



Competency-Based  
Competitive Events  
\*Written Exam\*  
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Test Number 1297  
Booklet Number \_\_\_\_\_

# Marketing Exam

Fashion Merchandising and Marketing  
Marketing Management  
Sales Management and Leadership

**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 \_\_\_\_\_ minutes to complete all questions.

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1. Why are some business professionals reluctant to generate new product ideas?
  - A. They think "outside the box."
  - B. They like to explore.
  - C. They are lateral thinkers.
  - D. They are afraid of risk.
  
2. Which of the following are examples of intellectual property that a business can protect by registering trademarks:
  - A. Creative formulas and ideas
  - B. Distinctive names and symbols
  - C. New products and processes
  - D. Original novels and movies
  
3. Why should a brand name be distinctive?
  - A. So that it sets the product apart from other products
  - B. So that it gives the product a generic image
  - C. So that it can easily be changed over time
  - D. So that it can be used in multinational marketing
  
4. What barrier to creativity is being described in the following situation: "We've been working around the clock for weeks to meet the deadline on our project. It's getting harder and harder to come up with new ideas."
  - A. Stress
  - B. Need to be right the first time
  - C. Limiting code of behavior
  - D. Criticism
  
5. Naomi's company purchases property for the location of a new motorcycle dealership. A month later, she runs the numbers again and discovers it doesn't make financial sense to open a new store. She convinces herself that the new location will bring in plenty of money and that the company shouldn't worry. Naomi's decision-making is affected by
  - A. loss aversion.
  - B. incrementalism.
  - C. sunk costs.
  - D. obedience to authority.
  
6. What is a strategy that a business might use to position its product?
  - A. Determine the target market
  - B. Focus on a competitor's weakness
  - C. Develop a promotional plan
  - D. Advertise a mission statement
  
7. The primary reason for developing a marketing research brief is to
  - A. explain the survey's rating scale.
  - B. summarize the raw data.
  - C. clarify the purpose of the research.
  - D. identify changes in the marketplace.

8. To build collaborative relationships with coworkers, it is necessary for each person to
- A. develop a competitive spirit.
  - B. change their personal opinions.
  - C. possess the same skills and attitudes.
  - D. be willing to share information.
9. When preparing her tax return, Lynnette listed the interest that she paid on her student loan as
- A. taxable earnings.
  - B. investment income.
  - C. an itemized deduction.
  - D. a tax-exempt investment.
10. Which of the following is the best place to start looking for data about competitors:
- A. The company's internal records
  - B. The company's call reports
  - C. The company's website
  - D. The local newspaper
11. A common goal shared by labor and management is to
- A. establish a labor organization.
  - B. keep the business operating smoothly and effectively.
  - C. increase the number of fringe benefits provided to employees.
  - D. pay workers maximum wages.
12. Which of the following is a type of payroll tax that a business withholds from an employee's wages:
- A. Exclusive
  - B. Installment
  - C. Expense
  - D. Income
13. Which of the following is an external factor that affects the role of promotion in marketing:
- A. Distribution of the product
  - B. The product to be promoted
  - C. Government regulations
  - D. The price of the product
14. Researchers are studying a company's past sales invoices as part of their current marketing research project. The sales invoices are examples of
- A. secondary data.
  - B. primary data.
  - C. units of analysis.
  - D. relevant variables.

15. Which of the following often determines the usefulness of marketing research briefs:
- A. Ease of understanding
  - B. Style of format
  - C. Length of analysis
  - D. Type of documentation
16. Public relations efforts aimed at a company's own employees are often attempting to
- A. maintain employee goodwill.
  - B. sell products and services.
  - C. take advantage of employees.
  - D. educate the public about the company.
17. The Power Good Company is attempting to project how much profit its brand new product is likely to generate. What is the company doing?
- A. Generating facts
  - B. Making estimates
  - C. Building data sets
  - D. Making predictions
18. Using a locked mailbox, implementing a "last person out" policy, and numbering building keys are all examples of policies and procedures designed to
- A. foster a positive workplace culture for employees.
  - B. prevent employees from stealing from the workplace.
  - C. maintain the physical security of a workplace.
  - D. determine which employees can and can't be trusted.
19. Salespeople offer solutions to customers' needs by demonstrating their products and encouraging customers to \_\_\_\_\_ the products.
- A. handle
  - B. watch
  - C. approve
  - D. admire
20. Businesses are being socially responsible to their customers when they
- A. test the safety of their products.
  - B. offer employees job training.
  - C. provide safe working environments.
  - D. contribute to community causes.
21. Why are Universal Product Codes (UPCs) often preprinted on products before the manufacturer ships the products to the business?
- A. To increase the product turnover rate
  - B. To simplify the price-marking function
  - C. To reduce the possibility of theft
  - D. To improve the transportation system

22. What is wrong with a survey question that asks, "How would you rate our customer service and product quality?"
- A. It asks respondents to assess two different topics at the same time.
  - B. It influences the respondent's answer by inserting an opinion.
  - C. It uses unfamiliar terminology that could confuse respondents.
  - D. It is an open-ended question that limits the respondent's answer.
23. Which of the following is a producer-related factor that affects the choice of distribution channels:
- A. Size of good
  - B. Location of market
  - C. Perishability of good
  - D. Available funds
24. Which of the following are examples of things that can be protected by a copyright:
- A. Name or phrase
  - B. Symbol or design
  - C. Literary or musical works
  - D. Invention or process
25. Which of the following sample designs is similar to "drawing names out of a hat":
- A. Simple random sampling
  - B. Systematic random sampling
  - C. Cluster sampling
  - D. Stratified random sampling
26. Some large retailers have successfully integrated information sharing between channel members by incorporating \_\_\_\_\_ between suppliers, warehouse, and store checkout.
- A. PLUs and invoices
  - B. bar codes and PLUs
  - C. outsourcing and EDI
  - D. bar codes and EDI
27. Which of the following is a business-specific factor that a retailer should understand to plan an effective marketing program:
- A. Technology
  - B. Regulations
  - C. Competition
  - D. Economy
28. What do businesses create to help answer the research problem?
- A. Strategies
  - B. Objectives
  - C. Activities
  - D. Procedures

29. Rent, salaries, and advertising are all examples of
- A. cost of goods sold.
  - B. variable costs.
  - C. fixed costs.
  - D. operating expenses.
30. If a bank doubles its interest rates on loans, the demand for money will
- A. continue to increase.
  - B. remain the same.
  - C. double.
  - D. decrease.
31. A business might be involved in the illegal activity of deceptive pricing if it
- A. offers special prices on a discontinued item.
  - B. sells products at a limited number of predetermined price points.
  - C. changes prices according to current demand.
  - D. misleads customers about the true value of a product.
32. Which of the following factors helps determine if a manufacturer is illegally using closed sales territories for distribution purposes:
- A. Reduced competition
  - B. Increased intensity
  - C. Limited risk
  - D. Perishable goods
33. For what purpose do businesses use data mining?
- A. To see patterns within data
  - B. To show why information is valuable
  - C. To eliminate the need to understand data
  - D. To make decisions for them
34. The Sandlot Company promotes its products to intermediaries who then promote the products to customers. The Sandlot Company is using a(n) \_\_\_\_\_ promotional strategy.
- A. pull
  - B. decreasing
  - C. increasing
  - D. push
35. Under which of the following circumstances is the response to direct email likely to be the highest:
- A. The advertiser sends out an unsolicited ad to thousands of recipients.
  - B. The delivered ad is strictly informational in nature.
  - C. The postal mail service delivers the ad on time.
  - D. Recipients have given the advertiser permission to send the ad.

36. Which of the following statements best describes the concept of customer relationship management (CRM) in business:
- A. Using nonpersonal promotion to communicate product information to customers for the purpose of obtaining repeat sales
  - B. Customizing a wide variety of goods and services that will encourage customers to continue buying from a specific business
  - C. Acquiring and manipulating external data to appeal to new market segments and gain market share from the competition
  - D. Obtaining and applying information about a customer's preferences and needs in ways that will build an ongoing buyer/seller relationship
37. What should employees do after interacting with each customer?
- A. Thank the customer for coming
  - B. Take a short rest break
  - C. Talk to the manager about the customer
  - D. Prepare a sales report
38. Von is a very thorough record keeper. He always carefully files his company's bills, receipts, and cancelled checks because he knows that the company has a responsibility to prove the expenses it lists on its tax return. Von's company bears a
- A. burden of proof.
  - B. record burden.
  - C. responsibility to prove.
  - D. tax return proof.
39. Which of the following examples illustrates the use of the cause and effect method of formatting for structuring oral presentations:
- A. The use of toxic chemicals in the environment can result in the extinction of many species of waterfowl.
  - B. We will discuss the basic steps used in developing effective time management techniques, and the first step is to prioritize all of your commitments.
  - C. Monet and Cezanne were both impressionist artists; however, their painting techniques and use of color differed greatly.
  - D. The public supports increased spending on national security, and a survey reports that over 70% of the citizens fear future terrorist attacks.
40. What is an ethical issue that affects the promotional efforts of many businesses?
- A. Children's advertising
  - B. Personal selling
  - C. Integrated marketing
  - D. Brand positioning
41. A sporting goods manufacturer has spent \$1 million on magazine advertising featuring well-known sports figures. As a salesperson, how should you use these promotions during a sales presentation?
- A. To prove the equipment is the best buy
  - B. To shorten the sales presentation
  - C. To build customer confidence
  - D. To forecast sales

