Marketing Core SAMPLE

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1. Which pricing strategy best helps maximize profit when a company faces multiple competitors offering similar products?

A. Price skimming to capture early adopters at a premium
B. Penetration pricing to undercut the market and maximize volume
C. Psychological pricing to create perceived value
D. Dynamic pricing based on real-time supply-and-demand data

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2. In developing a global marketing strategy, companies should primarily focus on:

A. Standardizing products to reduce manufacturing costs in all markets
B. Tailoring global campaigns to meet diverse cultural norms and regulations
C. Eliminating local marketing channels to maintain strict brand control
D. Outsourcing brand management entirely to local distributors

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3. A marketing audit that reveals continuous performance shortfalls, coupled with strong customer dissatisfaction, might indicate the need for:

A. Incremental adjustments to the existing marketing plan
B. A complete overhaul of the product line and brand identity
C. Cutting all promotional activities until the next fiscal year
D. Restricting credit terms to reduce accounts receivable risk

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4. A company that invests heavily in data analytics and CRM platforms most likely aims to improve:

A. Product quality by reducing defective materials in production
B. Distribution logistics to reduce shipping costs
C. Profit margins solely by cutting advertising budgets
D. Customer retention and individualized marketing efforts

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5. When a product enters the maturity stage of the product life cycle, a marketer’s primary challenge is:

A. Generating awareness for a completely unknown product
B. Innovating product features to differentiate from competitors
C. Slashing production costs at the expense of quality
D. Eliminating all distribution channels to reduce overhead

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6. In a marketing plan, setting clear and measurable objectives is crucial because:

A. Objectives replace the need for contingency plans
B. It ensures that financial reports are no longer necessary
C. They provide a benchmark against which performance can be evaluated
D. Only quantifiable data is admissible in a strategic review

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7. A primary benefit of implementing a strong brand equity strategy is:

A. Reducing the need for customer feedback channels
B. Creating price inelasticity in the eyes of loyal consumers
C. Eliminating the cost of celebrity endorsements
D. Shortening product distribution channels significantly

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8. The fundamental difference between a corporate vision statement and a corporate mission statement is that a vision statement:

A. Specifies the year-end profit goals
B. Emphasizes short-term operational tasks
C. Outlines the company’s long-term aspirational direction
D. Serves as a legal document to comply with government regulations

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9. A restaurant chain’s brand extension into gourmet frozen entrées is most likely to fail if:

A. The chain invests in advanced cooking technologies
B. The chain’s brand image is strongly tied to dine-in experiences only
C. Packaging design clearly displays the brand’s logo and brand colors
D. The chain uses organic ingredients to differentiate the product

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10. When conducting a SWOT analysis, a new competitor’s market entry is typically categorized as a(n):

A. Internal weakness
B. External threat
C. External opportunity
D. Internal strength

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11. Under what circumstance might a market follower strategy be more advantageous than a market leader strategy?

A. When the cost of innovation is so high that immediate returns are certain
B. When the brand has significant surplus cash reserves to lead the market
C. When the market leader’s product flaws open a clear path to differentiation
D. When consumers are highly loyal to established brands with minimal turnover

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12. A major corporation uses product portfolio analysis to prioritize resource allocation. This approach is often associated with:

A. Undifferentiated marketing strategies
B. The BCG Growth-Share Matrix or similar frameworks
C. Purely qualitative focus groups rather than quantitative data
D. Customer co-creation processes exclusively

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13. During a severe economic downturn, which promotional tool is most cost-effective for maintaining brand loyalty?

A. High-budget national television advertisements
B. Out-of-home (billboard) campaigns in major cities
C. Email marketing campaigns targeted at current customers
D. Global trade show appearances requiring large travel budgets

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14. A key factor in developing an integrated marketing communications (IMC) program is:

A. Segmenting product lines based on production cost alone
B. Delivering consistent messages across all touchpoints
C. Focusing on one advertising medium to reduce noise
D. Using separate brand logos for each product category

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15. When using a dynamic pricing model in e-commerce, companies must be cautious to avoid:

A. Completely transparent algorithms to maintain customer trust
B. Overpricing items during periods of low demand
C. Becoming subject to allegations of price discrimination or unfair practices
D. Scaling up logistics capacity simultaneously with marketing campaigns

