



Competency-Based
Competitive Events
Written Exam

Test Number 1340
Booklet Number _____

Marketing Cluster Exam

AAM - Apparel and Accessories Marketing Series Event
ASM - Automotive Services Marketing Series Event
BSM - Business Services Marketing Series Event
BTDM - Buying and Merchandising Team Decision Making Event
FMS - Food Marketing Series Event
IMCE - Integrated Marketing Campaign–Event
IMCP - Integrated Marketing Campaign–Product
IMCS - Integrated Marketing Campaign–Service
MCS - Marketing Communications Series Event
MTDM - Marketing Management Team Decision Making Event
PSE - Professional Selling Event
RMS - Retail Merchandising Series Event
SEM - Sports and Entertainment Marketing Series Event
STDM - Sports and Entertainment Marketing Team Decision Making Event

INSTRUCTIONS: This is a timed, comprehensive exam for the occupational area identified above. Do not open this booklet until instructed to do so by the testing monitor. You will have 90 minutes to complete all questions.

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1. Luke, a product manager, is torn between using an attractive, durable packaging material that is not biodegradable versus choosing a less attractive and less durable material that is recyclable. Luke is facing an ethical issue related to
 - A. safety of materials.
 - B. hazard warnings.
 - C. product size.
 - D. environmental impact.
2. A law is passed that explicitly bans the use of texting while driving but makes no mention of other communication methods. Braddock, aware of the specific wording, instead uses his phone to FaceTime his friend during his drive to school. Braddock is
 - A. violating the spirit but not the letter of the law.
 - B. violating the letter but not the spirit of the law.
 - C. violating the law completely.
 - D. following the law completely.
3. Which of the following is an example of a post-sale opportunity:
 - A. Asking the customer what brings them into the store today
 - B. Thanking the customer for their purchase
 - C. Ensuring the order is processed successfully without any delay
 - D. Explaining the unique features of a product
4. Elizabeth is having a conversation with her friend in a coffee shop. Elizabeth idly scrolls on her phone while her friend talks because it helps her listen attentively. However, the conversation quickly dies as her friend seems irritated with Elizabeth. Which of the following describes Elizabeth's mistake:
 - A. Not demonstrating that she was listening
 - B. Not interrupting her friend with questions
 - C. Not listening to understand
 - D. Not paraphrasing her friend's points
5. What is the primary role of the Federal Trade Commission (FTC) concerning marketing and promotional activities in the United States?
 - A. To prevent businesses from engaging in deceptive practices
 - B. To regulate product packaging and labeling, ensuring ingredient lists are accurate
 - C. To approve all commercial scripts before they air to ensure quality
 - D. To set the national price minimums for all goods and services
6. Which component of the S.M.A.R.T. goal framework ensures that a personal marketing objective includes a clear endpoint and a deadline for completion?
 - A. Specific
 - B. Time-bound
 - C. Measurable
 - D. Achievable

7. Robert, an analyst for a large frozen yogurt company, carries out an environmental scan and concludes there is an increasing demand for low-fat, vegan froyo. The company implements a one-year plan to meet this demand. Which of the following statements is most accurate:
- A. Robert should perform another scan at the end of the year.
 - B. Robert should continuously scan the environment.
 - C. Robert should scan the environment once every six months.
 - D. Robert does not need to perform another environmental scan.
8. Why should employers care about employee stress?
- A. More stress leads to greater employee turnover.
 - B. Less stress leads to greater healthcare costs.
 - C. More stress leads to lower absenteeism.
 - D. Less stress leads to lower productivity.
9. A local diner's marketing manager regularly uses short social media videos featuring viral trends to promote the restaurant. This approach is an example of a company crafting a distinct
- A. brand value.
 - B. brand personality.
 - C. public brand.
 - D. private brand.
10. Holler of Responsibility, a new video game, gets a Mature rating before it is released in stores. As a result, the game is most often bought by adult gamers, rather than parents or younger audiences. This is an example of an industry rating
- A. determining the price of a product.
 - B. indicating who the user should be.
 - C. indicating the quality of a product.
 - D. determining the budget for a product.
11. Which of the following best describes initiative:
- A. Personal trait
 - B. Coding language
 - C. Collaborative software
 - D. Life motto
12. Which of the following technologies is most directly used by a marketing department for the collection and analysis of primary data in the marketing-information management function:
- A. Survey software
 - B. Customer relationship management software
 - C. Point-of-sale software
 - D. Enterprise resource planning software

13. Fresh Grounds, a coffee chain, creates a display near the checkout counter offering customers a free pastry with the purchase of a large latte. The offer expires at the end of the week. What primary communication channel is the free pastry offer utilizing?
- A. Direct mail marketing
 - B. Public relations
 - C. Mass media advertising
 - D. Sales promotion point-of-purchase display
14. A group of potential investors is choosing between two entertainment companies to invest in. Upon examination of both companies' financial information, they discover that each uses a completely different set of standards. This makes it difficult to see how one company stacks up against the other. This scenario best illustrates the need for financial information to be
- A. timely.
 - B. relevant.
 - C. comparable.
 - D. accurate.
15. Kevin hosted a game night and forgot to invite his friend Veronica. He didn't mean to, but he was so busy that he didn't stop to think through how his actions might affect others. Now, Veronica is hurt and isn't speaking to him. What negative consequence is Kevin experiencing because he didn't assess the impact of his actions?
- A. Negative impact on society
 - B. Limited personal growth
 - C. Damage to personal relationships
 - D. Improved self-awareness
16. Which of the following is an example of a unique or exclusive benefit:
- A. A printer has a large display screen.
 - B. A coffee is made with organic coffee beans.
 - C. A car is painted an aesthetically pleasing color.
 - D. A gym offers a free massage with membership.
17. Pit Bullies, a dog toy store, creates a plan to expand its target market. Based on historical data, management predicts this strategy will generate a 12% growth in revenue in the next eight weeks. This prediction is an example of
- A. market segmentation.
 - B. positioning.
 - C. sales forecasting.
 - D. market share analysis.
18. In an advertisement, the copy refers to which component?
- A. The visual image or illustration used to attract attention
 - B. The headline that states the primary benefit
 - C. The written text in the main body of the ad
 - D. The logo, tagline, or signature that identifies the brand

19. Coca-Cola divides its market based on usage occasions and consumption patterns. This is an example of _____ segmentation.
- A. demographic
 - B. behavioral
 - C. geographic
 - D. psychographic
20. Buying a ticket to Magic Land Amusement Park requires an additional purchase of a ticket to Magic Land's water park, Splash Jungle. This purchasing arrangement is known as
- A. market power.
 - B. a tying agreement.
 - C. full line forcing.
 - D. price discrimination.
21. Techno is launching a new video game console. To determine the final selling price to consumers, the marketing team calculates the total cost of materials, labor, and overhead, and then adds a standard 25% markup. Which factor affecting pricing decisions is the company primarily relying on to set the price?
- A. External competition
 - B. Internal cost structure
 - C. Internal marketing objectives
 - D. External economic conditions
22. When evaluating the quality of a secondary research source, which factor is the most critical indicator of its reliability?
- A. The objectivity of the source
 - B. The time it took to collect the data
 - C. The price paid for the information
 - D. Whether the information is available online or in print
23. A manufacturer works with several intermediaries to deliver products to the consumer. This manufacturer is using _____ distribution.
- A. industrial
 - B. consumer
 - C. direct
 - D. indirect
24. What is the best way to reduce observer bias and ensure data reliability during a field study?
- A. Collecting as much data as possible in a short time
 - B. Focusing on the emotional states of subjects
 - C. Implementing standardized behavioral checklists
 - D. Relying on a single person's observations

25. What characteristic of useful marketing information requires the correct amount of information, neither too little nor too much data, to be of the most use?
- A. Accuracy
 - B. Sufficiency
 - C. Relevancy
 - D. Accessibility
26. Organizations that model ethical behavior are likely to have
- A. loyal customer bases.
 - B. competitive cultures.
 - C. fewer employees.
 - D. weak reputations.
27. A household goods manufacturer is in a dispute with its primary retailer over the rate for its washing machines. This scenario best describes _____ conflict.
- A. internal
 - B. multiple-channel
 - C. horizontal
 - D. vertical
28. A marketing team successfully implements time management techniques. Which of the following is the most direct and immediate benefit they are likely to experience:
- A. Decreased stress and improved work quality
 - B. Increased market share
 - C. Reduced operating costs
 - D. Automated marketing campaign deployment
29. Van's team wants to generate new product ideas, and he is asked to be the session facilitator. Which of the following best describes Van's role in the session:
- A. Listen to the discussion, answer questions if asked, and ask questions when confused.
 - B. Lead the discussion, introduce the opening topic, and ask clarifying questions.
 - C. Take notes on the session, ask clarifying questions, and save notes for the next session.
 - D. Be the sole speaker, give a presentation, and hold votes on his ideas.
30. Michael, a marketing manager, asks, "Why is our market share dropping in the northeast region?" Michael's question is an example of a _____ decision problem.
- A. strategy-oriented
 - B. demographic-oriented
 - C. discovery-oriented
 - D. clustered

31. Melissa, a market researcher, includes the following question on a survey about buying habits: "Do you favor or oppose the acquisition of contemporary services via an accelerated, non-tangible financial instrument?" What is the main problem with Melissa's question?
- A. It focuses on a topic that is too personal and sensitive for a public survey.
 - B. It uses unfamiliar, technical terminology and complex sentence construction.
 - C. It is a leading question that influences the respondent toward a specific answer.
 - D. It is a double-barreled question that asks about two different concepts simultaneously.
32. Digiviz, a technology company, develops and launches an innovative virtual reality suit. To offset the costs of development, marketing, and launching the product, the company sets the initial price at \$700. After several months, it drops the price to \$550. Digiviz used a _____ strategy.
- A. bundling
 - B. price skimming
 - C. promotion
 - D. penetration pricing
33. How can long-lasting unemployment impact multiple generations?
- A. It can stimulate the economy, keeping businesses in production and other workers employed.
 - B. It can harm an individual's mental and physical health.
 - C. It can cause a person's skills to become rusty.
 - D. It can make it difficult for families to pay for higher education for their children.
34. Which of the following is a valid method a purchasing specialist may use to review a potential supplier's credentials:
- A. Analyze the supplier's social media.
 - B. Consult the supplier's references.
 - C. Review the supplier's shareholder meeting minutes.
 - D. Inspect the supplier's secondary office location.
35. Ring-a-Ding, a large phone company, only surveys its existing customers to predict how many new customers will switch to its 5G network. What is the main issue with this sampling method?
- A. The data will be more accurate because the sample group is familiar with the company's brand.
 - B. The data will be biased and likely overestimate the true number of new customers.
 - C. The data will violate federal privacy laws related to unsolicited calls.
 - D. The data will be less expensive to collect because the sample group is smaller.
36. Indigo wants to advertise their company to a wide audience during a particular time of day. Which of the following forms of media would make the most sense for this purpose:
- A. Magazines
 - B. Email
 - C. TV
 - D. Podcasts