42. What is a regulatory factor that affects promotion on an international level?
- A. Culture of specific countries
  - B. Price of comparable products
  - C. Cost of media placement
  - D. Types of products being advertised
43. The salesperson says, "Mrs. Jones, the Model 2XY upright vacuum cleaner has attachments that allow you to remove dust from furniture, draperies, and ceiling fans. It also has a steamer that deep cleans carpets." This is an example of a salesperson describing the product's
- A. durability.
  - B. construction.
  - C. multiple uses.
  - D. unique style.
44. Which of the following is a result of evaluating vendor performance:
- A. Less cooperation from the vendor
  - B. More defects in the supply chain
  - C. Better overall risk management
  - D. Fewer opportunities for communication
45. What is an example of an amplified word-of-mouth strategy?
- A. A company asks customers to share product reviews on a website.
  - B. Fans share the release date for a new product on Facebook.
  - C. A customer shares their opinion of a new product with a friend.
  - D. Customers post comments about a company on Instagram.
46. Which of the following is an ongoing population trend that affects how businesses market their goods and services:
- A. Lifestyle
  - B. Migration
  - C. Behavior
  - D. Consumption
47. Ollie is designing a magazine ad, and he wants to draw attention to one main feature. To do so, Ollie should
- A. change fonts often.
  - B. use white space.
  - C. keep his audience in mind.
  - D. avoid clashing colors.
48. Your store is purchasing a new display case. Which type of newspaper advertisement would be most appropriate to use to sell the old display case?
- A. Classified display advertising
  - B. Special advertising
  - C. Display advertising
  - D. Classified advertising

49. A disadvantage to a business of using traditional direct-mail advertising is that
- A. a direct-mail package can only be used once.
  - B. the business has little control over who receives the message.
  - C. it can be expensive to produce and distribute.
  - D. it cannot be used for soliciting repeat customers.
50. A sample indicates that the average income in the northwest region is \$31,257. This is an example of \_\_\_\_\_ statistical information.
- A. sequential
  - B. unilateral
  - C. descriptive
  - D. multivariate
51. When Aaron receives what looks like an email from his bank asking him to verify his account information, he replies with his account number, phone number, and social security number. However, Aaron soon finds out that the email wasn't from his bank at all—it was from a scammer. Aaron is the victim of
- A. key logging.
  - B. a break-in.
  - C. a computer virus.
  - D. phishing.
52. Which of the following situations is an example of a nonresponse error:
- A. Tim did not answer the last two questions on a written survey.
  - B. Jenny coded a survey respondent's answer with the number two instead of the number three.
  - C. Ben found that the sample group was not representative of the target market.
  - D. Angela developed a written survey containing open-ended questions.
53. One of the goals of marketing planning is to identify a business's
- A. strategies.
  - B. requirements.
  - C. guidelines.
  - D. opportunities.
54. Which of the following is a business objective that is generally considered unethical:
- A. Using sales promotions to sell items at lower prices to attract customers
  - B. Establishing a suggested retail price for a new product line
  - C. Setting prices to intentionally drive the competition out of business
  - D. Setting a price that maximizes the company's return on investment
55. When a business allocates a certain amount of money in relation to the amount of goods and services that it sold the previous year, it is setting its marketing budget by
- A. obtaining bids for various marketing activities.
  - B. using the percentage-of-sales method.
  - C. considering its competitors' activities.
  - D. reviewing industry standards.

56. What is an effective data-collection method that provides accurate information about how people behave under normal circumstances?
- A. Experiment
  - B. Survey
  - C. Observation
  - D. Interview
57. The Federal Trade Commission protects consumers from high-pressure selling tactics by enforcing a regulation that gives consumers a(n)
- A. standard for prescription drug use.
  - B. three-day cooling-off period.
  - C. update on motor vehicle safety.
  - D. list of harmful ingredients.
58. Abdul is in the market for an engagement ring. When he decides on the ring he would like to purchase, the salesperson informs him of the company's lifetime warranty on engagement rings. Abdul decides to opt in for the warranty and signs a written contract. This is an example of a(n)
- A. strategy.
  - B. guarantee.
  - C. express warranty.
  - D. implied warranty.
59. Which of the following is an advantage of consensus building:
- A. It results in decreased creative problem-solving among group members.
  - B. It encourages commitment and support among group members.
  - C. It has a tendency to be extremely labor- and time-consuming.
  - D. It typically involves significant risk and a high probability of failure.
60. In the event of a dispute between a policyholder and an insurance company, who is most likely to do what is best for the policy holder versus the insurance company?
- A. Underwriter
  - B. Independent agent
  - C. Direct writer
  - D. Captive agent
61. A business might have an excess of goods available for sale if it fails to gather marketing information and makes decisions using the \_\_\_\_\_ approach to marketing.
- A. best-guess
  - B. short-term
  - C. low-priced
  - D. data-based

62. You are a marketing-research specialist for a company and have been asked to develop ideas for a new product that the company might produce. To compile age, income, and geographic information on possible customers, you should obtain
- A. primary data from industry organizations.
  - B. primary data from marketing-research companies.
  - C. secondary data from company sales records.
  - D. secondary data from government agencies.
63. Which of the following statements regarding corporate branding is true:
- A. Brand cues are used primarily to identify the company in its advertising.
  - B. A business's core values identify the beliefs that the business stands for.
  - C. Customer touch points typically occur before sales transactions.
  - D. Customer service representatives are responsible for corporate branding.
64. One advantage to businesses using electronic funds transfer technology to collect accounts receivable is that it eliminates
- A. liquidity reporting.
  - B. check processing.
  - C. sales discounting.
  - D. payee outsourcing.
65. What are producers most likely to do if they decide their incomes are inadequate?
- A. Continue to increase production
  - B. Choose not to make goods and services
  - C. Continue to buy more resources
  - D. Choose not to supply needed resources
66. Every year, the MXQ Company contacts its customers to verify their phone numbers, shipping and billing information, and email addresses. The primary purpose of this activity is to
- A. update the company's customer records.
  - B. establish goodwill through public relations.
  - C. determine the customers' buying intentions.
  - D. achieve the company's sales quotas.
67. To recognize opportunities in the marketplace, a business should
- A. analyze its product mix.
  - B. develop specific sales goals.
  - C. pay attention to trends.
  - D. review its marketing plan.
68. Which of the following are primary ethical factors that a business considers when changing its products' packaging:
- A. Market dominance
  - B. Environmental issues
  - C. Color and quality
  - D. Pricing objectives

69. When processing marketing information, assigning numeric value to different responses or types of data is known as
- A. coding.
  - B. interpreting.
  - C. formulating.
  - D. editing.
70. Which of the following is a characteristic of a persuasive sales message:
- A. Contains loaded language
  - B. Reminds customer of the product
  - C. Makes the product appealing
  - D. Discredits the competition
71. When determining personal net worth, how are personal liabilities handled?
- A. They are subtracted from the net worth subtotal.
  - B. They are not used in the calculations.
  - C. They are subtracted from the total of assets.
  - D. They have to be eliminated first.
72. For legal purposes, what should a business do when it collects marketing information from its online customers?
- A. Post its privacy policies on its website
  - B. Store the information at an insecure site
  - C. Purchase surge-protection insurance
  - D. Develop confidential selling strategies
73. During the execution-and-monitoring stage of project management, the project manager's job is to
- A. deliver the project's final product.
  - B. secure enough funding to complete the project.
  - C. assign roles to team members.
  - D. make sure the project stays on track.
74. Which of the following is a marketing activity that a business should coordinate with distribution to successfully sell its product:
- A. Promotion
  - B. Production
  - C. Training
  - D. Operations
75. What do business employees often need to do before they are able to write proposals?
- A. Contact the customer
  - B. Research the problem
  - C. Analyze personal biases
  - D. Evaluate technical skills

76. Alyssa and Tyrone are working on a report together. They need to finish the report by Monday, but both of them will be out of town for the weekend. What tool would best help Alyssa and Tyrone finish their assignment on time without compromising teamwork?
- A. A mathematical spreadsheet program such as Microsoft Excel
  - B. A collaborative software application such as Google Docs
  - C. A multimedia presentation software application such as PowerPoint
  - D. A single-user word-processing software such as Notepad
77. Identify the type of product utility being described in the following situation: A retail store decides to locate in a suburban shopping center.
- A. Form
  - B. Place
  - C. Time
  - D. Possession
78. What is the primary goal of corporate promotion?
- A. To publicize a service
  - B. To sell a product
  - C. To explain a specific feature
  - D. To create a certain image
79. A retailer buys a variety of toys from a number of different producers and makes them all available for sale in the same place. The retailer is reducing a discrepancy of
- A. promotion.
  - B. assortment.
  - C. installation.
  - D. quantity.
80. One way that a manufacturer can foster positive relationships with its channel members is by
- A. selling directly to end users.
  - B. encouraging a competitive culture.
  - C. using aggressive tactics.
  - D. providing training programs.
81. What is an advantage in using the internet to promote products?
- A. Enables tracking of users' viewing and purchasing habits
  - B. Creates a loyal customer base for businesses.
  - C. Increases businesses' annual sales volume by 10%
  - D. Reduces businesses' need to use traditional publicity efforts
82. Customers' service expectations are
- A. one size fits all.
  - B. not affected by advertising.
  - C. based on past experiences.
  - D. dependent on the needs of others.

83. A purchasing system is crucial to a company's success because it
- A. helps businesses stay compliant with industry purchasing standards.
  - B. assists business leaders with setting sale prices for company products.
  - C. provides consistency across companies with its universal model.
  - D. makes sure only necessary and reasonably priced purchases are made.
84. Which of the following is a true statement about qualitative research:
- A. It is often conducted through experiments.
  - B. It is conducted during a short time frame.
  - C. It is based on statistics and facts.
  - D. It uses large samples of the population.
85. Which of the following is a stage of a product's life cycle:
- A. Maturity
  - B. Adolescence
  - C. Death
  - D. Birth
86. Mason is the vice president of marketing at his company. He directly supervises everyone who works in the department. Mason has \_\_\_\_\_ authority.
- A. divisional
  - B. line
  - C. staff
  - D. functional
87. Which of the following is an example of a product being sold to an organization for resale:
- A. A potter sells pottery at a flea market.
  - B. A retailer sells a small refrigerator to a coffee shop.
  - C. A farmer sells produce to a restaurant.
  - D. A wholesaler sells candy to a concession stand.
88. After a Korean auto manufacturer built a plant in Ames, Iowa, Kwan noticed a substantial growth of Korean residents in the area, many of whom were relocated to Ames to work for the plant. Kwan decided to import Korean goods and sell them in a small Korean specialty store near town. This is an example of a product opportunity resulting from
- A. changes in travel habits.
  - B. differences in priorities.
  - C. shifts in population ethnicity.
  - D. advancements in technology.
89. If a product line is performing poorly, a business might decide to
- A. maintain the product mix depth.
  - B. decrease market intensity for a well-performing product line.
  - C. reduce the product mix width.
  - D. increase the prices of a well-performing product line.

