from the company brand, meaning it stands alone without being directly associated with the parent company's name. This allows the brand to cultivate its own identity and target a distinct market segment. Such brands can be especially advantageous as they can appeal to consumers seeking uniqueness or value without the influence of the company's reputation. In contrast, brands that feature both the company and product names create a connection with the company's identity, suggesting a corporate endorsement or quality assurance. Using the family name of the company tends to suggest a personal touch or heritage, which contributes to brand trust but does not align with the notion of an individual brand standing on its own. Additionally, promoting multiple products under the same name creates brand consistency but does not encapsulate the essence of a Private Individual Brand since it relies on existing brand equity rather than distinct separation.

10. Which type of new product category is described as a product invention?

A. Continuous product

B. Dynamically continuous product

C. Discontinuous product

D. Incremental product

The category described as a product invention is characterized by the introduction of a completely new idea to the market, which significantly transforms consumer behavior and creates new consumption patterns. This definition aligns with what is referred to as a discontinuous product. Discontinuous products are fundamentally different from existing products and often require consumers to learn new behaviors and adopt new practices. For instance, the introduction of the personal computer or digital cameras are examples of discontinuous innovations, as they were not merely improvements or modifications of existing products but entirely new concepts that replaced old ways of interacting with technology. On the other hand, continuous products are those that offer minor improvements or updates to existing products, such as changes in flavors or branding. Dynamically continuous products represent a moderate change that still requires some adjustment from consumers but does not fundamentally alter their behavior. Incremental products refer to slight modifications of existing products, enhancing features or performance without dramatically changing how consumers engage with them. In summary, a discontinuous product stands out as a true innovation that introduces a new category, thereby confirming its designation as a product invention.

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