37. Which of the following is based on pure opportunity:
- A. Cluster sampling
 - B. Area sampling
 - C. Judgment sampling
 - D. Convenience sampling
38. The main difference between selling and advertising is that selling is _____ than advertising.
- A. less skillful
 - B. less feasible
 - C. more expensive
 - D. more personalized
39. Which of the following activities is a primary function of public relations:
- A. Setting the final price for a new product based on competitor analysis
 - B. Coordinating a press conference to announce a major charitable partnership
 - C. Running a limited-time sale to encourage immediate customer purchases
 - D. Designing the graphics and layout for a new series of paid social media ads
40. Genie Tech is receiving vague complaints about a software bug but does not yet know the specific nature or cause of the problem. To clarify the issue and define the problem more precisely, the company should conduct _____ research.
- A. exploratory
 - B. conclusive
 - C. predictive
 - D. descriptive
41. Darren purchases a phone with an express limited warranty that covers wear and tear, screen cracking, and screen shattering in the first year. Six months after purchase, Darren jumps into a pool with the phone in his pocket, resulting in water damage. What is most likely to happen when Darren makes a warranty claim?
- A. The phone will be repaired.
 - B. Darren will get a refund.
 - C. The warranty will be renewed.
 - D. The claim will be denied.
42. Elphaba is managing a software project with a small team. She takes great care to define the project's scope, deliverables, budget, and timeline. However, some team members miss deadlines, while others lack enthusiasm, and they constantly argue during execution. This results in the project falling behind schedule. Which of the following should Elphaba have done to improve the chances of project success:
- A. Better defined and controlled the scope
 - B. Planned less and prioritized flexibility
 - C. Managed and motivated team members
 - D. Planned for significant changes in technology

43. To fund a business venture, _____ is required.
- A. financial modeling
 - B. financing
 - C. debt funding
 - D. accounting
44. A promotional ad for a health food store claims that the store sells inexpensive and low-calorie products, and uses the latest synthetic dyes. What is the main problem with this ad?
- A. It is too persuasive.
 - B. It is not relevant.
 - C. It is too repetitive.
 - D. It is not appropriate.
45. Renee is browsing a furniture store for a new dining room table. After finding one she likes, she asks the salesperson how it was made. Which of the following responses would be most likely to secure the sale:
- A. "It was handcrafted by a local carpenter."
 - B. "It was built in a high school woodworking class."
 - C. "It was assembled in a factory."
 - D. "It was picked up on the side of the street, I'm not sure."
46. Alok oversees the manufacturing procedures for smart refrigerators. By adding a machine to automate a time-consuming manual fitting process, he increases the speed at which products can be manufactured and reduces the cost per unit. This is an example of _____ innovation.
- A. product
 - B. process
 - C. consumer
 - D. business model
47. Arduin is looking to start investing his money for retirement. Since he is young, he decides to prioritize returns over the long term and minimize risk. Which of the following options would make the most sense for Arduin:
- A. Stocks
 - B. Collectibles
 - C. Real estate
 - D. A mutual fund
48. ProBean, a vegan meal prep service, markets a less expensive meal prep plan to its current customers. After a year, the rollout is found to have underperformed, losing a significant amount of money. What might the company conclude from this experience?
- A. Its customers want the plan to be even cheaper.
 - B. Its customers don't know what they want.
 - C. Its customers do not know about the alternative plan.
 - D. Its customers do not want the alternative plan.

49. In which stage of the product life cycle is the product at its most popular, and competition is at its highest?
- A. Maturity
 - B. Introduction
 - C. Growth
 - D. Decline
50. Bestla, a major technology company, releases an affordable robot that automates time-consuming household chores. The robot is extremely popular. Suppose you are a business analyst preparing a presentation on consumer trends. Which of the following is the most reasonable conclusion regarding this innovation:
- A. Consumers may begin working longer hours and spending less.
 - B. Consumers may have more time for recreation or entertainment.
 - C. Consumers may have less time for recreation or entertainment.
 - D. Consumers may begin working shorter hours and spending more.
51. Which of the following pricing practices is illegal under the Sherman Antitrust Act and similar competition laws:
- A. Price skimming
 - B. Price fixing
 - C. Seasonal discounting
 - D. Loss-leader pricing
52. Frosty's Parlor only sells pints of peach sorbet. This means Frosty's has a _____ product mix.
- A. broad
 - B. long
 - C. deep
 - D. narrow
53. A construction company buys raw materials to build a new office building. The construction company is a(n) _____ user.
- A. industrial
 - B. financial
 - C. first
 - D. end
54. A customer asks Sarah a question about the product she is trying to sell, but Sarah doesn't know the answer. What should she do?
- A. Make an educated guess.
 - B. Change the subject.
 - C. Promote another product.
 - D. Ask her supervisor.
55. A coalition of cybersecurity companies runs an advertisement that strictly focuses on the general need for online security measures, informing consumers of recent data breach dangers and urging them to install a form of protective software on their devices. This is an example of _____ promotion.
- A. institutional
 - B. publicity
 - C. primary product
 - D. secondary product

56. Which of the following scenarios best represents a word-of-mouth (WOM) channel being used to communicate with a targeted audience:
- A. A company posts a sponsored article about its new product on a popular industry news website.
 - B. An organization sends an email campaign to all previous customers announcing a holiday discount.
 - C. A salesperson makes cold calls to a list of potential clients who meet specific demographic criteria.
 - D. A customer who loves a new running shoe tells a track teammate about the shoe's performance.
57. A company positions one of its products on how consistently it performs over time. The company is positioning the product based on its
- A. reliability.
 - B. repairability.
 - C. ease of purchase.
 - D. features.
58. Which of the following is a position within public relations:
- A. Sales agent
 - B. Telemarketer
 - C. Digital marketing specialist
 - D. Media trainer
59. Which of the following is an example of causal research:
- A. A focus group with potential customers
 - B. A survey on video game habits
 - C. A clinical trial for a new medication
 - D. A case study on a new product launch
60. Janelle has a dentist appointment and shows up early because she enjoys the comfortable chairs and viewing the fish tank in the waiting room. These are features of the office's
- A. tangible environment.
 - B. intangible environment.
 - C. customer service.
 - D. reputation
61. Dana, a marketing manager, needs to decide whether to launch a new snack product next month. The team has sales data from the last five years and has just completed a focus group on the product's taste. What is the most appropriate next step in the marketing research process to ensure a timely and reliable decision?
- A. Discard the focus group data because it is considered primary research.
 - B. Immediately launch the product next week to be the first to market.
 - C. Hire an external firm to organize a comprehensive study of consumer eating habits.
 - D. Conduct test marketing to assess actual purchase behavior and sales forecasts.
62. Who analyzes a business's income statement to determine whether it should be granted a loan or cash advance?
- A. Top executives and managers
 - B. Investors
 - C. Creditors
 - D. Lower-level employees

63. Marty's small, local hair salon has a hard time competing with large, inexpensive hair salon franchises. Unable to lower his prices, Marty should engage in _____ competition.
- A. direct
 - B. price
 - C. indirect
 - D. nonprice
64. Which of the following is a benefit of product bundling:
- A. It allows a business to charge more for the same products.
 - B. It can help clear out old or unpopular products.
 - C. Consumers prefer to buy individual products.
 - D. Consumers will not compare the prices of bundled products.
65. Green Guys, a new cereal company, makes cereal that contains enough nutrients to replace an entire meal that would include fruits, vegetables, and protein. The company markets its product as the only meal replacement cereal on the market. In this example, Green Guys is using
- A. brand extension.
 - B. rebranding.
 - C. brand positioning.
 - D. co-branding.
66. Clear communication is required to ensure that products are _____ during a sales promotion.
- A. available
 - B. cheap
 - C. expensive
 - D. returned
67. Namdi, a purchasing agent, is responsible for selecting new snack products for a large grocery chain. A potential vendor offers him an all-expenses-paid trip to a luxury resort. If Namdi accepts the trip, this situation is best described as a(n)
- A. price-fixing agreement.
 - B. breach of confidentiality.
 - C. ethical promotional strategy.
 - D. conflict of interest.
68. Burke's Refreshments airs a new commercial where the visual imagery suggests an energy drink, but the headline emphasizes relaxation, and the call-to-action directs consumers to a fitness supplement website. What is the primary issue with this commercial?
- A. The Federal Trade Commission will flag the ad for deception.
 - B. The brand will have trouble securing celebrity endorsements.
 - C. The creative team used outdated fonts.
 - D. The message is inconsistent and confusing.

69. Customers can closely monitor their online purchases with
- A. order tracking.
 - B. brainstorming.
 - C. inventory control.
 - D. customer service.
70. Marshmallow Toys is deciding which retail partners to use and how widely to distribute its new product. These decisions fall under the _____ element of the marketing mix.
- A. promotion
 - B. place
 - C. price
 - D. product
71. A startup called SlumberSculpt sells a workout device that claims to burn calories while sleeping. The company releases a commercial showing various injuries and accidents that occurred while lifting weights, with the central message being that weightlifting is dangerous. This is an example of
- A. fear-based advertising.
 - B. a public service announcement.
 - C. stealth marketing.
 - D. negative advertising.
72. Which of the following communication channels is a public relations activity specifically designed to foster relationships with district leaders and local media, rather than being a broad, non-personal mass media advertisement:
- A. Community involvement and events
 - B. Sponsored blog post
 - C. Direct mail campaign
 - D. TV commercial
73. Vincent is shopping for a doorbell camera, prioritizing features like motion detection alerts and remote monitoring capability. According to Maslow's Hierarchy of Needs, which level of motivation is most relevant to this purchase decision?
- A. Physiological needs
 - B. Self-actualization needs
 - C. Safety needs
 - D. Esteem needs
74. Kendra wants to facilitate a discussion about a new product among participants located in three different cities. Which data collection method would allow her to gather this interactive feedback efficiently?
- A. Online focus group
 - B. Email questionnaire
 - C. Social media poll
 - D. Web traffic analysis

75. Researchers gather quantitative data to
- A. review background information.
 - B. make more accurate predictions.
 - C. create hypotheses for further research.
 - D. establish research priorities.
76. Feels on Wheels, a therapy and rideshare company, drives out its competitors and becomes the only provider of therapy and ridesharing services in the city. Since there is no competition, the company hikes up its prices and greatly increases its profits. This is an example of a(n)
- A. public sector provider.
 - B. oligopoly.
 - C. private enterprise system.
 - D. monopoly.
77. Valerie, a salesperson, is insulted by an angry customer. How should Valerie react to best demonstrate self-control?
- A. Take a deep breath and walk away.
 - B. Threaten the customer.
 - C. Internalize the customer's insults.
 - D. Retaliate by insulting the customer back.
78. Why can it be problematic for a business to set prices too low?
- A. Customers may assume the quality of the product is low.
 - B. Competitors may copy the business's pricing strategy.
 - C. Businesses may run out of products to sell.
 - D. It may hurt the business's brand.
79. Which characteristic primarily distinguishes direct marketing from traditional mass-media advertising?
- A. It reaches a larger, more diverse geographic audience.
 - B. It relies more on visual storytelling than on text.
 - C. It focuses on building general brand awareness.
 - D. It aims to elicit an immediate, measurable response.
80. A company that mass-produces pre-packaged bread sells its products in bulk to a separate regional logistics firm. The logistics firm then stores the bread and arranges for its sale and delivery to grocery stores. In this scenario, the regional logistics firm primarily fulfills the role of a
- A. supplier.
 - B. distributor.
 - C. manufacturer.
 - D. retailer.