90. Determine whether the following statement is true or false: Identifying the reason the business needs to do marketing research is the easiest step in the marketing research process.
- A. False; outside experts must be hired to identify the reason for the research.
  - B. False; identifying the real reason for the research can be a very difficult step.
  - C. True; identifying the reason for the research is an easy and inexpensive step.
  - D. True; this step is easy because businesses know what their research needs are.
91. Which of the following is a key subject that should be covered by a situation analysis:
- A. Collaborators
  - B. Marketing objectives
  - C. Financial plans
  - D. Product strategy
92. Telling a brand story is important because it
- A. is entertaining for customers.
  - B. connects the brand with customers.
  - C. eliminates the need for a corporate brand.
  - D. is a fun activity for the company.
93. Why is it necessary for a business to price its products very carefully?
- A. To create goodwill in the community
  - B. To get a fair share of the market
  - C. To track competitors' activities
  - D. To attract employees to the business
94. If several countries implement tariffs on imports, global trade often decreases. To reduce the negative effects of this form of trade protectionism, countries often negotiate
- A. import restrictions.
  - B. domestic subsidies.
  - C. trade agreements.
  - D. export limits.
95. When a business presents an item to the marketplace by emphasizing its economic value, the business is positioning the product on the basis of its
- A. competitors.
  - B. price.
  - C. benefits.
  - D. features.
96. Oreo's, Chips Ahoy, and Teddy Grahams are all cookies produced by Nabisco. The cookies are an example of a product
- A. assortment.
  - B. mix.
  - C. line.
  - D. item.

97. To outdo competitors, a company may choose air freight to distribute its products. Which of the four P's of marketing is affecting the product's price?
- A. Packaging
  - B. Product
  - C. Promotion
  - D. Place
98. Which of the following activities plays an important interactive role in securing client goodwill and patronage:
- A. Promoting
  - B. Purchasing
  - C. Selling
  - D. Managing
99. During what phase of a product's life cycle is a business most likely to develop advertising campaigns to remind customers about the product or promote features added to the product?
- A. Obsolescence
  - B. Maturity
  - C. Introduction
  - D. Decline
100. Intermediate-range sales forecasts are used to
- A. aid in scheduling.
  - B. make strategic plans.
  - C. plan yearly budgets.
  - D. aid in staffing.



**KEY**

Test Number 1297

# Marketing Exam

Fashion Merchandising and Marketing  
Marketing Management  
Sales Management and Leadership

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1. D

They are afraid of risk. Many business professionals are reluctant to generate new product ideas. Some are worried about the unknowns and risks that come with new products. Some are not good at thinking "outside the box." Others are afraid to voice new product ideas due to criticism and ridicule that their ideas may attract from close-minded coworkers and supervisors. Lateral thinkers, who typically are good at thinking outside the box and like to explore, are likely to generate and share their ideas.

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

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

2. B

Distinctive names and symbols. Intellectual property is a type of intangible personal property that many businesses own. Businesses are able to obtain protection for certain types of intellectual property through a variety of laws. For example, a business can protect its distinctive name and symbol by registering a trademark. A trademark is a symbol, design, or word used by a business to identify a good or service. By registering its trademark, others are prohibited from using or copying it without the business's permission. Original novels and movies are protected by copyrights. New products and processes, and creative formulas and ideas may be protected with patents.

SOURCE: BL:001 Describe legal issues affecting businesses

SOURCE: Cornell University Law School. (n.d.). *Trademark*. Retrieved October 4, 2023, from <https://www.law.cornell.edu/wex/trademark>

3. A

So that it sets the product apart from other products. The brand name should not be too common or too similar to those used by competitors. It should be appropriate and even clever, if possible. A brand name's adaptability makes it useable in multinational marketing and prevents it from needing to be changed over time. A distinctive brand name gives the product a specific image, not a generic image.

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)

4. A

Stress. Worry and fatigue tense both physical and mental muscles. Stress blocks the flow of creative ideas. Limiting code of behavior is a pattern of behavior that limits creativity because people become convinced that a problem is unavoidable and don't look for solutions. People who need to be right the first time can't take the chance of being wrong. Creativity requires people to explore alternatives and to take risks. Creative people need to avoid limiting the number and quality of ideas by being critical.

SOURCE: PD:012 Demonstrate appropriate creativity

SOURCE: LAP-PD-012—Imagine That (Demonstrating Creativity)

5. C

Sunk costs. Sunk costs are costs that have already been incurred and thus cannot be recovered. If you have already invested in something, it is difficult to admit that it was not the right decision, especially when there is nothing you can do about it. Loss aversion is the tendency to avoid a loss at all costs, even when attempting to avoid that loss can lead to negative consequences. Obedience to authority refers to the natural tendency to want to please authority figures. Incrementalism refers to the diminishing of ethical values over time.

SOURCE: FI:355 Discuss the role of ethics in finance

SOURCE: LAP-FI-355—Money Morals (The Role of Ethics in Finance)

6. B

Focus on a competitor's weakness. Before a positioning strategy is chosen, a company must decide how it is going to differentiate itself from competitors. One way is to identify a weakness that a competitor has. Then, the company points out that it has something to offer that the competitors don't have. A business usually determines its target market before developing a positioning strategy. Once the strategy is in place, a business might develop a promotional plan and advertise a mission statement.

SOURCE: PM:043 Develop strategies to position products/services

SOURCE: Indeed. (2023, February 15). *Seven positioning strategies for your marketing plan*. Retrieved October 4, 2023, from <https://www.indeed.com/career-advice/career-development/positioning-strategy>

7. C

Clarify the purpose of the research. A marketing research brief is a proposed plan for approaching the marketing research study. The brief defines or clarifies the issue or problem, states the objectives of the study, and suggests ways in which to approach the research process. Marketing researchers collect raw data after developing the marketing research brief. Identifying changes in the marketplace may be a purpose for conducting the research. The research process may or may not involve conducting a survey.

SOURCE: IM:290 Explain the nature of marketing research briefs

SOURCE: B2B International. (n.d.). *The art of the market research brief*. Retrieved October 4, 2023, from <https://www.b2binternational.com/publications/market-research-brief/>

8. D

Be willing to share information. Collaboration involves working together in a cooperative manner. It requires honesty, trust, and a willingness to share information to accomplish common goals. It is not necessary for people to possess the same skills and attitudes or to change their values or opinions to effectively collaborate. An overly competitive attitude may hinder collaboration because people may become more interested in their own agendas rather than focusing on the group's goals.

SOURCE: EI:061 Maintain collaborative partnerships with colleagues

SOURCE: Herry, J. (2023, March 10). *8 ways to build strong relationships in the workplace*. Retrieved September 18, 2023, from <https://www.indeed.com/career-advice/career-development/how-to-build-relationships>

9. C

An itemized deduction. The government allows taxpayers to itemize or list certain expenses on their tax returns to reduce the amount of taxable income. These expenses include charitable donations, a percentage of medical expenses, business expenses, and interest paid on some types of loans. Investment earnings, such as dividend payments, are taxable income. The federal government does not tax certain types of investments, such as municipal bonds.

SOURCE: FI:074 Prepare personal income tax forms

SOURCE: IRS. (2023, April 6). *Topic number 456, student loan interest deduction*. Retrieved September 19, 2023, from <https://www.irs.gov/taxtopics/tc456>

10. C

The company's website. Finding data about competitors can be difficult. The best place to start looking is usually the "Investors" section of the company's website. You would not have access to the company's internal records or call reports. You may or may not find useful data in the local newspaper.

SOURCE: IM:184 Identify data monitored for marketing decision making

SOURCE: LAP-IM-184—Data Diving (Identifying Marketing Data)

11. B

Keep the business operating smoothly and effectively. If a business is successful, workers have a better chance of getting higher wages and better working conditions. In addition, management has a better chance of increasing the business's profits. Workers are responsible for establishing labor unions to strengthen their bargaining power with management. Obtaining more fringe benefits and high wages for employees is one of the main purposes of labor unions.

SOURCE: EC:015 Explain the concept of organized labor and business

SOURCE: LAP-EC-915—Get United (Organized Labor)

12. D

Income. An employee's wages (income) are the amount of money that they earn for performing their job. Many governments require their citizens to pay a percentage of their wages to help cover government expenses and programs. This tax is called the income tax. Expense, installment, and exclusive are not taxes that a business withholds from an employee's wages.

SOURCE: HR:394 Explain issues associated with the payroll process

SOURCE: Kagan, J. (2023, February 27). *What is income tax and how are different types calculated?* Retrieved October 4, 2023, from <https://www.investopedia.com/terms/i/incometax.asp>

13. C

Government regulations. Government regulations are an external factor affecting promotion by putting restrictions on its use. For example, government regulations prohibit cigarettes from being promoted on TV or radio. The product that is to be promoted, the channels of distribution, and the price of the product are all internal factors within the control of the business.

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

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

14. A

Secondary data. The sales invoices are examples of secondary data, or facts, figures, and statistics that already exist and have been used for purposes other than the marketing research study. Primary data are new facts, figures, or statistics gathered for the specific marketing research project being conducted. Relevant variables are the types of information studied in a marketing research project (e.g., brand awareness, customer satisfaction). Units of analysis are the entities or elements that are being studied in market research (e.g., individual, household).

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

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

15. A

Ease of understanding. Marketing research briefs are useful if they are easy to understand. In many situations, the topic of the research is complex or technical. Explaining the purpose of the research in terms that are easy to understand will make the brief useful to those who rely on it to make decisions. The type of documentation, the length of analysis, and the style of format are not factors that determine the usefulness of marketing research briefs.