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16. The primary function of a marketing information system (MIS) is to:

A. Automate production scheduling and inventory management
B. Generate and organize data that informs strategic marketing decisions
C. Create employee onboarding documents for newly hired sales reps
D. Replace all human judgement with AI-driven analytics

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17. Exclusive distribution is typically used for:

A. Low-cost, commodity items requiring mass availability
B. High-end products that need to maintain prestige and brand control
C. New businesses lacking extensive market penetration
D. Sales promotions that last only for a single weekend

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18. A major ethical concern in influencer marketing arises when:

A. The influencer's posts include disclaimers regarding sponsored content
B. The influencer uses multiple social media platforms
C. The influencer fails to disclose brand sponsorships to their audience
D. The influencer aligns the product with their personal brand values

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19. Which of the following is the best example of a push strategy in channel distribution?

A. Offering steep discounts directly to end consumers
B. Persuading retailers and wholesalers to carry more stock through trade promotions
C. Establishing an online store to sell directly to the consumer
D. Implementing coupons and targeted digital ads to end users

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20. A marketing manager evaluating the success of a multi-channel campaign should primarily look at:

A. The number of creative designers assigned to the campaign
B. Immediate production savings in manufacturing facilities
C. Conversion rates, customer engagement, and return on ad spend
D. Retired product lines unrelated to the campaign focus

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21. Which of the following is the least effective market segmentation approach for a niche B2B product?

A. Segmentation by company size and industry vertical
B. Segmentation based on clients' budget cycles and purchasing frequency
C. Segmentation by personal lifestyles and recreational preferences
D. Segmentation by geographic regions relevant to supply chain logistics

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22. Firms that adopt a relationship marketing philosophy are most likely to:

A. Focus solely on acquiring new customers regardless of retention
B. Offer incentives that encourage frequent, repeat purchases
C. Standardize their communications with customers to save costs
D. Refrain from integrating customer feedback into product development

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23. A company decides to utilize cost-plus pricing for a new product launch. One major drawback is:

A. It almost guarantees a first-mover advantage
B. It fails to account for customer demand and perceived value
C. It results in excessive discounting under all market conditions
D. It violates international trade regulations in most countries

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24. To protect brand reputation, a company facing a social media crisis should:

A. Immediately shut down all social media channels to avoid negative comments
B. Issue a swift apology and transparent plan of action to resolve the issue
C. Shift blame to consumers for misusing the product
D. Suspend customer service responses to reduce liabilities

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25. When planning an international expansion, the greatest challenge in localizing a marketing campaign often involves:

A. Conversion of currency when quoting product prices
B. Adapting to cultural nuances and linguistic differences
C. Meeting domestic environmental regulations for packaging
D. Hiring only local nationals for upper management positions

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26. A successful product repositioning often hinges on:

A. Maintaining the original packaging to avoid customer confusion
B. Neglecting target audience research to quickly penetrate the market
C. Communicating updated value propositions that resonate with evolving consumer needs
D. Applying a universal marketing message to maintain brand consistency worldwide

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27. A comprehensive marketing plan typically includes a situational analysis, which involves:

A. Focusing solely on the strengths within the marketing team
B. Ignoring external factors such as competitor activity and market trends
C. Reviewing market dynamics, competitive landscape, and internal resources
D. Making assumptions without quantifiable data or research

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28. Which type of data is most crucial for segmenting customers based on the benefits they seek from a product?

A. Geographic data
B. Behavioral data
C. Demographic data
D. Psychographic data

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29. In business-to-business (B2B) marketing, the buying process often differs from B2C primarily because:

A. B2B purchases are usually done impulsively with little research
B. B2B purchases involve multiple stakeholders and lengthier decision-making cycles
C. B2B transactions rely solely on online marketplaces like Amazon Business
D. B2B buyers rarely require formal contracts or vendor evaluations

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30. Price elasticity of demand is a critical concept because it:

A. Determines how changes in production costs affect employee wages
B. Shows how a change in a product's price influences consumer demand
C. Reflects a fixed relationship between sales revenue and profit margin
D. Indicates an irrelevant pricing strategy for premium brands

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31. In a marketing research project, the best use of secondary data is:

A. Collecting fresh information through direct consumer surveys
B. Obtaining insights from syndicated research or government databases
C. Guaranteeing intellectual property protection for new product designs
D. Eliminating any need to speak with customers or stakeholders

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32. Which of the following scenarios best exemplifies guerrilla marketing?