81. Campbell and members of her team are brainstorming ideas for a new product. After answering the basic who, what, where, when, why, and how questions, the team also asked questions with words like "will," "would," and "could." Which creative-thinking technique did they use?
- A. Mind mapping
 - B. Starbursting
 - C. Forced questioning
 - D. Free association
82. Hedge's, a hedgehog-themed clothing retailer, promotes its store by offering discount coupons to walk-in customers and having in-store assistants wear hedgehog hats. Hedge's is using _____ from the promotional mix.
- A. personal selling and publicity
 - B. advertising and personal selling
 - C. sales promotion and personal selling
 - D. advertising and publicity
83. A local business shows concern for the community by hosting a charity benefit. This is an example of
- A. corporate responsibility.
 - B. a target market.
 - C. a rational buying motive.
 - D. social awareness.
84. Which factor is the most essential for transforming a single-time customer into a loyal, long-term clientele?
- A. Frequently introducing new and unique products, even if they replace existing popular items
 - B. Running aggressive advertising campaigns every month to maintain brand awareness
 - C. Consistently exceeding customer expectations through high-quality service and relationship building
 - D. Offering the lowest prices and steepest discounts in the market compared to all competitors
85. Which data visualization technique would a marketing analyst most likely use to instantly identify the areas of a website landing page that receive the most user attention (clicks, mouse movement, or scrolling)?
- A. Dynamic model output
 - B. Line graph
 - C. Bar chart
 - D. Heat map
86. Sven and Terry's Froyo Shop needs to determine hourly staffing requirements for the next six weeks. This requires a(n) _____ sales forecast.
- A. long-range
 - B. intermediate-range
 - C. short-range
 - D. qualitative

87. A company claims its products are made with recycled materials. However, the company does not disclose that its products also feature non-recycled materials. This is an example of
- A. misinformation.
 - B. a trade secret.
 - C. proprietary information.
 - D. a half-truth.
88. Which phase of the selling process involves identifying the product's features and benefits?
- A. Establishing relationships with customers
 - B. Preparing to sell
 - C. Reaching closure
 - D. Prescribing solutions to customer needs
89. Luisa creates a marketing plan for her independent bookstore, Books & Crannies. She includes a section outlining companies that provide similar goods and describing their strengths, market share, and pricing structure. This section is the
- A. competitor analysis.
 - B. customer analysis.
 - C. SWOT analysis.
 - D. executive summary.
90. What is the primary purpose of a company seeking and maintaining ISO 9000 certification for its quality management system?
- A. To replace the need for internal quality control checks with external audits
 - B. To mandate specific environmental sustainability standards for all organizational operations
 - C. To provide a process for meeting customer requirements and enhancing satisfaction
 - D. To guarantee that every product manufactured is 100% defect-free
91. A small business owner wants to analyze their employees' salaries. The dataset of 10 salaries includes nine low values and one extreme outlier value. Which measure of central tendency should be used to best represent the typical salary of the group, and why?
- A. Median, because it is the easiest measure to calculate quickly
 - B. Median, because it is less affected by extreme outliers
 - C. Mode, because it represents the most frequently occurring salary
 - D. Mean, because it is the most common measure and considers every data point
92. Which of the following pricing practices is considered unethical and often illegal because it involves charging excessively high prices for essential goods, such as water or fuel, during a natural disaster or other state of emergency:
- A. Price gouging
 - B. Price bundling
 - C. Predatory pricing
 - D. Cost-plus pricing

93. Successful marketers are creative and _____-centric.
- A. money
 - B. market
 - C. leadership
 - D. customer
94. A marketing firm receives thousands of paper-based survey responses. Before these documents can be scanned and processed, a team must physically inspect each batch of papers. What is the purpose of this initial inspection?
- A. To remove staples and flag illegible handwriting that could lead to inaccurate data
 - B. To manually count the pages so the accounting department can track scanning costs
 - C. To legally confirm that the paper itself is genuine and not a photocopy
 - D. To categorize the data by the geographic region of the respondents before the scanning begins
95. Pavi is leading a development team for a new customer service portal. They want to make sure the product improves the customer's experience at every touchpoint. Which of the following would be the best step to take:
- A. Ask development team members to vote on new features.
 - B. Conduct individual customer interviews with loyal customers.
 - C. Develop the product, then ask for customer feedback.
 - D. Create a customer journey map using customer personas.
96. Happy Cow Farms pays retailers additional fees to feature its products prominently on store shelves. Happy Cow Farms is
- A. avoiding exclusive territories.
 - B. engaged in horizontal conflict.
 - C. paying slotting allowances.
 - D. using the gray market.
97. Suds and Buds, a specialty soap store, sends its customers an email to announce a limited-time discount for a new scented soap. Which element of the marketing mix is primarily demonstrated by this email campaign?
- A. Place
 - B. Promotion
 - C. Product
 - D. Price
98. How does the reliability of data sources relate to a marketer's ethical responsibility?
- A. Decisions based on inaccurate information can hurt a business and its customers.
 - B. The need for reliable sources is purely a financial concern, not an ethical one.
 - C. Ethical marketers should avoid all online data sources and only use primary data.
 - D. Unreliable sources help build credibility and objectivity within the research process.

99. Olivija gives an oral presentation about her company's performance for the quarter, but notices her audience tunes out when she tries to verbally explain the meaning and importance of different numbers, statistics, and percentages. Which of the following best describes her mistake:
- A. Not including visual aids to explain the numbers
 - B. Giving a presentation on this topic
 - C. Not asking someone else to explain the numbers
 - D. Including numbers in her presentation
100. Cream Fresh makes and sells dairy products to local retailers. However, it routinely avoids or falsifies standard food safety inspections to dodge fees and paperwork. Cream Fresh is likely violating the regulations of which of the following agencies:
- A. Federal Trade Commission (FTC)
 - B. Food and Drug Administration (FDA)
 - C. Occupational Safety and Health Administration (OSHA)
 - D. Consumer Product Safety Commission (CPSC)

1. D

Environmental impact. Think about all of the plastic, cardboard, and other packaging materials that you discard every day—where do you think those materials go after you throw them out? While many packaging materials can be recycled, some materials cannot—and many people lack access to recycling services. Product managers must therefore consider the impact that their product packaging will have on the earth before choosing which materials to use—which can lead to serious ethical dilemmas. This situation is not related to hazard warnings, product size, or safety of materials.

SOURCE: PM:040 Explain business ethics in product/service management

SOURCE: LAP-PM-040—Safe and Sound (Ethics in Product/Service Management)

2. A

Violating the spirit but not the letter of the law. The letter of the law states that Braddock cannot text and drive. FaceTime is not the same as texting, but still serves as a distraction from driving, so Braddock is violating the spirit of the law, but not the letter of it.

SOURCE: BL:163 Comply with the spirit and intent of laws and regulations

SOURCE: LAP-BL-163—Laying Down the Law (Complying With the Spirit and Intent of Laws and Regulations)

3. C

Ensuring the order is processed successfully without any delay. Order processing happens after the sale is completed and is an opportunity for the salesperson to ensure smooth service. Asking the customer what brings them into the store and explaining the unique features of a product are presale opportunities. Thanking the customer for the sale is a standard part of the selling process and is not an opportunity.

SOURCE: SE:076 Explain the role of customer service as a component of selling relationships

SOURCE: LAP-SE-076—Go Beyond the Sale (Customer Service in Selling)

4. A

Not demonstrating that she was listening. Although Elizabeth was listening, her friend probably couldn't tell. From their perspective, Elizabeth was paying attention to her phone instead of the conversation. Paraphrasing is a strategy for checking comprehension, but the conversation broke down due to poor nonverbal cues first. Elizabeth was not misunderstanding the content. Interrupting people is not an active listening strategy.

SOURCE: CO:017 Demonstrate active listening skills

SOURCE: LAP-CO-017—Listen Up! (Demonstrating Active Listening Skills)

5. A

To prevent businesses from engaging in deceptive practices. The FTC's central mission is to enforce consumer protection laws, which include stopping deceptive advertising and other unfair or fraudulent business practices that could harm consumers. The FTC does not preemptively approve commercial scripts. Price regulation is generally handled by various state and federal agencies, depending on the industry. The FTC is not focused on setting price minimums. While the FTC may regulate some aspects of labeling related to false claims, the regulation of food, drug, and cosmetic ingredient labeling is primarily the responsibility of the Food and Drug Administration (FDA).

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Federal Trade Commission. (n.d.). *What the FTC does*. Retrieved November 25, 2025, from <https://www.ftc.gov/news-events/media-resources/what-ftc-does>

6. B

Time-bound. The time-bound criterion is essential because it requires setting a deadline for a goal, which creates accountability and a clear timeline for achievement. “Specific” defines what the goal is, but not when it must be completed. “Measurable” establishes the key performance indicator (KPI) to track progress, but it does not mandate a fixed deadline. “Achievable” ensures the goal is realistic, which is important for motivation, but it does not set the completion date.

SOURCE: PD:018 Set personal goals

SOURCE: LAP-PD-918—Go for the Goal (Goal Setting)

7. B

Robert should continuously scan the environment. The environment is constantly shifting and changing. Environmental scanning is not a one-off activity, but a recurring and constant process. Environmental scans should be performed more than once a year or every six months. They should not be ignored or avoided.

SOURCE: NF:015 Conduct an environmental scan to obtain business information

SOURCE: LAP-NF-015—Get the 4-1-1 (Conducting an Environmental Scan)

8. A

More stress leads to greater employee turnover. The more stressed employees are at work, the more likely they are to leave the company. This means employers will constantly be searching for replacements. Less stress leads to greater, not lower, productivity. More stress leads to greater, not lower, absenteeism. Less stress leads to lower, not greater, healthcare costs.

SOURCE: EI:028 Explain the nature of stress management

SOURCE: LAP-EI-028—Keep Your Cool (Stress Management)

9. B

Brand personality. A company’s brand personality is a projection of its values and connections to consumers. In this case, the marketing manager is promoting the diner as trendy and young by following social media trends. Brand values are beliefs that a company holds. Private and public brands refer to brands owned by intermediaries or by the public sector.

SOURCE: PM:206 Explain the nature of corporate branding

SOURCE: LAP-PM-206—Corporate Identity (Nature of Corporate Branding)

10. B

Indicating who the user should be. Industry ratings serve many purposes, including communicating the intended user of a product. In this case, the intended audience of Holler of Responsibility is mature gamers. A game’s rating does not determine its quality, budget, or price.

SOURCE: PM:019 Describe the uses of grades and standards in marketing

SOURCE: LAP-PM-019—Raise the Bar (Grades and Standards)

11. A

Personal trait. Initiative is a personal trait expressed by a consistent pattern of behavior. To be viewed as a person with initiative, you must demonstrate that quality regularly over a period of time. Your willingness to think and act on your own must be shown consistently. It should be reflected in all areas of your life. Initiative is not a life motto, collaborative software, or coding language.