SOURCE: IM:291 Determine usefulness of marketing research briefs

SOURCE: B2B International. (n.d.). *The art of the market research brief*. Retrieved October 4, 2023, from <https://www.b2binternational.com/publications/market-research-brief/>

16. A

Maintain employee goodwill. Public relations efforts that are aimed at employees are often attempts to enhance employee morale and maintain employee goodwill toward the business. Educating the public about the company is the purpose of other types of public relations, such as those that are aimed at consumers. Taking advantage of employees is not usually a purpose of public relations. Selling products and services is an indirect goal of public relations aimed at the public, but it is not the ultimate purpose.

SOURCE: PR:253 Discuss internal and external audiences for public-relations activities

SOURCE: Advameg, Inc. (2023). *Public relations*. Retrieved September 19, 2023, from <https://www.referenceforbusiness.com/small/Op-Qu/Public-Relations.html>

17. B

Making estimates. Estimates are approximations of data—or put more simply, educated guesses. Since the product is brand new, the company doesn't have any past sales on which to base its projection. Instead, it has to formulate its best guess for how much profit the product will generate. A prediction is based on past sales and current market data. Facts are data that can be verified. Because the product is new, there is no way data can be verified for it. Data sets may be the foundation for estimates or predictions, but there's no indication that the business in this situation is building data sets.

SOURCE: IM:012 Describe the need for marketing data

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

18. C

Maintain the physical security of a workplace. Maintaining the physical security of the workplace is important for businesses of all shapes and sizes. Using a locked mailbox, implementing a “last person out” policy, and numbering building keys are all ways that companies can keep their workspaces secure. Using a locked mailbox protects sensitive company information from being stolen or damaged. A “last person out” policy ensures that the workplace is shut down properly and securely at the end of each workday. Numbering building keys helps companies keep track of their keys and prevent them from being copied. These policies and procedures are not designed to prevent employees from stealing from the workplace, foster a positive workplace culture for employees, or determine which employees can and can't be trusted.

SOURCE: OP:157 Establish policies and procedures to maintain physical security of the work environment

SOURCE: Nevada Small Business. (2023). *Office and workplace security—An overview*. Retrieved October 4, 2023, from <https://nevadasmallbusiness.com/keep-workplace-safe-and-secure/>

19. A

Handle. Salespeople demonstrate products to show customers how the products will solve customers' problems or meet their needs. Salespeople try to appeal to customers' senses by getting the product into the customers' hands and showing them how it works. Handling a product makes customers feel a sense of ownership and encourages them to buy. Having customers handle the product is more likely to encourage customers to buy than letting them watch the salesperson handle the product. The final objective of any demonstration is not just to have the customer admire or approve of the product but to purchase it.

SOURCE: SE:048 Explain the selling process

SOURCE: Robertson, K. (2021, January 8). *How to create a powerful sales presentation: Seven presentation tips for making a presentation that makes the sale*. Retrieved September 19, 2023, from <https://www.liveabout.com/how-to-create-a-powerful-sales-presentation-2948462>

20. A

Test the safety of their products. Every business has the responsibility of producing and offering safe, quality products. If businesses fail to be sensitive to the well-being of their product users, the businesses will probably fail. Providing safe working environments and offering job training are ways businesses can be socially responsible to their employees. Contributing to community causes demonstrates social responsibility toward the community.

SOURCE: EC:070 Explain the role of business in society

SOURCE: LAP-EC-070—Business Connections (Business and Society)

21. B

To simplify the price-marking function. The Universal Product Code (UPC) label is encoded with product information such as price, brand, size, etc., to be read by an electronic scanner. Technology allows manufacturers to preprint this data on packages before shipping them to businesses. The preprinted data simplify the price-marking function because the business does not need to mark a price on each product. The UPC data contain the necessary pricing information. Preprinting UPCs on products does not increase the product turnover rate, reduce the possibility of theft, or improve the transportation system.

SOURCE: PI:016 Explain the use of technology in the pricing function

SOURCE: GSI. (2023). *Guide to UPC codes*. Retrieved September 18, 2023, from <https://www.gs1us.org/upcs-barcodes-prefixes/guide-to-upcs>

22. A

It asks respondents to assess two different topics at the same time. The survey question "How would you rate our customer service and product quality?" is an example of a double-barreled question, which requests a single answer for two different topics (customer service and product quality). It is not an open-ended question limiting the respondent's answer. The survey question does not insert an opinion or use unfamiliar terminology.

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

SOURCE: SurveyMonkey. (1999-2023). *Best practices for writing good survey and poll questions*. Retrieved September 18, 2023, from <https://www.surveymonkey.com/mp/writing-survey-questions>

23. D

Available funds. The amount of money available to pay for distribution costs is a key factor in determining the choice of channels. If the producer has ample funding, short channels can be used. However, if the producer lacks sufficient funds, then costs of distribution will need to be shared with intermediaries. Size and perishability of a good relate to the nature of the good or service. The location of the market is a market consideration.

SOURCE: CM:010 Select channels of distribution

SOURCE: Geeks for Geeks. (2023, April 6). *Factors determining choice of channels of distribution*. Retrieved October 4, 2023, from <https://www.geeksforgeeks.org/factors-determining-choice-of-channels-of-distribution/>

24. C

Literary or musical works. A copyright is a legal protection of books and other artistic works granted by government that gives their creators sole rights to them for a certain period of time. Literary, musical, dramatic, and architectural works, along with sound recordings and computer programs, are some examples of things that can be protected by a copyright. Inventions or processes are examples of things that can be protected by a patent—a legal protection of an invention or a process granted by government to its owners for a certain number of years. Symbols, designs, names, or phrases are examples of things that can be protected by a trademark—a word, name, symbol, or device used by a manufacturer or merchant to identify and distinguish its goods from those manufactured and sold by others.

SOURCE: BL:051 Describe methods used to protect intellectual property

SOURCE: Entrepreneur. (2023). *Intellectual property*. Retrieved September 18, 2023, from <https://www.entrepreneur.com/encyclopedia/intellectual-property>

25. A

Simple random sampling. Simple random sampling is a probability sampling method in which every sampling unit has a known and equal chance of being selected—akin to drawing names out of a hat. Stratified random sampling is a probability sampling method in which researchers break the target population down into non-overlapping groups and draw simple random samples from each one. Cluster sampling is a probability sampling method in which researchers divide the target population into non-overlapping sub-populations that are determined by geography and then randomly sample each one. Systematic random sampling is a probability sampling method in which researchers place sampling units into a random list and draw a sample using a skip interval.

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)

26. D

Bar codes and EDI. Bar codes are a way of marking products that allows for electronic data interchange (EDI). This is an example of integrated information sharing that has advanced most areas of physical distribution. Merchandise information stored on the magnetic bar code is used for pricing, inventory control, reordering, market research, etc. PLUs or price look-ups are codes assigned to merchandise that typically changes price frequently. The number is entered into the checkout system and the assigned price ID rung. Outsourcing requires an outside business to complete a specified task.

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

SOURCE: Transalis. (2023, April 6). *50 years of the barcode: How EDI advances business automation*. Retrieved September 18, 2023, from <https://www.transalis.com/blogs/industry-news-and-updates/50-years-of-the-barcode-how-edi-advances-business-automation>

27. C

Competition. Competition is different for each business. Knowing who your competitors are gives you the opportunity to offer advantages they do not provide. Learning who your competitors are (their strengths and their weaknesses) will be basic to planning your competitive advantage and marketing strategies. Technology, the economy, and regulations are factors that affect all businesses.

SOURCE: SM:011 Explain external planning considerations

SOURCE: Pahwa, A. (2023, April 25). *Business competition: Definition, types, importance & examples*. Retrieved October 4, 2023, from <https://www.feedough.com/business-competition/>

28. B

Objectives. There is a strong relationship between the research purpose and the research objectives, which are the goals of the research. Businesses create research objectives to help answer the research problem. For example, if the problem is service, one objective might be to determine customer satisfaction with delivery. Strategies are plans of action, or activities, for achieving goals and objectives. A procedure is the step-by-step process personnel follow in performing a specific task.

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

SOURCE: Indeed. (2023, February 16). *Research objectives: Definition and how to write them*. Retrieved September 18, 2023, from <https://www.indeed.com/career-advice/career-development/research-objectives>

29. D

Operating expenses. Operating expenses are the costs of running a business. They may be variable or fixed but do not include the costs of items purchased for resale, or the cost of goods sold. Fixed costs are business costs that are not affected by changes in sales volume. An example is rent. Variable costs are business costs that change according to changes in sales volume. An example would be increased salary expense due to the hiring of more salespeople.

SOURCE: OP:024 Explain the nature of overhead/operating costs

SOURCE: Kenton, W. (2023, August 24). *Operating expense (OpEx) definition and examples*. Retrieved September 18, 2023, from [https://www.investopedia.com/terms/o/operating\\_expense.asp](https://www.investopedia.com/terms/o/operating_expense.asp)

30. D

Decrease. The higher interest rate will make it more expensive to borrow money, so fewer borrowers will be seeking loans while interest rates are high. The demand for money will not double or continue to increase. It will be affected so it cannot remain the same.

SOURCE: EC:084 Explain the economic impact of interest-rate fluctuations

SOURCE: Kramer, L. (2023, August 14). *How do governments fight inflation?* Retrieved September 18, 2023, from <https://www.investopedia.com/ask/answers/111314/what-methods-can-government-use-control-inflation.asp>

31. D

Misleads customers about the true value of a product. Deceptive pricing is an illegal pricing tactic because it misleads customers about the true value of a product. An example of deceptive pricing is setting a high price on a product and then advertising a big discount which actually reduces the price to a realistic, or normal, level. Customers buy the item because they think they are saving money when, in fact, they are paying what the item is actually worth. Price lining involves selling products at a limited number of predetermined price points. Variable pricing involves changing prices according to current demand. Promotional pricing involves offering special prices on certain products such as discontinued items. These pricing activities are not illegal.