A. Buying prime-time TV ad slots during the Super Bowl
B. Sponsoring a major sports league for continuous brand exposure
C. Deploying bold, unconventional street-level campaigns that generate buzz
D. Utilizing only pay-per-click ads for targeted audiences online

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33. When creating a corporate social responsibility (CSR) initiative, marketers should ensure that:

A. The CSR efforts are well-aligned with the company's brand values and mission
B. The CSR initiative primarily benefits executive bonuses
C. The program is concealed from the public to avoid scrutiny
D. Funds allocated to CSR come from the R&D budget

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34. An example of a marketing metric that helps measure brand health over time is:

A. Daily website traffic fluctuations
B. Conversion rate during a weekend sale
C. Brand awareness index and net promoter score (NPS)
D. Number of distribution centers in international markets

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35. Cross-functional teams are utilized in product development primarily to:

A. Reduce the complexity of marketing and product design decisions
B. Eliminate the need for project management software

C. Ensure diverse perspectives and expertise shape the product's success
D. Minimize the involvement of key stakeholders to accelerate decisions

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36. If a luxury goods manufacturer introduces an "affordable" product line, the biggest risk is:

A. Gaining access to a broader market share
B. Diluting the brand's premium positioning in the eyes of consumers
C. Strengthening consumer loyalty across different market segments
D. Building better relationships with discount retail channels

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37. A differentiator of cause marketing campaigns compared to general promotions is:

A. They ignore demographics and psychographics altogether
B. They involve partnerships with charitable or nonprofit organizations
C. They focus on discount-driven impulses rather than emotional resonance
D. They bypass ethical considerations to maximize brand exposure

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38. Which of the following is NOT typically a focus of strategic channel management?

A. Selecting retail partners or distributors
B. Monitoring channel member performance and relationships
C. Determining short-term share price fluctuations
D. Managing conflict between channel members effectively

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39. The concept of customer lifetime value (CLV) is vital because it:

A. Measures how many customers click on an online advertisement once
B. Calculates the total revenue expected from a customer over the duration of the relationship
C. Focuses only on a single transactional sale rather than repeat business
D. Ignores customer churn rates and focuses on new customer acquisition

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40. In developing an omnichannel retail strategy, a core principle is to:

A. Provide a seamless and consistent customer experience across all platforms
B. Restrict mobile-friendly features to limit development costs
C. Prioritize physical store inventory over e-commerce channels
D. Segment marketing efforts separately for each channel to reduce confusion

41. A brand manager seeking to improve the perceived quality of a product line could:

A. Eliminate expensive packaging to reduce production costs
B. Remove positive social proof and reviews to appear neutral
C. Partner with third-party organizations for product certifications and endorsements
D. Rely solely on word-of-mouth marketing without official branding efforts

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42. What is the key purpose of a break-even analysis in marketing?

A. To determine how many units must be sold to cover costs before profit begins
B. To forecast future macroeconomic trends for long-term planning
C. To predict consumer psychographic changes
D. To track market share relative to key competitors

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43. The concept of push-pull supply chain management is primarily designed to:

A. Eliminate the need for vendor-managed inventory systems
B. Increase synergy between real-time demand data (pull) and production scheduling (push)
C. Limit supply chain planning to top-level executives
D. Allow retailers to only stock inventory once a year

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44. In a high-context culture, effective marketing communication often relies on:

A. Direct and explicit messaging focusing on factual details
B. Building relationships and trust before transactional outcomes
C. Using standardized global advertising slogans across all markets
D. Imposing a single-language marketing campaign globally

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45. In brand architecture, a “house of brands” approach means that:

A. All products share a single brand name for maximum recognition
B. The company invests in multiple, distinct brands under one corporate umbrella
C. The corporate brand identity is always more visible than individual product brands
D. Brand extension is impossible due to strict naming conventions

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46. Marketing channels that rely heavily on personal selling, such as B2B consultative services, benefit most from:

A. Automated chatbots that replace human interaction
B. Detailed product brochures without any personal follow-up
C. Relationship-building, solution-oriented sales approaches
D. Aggressive cold-calling campaigns focusing on mass outreach

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47. Which of the following demonstrates a proactive approach to competitor analysis?