SOURCE: EI:024 Explain the importance of demonstrating initiative

SOURCE: LAP-EI-024—Hustle! (Taking Initiative)

12. A

Survey software. Primary data is information collected for the first time specifically for the marketing problem at hand. Survey software and online platforms like SurveyMonkey, Qualtrics, and Google Forms directly facilitate this by creating, distributing, and analyzing questionnaires to gather new customer insights, making it a key technology for the marketing-information management function. Enterprise resource planning (ERP) systems focus on internal business processes and operations management (e.g., finance, manufacturing, supply chain), not the specialized function of collecting and analyzing marketing information. Customer relationship management (CRM) is primarily used to manage and maintain relationships with existing customers and track touchpoints. While it houses valuable secondary data (data already collected), it is not the primary tool for actively gathering new market research data. Point-of-sale (POS) systems collect vast amounts of internal secondary data (e.g., transaction history). While this data is crucial for marketing analysis, the system itself is an operational technology used for sales processing, not a tool for conducting primary market research (like surveys or experiments).

SOURCE: IM:183 Describe the use of technology in the marketing-information management function

SOURCE: Fallon-O'Leary, D. (2025, January 6). *Survey says: The importance of survey data in marketing*. Retrieved December 1, 2025, from <https://www.business.com/articles/the-importance-of-survey-data-in-marketing/>

13. D

Sales promotion point-of-purchase display. Point-of-purchase displays are in-store communication channels used specifically for sales-promotion activities, which are short-term incentives (like the free pastry offer) designed to encourage immediate buying behavior right at the point where the purchase decision is made. Public relations focuses on building goodwill and image (press releases or sponsorships) and does not typically involve direct, short-term purchase incentives at the retail location. Mass media advertising uses broad, non-personal channels like TV or billboards to inform and persuade, but the physical display and immediate offer are localized, direct sales promotion channels. Direct mail marketing involves sending promotional materials directly to a consumer's mailbox, which is distinct from an in-store display or offer.

SOURCE: PR:249 Identify communications channels used in sales promotion

SOURCE: Indeed. (2025, July 24). *Marketing communication channels: Strategies and examples*. Retrieved November 25, 2025, from <https://www.indeed.com/career-advice/career-development/communication-channels-marketing>

14. C

Comparable. This scenario illustrates the need for financial information to be comparable. Since both companies use a completely different set of standards, it is much more difficult to determine which one they want to invest in because the information isn't comparable. With more comparable financial information, investors can easily stack both companies against each other, identify specific areas of strength and weakness, and come to an informed decision. This scenario does not best illustrate the need for financial information to be accurate, timely, or relevant.

SOURCE: FI:579 Describe the need for financial information

SOURCE: FI-579—By the Numbers (The Need for Financial Information)

15. C

Damage to personal relationships. When you fail to assess the long-term value and impact of your actions on others, you'll likely experience negative consequences, like damage to personal relationships. When Kevin neglected to assess the impact of his action—forgetting to invite Veronica to the game night—on other people, he damaged his relationship with Veronica. Limited personal growth and a negative impact on society are both consequences of not assessing the impact of actions, but they are not demonstrated here. Improved self-awareness is a benefit, not a negative consequence.

SOURCE: EI:137 Assess long-term value and impact of actions on others

SOURCE: LAP-EI-137—Choose for the Future (Assessing the Long-Term Value and Impact of Actions on Others)

16. D

A gym offers a free massage with membership. A unique benefit is an advantage of a product that is exclusive or the only one of its kind; a benefit a competitor's good or service does not possess. The free massage is a unique benefit that not all gym services provide. Organic coffee beans are a hidden benefit that the customer won't know about unless they are told. A printer with a large display screen and a beautifully painted car are obvious benefits that the customer can see themselves.

SOURCE: SE:109 Analyze product information to identify product features and benefits

SOURCE: LAP-SE-109—Find Features, Boost Benefits (Feature-Benefit Selling)

17. C

Sales forecasting. Sales forecasting is a prediction of future sales over a specific period of time, typically using past data and planned actions to estimate the quantity or value of products the company will sell. Market share analysis looks at current or past performance related to competitors. Market segmentation is the act of dividing the market, which is done before the forecast. Positioning refers to the brand's image in the consumer's mind.

SOURCE: IM:012 Describe the need for marketing data

SOURCE: LAP-IM-012—Data Do It (Need for Marketing Data)

18. C

The written text in the main body of the ad. The copy is the main persuasive, descriptive text of an advertisement. Its purpose is to explain the product, provide details, and convince the target audience. The visual image or illustration used to attract attention is typically referred to as the artwork. It is a visual component, not the written copy. The headline states the primary benefit, which serves to grab attention and is separate from the body copy. The logo, tagline, or signature that identifies the brand is known as the signature or identifier and is a required closing element, not the main body copy.

SOURCE: PR:014 Explain the components of advertisements

SOURCE: Indeed. (2025). *What is copy in marketing (and who do you need to write it)?* Retrieved December 1, 2025, from <https://www.indeed.com/hire/c/info/copy-in-marketing>

19. B

Behavioral. Behavioral segmentation focuses on the customer's relationship with the product, including usage occasions and consumption patterns. Geographic segmentation is the division of a market based on where customers are located. Demographic segmentation is the division of a market based on its physical and social characteristics. Psychographic segmentation is the division of a market based on its customers' lifestyles and personalities.

SOURCE: MP:003 Explain the concept of market and market identification

SOURCE: LAP-MP-003—Have We Met? (Market Identification)

20. B

A tying agreement. A tying agreement requires a customer to buy other products to obtain desired goods and services. Market power is the level of dominance a company holds in its industry. Price discrimination is an illegal activity in which a business charges different customers different prices for similar amounts and types of products. Full line forcing occurs when a seller insists that the dealer must carry a full line of particular products.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: FTC. (2025). *Tying the sale of two products*. Retrieved December 2, 2025, from <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/single-firm-conduct/tying-sale-two-products>

21. B

Internal costs. The method of adding a markup (25%) to the total cost is known as cost-plus pricing, which fundamentally relies on the internal cost structure to determine a selling price that covers expenses and guarantees a profit. While competitive prices are a major external factor, the described method (cost plus markup) suggests that they are primarily focused on an internal factor, rather than the market's external forces. Getting market share is a marketing objective, but the 25% markup suggests the primary drive is profit and cost recovery (internal), not aggressive market penetration (low pricing). Economic conditions are an external factor, but the scenario describes a formula-based approach that does not directly account for broad economic variables like inflation or consumer spending habits.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: LAP-PI-902—Make Cents (Factors Affecting Selling Price)

22. A

The objectivity of the source. The source's objectivity is the most critical factor because it addresses the potential for bias and the accuracy of the data collection process. Reliable research must come from an unbiased source and be collected using sound scientific methods. The cost of a source does not guarantee its quality. While timeliness is important, the length of the collection period does not determine the data's quality or accuracy if the collection method was flawed to begin with. The format or distribution channel of the information (online vs. print) has no bearing on its inherent accuracy or reliability.

SOURCE: NF:079 Evaluate quality and source of information

SOURCE: Purdue University. (2025). *Evaluating sources: Introduction*. Retrieved December 1, 2025, from https://owl.purdue.edu/owl/research_and_citation/conducting_research/evaluating_sources_of_information/index.html

23. D

Indirect. Indirect distribution refers to the use of intermediaries in a distribution channel. Producers who eliminate all intermediaries in the channel are said to be using direct distribution. Consumer and industrial distribution channels may or may not use intermediaries.

SOURCE: CM:001 Explain the nature and scope of channel management

SOURCE: LAP-CM-001—Chart Your Channels (Channel Management)

24. C

Implementing standardized behavioral checklists. Providing a standardized behavioral checklist is one way to minimize bias and ensure the data are reliable and consistent across observers. Using a single observer increases the risk of individual bias and makes the data difficult to verify or replicate. Observation should focus on objective, quantifiable actions, not subjective, hard-to-measure judgments about emotional states. While maximizing data is good, it doesn't guarantee quality and reliability.

SOURCE: IM:418 Explain characteristics of effective data-collection instruments

SOURCE: Tims, C. (2023, December 1). *How to conduct effective work observations*. Retrieved December 12, 2025, from <https://www.ehsinsight.com/blog/how-to-conduct-effective-work-observations>

25. B

Sufficiency. Enough data must be gathered to truly help marketers. Too little data can give a distorted picture of the real situation and be misleading. Too much data and information can present too many alternatives and cause confusion. Accuracy means the information should be error-free and reliable, accessibility means the information should be readily available, and relevancy means the information must be closely related to the situation at hand.

SOURCE: IM:001 Explain the nature and scope of the marketing-information management function

SOURCE: LAP-IM-001—Get the Facts Straight (Marketing-Information Management)

26. A

Loyal customer bases. When ethical behavior is the standard, organizations can build positive reputations, which leads to strong, loyal customer bases. Customers want to work with organizations that they can trust. Ethical behavior does not lead to weak reputations. Ethical behavior is not necessarily related to the number of employees or the competitiveness of the culture.

SOURCE: EI:132 Model ethical behavior

SOURCE: LAP-EI-132—Practice What You Preach (Modeling Ethical Behavior)

27. D

Vertical. Vertical conflict is a type of channel conflict that occurs between channel members at different levels within the same channel. Because the manufacturer and retailer in this scenario are at different levels in the same channel, this is an example of vertical conflict. Horizontal conflict is a type of channel conflict that occurs between channel members at the same level (e.g., two retailers). Multiple-channel conflict is a type of conflict that occurs among members of two or more channels of distribution that compete in the same market for a particular producer. Internal conflict refers to conflicting thoughts or ideas within someone.

SOURCE: CM:008 Explain the nature of channel-member relationships

SOURCE: Mack, S. (2025). *Horizontal and vertical marketing conflicts*. Retrieved December 3, 2025, from <https://smallbusiness.chron.com/horizontal-vertical-marketing-conflicts-65325.html>

28. A

Decreased stress and improved work quality. Effective time management directly leads to better prioritization, reduced rushing, and fewer missed deadlines, which immediately decreases stress and improves the quality and focus of the work output. Increased market share is a long-term business objective that is supported by good time management, but it is not the direct or immediate benefit of the skills themselves. While time efficiency can eventually lead to cost reduction, it is an indirect financial outcome, whereas the reduction in employee stress and errors is a more immediate, internal benefit. Automation is a tool that assists time management, but it is a separate technological solution, not a direct benefit or outcome of the team using time management skills.

SOURCE: PD:019 Use time-management skills

SOURCE: LAP-PD-019—About Time (Time Management)

29. B

Lead the discussion, introduce the opening topic, and ask clarifying questions. A facilitator is the leader of an idea generation session, tasked with organizing, initiating, and running the discussion smoothly. Taking and saving notes is a task for a notetaker, not a facilitator. A facilitator encourages discussion, rather than giving presentations or being the sole speaker. Listening to and occasionally participating in the discussion is the role of a regular participant.