SOURCE: PI:017 Explain legal considerations for pricing

SOURCE: McCormick, M. (2017, May 30). *Are your prices ethical?* Retrieved September 18, 2023, from <https://blog.blackcurve.com/are-your-prices-ethical>

32. A

Reduced competition. A distribution channel consists of all the businesses and individuals that move products from the producer to the end user. Governments develop laws to monitor and regulate distribution activities so that individuals and businesses operate in a consistent, fair manner. When a channel member attempts to reduce competition, it may be violating certain laws. One activity that may reduce competition is a manufacturer closing a sales territory to keep its competitors from obtaining access to the market. High distribution intensity, product type (e.g., perishable), and risk level are not factors that determine if a manufacturer is illegally using closed sales territories in relation to the distribution process.

SOURCE: CM:005 Explain legal considerations in channel management

SOURCE: ZABANGA Marketing. (2023, August 6). *Legal and ethical issues in channel relations*. Retrieved September 18, 2023, from <https://www.zabanga.us/sales-force/legal-and-ethical-issues-in-channel-relations.html>

33. A

To see patterns within data. Data mining is a way for businesses to see the relationships and patterns within data. Data mining can give businesses the information they need to make decisions, but it cannot make decisions for them. Businesses must decide for themselves why the information is valuable. Businesses still need to understand data.

SOURCE: NF:152 Interpret data mining findings

SOURCE: SAS. (n.d.). *Data mining: What it is and why it matters*. Retrieved October 4, 2023, from [https://www.sas.com/en\\_us/insights/analytics/data-mining.html](https://www.sas.com/en_us/insights/analytics/data-mining.html)

34. D

Push. In addition to determining which promotional mix elements to emphasize when promoting their products, manufacturers must also decide to whom they want to promote their products. Producers who utilize push promotional strategies promote their products to intermediaries who then promote the products to customers. Rather than promoting their products to intermediaries, producers who adopt pull promotional strategies promote their products directly to the ultimate consumer or industrial user to generate customer interest in the products. Intermediaries then purchase the products from manufacturers to meet customer demand. Increasing and decreasing promotional strategies are fictitious terms.

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

SOURCE: LAP-PR-903—Spread the Word (Nature of the Promotional Mix)

35. D

Recipients have given the advertiser permission to send the ad. Opt-in email marketing usually has a higher response rate because the recipients have actually expressed an interest in receiving information about the business's products. People do respond to unsolicited emails but in smaller numbers than with opt-in email marketing. Direct email is not delivered via the postal mail service, but rather over computer networks. Recipients are most likely to respond to direct email that provides them an offer such as a coupon or a discount, rather than just information.

SOURCE: PR:007 Explain types of advertising media

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

36. D

Obtaining and applying information about a customer's preferences and needs in ways that will build an ongoing buyer/seller relationship. Customer relationship management (CRM) is the strategies, processes, and policies used by businesses to build, maintain, and maximize the long-term value of customer relationships. To build a loyal relationship with a customer, a business must know a customer's needs, wants, and preferences and take steps to accommodate these needs, wants, and preferences on an ongoing, consistent basis. To maintain customer loyalty, a business must be able to effectively communicate with the customer in many ways—both personal and nonpersonal. Not all businesses can or want to customize their product mix; however, they can use technological applications to personalize the messages that they send to customers. Although a business might want to use CRM strategies to increase market share by appealing to new market segments, this does not always involve manipulating external data.

SOURCE: CR:016 Discuss the nature of customer relationship management

SOURCE: Hargrave, M. (2023, July 31). *What is CRM? Customer relationship management defined*. Retrieved September 18, 2023, from [https://www.investopedia.com/terms/c/customer\\_relation\\_management.asp](https://www.investopedia.com/terms/c/customer_relation_management.asp)

37. A

Thank the customer for coming. It is important to thank each customer for visiting or doing business with your company. Thanking customers makes them feel welcomed and appreciated, and they are more likely to work with your business in the future. Talking to a manager about the customer is likely unnecessary unless a question came up during your interaction with the customer. Preparing a sales report after interacting with each customer is inefficient and unnecessary. Sales reports are more likely to be prepared for an extended period of time such as a week, month, quarter, or year. Although rest breaks are important, it's not feasible to take a short break after every customer.

SOURCE: CR:004 Demonstrate a customer service mindset

SOURCE: LAP-CR-004—Set Your Mind to It (Customer Service Mindset)

38. A

Burden of proof. It's important to keep good records because you are responsible for proving the expenses you deduct on your tax return. This includes things like bills, receipts, and cancelled checks. Von carefully files these items so that they can be easily found. Responsibility to prove, record burden, and tax return proof are not commonly used terms.

SOURCE: NF:014 Monitor internal records for business information

SOURCE: IRS. (2023, May 2). *Recordkeeping*. Retrieved September 18, 2023, from <https://www.irs.gov/businesses/small-businesses-self-employed/recordkeeping>

39. A

The use of toxic chemicals in the environment can result in the extinction of many species of waterfowl. This example indicates that the extinction of waterfowl (the end result or effect) is caused by the use of toxic chemicals (the cause). The public supports increased spending on national security, and a survey reports that over 70% of the citizens fear future terrorist attacks—this is an example of the use of a generalization with an example method of presentation organization. Monet and Cezanne were both impressionist artists; however, their painting techniques and use of color varied greatly—this is an example of the compare and contrast method of presentation organization. An example of the enumeration method of presentation organization is as follows: We will discuss the basic steps used in developing effective time management techniques, and the first step is to prioritize all of your commitments.

SOURCE: CO:025 Make oral presentations

SOURCE: Fulton, S. (2006-2023). *How to use cause and effect in presentation storytelling*. Retrieved September 18, 2023, from <https://ethos3.com/use-cause-effect-presentation-storytelling>

40. A

Children's advertising. Children are often the target of advertising because they have significant buying power and also influence the buying decisions of many adults. Advertising to children frequently becomes an ethical issue for businesses because messages that are suitable for adults may not be suitable for children. Businesses must be cautious not to take advantage of children by giving them information or making claims that they will not understand. Businesses have an ethical obligation to be fair and truthful when advertising to children. Brand positioning involves creating a certain image or impression of a brand as compared to those of competitors' brands. Integrated marketing is not an ethical issue. Personal selling is the form of promotion that determines client needs and wants and responds through planned, personalized communication that influences purchase decisions and enhances future business opportunities.

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

SOURCE: Brenner, M. (2017, November 27). *The ethics of marketing to children and teens*. Retrieved September 18, 2023, from <https://marketinginsidergroup.com/content-marketing/ethics-marketing-children-teens>

41. C

To build customer confidence. Prospective customers pay attention to statements from experts in the field who are willing to recommend a product. They feel if the product satisfies the expert, it will satisfy them. The testimonial may not shorten the sales presentation, and that should not be the salesperson's intention. A testimonial ad cannot help predict what sales of a product will be or prove that it is a better buy than another product. Advertising campaigns do not necessarily guarantee the best buy.

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

SOURCE: Patel, S. (2023, July 18). *The top 13 sales methodologies to consider for your business*. Retrieved September 19, 2023, from <https://mailshake.com/blog/sales-methodologies>

42. D

Types of products being advertised. Regulations regarding promotion differ throughout the world. When businesses want to promote their products in other countries, they need to be aware of different regulations. One regulatory factor often involves the types of products being advertised. For example, charities may not advertise on TV in the United Kingdom. In France, diet products may not be advertised on TV. The cost of media placement and the price of comparable products are not regulatory factors that affect promotion. Culture is not a regulatory factor; however, culture has an impact on the regulations that affect promotion on an international level.

SOURCE: PR:101 Describe the regulation of promotion

SOURCE: Studios Guy. (2023). *Factors that affect marketing and advertising*. Retrieved September 18, 2023, from <https://studiousguy.com/factors-affect-marketing-advertising>

43. C

Multiple uses. Salespeople are more likely to make a sale if they clearly communicate a product's features and benefits. Some products perform multiple functions, which are features that provide benefits—customers do not need to buy individual items to perform each function. The vacuum cleaner can perform several functions—it sucks up dirt from carpets and floors; it has attachments to remove dust from furniture, draperies, and ceiling fans; and it deep cleans carpets. The example does not communicate information about the vacuum cleaner's construction, durability, or style.

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

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

44. C

Better overall risk management. Most businesses depend on the continuous flow of supplies to survive; if this flow is interrupted because of issues with a vendor, problems for the company will follow. Evaluating vendor performance ensures that the vendor is reaching company expectations, and makes sure that the vendor is delivering quality supplies within the desired time frame. This reduces potential risks for the company. Evaluating vendor performance leads to fewer defects in the supply chain—not more. When a company evaluates its vendors, it increases the communication between company and vendor, usually leading to more cooperation from the vendor, not less.

SOURCE: OP:162 Evaluate vendor performance

SOURCE: Xometry. (2023, February 9). *5 key factors to consider when conducting a supplier evaluation*. Retrieved September 18, 2023, from <https://www.xometry.com/resources/procurement/conducting-a-supplier-evaluation>

45. A

A company asks customers to share product reviews on a website. Amplified word-of-mouth strategy involves a business asking others to help spread the word about its products, such as requesting customers to share product reviews on a website. Customers sharing the release date for a new product on Facebook, posting comments about a company on Instagram, and sharing their opinions of a new product with a friend are examples of organic word-of-mouth because they were created by consumers, not the company.

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

SOURCE: Hayes, A. (2022, August 23). *Word-of-mouth marketing: Meaning and uses in business*. Retrieved September 19, 2023, from <https://www.investopedia.com/terms/w/word-of-mouth-marketing.asp>

46. B

Migration. Migration is a population trend that indicates movement of people throughout the country as well as into and out of the country. Migration trends are important to businesses because businesses need to know where their customers are located. For example, many people are leaving colder climates and migrating to what is considered the Sunbelt. This movement affects businesses because the types of products they sell and the way they sell them will change. Also, the increased migration of ethnic groups into the country creates a need for new goods and services that meet the needs of a multicultural population. Lifestyle, consumption, and behavior are not population trends; however, these factors also affect how businesses market their goods and services.