A. Ignoring competitor moves until quarterly earnings reports are published
B. Developing reactive strategies only after a competitor launches a new product
C. Continuously scanning the competitive landscape to anticipate market shifts
D. Decreasing R&D budgets to match competitors' spending levels

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48. In leading a marketing team through organizational changes, a manager should:

A. Micromanage each individual's tasks to ensure compliance
B. Provide a clear vision, maintain transparency, and offer relevant training
C. Restrict feedback channels so that decisions remain centralized
D. Delegate all strategic decisions to external consultants

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49. A balanced scorecard approach to organizational performance measurement typically examines:

A. Only financial measures and capital expenditures
B. Customer satisfaction, internal processes, financials, and learning/growth
C. Outsourced processes, contract negotiations, and government compliance
D. Industry-wide benchmarks that exclude financial data

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50. A critical role of the board of directors in a public corporation is:

A. Micro-managing the day-to-day activities of frontline employees
B. Eliminating the CEO's input on financial decisions
C. Hiring, evaluating, and potentially firing the CEO
D. Creating individual employee performance reviews

Answer Key

1. Answer: D

- Explanation: Dynamic pricing allows companies to continuously adjust prices based on current market conditions, maximizing profit amid similar competitor offerings.

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2. Answer: B

- Explanation: A truly global strategy must be sensitive to diverse cultural norms and regulations; simply standardizing everything often overlooks local preferences.

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3. Answer: B

- Explanation: Persistent shortfalls and dissatisfied customers usually signal the need for a complete overhaul—minor tweaks won't address fundamental performance issues.

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4. Answer: D

- Explanation: CRM platforms help personalize customer interactions and foster loyalty, which improves customer retention through targeted, data-driven marketing.

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5. Answer: B

- Explanation: In maturity, products face fierce competition; innovation or improved features help maintain differentiation and market share.

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6. Answer: C

- Explanation: Objectives offer clear benchmarks; without them, a company cannot properly measure or evaluate marketing performance.

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7. Answer: B

- Explanation: Strong brand equity makes consumers less price-sensitive, allowing premium pricing and steadier profit.

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8. Answer: C

- Explanation: Vision statements look toward the future, articulating a company's long-term aspirations, while mission statements are more about present operations.

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9. Answer: B

- Explanation: If customers only associate the brand with a specific dining experience, frozen entrées can confuse or undermine the original brand identity.

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10. Answer: B

- Explanation: New market entrants are external to the company and can threaten existing market share or profitability, so they are categorized as an external threat.

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11. Answer: C

- Explanation: Followers can exploit leader missteps. When a leader's product is flawed, a follower can step in with a differentiated solution at lower risk.

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12. Answer: B

- Explanation: Companies often use frameworks like the BCG Matrix (stars, cash cows, etc.) to allocate resources effectively across product lines.

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13. Answer: C

- Explanation: During economic downturns, maintaining relationships cost-effectively can be done via email, which is cheaper than large-scale media or in-person events.

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14. Answer: B

- Explanation: IMC aligns all communication channels—advertising, PR, digital, personal selling—so the message stays uniform and reinforces brand identity.

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15. Answer: C

- Explanation: Dynamic pricing that discriminates among customers without transparency can lead to backlash or even legal scrutiny.

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16. Answer: B

- Explanation: An MIS gathers and organizes marketing data (e.g., sales reports, market research) to guide informed decision-making.

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17. Answer: B

- Explanation: Exclusive distribution is common for premium or luxury goods that must preserve an elite brand image and control over how products are sold.

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18. Answer: C

- Explanation: Ethical guidelines require influencers to disclose sponsored relationships. Failing to do so can mislead audiences and harm trust.

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19. Answer: B

- Explanation: A push strategy uses incentives for retailers/wholesalers to stock products, thereby “pushing” them through the channel.

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20. Answer: C

- Explanation: Conversion rates, engagement, and return on ad spend (ROAS) give clear, quantifiable measures of campaign effectiveness.