SOURCE: PM:128 Generate product ideas

SOURCE: Indeed. (2025, July 24). *10 steps for brainstorming facilitation*. Retrieved November 26, 2025, from <https://www.indeed.com/career-advice/career-development/brainstorm-facilitation>

30. C

Discovery-oriented. Discovery-oriented problem orientations involve asking “What?” or “Why?” for the issue facing the manager/company. Examples include “What are some unfulfilled needs/wants in our target market?” and “Why is our market share dropping in the northeast region?” Strategy-oriented decision problems involve the questions “How?” or “Which?” Examples include “How can we improve our business’s market share?” and “Which new product should our business introduce to the market first?” Demographic-oriented and clustered are not recognized types of problem orientation in market research.

SOURCE: IM:282 Discuss the nature of marketing research problems/issues

SOURCE: LAP-IM-282—What’s the Problem? (Marketing Research Problems)

31. B

It uses unfamiliar, technical terminology and complex sentence construction. Melissa's survey question uses excessive jargon and complicated sentence structure, which will confuse or frustrate survey respondents. The question uses unnecessarily difficult words like "acquisition," "contemporary services," and "accelerated, non-tangible financial instrument," making it highly unlikely the average respondent will understand and answer accurately. A double-barreled question asks for two separate things at one time. A leading question suggests a preferred answer. Melissa's question is not double-barreled or leading, and it is not too personal for a public survey.

SOURCE: IM:293 Evaluate questionnaire design (e.g., types of questions, question wording, routing, sequencing, length, layout)

SOURCE: SurveyMonkey. (2025, September 29). *5 common survey question mistakes that'll ruin your data*. Retrieved December 12, 2025, from <https://www.surveymonkey.com/learn/survey-best-practices/5-common-survey-mistakes-ruin-your-data/>

32. B

Price skimming. Price skimming consists of launching a product at a higher price, then dropping it later. Penetration pricing consists of launching a product at a lower price. Promotion happens separately from a company's pricing strategy. Bundling involves selling multiple products together.

SOURCE: PM:024 Identify the impact of product life cycles on marketing decisions

SOURCE: LAP-PM-024—Get a Life (Cycle) (Product Life Cycles)

33. D

It can make it difficult for families to pay for higher education for their children. This disadvantage has the potential to follow the children through the rest of their lives and even affect the lives of future family members, making the impact of long-lasting unemployment felt for generations. Harming a person's mental and physical health and causing a person's skills to become rusty, while both negative consequences of unemployment are not felt generationally. Stimulating the economy, keeping businesses in production, and other workers employed can be considered a silver lining to unemployment.

SOURCE: EC:082 Discuss the impact of a nation's unemployment rates

SOURCE: LAP-EC-082—Help Wanted (Impact of Unemployment Rates)

34. B

Consult the supplier's references. A valid method for a purchasing specialist to verify a potential supplier's credentials is to consult the supplier's references. Other clients' experiences are crucial for verifying the performance, quality, reliability, and customer service of a supplier. Reviewing the supplier's shareholder meeting minutes is usually an unnecessary, overly detailed, or inaccessible step for basic credential review. Analyzing the supplier's social media accounts is not a primary or reliable indicator of a supplier's operational competence, financial stability, or product quality. While an on-site audit of the primary manufacturing or service location is common, inspecting a secondary office is less likely to be a standard initial credential review step.

SOURCE: OP:015 Explain the nature and scope of purchasing

SOURCE: LAP-OP-015—Buy Right (Purchasing)

35. B

The data will be biased and likely overestimate the true number of new customers. By only surveying its existing customers, Ring-a-Ding is engaging in selection bias, a form of sampling error. Its sample (existing customers) is not representative of the target population (non-customers) and is skewed toward people who already have a positive relationship with the company, which will likely overestimate the true number of new customers. While the sample is smaller, cost is a result of the sample size, not a consequence of the error. The data will be less accurate for predicting the total market since it ignores non-customers, so being familiar with the brand is a hindrance instead of a strength. As for privacy laws, they are a legal issue, not a direct consequence of a poor sampling methodology. Because Ring-a-Ding is calling its own customers, it's unlikely to be a legal violation.

SOURCE: IM:292 Identify sources of error in a research project (e.g., response errors, interviewer errors, non-response errors, sample design)

SOURCE: Corporate Finance Institute. (2025). *Sampling errors*. Retrieved December 12, 2025, from <https://corporatefinanceinstitute.com/resources/data-science/sampling-errors>

36. C

TV. TV commercials have the potential to reach a very wide audience and are time-based. Magazines are not time-specific, while email advertising is limited to subscriber lists and podcasts serve a niche audience.

SOURCE: PR:007 Explain types of advertising media

SOURCE: LAP-PR-007—Ad-quipping Your Business (Types of Advertising Media)

37. D

Convenience sampling. Convenience sampling lives up to its name—it's based on pure opportunity. A good example of convenience sampling would be positioning field researchers outside a grocery store and stopping customers to ask questions as they exit. This is a method similar to the "exit polling" many media outlets use on election days to attempt to get a good idea of which candidate is in the lead. Cluster sampling, area sampling, and judgment sampling are not based on pure opportunity.

SOURCE: IM:285 Discuss the nature of sampling plans (i.e., who, how many, how chosen)

SOURCE: LAP-IM-285—Take Your Pick (Nature of Sampling Plans)

38. D

More personalized. Advertising is impersonal communication directed toward entire market segments. Examples of advertising include commercials, newspaper ads, and sponsorships. Selling is different because it involves interaction with the customer, usually face-to-face or over the phone. This makes selling more personalized than advertising. It is more expensive to advertise a product than to sell it. This is because it costs money to market a product using commercials or other forms of advertisement, while it costs nothing to highlight a product's features in a conversation between a salesperson and customer. For this reason, selling is more feasible than advertising, too. Selling and advertising both require a tremendous amount of skill, and it is subjective to say one is more skillful than the other.

SOURCE: SE:017 Explain the nature and scope of the selling function

SOURCE: LAP-SE-017—Sell Away (The Nature and Scope of Selling)

39. B

Coordinating a press conference to announce a major charitable partnership. Public relations (PR) focuses on managing the spread of information between an individual or organization and the public. Activities include dealing with the press (media relations), organizing events (like press conferences), and building goodwill (like announcing a charitable partnership) to maintain a positive public image. Setting the final price for a new product based on competitor analysis is a function of pricing within the broader marketing mix, not PR. Running a limited-time sale to encourage immediate customer purchases is a sales promotion activity, which is designed to stimulate short-term sales, rather than manage long-term public perception. Designing the graphics and layout for a new series of paid social media ads is an activity related to advertising and creative development, which are distinct from the unpaid, image-focused communication of PR.

SOURCE: PR:252 Identify types of public-relations activities

SOURCE: Macari, S. (2025, June 9). *8 types of public relations (plus functions and tips)*. Retrieved December 1, 2025, from <https://www.indeed.com/career-advice/finding-a-job/types-public-relations>

40. A

Exploratory. Exploratory research collects information to help the business define its issue, situation, or concern and decide how to proceed. Conclusive research focuses on cause and effect and tests “what if” theories. Descriptive research gathers specific information related to the identified issue, situation or concern and would be utilized after exploratory research is conducted. Predictive research is used to help the business forecast future business developments.

SOURCE: IM:010 Explain the nature of marketing research

SOURCE: LAP-IM-010—Seek and Find (Marketing Research)

41. D

The claim will be denied. Darren’s express warranty covers physical damage like cracking or shattering, but says nothing about water damage or misuse, such as jumping into a pool. Since these are not included in the warranty, it is unlikely Darren will be able to use it. Similarly, Darren is unlikely to get a refund, get his phone repaired, or have his warranty renewed.

SOURCE: PM:020 Explain warranties and guarantees

SOURCE: LAP-PM-920—Promises, Promises (Warranties and Guarantees)

42. C

Managed and motivated team members. Elphaba did a good job of defining the parameters of the project, but failed to manage her team. Without a cohesive team dynamic, projects are more likely to fail. Elphaba did not overplan. She also explicitly defined the project’s scope. There is no indication that changes in technology contributed to the project’s failure.

SOURCE: OP:158 Explain the nature of project management

SOURCE: LAP-OP-158—Projected to Win (Nature of Project Management)

43. B

Financing. Financing is the process of funding a business venture. Accounting is the process of keeping and interpreting financial records. Financial modeling is the task of building an abstract representation of a real-world financial situation. Debt funding involves using money that is lent by a bank or other institution to finance a project.

SOURCE: FI:354 Explain the role of finance in business

SOURCE: LAP-FI-354—Money Matters (Role of Finance)

44. B

It is not relevant. One characteristic of effective promotion is the relevance of the promotion to the target audience. The target audience of a health store is unlikely to be interested in added synthetic dyes, so promoting them makes the ad less effective. The ad is not inappropriate, too persuasive, or too repetitive.

SOURCE: PR:001 Explain the role of promotion as a marketing function

SOURCE: LAP-PR-901—Razzle Dazzle (Nature of Promotion)

45. A

“It was handcrafted by a local carpenter.” The response most likely to secure the sale would be, “It was handcrafted by a local carpenter.” It should go without saying, but salespeople should always be honest with their customers, even if they fear it will cost them a potential sale. With that being said, this response is most likely to secure the sale for a couple of reasons. First, products that are handcrafted by experts are much more desirable to customers than products that are mass-manufactured in factories. This is because customers want to know that manufacturers put time and care into creating their products. Second, customers want to know that whoever made their products is an expert in their craft. A local carpenter has greater expertise in building furniture than most high schoolers in a woodworking class. Responding by saying, “It was picked up on the side of the street, I’m not sure,” could imply that the table is cheap, old, or poorly made.

SOURCE: SE:062 Acquire product information for use in selling

SOURCE: LAP-SE-062—Get Informed (Acquiring Product Information for Use in Selling)

46. B

Process. Process innovation refers to improvements in the production or supply of a product or service. By improving manufacturing time and cost per unit, Alok is improving the production process of smart refrigerators. Product innovation refers to improving the product itself. Business model innovation is the process of changing a business’ means of generating profit. Consumer innovation is not a typical type of innovation.

SOURCE: PM:134 Identify product opportunities

SOURCE: Joubert, S. (2024, August 7). *3 types of innovation changing the future of business*. Retrieved December 1, 2025, from <https://graduate.northeastern.edu/knowledge-hub/types-of-innovation/>

47. D

A mutual fund. A mutual fund is a collection of stocks that minimizes risk while giving a greater chance of returns over time. Stocks, collectibles, and real estate all carry more risk or do not provide the best chance of long-term returns.

SOURCE: FI:077 Explain types of investments

SOURCE: LAP-FI-077—Invest for Success (Types of Investments)

48. D

Its customers do not want the alternative plan. Consumers communicate their wants to companies through purchase decisions. If consumers do not purchase a less expensive product, it is likely because they would rather pay more for a product they see as higher quality. Since ProBean marketed the plan to current customers, it is unlikely that customers don’t know about it. It is also unlikely customers are holding out for an even cheaper plan, otherwise they would have switched to the less expensive alternative already. There is no indication that customers are confused or don’t know what they want.