SOURCE: NF:013 Describe current business trends

SOURCE: Cromwell, J. (n.d.). *Do changes in population as well as changes in lifestyle directly affect business operations?* Retrieved September 18, 2023, from <https://smallbusiness.chron.com/changes-population-well-changes-lifestyle-directly-affect-business-operations-34395.html>

47. B

Use white space. White space is blank space in a print advertisement that is unoccupied by text or illustrations. White space helps put focus on a specific aspect of an advertisement. Ollie could use white space to draw attention to one main feature in his ad. Changing fonts often is not necessarily a good design practice. Keeping his audience in mind and avoiding clashing colors are good design practices for Ollie to follow, but they are not necessarily related to drawing attention to a specific feature of an ad.

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

SOURCE: Stribely, M. (2023). *10 rules of composition all designers live by*. Retrieved September 19, 2023, from <https://www.canva.com/learn/visual-design-composition>

48. D

Classified advertising. This type would be best to sell the display case because the ad can be put into an appropriate category, such as used business equipment. The ad would also be at a low cost, and no illustration is needed. Display advertising is more expensive because it uses one or more elements such as illustrations, headlines, variations in type and white space. Classified display advertising includes illustrations/special typeset in addition to the ad. Special advertising usually consists of notices such as public and legal notices.

SOURCE: PR:007 Explain types of advertising media

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

49. C

It can be expensive to produce and distribute. Direct-mail is a promotional medium that comes to consumers' homes and businesses. Traditional direct-mail advertising involves the production and distribution of promotional materials that are delivered by a postal or delivery service to consumers' mailboxes. The high cost per piece means a business will need to calculate carefully the response rate needed to break even. It is ideal for getting repeat customers and can be timed for the mailings to arrive at crucial periods, such as the beginning of a sales promotion. In many situations, packages can be designed for reuse or to be reused with very little updating.

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

SOURCE: Wolski, C. (n.d.). *The disadvantages of direct mail*. Retrieved September 18, 2023, from <https://smallbusiness.chron.com/disadvantages-direct-mail-1436.html>

50. C

Descriptive. Descriptive statistics are derived by summarizing information gathered from a sample of a population. Multivariate statistics are derived by analyzing two variables at the same time. Sequential and unilateral are not common terms used to define types of statistical information collected and analyzed by market researchers.

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

SOURCE: College of St. Benedict and St. John's University. (n.d.). *Descriptive statistics*. Retrieved September 18, 2023, from <http://www.physics.csbsju.edu/stats/descriptive2.html>

51. D

Phishing. Phishing occurs when an email that appears to be from a reputable source (like your bank, a store, a credit card company, or an online auction site) is actually from a scam artist. The email might ask for personal information like account numbers, which the scammer is likely to use to access the victim's funds. Key loggers record your keystrokes, enabling someone to record your passwords and account numbers as you type them. Aaron is not the victim of key logging, a break-in, or a computer virus.

SOURCE: FI:073 Protect against identity theft

SOURCE: O'Shea, B. (2023, February 7). *Identity theft: What it is, how to prevent it, warning signs and tips*. Retrieved September 18, 2023, from <https://www.nerdwallet.com/article/finance/how-to-prevent-identity-theft>

52. A

Tim did not answer the last two questions on a written survey. Nonresponse errors occur when respondents do not answer a question or complete a survey. These errors may affect the quality of the overall data and the analysis process. Because Tim didn't answer two questions on a survey, a nonresponse error occurred. Errors may be intentional or unintentional. For example, a respondent might refuse to answer a question because they believe it is too personal, while another respondent might not answer a question because they did not see it. Incorrect coding is an editing error. When a sample group is not representative of the target market, a procedural error occurs. Developing open-ended survey questions does not indicate a nonresponse error.

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

SOURCE: Statistics Canada. (2021, September 9). *3.5.3 Non-sampling error*. Retrieved September 18, 2023, from <https://www150.statcan.gc.ca/n1/edu/power-pouvoir/ch6/nse-endaie/5214806-eng.htm>

53. D

Opportunities. An opportunity is a favorable situation in the environment surrounding a business. One of the goals of marketing planning is to identify a business's opportunities so it can plan ways to take advantage of those opportunities. Strategies are plans of action for achieving goals and objectives. The goal of marketing planning is not to identify guidelines or requirements.

SOURCE: MP:006 Explain the nature of marketing planning

SOURCE: Leonard, K. (2018, October 25). *The role of marketing planning in business*. Retrieved October 4, 2023, from <https://smallbusiness.chron.com/role-marketing-planning-business-3234.html>

54. C

Setting prices to intentionally drive the competition out of business. Predatory pricing is the practice of pricing goods extremely low with the goal of driving the competition out of business. In many countries, predatory pricing is illegal, and it is generally considered unethical. Maximizing profits, suggesting retail prices, and using sales promotions are not necessarily unethical.

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

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

55. B

Using the percentage-of-sales method. A budget is an estimate of income and expense for a specific time. A budget helps a business monitor and control its marketing expenses. Businesses consider many factors when setting their marketing budgets—economic conditions, competitors' activities, industry standings, and their own sales histories. Some businesses set their marketing budgets on the basis of sales per unit they sold or sales dollars they generated during a previous time frame, which is the percentage-of-sales budgeting method. When a business uses the task method to set its marketing budget, it considers all of the internal and external costs associated with the specific marketing activities that it wants to do, which often involves obtaining bids or estimates from vendors that will carry out the activities.

SOURCE: MP:017 Set marketing budget

SOURCE: Indeed. (2023, March 16). *Percentage of sales method: Definition, steps and examples*. Retrieved October 4, 2023, from <https://www.indeed.com/career-advice/career-development/percentage-of-sales-method>

56. C

Observation. Observation is a marketing-research method that gathers data by watching consumers. It is an effective research approach that provides information about what they do and how they interact with others. People do not know they are being observed so they behave in a normal way that provides useful information. The survey, experiment, and interview methods involve contact with people so they may not provide the most truthful or accurate information about what they do.

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

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

57. B

Three-day cooling-off period. The Federal Trade Commission enforces a regulation that gives consumers a three-day cooling-off period after signing a purchase contract for consumer goods or services. Consumers cannot be penalized by the seller for canceling a contract within the three-day period. This protects consumers from their own hasty decisions or from high-pressure selling tactics that have influenced them. The Consumer Product Safety Commission requires businesses to list harmful ingredients. The National Highway Traffic Safety Administration provides updates on motor vehicle safety. The Food and Drug Administration issues standards for prescription drug use.

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

SOURCE: LAP-PM-007—Protect and Serve (Consumer Protection)

58. C

Express warranty. An express warranty is a warranty that is written or expressed verbally. Because the salesperson verbally informed Abdul of the lifetime warranty and he signed a written contract, this is an example of an express warranty. An implied warranty is an unwritten, unspoken warranty understood by the customer and the seller that the product will perform as expected. A guarantee (often called a money-back guarantee) is a promise made to the consumer that a product's purchase price will be refunded if that product is not satisfactory. A strategy is a plan of action for achieving goals and objectives.

SOURCE: PM:020 Explain warranties and guarantees

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

59. B

It encourages commitment and support among group members. When each group member agrees, they are committed to the decision and support putting the decision into action. This ownership means that the group can, and wants to, bring about change. Consensus building is relatively low risk and doesn't necessarily have a high probability of failure. Consensus building can take a great deal of labor and time, but this is not an advantage. Consensus building increases creative problem-solving.

SOURCE: EI:011 Use consensus-building skills

SOURCE: LAP-EI-911—It's a Group Thing (Consensus Building)

60. B

Independent agent. Independent agents do not work for a specific insurance company. Therefore, they are more likely to side with the policyholder as opposed to an insurance company. A direct writer, also known as a captive agent, works for a particular insurance company and is more likely to show loyalty to their employer in the event of a dispute. An underwriter evaluates the amount of risk involved in offering a specific insurance policy. Underwriters are not involved in disputes between policyholders and insurance companies.

SOURCE: FI:082 Obtain insurance coverage

SOURCE: Liberto, D. (2021, July 29). *Direct writer: What it is, how it works, benefits*. Retrieved October 5, 2023, from <https://www.investopedia.com/terms/d/direct-writer.asp>

61. A

Best-guess. The information gathered through the marketing-information management function enables business owners and managers to make informed decisions about what to sell and to whom to sell, rather than relying on a "best-guess" approach to marketing. Without the data from marketing-information management, businesspeople can only guess at what and how much to offer for sale. An incorrect guess could leave businesses with excess goods that no one wants to buy. The low-priced approach involves selling goods at low prices. The short-term approach involves making decisions to solve immediate problems. The data-based approach involves relying on research and information to make decisions.

SOURCE: MK:002 Describe marketing functions and related activities

SOURCE: LAP-MK-002—Work the Big Seven (Marketing Functions)

62. D

Secondary data from government agencies. Secondary data are information that have been collected for purposes other than the project at hand. Government agencies are a good source of secondary data because they compile extensive information on the general public, including median age and income statistics in geographic areas throughout the country. Company sales records would not contain age, income, and geographic information on customers. Information from marketing-research companies and industry organizations is considered to be secondary data rather than primary data.

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)

63. B

A business's core values identify the beliefs that the business stands for. A corporate brand consists of all of the combined customer impressions and experiences associated with a particular company. Many different elements, including the company's core values, brand cues, brand personality, brand promise, and touch points, make up a corporate brand's identity. A business's core values, also known as its brand values, are the beliefs or qualities that a brand stands for and is built around. The first step of building a corporate brand involves defining the company's core values. Customer touch points, which are all the opportunities that businesses have to connect with customers and reinforce their brand values, occur before, during, and after sales transactions. Everyone in the company is responsible for corporate branding—not just the customer service representatives. Employees must understand and embrace the brand's values, personality, and promise for the corporate brand to take hold and be a success. Brand cues are elements that remind customers and employees of brands and their values. They appear throughout the workplace and community as well as in advertising.

SOURCE: PM:207 Describe factors used by businesses to position corporate brands

SOURCE: Couchman, H. (2023). *The search for value: How to define clear brand values for your company*. Retrieved September 18, 2023, from <https://fabrikbrands.com/how-to-define-brand-values>

64. B

Check processing. The technology of electronic funds transfer makes it possible for customers to pay invoices electronically so the cash is transferred from their bank account to the business's bank account. This eliminates the need for the business to handle checks, fill out deposit slips, and send the checks to the bank for processing. The cash is available immediately, and the business does not need to wait for a check to be processed before it can access the funds. The use of electronic funds transfer to collect accounts receivable does not eliminate liquidity reporting, sales discounting, or payee outsourcing.