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21. Answer: C

- Explanation: Segmenting a niche B2B offering by consumer lifestyle or hobbies is less relevant than targeting based on business needs or industry.

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22. Answer: B

- Explanation: Relationship marketing focuses on nurturing ongoing loyalty and retention, often by providing special rewards or loyalty programs.

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23. Answer: B

- Explanation: Cost-plus pricing overlooks what consumers might be willing to pay or how competitive pricing strategies affect demand.

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24. Answer: B

- Explanation: Quick, transparent communication shows accountability. Apology and corrective actions help mitigate negative sentiment.

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25. Answer: B

- Explanation: Localizing a campaign typically requires cultural and language adaptations—merely converting currency or meeting regulations isn't enough.

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26. Answer: C

- Explanation: Repositioning must address changing consumer tastes; updating value propositions ensures the product remains relevant and appealing.

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27. Answer: C

- Explanation: A situational analysis assesses internal and external factors (market conditions, competition, organizational capabilities) to guide strategy.

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28. Answer: B

- Explanation: Behavioral data captures how consumers use or respond to a product, clarifying which benefits they prioritize.

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29. Answer: B

- Explanation: B2B buying often involves multiple decision-makers (e.g., procurement, finance, end users) and a longer, more formal buying process.

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30. Answer: B

- Explanation: Elasticity measures how price changes influence the quantity demanded, shaping how brands adjust pricing strategies.

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31. Answer: B

- Explanation: Secondary data from sources like industry reports or government statistics can provide context without requiring new research efforts.

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32. Answer: C

- Explanation: Guerrilla marketing uses unexpected, creative, often lower-cost tactics to generate buzz and word-of-mouth at street level or online.

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33. Answer: A

- Explanation: Effective CSR aligns with brand values to create genuine community impact and bolster a positive brand image.

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34. Answer: C

- Explanation: Brand awareness and net promoter score track the overall perception of a brand and likelihood of recommendation over time.

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35. Answer: C

- Explanation: Bringing together different departments ensures multi-perspective input, making final products more robust and market-fit.

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36. Answer: B

- Explanation: Expanding into lower-priced goods can erode the luxury aura and alienate consumers seeking exclusivity and high-status products.

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37. Answer: B

- Explanation: Cause marketing campaigns usually partner with a nonprofit to tie a social cause to product promotions, generating goodwill and awareness.

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38. Answer: C

- Explanation: Strategic channel management centers on retailer/distributor partnerships and conflict resolution, not daily share price fluctuations.

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39. Answer: B

- Explanation: CLV calculates total expected revenue from a customer relationship, highlighting the financial impact of retention versus acquisition.

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40. Answer: A

- Explanation: Omnichannel requires seamless integration—customers should have the same brand experience and service quality no matter the platform.

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41. Answer: C

- Explanation: Independent certifications and endorsements add credibility, reinforcing perceptions of quality in consumers' minds.

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42. Answer: A

- Explanation: A break-even analysis shows how many units must be sold before all costs are covered, a fundamental pricing and financial planning tool.

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43. Answer: B

- Explanation: Push-pull aligns production (push) with real-time demand data (pull) to reduce inventory costs and meet customer needs efficiently.

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44. Answer: B

- Explanation: High-context cultures rely on relationship-building, nonverbal cues, and trust; direct, explicit communication is less effective.

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45. Answer: B

- Explanation: A "house of brands" maintains multiple stand-alone brands (often with distinct names and positioning) under one corporate owner.

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46. Answer: C

- Explanation: In high-value B2B sales, building trust and proposing customized solutions is more effective than purely transactional approaches.

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47. Answer: C

- Explanation: A proactive competitor analysis means continuously monitoring the market, so the company stays ahead of emerging threats and opportunities.

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48. Answer: B

- Explanation: Effective change leadership involves clarity, transparency, and strong support, enabling teams to adapt while remaining motivated.

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49. Answer: B

- Explanation: The balanced scorecard incorporates financial measures, internal processes, customer perspectives, and organizational learning.

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50. Answer: C

- Explanation: The board hires and oversees the CEO, ensuring leadership is effective and aligned with shareholder and organizational objectives.