SOURCE: EC:002 Distinguish between economic goods and services

SOURCE: LAP-EC-002—Get the Goods on Goods and Services (Economic Goods and Services)

49. A

Maturity. The maturity stage of the product life cycle is the stage in which the product is at its most popular, and competition is at its highest. Introduction is the first stage of the product life cycle, which consists of when the product is first introduced into the market. When the popularity of the product grows and the sales begin to increase, the product enters the growth stage of the product life cycle. When the product's popularity decreases and the sales decline, the product has then entered the decline stage.

SOURCE: PM:001 Explain the nature and scope of the product/service management function

SOURCE: LAP-PM-001—Serving Up Products (Nature of Product/Service Management)

50. B

Consumers may have more time for recreation or entertainment. Time-saving technologies such as household appliances have historically increased the amount of free time consumers have, resulting in consumers spending more time and money on traveling, shopping, and entertainment. However, this does not necessarily mean consumers will change the hours they work. Since consumers are saving time, they are likely to have more time for recreation, not less.

SOURCE: NF:003 Identify ways that technology impacts business

SOURCE: LAP-NF-003—TECH-tastic (Technology's Impact on Business)

51. B

Price fixing. Price fixing is a form of collusion and is considered a severe antitrust violation because it eliminates competition and harms consumers by artificially inflating prices. It is illegal under federal law. Price skimming is a legal pricing strategy used to maximize profits from early adopters. It is not anti-competitive or illegal, provided it is not monopolistic. Loss-leader pricing, while restricted or illegal in some states under specific circumstances (as a form of predatory pricing), is generally considered a legal and common sales promotion technique at the federal level, unlike price fixing, which is illegal. Seasonal discounting is a legal, promotional pricing adjustment designed to manage inventory and stimulate sales during low-demand periods.

SOURCE: PI:017 Explain legal considerations for pricing

SOURCE: Federal Trade Commission. (n.d.). *Price fixing*. Retrieved December 1, 2025, from <https://www.ftc.gov/advice-guidance/competition-guidance/guide-antitrust-laws/dealings-competitors/price-fixing>

52. D

Narrow. Frosty's Parlor only sells pints of peach sorbet. This means that it has a narrow product mix. A narrow product mix means a business offers a limited number of product lines, allowing it to specialize in only a few specific product lines. Since Frosty's Parlor only sells pints of peach sorbet, it has a narrow product mix. A broad product mix means a business offers many product lines. A long product mix means customers are presented with many product options to choose from. A deep product mix means the business offers a significant variation of its products. Frosty's Parlor does not have a broad, long, or deep product mix.

SOURCE: PM:003 Explain the concept of product mix

SOURCE: LAP-PM-003—Mix and Match (The Nature of the Product Mix)

53. A

Industrial. An industrial user is a business that buys materials, services, or goods that will be used to make other goods or used in the operation of the company. A construction company, for instance, must buy lumber, steel, and other raw materials needed to build an office. The construction company is not an end user because it will not use the office building. The company is not the first user because it must purchase the raw materials. A construction company would not be considered a user of financial instruments.

SOURCE: CM:003 Explain the nature of channels of distribution

SOURCE: LAP-CM-003—Channel It (Channels of Distribution)

54. D

Ask her supervisor. You might not intend to misrepresent your products to your customers, but you can easily do so if you're just guessing instead of relaying facts. Of course you want your customers to think you're an expert, but tread carefully! It's always better to check with a supervisor or someone else who knows the answer instead of guessing. Salespeople who try to appear knowledgeable when they're actually uncertain risk crossing into the legal issues of misrepresentation and negligence. Changing the subject or promoting another product are not appropriate responses when you don't know the answer to a question.

SOURCE: SE:106 Explain legal and ethical considerations in selling

SOURCE: LAP-SE-106—Keep It Real—In Sales (Legal and Ethical Considerations in Selling)

55. C

Primary product. Primary product promotion stimulates demand for a general class of goods or services (like protective software or cybersecurity measures) without appealing to a specific brand or company. In this case, the coalition is promoting cybersecurity in general, not a specific business or product. Secondary product promotion promotes a specific company or brand. Institutional promotion aims to create a certain image of a company in the eyes of consumers. Publicity is any nonpersonal presentation of ideas, goods, or services that is not paid for by the company or individual that benefits from or is harmed by it.

SOURCE: PR:002 Explain the types of promotion (i.e., institutional, product)

SOURCE: LAP-PR-002—Know Your Options (Product and Institutional Promotion)

56. D

A customer who loves a new running shoe tells a track teammate about the shoe's performance. Word-of-mouth (WOM) marketing is defined by personal, informal, peer-to-peer communication about a product or service. This teammate is also a targeted audience because they share a common interest (running) that makes the recommendation highly relevant and credible. A company posting a sponsored article about its new product on a popular industry news website is a form of paid media or public relations. It is formal communication controlled and paid for by the company, not an informal, personal channel between consumers. An organization sending an email campaign to all previous customers announcing a holiday discount is a form of direct marketing, also known as email marketing. It is a formal communication channel controlled by the company, not a spontaneous, peer-to-peer recommendation. A salesperson making a cold call to a list of potential clients who meet specific demographic criteria is personal selling or telemarketing. It is direct communication from a company representative to a prospect, which differs from the non-commercial, consumer-to-consumer nature of word-of-mouth marketing.

SOURCE: PR:247 Describe word-of-mouth channels used to communicate with targeted audiences

SOURCE: Hayes, A. (2025, September 26). *Understanding word-of-mouth marketing: Strategies and benefits for businesses*. Retrieved December 1, 2025, from <https://www.investopedia.com/terms/w/word-of-mouth-marketing.asp>

57. A

Reliability. Reliability refers to how consistently a product performs over time. A company that positions a product based on its reliability will play up how consistent the product performs over time. Repairability refers to how simple or inexpensive it is to fix a product. Positioning on ease of purchase means that a company's processes for ordering, shipping, making returns, etc. are as simple as possible. Features are facts about or characteristics of a product, such as its look, feel, smell, taste, or sound.

SOURCE: PM:042 Describe factors used by marketers to position products/services

SOURCE: LAP-PM-042—Getting Piece of Mind (Factors Used To Position Products/Services)

58. D

Media trainer. People in public relations are in charge of establishing good relations between their business or organization and the public, and may also deal with controversial public issues that are related to a company or its products. Positions within the public relations field include media trainer, publicist, press secretary, and campaign manager. Digital marketing specialist is a position within digital marketing. Telemarketer is a job title with direct marketing. Sales agent is a position within sales.

SOURCE: PD:024 Explain employment opportunities in marketing

SOURCE: LAP-PD-024—Career Opportunities in Marketing

59. C

A clinical trial for a new medication. Marketing research that focuses on cause and effect and tests “what if?” theories is called causal research (also sometimes referred to as conclusive research). Marketers use causal research to show that an independent variable causes or affects the value of certain dependent variables. Causal research is typically completed by conducting experiments or simulations. One example of causal research is a clinical trial for a new medication. Case studies and surveys are types of descriptive research. Focus groups are a form of exploratory research.

SOURCE: IM:284 Describe methods used to design marketing research studies (i.e., descriptive, exploratory, and causal)

SOURCE: LAP-IM-284—Better by Design (Marketing Research Designs)

60. A

Tangible environment. A business’s tangible environment is its physical environment (e.g., offices, desks, chairs, manufacturing equipment). The office’s chairs and fish tank are part of its tangible environment. Intangible environment refers to the way employees and customers feel when they interact with each other in the organization. Reputation refers to the general beliefs or opinions that are held about someone or something. There is no mention of Janelle receiving any customer service.

SOURCE: CR:003 Explain the nature of positive customer relations

SOURCE: LAP-CR-003—Accentuate the Positive (Nature of Customer Relations)

61. D

Conduct test marketing to assess actual purchase behavior and sales forecasts. Test marketing is a controlled form of primary research that directly assesses the product’s performance and consumer purchase behavior in a real-world setting. Given the time constraint of launching next month, a limited test market provides crucial, reliable, and practical information (e.g., sales data) that directly relates to the launch decision, making the research highly appropriate for the problem. Hiring an external firm to organize a comprehensive study of consumer eating habits would take too long, given the immediate need to launch next month. Discarding the focus group data because it is considered primary research is inappropriate, as both primary and secondary research are valuable. Immediately launching the product next week to be the first to market is inappropriate because it completely ignores the need for reliable information to mitigate the high financial risk of a full-scale product launch. A decision based only on existing data and a single focus group is insufficiently assessed.

SOURCE: IM:428 Assess appropriateness of marketing research for the problem/issue (e.g., research methods, sources of information, timeliness of information, etc.)

SOURCE: Birt, J. (2025, June 26). *Testing marketing: Definition, types, and examples (with tips)*. Retrieved December 1, 2025, from <https://www.indeed.com/career-advice/career-development/testing-marketing>

62. C

Creditors. Creditors analyze a business's income statement to decide whether it should be granted a loan or cash advance. Top executives and managers analyze a business's income statement to monitor its yearly profit. Investors analyze a business's income statement to monitor profit levels and determine the value of a stock. Lower-level employees do not usually analyze a business's income statement.

SOURCE: FI:094 Describe the nature of income statements

SOURCE: LAP-FI-094—Watch Your Bottom Line (Income Statements)

63. D

Nonprice. Nonprice competition refers to competing through factors like quality, convenience, and customer service. Since Marty cannot lower his prices, he should focus on these nonprice factors to compete with larger hair salons. Price competition means competing through lower prices, sales, discounts, or other price controls. Direct competition would refer to the relationship between hair salons, not to the way in which they compete. Similarly, indirect competition refers to the relationship between certain businesses.

SOURCE: EC:012 Explain the concept of competition

SOURCE: LAP-EC-012—Ready, Set, Compete! (Competition)

64. B

It can help clear out old or unpopular products. Product bundling can be useful for getting rid of unpopular products if they are bundled with more popular items at a discount. Bundling does not typically allow a business to charge more for the same products. Consumers preferring to buy individual products is not a benefit of bundling. Consumers may still search for good deals on bundled products.

SOURCE: PM:041 Describe the nature of product bundling

SOURCE: Deal Hub. (2025). *What is product bundling?* Retrieved December 1, 2025, from <https://dealhub.io/glossary/product-bundling/>

65. C

Brand positioning. Brand positioning refers to how consumers see a brand compared to its competitors. By marketing itself as the only meal replacement cereal on the market, Green Guys sets itself apart from competitors. Brand extension refers to a brand expanding or improving its product line. Co-branding happens when multiple brands work together. Rebranding is an attempt to change the public image of a brand.

SOURCE: PM:021 Explain the nature of product/service branding

SOURCE: LAP-PM-021—It's a Brand, Brand, Brand World! (Nature of Product Branding)

66. A

Available. Businesses coordinate channel management with their promotional activities to ensure enough products are available when they are needed for an advertised sale. If a business plans to promote a certain product or offer it at a special price, the business must make sure that an adequate supply will be on hand to meet consumer demand. Therefore, it is important for the business to clearly communicate with its channel intermediaries and its internal departments (e.g., purchasing, advertising, sales) to ensure that the product arrives where and when it is needed to satisfy customers. Clear communication does not determine the price of the product during a promotion. The goal of a sales promotion is not to ensure the product is returned.