SOURCE: FI:352 Explain the use of technology in accounting

SOURCE: EBANX. (n.d.). *Electronic funds transfer (EFT)*. Retrieved September 18, 2023, from <https://www.ebanx.com/en/resources/payments-explained/electronic-funds-transfer-eft>

65. B

Choose not to make goods and services. Producers must receive enough income so that they are able to continue making or providing goods and services. If they decide that their incomes are inadequate, they may choose not to make goods and services, and production would cease. If their incomes are inadequate, producers probably would not buy more resources or continue to increase production. Resource owners, not producers, supply needed resources.

SOURCE: EC:001 Describe the concepts of economics and economic activities

SOURCE: LAP-EC-901—Are You Satisfied? (Economics and Economic Activities)

66. A

Update the company's customer records. When customers change phone numbers and email addresses, move, or go out of business, a company needs to update its customer database to reflect the changes. A company with outdated customer information is more likely to experience financial losses. For example, a company may not be able to collect payment on overdue accounts if it cannot reach its customers by phone to follow up. Also, a company's promotional mailings are likely to be returned if it does not have current mailing addresses for its customers. In this situation, the company has wasted money in postage. The primary purpose of updating customer contact information is not to achieve sales quotas, determine the customers' buying intentions, or establish goodwill through public relations.

SOURCE: NF:002 Maintain customer records

SOURCE: Evans, D. (2020, February 28). *How to maintain your CRM database*. Retrieved September 18, 2023, from <https://www.yokelloocal.com/blog/how-to-maintain-your-crm-database>

67. C

Pay attention to trends. To remain competitive in today's world, businesses must continuously look for ways to meet their target markets' changing needs and wants. Businesses that pay attention to social, economic, and industry trends are likely to identify new opportunities in which they can provide new or altered products to meet a market's changing needs and wants. Developing specific sales goals, reviewing the marketing plan, and analyzing the product mix are not ways in which a business recognizes or identifies new product opportunities.

SOURCE: PM:136 Create processes for ongoing opportunity recognition

SOURCE: Granader, R. (2022, March 8). *7 ways to identify new market opportunities in a changing world*. Retrieved October 4, 2023, from <https://blog.marketresearch.com/7-ways-to-identify-new-market-opportunities-in-a-changing-world>

68. B

Environmental issues. Discarded product packaging—boxes, cans, bottles, and wrapping—eventually go to landfills and dumping grounds, which negatively affect the natural environment. An ethical business will try to develop recyclable and/or biodegradable packaging to reduce damage to the environment. Market dominance, color, quality, and pricing objectives are not primary ethical factors that a business considers when changing its products' packaging.

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

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

69. A

Coding. Coding is the process of assigning a numeric value to the various responses on a marketing questionnaire or survey. Once the responses are coded, researchers are able to tabulate the responses, rate the agreement to each answer, and compute a total score. Coding helps researchers determine the importance of various responses or types of data. Editing, interpreting, and formulating do not involve assigning numeric value to marketing information.

SOURCE: IM:062 Explain techniques for processing marketing data

SOURCE: McGee, V. (2023, September 7). *What is coding and what is it used for?* Retrieved September 18, 2023, from <https://www.computerscience.org/resources/what-is-coding-used-for>

70. C

Makes the product appealing. Persuasive messages usually are intended to encourage someone to do something. In the case of a sales message, the goal usually is to persuade a customer to buy a product. To do this, the message should make the product appealing to the customer so the customer will understand the benefit of buying and want to buy. The sales message should persuade the customer to spend money. Persuasive sales messages are not intended to simply remind the customer of the product or discredit the competition. Persuasive messages should not use loaded language, which is often biased and stereotypical.

SOURCE: CO:031 Write persuasive messages

SOURCE: Gerard, Y. (2022, June 22). *How to write persuasive sales messages.* Retrieved September 18, 2023, from <https://www.linkedin.com/pulse/how-write-persuasive-sales-messages-yvonne-gerard>

71. C

They are subtracted from the total of assets. To determine personal net worth, a person's assets are first totaled, and then personal liabilities are subtracted. Net worth does not appear as a subtotal and cannot be determined before liabilities are subtracted. It is not necessary to eliminate liabilities before calculating personal net worth.

SOURCE: FI:562 Determine personal net worth

SOURCE: Ganti, A. (2023, March 9). *Net worth: What it is and how to calculate it.* Retrieved September 18, 2023, from <https://www.investopedia.com/terms/n/networth.asp#toc-how-to-calculate-net-worth>

72. A

Post its privacy policies on its website. Privacy policies are a business's guidelines about how it maintains and uses its customers' information such as credit, purchasing habits, and addresses. To protect consumers' privacy, governments often legislate how businesses can obtain and use customer information. Jurisdiction refers to the authority (e.g., location, subject matter) a court has to resolve a legal issue. For example, one state, province, or country may require a business to disclose to customers that it allows third parties access to certain customer information, while another state, province, or country may not have the same law. Therefore, businesses should post their privacy policies on their websites to reduce the risk of lawsuits that may be initiated by customers in other jurisdictions. Storing information at an unsafe site is a poor business practice and may be grounds for a lawsuit in some jurisdictions. A surge protector is a device that individuals and businesses use to prevent excessive bursts of electricity from damaging computers. Some insurance companies provide businesses with insurance to cover losses associated with power surges. Selling strategies are the plans of action for the selling function, which do not always affect consumers' privacy.

SOURCE: IM:419 Describe the regulation of marketing-information management

SOURCE: Pegarella, S. (2019, July 16). *Privacy policies are mandatory by law.* Retrieved September 18, 2023, from <https://www.termsfeed.com/blog/privacy-policy-mandatory-law>

73. D

Make sure the project stays on track. During the execution-and-monitoring stage of project management, the actual work of the project is performed. The project manager's job at this point is to make sure the project stays on track and to take corrective measures if it doesn't. Delivering the final product occurs during the closing stage. Securing funding for the project is often the project champion's task and occurs before the project is authorized. Assigning roles to team members occurs during the planning-and-development stage.

SOURCE: OP:158 Explain the nature of project management

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

74. A

Promotion. Promotion is a marketing function that communicates information about goods, services, images, and/or ideas to achieve a desired outcome. To successfully sell its product, a business needs to coordinate all the components of marketing, which include distribution, promotion, product, and price. For example, if a business develops an effective distribution system but fails to promote the product, customers will not know about the product or want it, although it is readily available. Operations is the business function that handles the day-to-day activities necessary to run the business. Production is the operations activity that involves the creation of goods and services from economic resources. Training is a human resources activity.

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

SOURCE: BYJU'S (2023). *What is promotion? Types of promotion*. Retrieved September 18, 2023, from <https://byjus.com/commerce/what-is-promotion>

75. B

Research the problem. Proposals are intended to answer questions or provide recommendations to solve problems. Business employees often need to research a particular situation or problem before they are able to write proposals. After employees do research and gather information, they write proposals that explain the problem and the solutions. The proposal is intended to persuade the business to follow the recommendations. Employees usually do not need to analyze personal biases, contact the customer, or evaluate technical skills before they are able to write proposals.

SOURCE: CO:062 Write proposals

SOURCE: Bidsketch. (n.d.). *How to write a perfect business proposal*. Retrieved October 4, 2023, from <https://www.bidsketch.com/blog/articles/how-to-write-a-business-proposal/>

76. B

A collaborative software application such as Google Docs. Collaborative groupware applications such as Google Docs can help teams work together in real time, even if group members are in different locations. Collaborative software would likely be Alyssa and Tyrone's best choice for completing their report by Monday without sacrificing teamwork. Notepad, PowerPoint, and Excel would not necessarily help them work on their report together in real time.

SOURCE: NF:011 Demonstrate collaborative/groupware applications

SOURCE: Fisher, S. (2018, July 18). *Your guide to collaborative document editing with Google Docs*. Retrieved September 18, 2023, from <https://www.mojomedialabs.com/blog/your-guide-to-collaborative-document-editing-with-google-docs>

77. B

Place. The store is making goods and services available at the place (location) they are wanted or needed by consumers. Time utility is making products available at the time they are wanted or needed by consumers. Form utility is altering or changing the form or shape of a product to make it more useful to the consumer. Possession utility is created when the ownership of a product is transferred from the seller to the person who will use it.

SOURCE: EC:004 Determine economic utilities created by business activities

SOURCE: LAP-EC-013—Use It (Economic Utility)

78. D

To create a certain image. The primary goal of corporate promotion is to create a certain image of the company in the eyes of the consumer. This is accomplished by informing consumers about the company, its ideas, and its philosophy. Unlike product promotion, institutional or corporate promotion does not attempt to sell a good or service. The goal of corporate promotion is not to explain a specific feature.

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

SOURCE: LAP-PR-902—Know Your Options (Product and Institutional Promotion)

79. B

Assortment. The retailer is reducing a discrepancy of assortment by making a variety of toys available in one place. Reducing a discrepancy of quantity means breaking down a large quantity of a product into smaller quantities for final consumers to buy. There is no such thing as a discrepancy of installation or a discrepancy of promotion.

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

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

80. D

Providing training programs. Positive channel relationships require collaboration among channel members. Collaboration involves sharing relevant information, setting mutually beneficial goals, and developing a team-oriented attitude. Channel leaders have the most power or leverage in the channel, and can implement tactics to foster positive relationships. Providing channel members with product training programs helps channel members be successful in selling the products. Encouraging a competitive culture among channel members, using aggressive tactics, and selling directly to end users are more likely to create conflict and have a negative impact on channel relationships.

