

F11 130 Study Guide for First Exam

OVERVIEW OF EXAM STRUCTURE AND PRIORITIES

The first exam will have **four** sections and will be worth a total of 40 points, with the sections and approximate point values listed below. Each section has a separate “bullet.”

- Material from the only set of notes for first exam on roman numeral heading “**II.**” This topic starts on page 6 of these notes and ends on page 11 (Although I am not going to **directly** test you on the lecture material in the first five-plus pages, this material must be carefully read and understood because it is important background material to the material under “II.”). The focus here is on when and why sales/cost tradeoffs exist and when and why they do not exist. If they do not exist, you need to know when and why the result is positive and when and why it is negative. Related to this, you need to be prepared to go through each element of the marketing mix (product, price, promotion, and place), along with each **pair** of the three target market strategies (concentrated, undifferentiated, and differentiated), and explain when and why the sales/cost tradeoff exists, when and why it is positive when this tradeoff does not exist, and when and why it is negative when this tradeoff does not exist. I encourage you to integrate some of your own ideas here in addition to the points in the lecture notes. For example, as I say on page 10, sales may not increase with the attempt to increase customer satisfaction due to a quick and effective competitive response. Think about how easy or difficult it is for competition to quickly respond with each part of the marketing mix (or each of the 4 Ps).

This portion of the exam will be worth **about** 12 points. A few sample questions are below, but you need to realize that I probably will ask a narrower question on the exam than any of the below ones. More specifically, a question on an exam is likely to ask one of the below type questions with only one or two specified components of the 4 Ps, rather than asking you in one question about all four components of the 4 Ps.

1. Fully explain why a cost/sales tradeoff exists between the **market target strategy** option that generates the **most** sales revenue and the **market target strategy** option that generates the **second highest** sales revenue. Fully explain why a cost/sales tradeoff exists between the **market target strategy** option that generates the **second highest** sales revenue and the market target strategy option that generates the **least** sales revenue.

With which one of the 4 Ps is a cost/sales tradeoff **MOST** likely to exist? Explain why a cost/sales tradeoff is more likely to exist with this one P than with each of the remaining three Ps. (Note that you need to do a **separate** comparison of the one P that you select to each of the remaining three Ps to answer this question.)

With which one of the 4 Ps is a cost/sales tradeoff **LEAST** likely to exist? Explain why a cost/sales tradeoff is less likely to exist with this one P than with each of the remaining three Ps. (Note that you need to do a **separate** comparison of the one P that you select to each of the remaining three Ps to answer this question.)

2. Explain why the attempt to increase comparative customer satisfaction may not result in an increase in sales. Separately, with each of the 4 Ps, discuss when and why it is possible for this attempt to be unsuccessful in increasing sales. With which one of the 4 Ps is this failure most likely to occur and with which one of the remaining 3 Ps is this failure least likely to occur? Explain your reasoning.

Separately, with each of the 4 Ps, discuss when and why it is possible to get a sales increase without, at the same time, having a cost increase. With which one of the 4 Ps is this most likely to occur and with which one of the remaining 3 Ps is this least likely to occur? Explain your reasoning.

Separately, with each of the 4 Ps, discuss when and why it is possible to get a cost increase, without, at the same time, having a sales increase. With which one of the 4 Ps is this most likely to occur and with which one of the remaining 3 Ps is this least likely to occur? Explain your reasoning.

- Material from the first two chapters in your custom published text. The first chapter is entitled “Marketing: Creating and Managing Customer Value” and the second chapter is entitled “Managing Marketing Information to Gain Customer Insights.” For short, I refer to this as the “marketing research” chapter.

This section of the exam will be worth **about** 9 points. The question from this section will be similar or even identical to one of the below questions or possibly a combination of more than one of the below questions.

1. Figure 1 on page 6 of your text describes the steps in the marketing process. This figure certainly is appropriate if the **marketing concept** is followed. However, how would this process be different if the **production concept** is followed? Explain your reasoning.
2. What are the **differences** between the way a large chain **retailer**, such as Safeway, tries **manage customer relationships** and the way a large **producer**, such as Proctor and Gamble tries to manage customer relationships? Explain why these differences exist. This question requires a lot of thought. Although the entire chapter has some relevance to this question, the section on “Building Customer Relationships” is the section that is most directly relevant.

How does the concept of managing customer relationships change the nature of the market target? Explain your reasoning.

3. Describe three of the types of **competitive marketing intelligence** that you think are usually unethical. Explain your reasoning, realizing that you have to think carefully about why marketing actions may be unethical.

Considering both the probability of getting **accurate** information and the **relevance** of the information, identify two types of **competitive marketing intelligence** that you think are highly effective. Fully explain your reasoning, making sure to talk

about both the accuracy and the relevance of each type of marketing intelligence you discuss.