SOURCE: CM:007 Coordinate channel management with other marketing activities

SOURCE: Salesforce. (2024, April 29). *Sales promotion*. Retrieved December 3, 2025, from <https://www.salesforce.com/au/blog/sales-promotion/>

67. D

Conflict of interest. A conflict of interest arises when a person can benefit personally from a decision they make on behalf of their employer, potentially causing them to prioritize their own gain over the company's best interest. This situation is best described as a conflict of interest. Price fixing involves competitors colluding on prices, which is not what is happening in this vendor-purchasing agent interaction. While confidentiality is a related ethical concern, the core issue is that the gift creates a personal obligation that could bias her product selection decision. While relationship building is key, an expensive personal gift offered during a decision-making process crosses the line into unethical behavior and creates a conflict of interest, not a standard promotional strategy.

SOURCE: PD:251 Follow rules of conduct

SOURCE: LAP-PD-251—Know the Code (Following Rules of Conduct)

68. D

The message is inconsistent and confusing. Coordination is crucial because all elements (visual, headline, call-to-action) must work together to convey a single, clear, and unified message. A lack of unity leads to inconsistency and customer confusion. There is no indication the creative team used outdated fonts. While a confusing brand message could eventually impact the ability to attract endorsements, this is a secondary consequence. The primary issue is the commercial's failure to communicate clearly with consumers. Ad deception usually involves making false factual claims. While the commercial is confusing, it doesn't automatically qualify as deceptive or illegal, which makes action from the Federal Trade Commission unlikely.

SOURCE: PR:251 Explain the importance of coordinating elements in advertisements

SOURCE: The Better Content Club. (n.d.). *Your customers aren't sure what you do (And neither does your team). It's a messaging issue!* Retrieved November 25, 2025, from <https://thebettercontentclub.com/marketing-mixed-messaging>

69. A

Order tracking. Order tracking is a technological feature that allows customers to follow the progress of an order from placement to delivery. Inventory control involves tracking the amount, the kind, and the value of inventory that a business has on hand. Customer service includes the activities and benefits provided by a business to its customers to create goodwill and customer satisfaction. Brainstorming is a creative-thinking technique involving the identification of as many different ideas as possible during a certain time frame.

SOURCE: CM:004 Describe the use of technology in the channel management function

SOURCE: Ingram, D. (2017, November 21). *Channel management techniques*. Retrieved December 1, 2025, from <https://smallbusiness.chron.com/channel-management-techniques-3072.html>

70. B

Place. Place refers to the element of the marketing mix focused on getting the product into the right place at the right time. Distribution and coverage are encompassed by this "place" element. Product refers to the goods or services offered by the business. Price is the marketing element requiring marketers to determine the amount of money they will ask in exchange for their products. Promotion refers to the various types of communications that marketers use to inform, persuade, or remind customers of their products.

SOURCE: MP:007 Explain the nature of marketing plans

SOURCE: LAP-MP-007—A Winning Plan (Nature of Marketing Plans)

71. A

Fear-based advertising. Fear-based advertising refers to using consumers' anxieties and concerns to sell a product or service. In this case, SlumberSculpt is manufacturing fear of exercise to sell their fitness product. This is not a public service announcement. Negative advertising preys on emotions like sadness, shame, or guilt and usually attacks a competing company or brand. Stealth marketing refers to hiding the fact that consumers are being advertised to.

SOURCE: PR:099 Describe the use of business ethics in promotion

SOURCE: LAP-PR-099—Fear Factor (Ethics in Promotion)

72. A

Community involvement and events. Sponsoring a local charity race or hosting an open house are core public relations (PR) channels that build direct, positive relationships with key local stakeholders, including district leaders and media, thereby generating goodwill and organic, non-paid media coverage. A direct mail campaign is typically a sales promotion or direct marketing activity focused on individual consumers for sales, not a PR activity aimed at building broad, long-term relationships and media attention. A TV commercial is a form of paid advertising and an impersonal mass media channel, which is distinct from the relationship-focused, often non-paid communication characteristic of public relations. A sponsored blog post is a form of paid content or digital advertising/influencer marketing, making it a promotional tool rather than a traditional public relations channel for fostering broad community ties.

SOURCE: PR:250 Explain communications channels used in public-relations activities

SOURCE: International Public Relations Network. (2025, August 28). *The power of community engagement in PR: Building trust and lasting relationships*. Retrieved November 25, 2025, from <https://iprn.com/the-power-of-community-engagement-in-pr-building-trust-and-lasting-relationships/>

73. C

Safety needs. Safety needs involve the desire for personal security, well-being, and health. A doorbell camera is purchased specifically for the perception of physical safety and security of resources. Physiological needs are the most basic requirements for survival, such as food, water, and immediate rest. Esteem needs relate to status and recognition. Self-actualization needs are about realizing one's full potential.

SOURCE: SE:359 Discuss motivational theories that impact buying behavior

SOURCE: Professional Academy. (2025). *Marketing theories – Maslow's hierarchy of needs*. Retrieved November 25, 2025, from <https://www.professionalacademy.com/blogs/marketing-theories-maslows-hierarchy-of-needs/>.

74. A

Online focus group. An online focus group would allow for live interaction and debate while eliminating the need for travel. An email questionnaire and social media poll would allow for customer feedback but does not allow for group discussion. Web traffic analysis does not allow for customer feedback.

SOURCE: IM:289 Describe data-collection methods (e.g., observations, mail, diaries, phone, internet, discussion groups, interviews, scanners, tracking tools)

SOURCE: LAP-IM-289—Hunting and Gathering (Data Collection Methods)

75. B

Make more accurate predictions. Quantitative data are objective—based on statistics and facts—and usually represented numerically. Marketers conduct quantitative research only when the research problem is specific and well-defined. They then gather quantitative data to make accurate predictions, develop more meaningful insights into relationships between market factors, and test and validate hypotheses. Qualitative data are subjective—based on thoughts, feelings, opinions, and experiences. Researchers gather qualitative data to review background information, clarify research questions or problems, establish research priorities, and create hypotheses for further testing or research.

SOURCE: IM:281 Describe options businesses use to obtain marketing research data (i.e., primary and secondary research)

SOURCE: LAP-IM-281—What's the Source? (Obtaining Marketing-Research Data)

76. D

Monopoly. A monopoly is a market structure in which a single company controls the whole market. In this case, Feels on Wheels controls the therapy and ridesharing market, making it a monopoly. A private enterprise system describes an economy where there is no public sector. An oligopoly occurs when the market is controlled by a small handful of businesses. The public sector describes a part of the economy owned and operated by the government.

SOURCE: EC:008 Determine the relationship between government and business

SOURCE: LAP-EC-008—Regulate and Protect (Government and Business)

77. A

Take a deep breath and walk away. Valerie can best demonstrate self-control by taking a deep breath and walking away. By doing this, Valerie would effectively defuse the situation. Retaliating by insulting the customer back or threatening the customer would escalate the situation. Valerie should not internalize the customer's insults because that would only make her more upset.

SOURCE: EI:025 Demonstrate self-control

SOURCE: LAP-EI-025—Control Yourself! (Demonstrating Self-Control)

78. A

Customers might assume the quality of the product is low. It can be problematic for a business to set prices too low because customers may assume the quality of the product is low. Customers associate price with quality—if the price is high, the quality is high; if the price is low, the quality is low. Businesses running out of products to sell, competitors copying the business's pricing strategy, or hurting the business's brand are not major concerns of setting prices too low.

SOURCE: PI:001 Explain the nature and scope of the pricing function

SOURCE: LAP-PI-001—The Price Is Right (Nature of Pricing)

79. D

It aims to elicit an immediate, measurable response. The core nature of direct marketing is that it seeks a direct, measurable response (like an order) from a targeted customer. The visual-to-text ratio is not the fundamental distinction between direct marketing channels and traditional mass media advertising channels. Mass media is broadcast to a larger, more diverse geographic audience and focuses more on general brand awareness than direct marketing.

SOURCE: PR:089 Explain the nature of direct marketing channels

SOURCE: Godwin, B. (2025, February 28). *Marketing: Key differences*. Retrieved November 25, 2025, from <https://www.ampanalytic.com/marketing/direct-marketing-vs-traditional-marketing-key-differences/>

80. B

Distributor. A distributor is an intermediary that buys products in bulk from a manufacturer, stores them, and resells them to retailers (like grocery stores). The logistics firm's actions—buying the finished bread, storing it, and arranging for its sale and delivery to stores—perfectly match this role. A supplier usually refers to the provider of raw materials. In the context of the supply chain, the bread company is the supplier to the logistics firm. A manufacturer makes the product. The initial bread-producing company is the manufacturer, not the logistics firm. A retailer sells the product directly to the final consumer. The grocery stores are the retailers; the logistics firm sells in bulk to the stores.

SOURCE: OP:443 Explain the concept of supply chain

SOURCE: LAP-OP-443—Deliver the Goods (Concept of Supply Chains)

81. C

Forced questioning. Forced questioning is a creative-thinking technique that uses basic question starters to develop original questions to ask (and answer) about an issue or idea, including who, what, why, where, when, how, did, will, might, would, could, should, etc. Starbursting—a brainstorming technique that involves using a star-shaped diagram to ask and answer basic questions (who, what, where, when, why, how) about an issue or situation—and forced questioning are similar, but forced questioning asks more than the basic question starters. Mind mapping involves the generation of ideas by association by organizing ideas and information graphically, using shapes, pictures, and words. Free association involves reacting to random words or pictures to generate a flow of ideas. In free association, each idea is used to trigger others and the process is repeated until connections are made with a given issue or situation.

SOURCE: PM:127 Identify methods/techniques to generate a product idea

SOURCE: LAP-PM-127—Unleash Your Mind (Techniques for Generating Product Ideas)

82. C

Sales promotion and personal selling. Sales promotion refers to promotional activities such as in-store discounts or demonstrations. Personal selling refers to selling through personalized communication, such as in-store associates. Hedge's is not advertising or promoting through publicity.

SOURCE: PR:003 Identify the elements of the promotional mix

SOURCE: LAP-PR-003—Spread the Word (Nature of the Promotional Mix)

83. A

Corporate responsibility. Businesses don't exist in a vacuum—they're part of society, and along with that come certain interests and obligations. Companies, large and small, have an impact on the communities around them, and they should take action to make sure that impact is positive rather than negative. For example, a business might demonstrate corporate responsibility—a business's active efforts to create a positive impact on its employees, the community, and the environment—by hosting a charity benefit. Social awareness is the ability to know and understand others' emotions. A target market is the particular group of customers a business seeks to attract. Rational motives are reasons for buying that appeal to the customers' sense of logic or judgment.

SOURCE: MK:019 Describe connections between company actions and results (e.g., influencing consumer buying behavior, gaining market share, etc.)