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

SOURCE: Magentrix Corporation. (2018, March 20). *PRM 101: Training and certification*. Retrieved September 18, 2023, from <https://www.magentrix.com/articles/blog/Partner-Relationship-Management-101-1-19-3-2018>

81. A

Enables tracking of users' viewing and purchasing habits. Promotion is a term that refers to the various types of communications that marketers use to inform, persuade, or remind customers of their products. Technological advancements (e.g., internet) have made it possible for a business to track its customers' (visitors') behavior in relation to their website hits, inquiries, and purchases. The ability to track this online information often helps the business to determine its customers' needs and preferences, and to determine the best way to meet these needs and preferences. Because other factors influence a business's success, using the internet to promote products does not always increase annual sales volume or create a loyal customer base. Using the internet as one method of promotion does not necessarily mean that a business should reduce its traditional publicity efforts.

SOURCE: PR:100 Describe the use of technology in the promotion function

SOURCE: Linton, I. (2019, March 6). *Six benefits of internet marketing*. Retrieved September 18, 2023, from <https://smallbusiness.chron.com/six-benefits-internet-marketing-31382.html>

82. C

Based on past experiences. Customers' service expectations can often be based on past experiences. If a customer has received customer service from you before, they will expect the same quality of service from you now. Customers can also compare your service to past service they've received from competitors. Customers' service expectations are not dependent on the needs of others—instead, they are dependent on individual needs. Customer service expectations are not one size fits all. They are affected by promotion.

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)

83. D

Makes sure only necessary and reasonably priced purchases are made. A purchasing system includes the methods and procedures used consistently in buying products and services for a business. Because purchasing systems are meant to help each individual business with productivity and efficiency, they are tailored to best meet each business's needs; while there might be recommended models, there is no universal model. A purchasing system does not necessarily adhere to an industry purchasing standard, if one exists. A purchasing system involves what the company buys, not what it sells.

SOURCE: EN:025 Explain the need for business systems and procedures

SOURCE: Hayes, A. (2023, January 21). *Purchasing system in inventory management: Types and examples*. Retrieved October 4, 2023, from <https://www.investopedia.com/terms/p/purchasing-system.asp>

84. B

It is conducted during a short time frame. Qualitative research is conducted during a short time frame. It uses small samples of the population and is based on subjective data—thoughts, feeling, experiences, emotions, etc. Quantitative research uses experiments as a method; qualitative research relies more on questionnaires, focus groups, informal interview, etc.

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)

85. A

Maturity. A product life cycle is the course that a product follows in the market. It includes the stages of introduction, growth, maturity, and decline. Introduction is the stage of the product life cycle when the product first appears in the marketplace. Growth is the stage in the product life cycle in which sales rise rapidly. Maturity is the stage in the product life cycle in which sales peak and then increase at a slower rate or start to decline. Decline is the final stage of the product life cycle. During this stage, sales and profits fall rapidly. Birth, adolescence, and death are stages of the human life cycle.

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

SOURCE: LAP-PM-017—Serving Up Products (Nature of Product/Service Management)

86. B

Line. As vice president of marketing, Mason has line authority, which is direct, formal authority that affects a business's day-to-day operations. Staff authority refers to advisory authority, often without the ability to enforce decisions. The terms functional authority and divisional authority aren't used in organizational design.

SOURCE: EC:103 Explain the organizational design of businesses

SOURCE: LAP-EC-103—Designed to Work (Organizational Design of Businesses)

87. D

A wholesaler sells candy to a concession stand. A wholesaler selling candy to a concession stand is an example of a product being sold to an organization for resale. A retailer selling a small refrigerator to a coffee shop is an example of a product being sold for use in general business operations. A farmer selling produce to a restaurant is an example of a product being sold to an organization for use in producing other goods. A potter selling pottery at a flea market is an example of a product being sold directly to the user for ultimate consumption.

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

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

88. C

Shifts in population ethnicity. A product opportunity is a favorable circumstance that presents itself to provide a good or service that customers are willing to buy. Kwan discovered a product opportunity to sell Korean goods when a Korean plant built and relocated Korean workers in his community. Because the number of Korean residents increased, the community experienced changes or shifts in population ethnicity. Kwan's store is a way to meet the unfulfilled needs of a very specific market. The example is not a product opportunity resulting from changes in travel habits, differences in priorities, or advancements in technology.

SOURCE: PM:134 Identify product opportunities

SOURCE: Kelley, K. (2023, March 14). *Understanding your customers: How demographics and psychographics can help*. Retrieved September 18, 2023, from <https://extension.psu.edu/understanding-your-customers-how-demographics-and-psychographics-can-help>

89. C

Reduce the product mix width. The product mix is the particular assortment of goods and services that a business offers in order to meet the needs of its market(s) and its company goals. If sales for one of the business's product lines have been steadily declining, the business might decide to eliminate the product line from the product mix, which is reducing the product mix width. When a product line is performing poorly, the business is unlikely to maintain the same product depth, increase a well-performing product line's prices, or decrease a well-performing product line's market intensity.

SOURCE: PM:006 Plan product mix

SOURCE: Indeed. (2023, March 10). *Product line vs. product mix: Key differences*. Retrieved October 4, 2023, from <https://www.indeed.com/career-advice/career-development/product-line-vs-product-mix>

90. B

False; identifying the real reason for the research can be a very difficult step. The reason that this is true is that the business cannot always identify a concern, situation, or problem accurately to determine what information it needs. While outside experts may be helpful in some cases, it is not always necessary to hire them. Usually, personnel within the business are in the best position to identify the reason why the business needs to use marketing research because of their familiarity with the business.

SOURCE: IM:010 Explain the nature of marketing research

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

91. A

Collaborators. The situation analysis should look at the company, the customers, the competitors, the collaborators, and the climate (external factors). These areas are sometimes known as the 5 C's. Collaborators include any partnerships or relationships that a company has. Marketing objectives and financial plans have their own respective sections of the marketing plan. Product strategy falls under the marketing strategies and programs section of the marketing plan.

SOURCE: MP:007 Explain the nature of marketing plans

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

92. B

Connects the brand with customers. A corporate brand's story is all about communicating the company's image and connecting with customers. Entertaining customers and having fun as a company are not the main reasons for telling a brand story. Telling the brand's story is a way to communicate the corporate brand; it does not eliminate the need for a corporate brand.

SOURCE: PM:206 Explain the nature of corporate branding

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

93. B

To get a fair share of the market. Gaining market share is often an important pricing goal. Businesses may lower prices to attract new customers and increase their market share. This could create goodwill in the community, but that is not the purpose of the tactic. Price levels are not used to attract employees. Competitors' activities would be tracked before prices were set.

SOURCE: PI:002 Explain factors affecting pricing decisions

SOURCE: Kramer, L. (2023, April 8). *What strategies do companies employ to increase market share?* Retrieved September 18, 2023, from <https://www.investopedia.com/ask/answers/031815/what-strategies-do-companies-employ-increase-market-share.asp>

94. C

Trade agreements. Global trade is an intricate balancing act. When one or more key players in the global economy begins reducing its participation in trade, the entire economy can suffer. To reduce the negative effects of import tariffs and other trade restrictions, countries often negotiate trade agreements with one another. Trade agreements attempt to strike deals among several countries to encourage cross-country trade. Domestic subsidies are often used as a form of trade protectionism, not as a method for encouraging global trade. Export limits and import restrictions would also fall into the category of trade protectionism.

SOURCE: BL:145 Explain the nature of import/export law

SOURCE: Amadeo, K. (2021, October 25). *What are exports?* Retrieved September 18, 2023, from <https://www.thebalancemoney.com/exports-definition-examples-effect-on-economy-3305838>

95. B

Price. Product positioning is the customer's image or impression of a product as compared to that of competitive products. For example, the Ford Focus (automobile) is positioned to emphasize the car's ability to provide customers with a mode of transportation at a relatively low price. Benefits are the advantages that the customer receives from using the product. Features are the product's attributes or characteristics. A business competitor is a rival business that seeks to attract the same scarce customer dollars. Some businesses position their products to compete with similar products offered by other (rival) businesses.

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

SOURCE: Landman, P. (2022). *Price positioning*. Retrieved September 18, 2023, from <https://www.xotels.com/en/glossary/price-positioning>

96. C

Line. These items are part of a product line, which is a group of related product items. Product items are individual goods or services that a business offers for sale. Product mix is the particular assortment, or variety, of products that a business offers in order to meet its market's needs and its company's goals.

SOURCE: PM:003 Explain the concept of product mix

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

97. D

Place. The place element of marketing involves shipping, handling, and storing of items and determining when and where they will be available. Getting products to destinations faster inevitably means paying extra money. This extra cost to the company will become part of the product's price. Product decisions involve deciding what goods, services, or ideas to produce or to sell to satisfy customers' needs and wants. Packaging is not one of the four P's of marketing but the enclosing of products in appropriate wrappings or containers. Promotion is a marketing function which communicates information about goods, services, images, or ideas to customers or clients.

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

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

98. C

Selling. Selling activities involve approaching the prospective customer and attempting to make a sale. Through these important interactive activities, salespeople build rapport with customers, thereby building goodwill for the business and solidifying customer/client relationships. None of the other alternatives involves regular interaction with customers. Promoting involves informing customers about goods and services. Managing is the process of coordinating resources to accomplish an organization's goals. Purchasing is the planning and procedures necessary to obtain goods and services for resale.

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

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

99. B

Maturity. During the maturity phase, sales peak and then slowly start to decline. Because there are more competitors that market similar products, a business uses advertising to remind customers about its goods and services. Businesses often make small changes to their products to make them appealing to the market's evolving needs and wants. This might involve adding new sizes or colors to the existing product line. During the decline phase, sales drop sharply, and businesses tend to reduce advertising. Obsolescence, which is the state of being outdated or unfashionable, occurs during the decline phase of the product's life cycle. At this point, businesses determine whether to continue to offer the product. Businesses communicate that their products are available during the introduction phase.

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

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

100. C

Plan yearly budgets. Intermediate-range sales forecasts cover periods of three months to two years. They are used to plan budgets and make determinations regarding capital expenditures. Long-range sales forecasts are used in strategic planning. Short-range sales forecasts are used to aid in day-to-day decision-making regarding scheduling, staffing, inventory, etc.

SOURCE: MP:013 Explain the nature of sales forecasts

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