4. Which **contact method** involving primary data collection is most appropriate to use with **exploratory** research? Explain why this contact method is more appropriate to use with **exploratory** research than **survey** research would be to use with exploratory research.

Which one of the three research **approaches/objectives** is used most often and widely? Explain why this approach is used more widely than each of the other two research approaches/objectives. (The three approaches/objectives are exploratory, descriptive, and causal research.) Explain how and why these three approaches (exploratory, description, and causal) would be used **together** or in combination in the same research study.

Which one of the three primary data collection approaches (observation, surveys, experiments) tends to be used most often and which one of the remaining two tends to be used least often? Explain your reasoning, based on a careful evaluation of each of these three primary data collection approaches

Which one of the three primary data collection **approaches** (observation, surveys, or experiments) tends to be used with **causal** research? Use your own specific example to describe how this primary data collection approach is used with causal research.

5. What are the **differences** in **sampling** and **questioning** between methods of primary data involving a “**survey**” (mail, telephone, online, and personal interview) and a **focus-group** interview? Explain why each difference exists.
 6. What are the limitations of **secondary** data? Explain why these limitations exist. Based on these limitations, should the search for secondary data even be attempted? Explain your reasoning. When secondary data is used, do you think it is usually used by itself or do you think it is usually used in combination with **primary** data? Explain your reasoning.
- Material from chapter entitled “Understanding Consumer and Business Buyer Behavior”

This section will be worth **about** 9 points and the question will be similar or identical to one of the below questions.

1. To what extent do the **cultural** factors discussed in the consumer/business behavior chapter **overlap** with the **social** factors to influence consumer behavior? Thoroughly explain your reasoning.
2. Fully describe the **two stages** in the **adoption process** that might be **reversed in sequence**? With what **types** of **products** might these two stages be reversed in sequence? Fully explain your reasoning with each part of the question.

What are the a) **similarities** and b) **differences** between the 1) consumer **buying decision process** and the 2) consumer **adoption process**? Explain your reasoning in each instance,

Identify a product that has had a very **fast** rate of adoption and use an analysis of the five factors that influence the rate of adoption to explain why this product had a fast rate of adoption. Also identify a successful product that has had a much **slower** rate of adoption and again use the five factors to explain why this product had a slow rate of adoption.

3. Use the text's discussion of the **characteristics of business markets** and of **business buying behavior** to determine whether a) **personal selling** or b) **advertising** is a **more important** promotional tool in communicating to and with **business buyers**. Thoroughly explain your reasoning, making sure you integrate a discussion of the relevant characteristics into your answer.
 4. Based upon a careful comparison of a) "characteristics affecting **consumer** behavior" from the beginning of the chapter to the b) "major influences on **business buyers**" from the end of the chapter, what characteristics influence **both types** of buyers? Explain your reasoning. What characteristics influence **business buyers** but do **not** influence **consumers**? Explain your reasoning. What characteristics influence **consumers** but **not business buyers**? Still again, explain your reasoning. (**Hint**: At least one common characteristic might exist even though different labels are used for it with consumers than with business buyers so think carefully and look beyond the labels in answering this question.)
- Material from chapter entitled "Customer-Driven Marketing Strategy: Creating Value for Target Customers

This section will be worth **about 9** points with the question being similar or identical to one of the below questions.

1. Evaluate both **benefit** sought segmentation and **demographic** segmentation on each of the **five requirements** of effective segmentation.
2. Of the types of **behavioral** segmentation, describe the type that is most useful in predicting the degree of success in attracting **competitive** customers, explaining your reasoning for the type selected. Describe the **two** of the remaining types of behavioral segmentation that are most useful in predicting what **brands** a person will purchase, again explaining the reasoning for your selection
3. At the end of the text's discussion of the three market coverage strategies (differentiated, differentiated, and concentrated), it identifies **five factors** that are used to determine which **market coverage strategy** should be used, Use four of these five factors to explain when to use a **differentiated** market coverage strategy. How likely is it that these factors will actually occur in the real-world? Explain your reasoning.

4. The first of the three factors used to evaluate market segments, “**segment size and growth**,” suggests that **larger** and **growing** market segments are more appropriate for market targeting than **smaller** and **stable** segments. Use the **two remaining** factors and **subfactors** used to evaluate market segments to explain why it might be more appropriate to target a **smaller and stable segment** than a larger and growing segment.
5. Evaluate Southwest Airlines positioning strategy on the **criteria** used to determine which differences to use in **positioning** and promotion. Fully explain your reasoning for your evaluation on each criterion. Your evaluation must start with an understanding of each of the relevant criteria discussed in the chapter pertaining to positioning.