SOURCE: LAP-MK-019—Just Do It... Right (Company Actions and Results)

84. C

Consistently exceeding customer expectations through high-quality service and relationship building. Building a loyal clientele relies fundamentally on trust and value. Consistent excellence in service and proactive relationship building creates strong emotional connections, ensuring customers return and recommend the business to others. Offering the lowest prices and steepest discounts in the market compared to all competitors may boost sales in the short term, but customers acquired solely based on low prices will often switch when a lower price appears elsewhere. Running aggressive advertising campaigns every month to maintain brand awareness is crucial for acquiring new customers, but not for maintaining existing ones. Clientele is built through positive customer experiences, not just through constant promotional messaging. Frequently introducing new and unique products, even if they replace existing popular items, can confuse or alienate the existing customer base, damaging the stability and trust required to maintain a loyal clientele.

SOURCE: SE:828 Explain key factors in building a clientele

SOURCE: LAP-SE-828—Keep Them Loyal (Key Factors in Building Clientele)

85. D

Heat map. A heat map is a data visualization technique that uses colors (typically ranging from cool to hot) to represent the magnitude of a single variable across a geographic area or a defined space, such as a webpage. In marketing, it is perfectly suited for showing spatial data like where users click or spend the most time, with “hotter” colors indicating higher engagement. A bar chart is best used for comparing discrete categories (e.g., performance of different headlines, sales by month, product volume) but cannot visualize the spatial distribution of user attention on a single page. A line graph is primarily used to show trends over time, not the spatial engagement patterns on a webpage. A dynamic model output (or simulation) is used to predict future scenarios based on complex inputs. While it’s a type of data output, it is used for forecasting and strategic planning, not for visualizing current user behavior on a specific webpage.

SOURCE: CO:204 Use data visualization techniques (e.g., infographics, heat-maps, dynamic model outputs)

SOURCE: DashThis. (2025). *A beginner’s guide to marketing data visualization (how-to, expert tips and examples)*. Retrieved December 1, 2025, from <https://dashthis.com/blog/marketing-data-visualization/>

86. C

Short-range. Short-range forecasting predicts sales for periods of less than three months and is used to aid in day-to-day decision-making regarding planning, scheduling, staffing, inventory, etc. Intermediate-range forecasting predicts sales for periods of three months to two years and is used to plan quarterly or yearly budgets or to determine whether to make capital expenditures. Long-range forecasting predicts sales for periods of more than two years and is used when making strategic plans to develop new products, enter new markets, build new facilities, etc. Qualitative forecasting is based on expert opinion and personal experience and is not used to determine staffing levels.

SOURCE: MP:013 Explain the nature of sales forecasts

SOURCE: LAP-MP-013—Futurecast (The Nature of Sales Forecasts)

87. D

A half-truth. A half-truth is a statement that is partly true but leaves out some facts. Half-truths can be just as harmful as disinformation because they have just enough truth to be believable but leave out important details and present incomplete information. Because the company in this scenario claims its products are made with recycled materials and does not disclose it also uses non-recycled materials, this is an example of a half-truth. Misinformation is false or inaccurate information that isn’t intended to mislead others. Proprietary information is private information that belongs to an organization and cannot be released to the public. A trade secret is undisclosed information within a particular business or industry.

SOURCE: EI:038 Explain ethical considerations in providing information

SOURCE: LAP-EI-038—A Fine Line (Ethical Considerations in Providing Information)

88. B

Preparing to sell. No salesperson can sell without preparation. The first thing a salesperson must do is acquire knowledge about the product. This means being able to identify the product's features and benefits. This is the very first phase of the selling process. Reaching closure is the fifth phase of the selling process and involves addressing any remaining objections the customer may have and getting the order. This phase occurs long after identifying the product's features and benefits. Prescribing solutions to customer needs is the fourth phase of the selling process and involves offering solutions to customers' needs based on the diagnosis made for a particular customer. This, too, occurs long after identifying the product's features and benefits. Establishing relationships with customers is the second phase of the selling process and involves putting customers at ease, encouraging customers to want to hear about the product(s), gaining customer confidence, and creating a favorable impression of themselves and the business. While also early in the selling process (the second phase), this only occurs after a salesperson has identified their product's features and benefits.

SOURCE: SE:048 Explain the selling process

SOURCE: LAP-SE-048—Set Your Sales (The Selling Process)

89. A

Competitor analysis. The competitor analysis outlines the companies providing similar goods or services to a target audience. It describes their strengths, market share, and pricing structure. The customer analysis describes the target market and audience characteristics based on market research. The SWOT analysis describes strengths, weaknesses, opportunities, and threats for the company. The executive summary describes the company mission, key executives, and where it's headquartered.

SOURCE: MP:006 Explain the nature of marketing planning

SOURCE: Chen, J. (2025, April 18). *Marketing plan: Types and how to write one*. Retrieved December 3, 2025, from <https://www.investopedia.com/terms/m/marketing-plan.asp>

90. C

To provide a process for meeting customer requirements and enhancing satisfaction. ISO 9000 is a set of international standards focused on establishing a robust quality management system, which ensures repeatable, effective processes to consistently deliver products that satisfy customers. While high quality is a goal, ISO 9000 certifies the management system for quality, not a guarantee of zero defects for every individual product. Environmental standards are covered by the ISO 14000 series, which is a different set of standards from ISO 9000. ISO 9000 requires both robust internal quality checks and regular external audits to maintain certification and continuous improvement.

SOURCE: OP:163 Identify quality-control measures

SOURCE: LAP-OP-163—Take Control (Quality-Control Measures)

91. B

Median, because it is less affected by extreme outliers. The median is the value at the center of the sorted data set. Its main advantage is its resistance to outliers, meaning it provides the most accurate and representative measure of the center when extreme values are present. The ease of calculation is not its primary statistical advantage. The mode is generally a weak measure of central tendency. The mean would be heavily skewed upward by the extreme outlier, making the average salary unrepresentative.

SOURCE: IM:191 Explain the use of descriptive statistics in marketing decision making

SOURCE: Laerd Statistics. (2018). *Measures of central tendency*. Retrieved December 12, 2025, from <https://statistics.laerd.com/statistical-guides/measures-central-tendency-mean-mode-median.php>

92. A

Price gouging. Price gouging is highly unethical and illegal because it exploits consumers' urgent need for essential products during a crisis, violating the principle of fairness. Price bundling is a standard promotional technique and is generally considered ethical and legal as it offers consumer value. Predatory pricing is an unethical and illegal practice targeting competitors to harm competition, not specifically exploiting consumers during a crisis. Cost-plus pricing is a common and ethical method for setting a price floor and ensuring a profit margin.

SOURCE: PI:015 Describe the role of business ethics in pricing

SOURCE: LAP-PI-015—Pricing With Purpose (Ethics in Pricing)

93. D

Customer. Successful marketers possess a strong foundation of core professional skills, including being customer-centric. They put their customers first and prioritize meeting the unique needs of their target audience in every interaction. Marketers prioritize their clients and are not necessarily centered around money, the market, or leadership.

SOURCE: PD:137 Explain the need for professional and ethical standards in marketing

SOURCE: LAP-PD-137—Call to Action (Ethical Standards in Marketing)

94. A

To remove staples and flag illegible handwriting that could lead to inaccurate data. When processing handwritten survey responses, an initial inspection is vital to identify any issues (e.g., staples, tears, folds, illegible handwriting) that would result in unreliable, inaccurate data after the surveys have been uploaded. Legal authenticity is a secondary concern and rarely the primary goal of the pre-scanning inspection. Counting pages may happen, but it is an administrative task, not the main reason for checking data integrity. Bad input leads to unreliable digital analysis. Categorization is usually done after scanning using metadata tags; it does not require physical inspection to prevent scanning errors. Physical flaws can cause scanner jams or incomplete images, while poor handwriting causes Optical Character Recognition (OCR) errors (e.g., confusing the letter 'O' with the number '0').

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: Adobe. (2025). OCR meaning: *Why is OCR software important?* Retrieved December 9, 2025, from <https://www.adobe.com/acrobat/guides/what-is-ocr.html>

95. D

Create a customer journey map using customer personas. To improve the customer experience every touchpoint, Pavi should define the intended customer and identify how they would use the application. This is the process of creating a customer journey map. Interviewing individual loyal customers would not provide enough information to improve the customer experience at every touchpoint. If Pavi develops the product without any information on customer experience, it is likely to be low quality and may need to be completely reworked. Development team members may not vote on the features that customers care about.

SOURCE: PM:277 Identify customer touch points

SOURCE: Rastegar-Panah, M. (2025, August 12). *Customer touchpoints: How to identify them + examples*. Retrieved November 25, 2025, from <https://www.zendesk.com/blog/customer-touchpoints>

96. C

Paying slotting allowances. A slotting allowance, also known as a slotting fee, is a payment from a producer to a retailer to ensure its products appear on the store's shelves. In other instances, producers may offer to pay slotting allowances to motivate a store to invest in a product, stock a product in its warehouse, or place it in a prime location on its shelves. Maintaining exclusive territories is when producers require that distributors only sell in designated territories. A horizontal conflict is a conflict between channel members at the same level, such as between two retailers. A slotting allowance does not indicate conflict. The gray market involves the legal sale of goods through unauthorized sales channels.

SOURCE: CM:006 Describe ethical considerations in channel management

SOURCE: LAP-CM-006—The Right Path (Ethics in Channel Management)

97. B

Promotion. Promotion refers to the various types of communication that marketers use to inform, persuade, or remind customers about their products. Price refers to the amount of money a business asks for in exchange for its products/services. Place refers to getting a selected product in the right place at the right time for the customer. Product refers to the product being sold by the business.

SOURCE: MP:001 Explain the concept of marketing strategies

SOURCE: LAP-MP-001—Pick the Mix (Nature of Marketing Strategies)

98. A

Decisions based on inaccurate information can hurt a business and its customers. If marketers are not using reliable sources, they are not fulfilling their ethical responsibility. Decisions that are made based on inaccurate information will likely hurt the business and its customers. While ethical marketers should be cautious to use trustworthy online sources, that does not mean they need to avoid online sources entirely. Unreliable sources do not help build credibility and objectivity in the research process. The need for reliable sources is both a financial and ethical concern.

SOURCE: IM:025 Explain the role of ethics in marketing-information management

SOURCE: LAP-IM-025—Info With Integrity (Ethics in Marketing Information Management)

99. A

Not including visual aids to explain the numbers. The audience likely tuned out because Olivija's oral explanation included many numbers that made it difficult to follow or visualize. Olivija should have included aids to visually explain the meaning and importance of the numbers. Olivija should not have someone else give her presentation. Including numbers in the presentation and presenting on the topic were not mistakes.

SOURCE: CO:025 Make oral presentations

SOURCE: LAP-CO-025—Well Said! (Making Oral Presentations)

100. B

Food and Drug Administration (FDA). The FDA is responsible for protecting consumers' health by ensuring food products are safe and their labeling is honest. Avoiding or falsifying food safety inspections is a form of violating the FDA's rules. The CPSC, FTC, and OSHA are not responsible for food safety.

SOURCE: PM:017 Identify consumer protection provisions of appropriate agencies

SOURCE: LAP-PM-917—Protect and Serve (Consumer Protection)