

Maharshi Dayanad College of Arts, Science and Commerce
Parel

Semester -V TYBFM

Marketing Financial Service

1. Services marketing become difficult because of
 - A. Intangibility.
 - B. no demands
 - C. More complex market
 - D. Difficult to enter the market

2. Which of the following businesses would be characterized as a pure service
 - A. Insurance
 - B. Farming.
 - C. Mining.
 - D. There is no such thing as a pure service

3. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?
 - A. The demand for services tends to be more elastic than the demand for goods
 - B. Cost-oriented pricing is more difficult for services.
 - C. Comparing prices of competitors is more difficult for service consumers
 - D. Consumers are less able to stockpile services by taking advantage of discount prices

4. Charging customers different prices for essentially the same service is called
 - A. Price discrimination
 - B. Supply and demand.
 - C. Complementary
 - D. Substitutes.

5. Results in the practice of too narrowly defining one's business
 - A. Services marketing
 - B. Marketing management
 - C. Marketing myopia
 - D. Customer experience

6. A buyer's perception of value is considered a trade-off between
 - A. Product value and psychic cost.
 - B. Total customer value and total customer cost
 - C. Image value and energy cost
 - D. Service value and monetary cost.

7. Services are characterized by all of the following characteristics except for
 - A. Intangibility.
 - B. Homogeneity
 - C. Perish ability.

D. Inseparability

8. Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:

- A. Intangibility
- B. Inseparability.
- C. Perish ability.
- D. Heterogeneity.

9. Services that occur without interruption, confusion, or hassle to the customer is called

- A. Seamless service
- B. Service audit.
- C. Functional service
- D. Departmental service

10. The mental energy spent by customers to acquire service is referred to as _____.

- A. Image costs
- B. Monetary price.
- C. Energy costs
- D. Psychic costs.

11. The unique service characteristic that reflects the interconnection between the service firm and its customer is called

- A. Intangibility
- B. Inseparability
- C. Homogeneity
- D. Perishability

12. Marketing problems caused by inseparability include all of the following except for

- A. The service provides a physical connection to the service
- B. The involvement of the customer in the production process
- C. Service standardization and quality control are difficult to achieve.
- D. The involvement of other customers in the production process

13. Which of the following statements pertain to inseparability is false?

- A. As customer contact increases, the efficiency of the firm decreases.
- B. Customers can affect the type of service desired
- C. Customers can affect the length of the service transaction.
- D. Customers can affect the cycle of demand

14. The centralized mass production of services is difficult due to

- A. Inseparability.
- B. Intangibility.
- C. Homogeneity.
- D. Perishability.

15. Solutions used to minimize the marketing problems attributed to heterogeneity include

- A. Standardizing or customizing the service
- B. Using multi-site locations
- C. Stressing tangible clues
- D. Appealing to different market segments with different demand patterns

16. The unique service characteristic that deals specifically with the inability to inventory services is

- A. Inseparability
- B. Intangibility
- C. Homogeneity
- D. Perishability

17. Which of the following strategies increases the supply of service available to consumers?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

18. Customer satisfaction can be defined by comparing

- A. Predicted service and perceived service
- B. Predicted service and desired service
- C. Desired service and perceived service
- D. Adequate service and perceived service

19. The demand strategy in which service providers utilize their downtime by marketing to different segments with different demand patterns is associated with which of the following?

- A. The use of creative pricing strategies
- B. The use of reservation systems
- C. Capacity sharing
- D. Developing complementary services

20. The _____ dimension is an assessment of the firm's consistency and dependability in service performance

- A. Empathy.
- B. Responsiveness.
- C. Assurance
- D. Reliability.

21. Which of the following would not be considered a tangible clue?

- A. The appearance of employees
- B. The appearance of the firm's physical facilities
- C. The smile on an employee's face
- D. The quality of instruction in an educational setting.

22. Minimizing the amount of role conflict and role ambiguity experienced by employees will help reduce the size of this gap is known as _____.

- A. Knowledge gap.

- B. Standards gap
- C. Delivery gap.
- D. Communications gap

23. Fixing the right price for services offered is difficult because of

- A. perishability.
- B. heterogeneity.
- C. inseparability.
- D. intangibility.

24. The world's largest industry in the private sector and highest projected generator of jobs is _____

- A. The hospitality industry
- B. Health services
- C. Professional services.
- D. Business services

25. Focusing the firms marketing efforts toward the existing customer base is called

- A. Excellent customer service
- B. Conquest retention
- C. Customer retention
- D. Courteous retention

26. The pursuit of new customers, as opposed to the retention of existing ones, is called

- A. Services marketing
- B. B2B marketing
- C. Conquest marketing
- D. Consumer marketing

27. The consumer decision process consists of

- A. Stimulus, problem awareness, and purchase stages
- B. Pre-purchase, consumption, and post-purchase stages
- C. Problem awareness, evaluation of alternatives, and post-purchase behaviour
- D. Stimulus, information search, and post-purchase behaviour

28. Which of the following statements is not true?

- A. Service purchases are perceived as riskier than goods purchases
- B. The participation of the consumer in the service process increases the amount of perceived risk.
- C. The variability in services increases the perceived risk associated with the Purchase
- D. Consumers of services have less pre-purchase information versus goods

29. Service consumers tend to be more brand loyal than goods consumers because

- A. More choices are available
- B. Brand loyalty lowers the amount of perceived risk
- C. Each service provider provides many brands
- D. Location of the provider is the major driver in the consumer selection process

30. Competitor intelligence should be gathered

- A. Once a year.
- B. Twice a year.
- C. Continuously
- D. When competition is more.

31. Which of the following is not a benefit of customer satisfaction?

- A. The firm is more insulated from price competition.
- B. The firm provides a positive work environment for its employees
- C. Positive word-of-mouth is generated from satisfied customers
- D. Satisfied customers make purchases more frequently

32. The service industry has several emerging trends that organisations need to be aware of. Which of these should organisations keep a lookout for?

- A. New competitors entering the marketplace
- B. Advances in the internet
- C. Heightened customer expectations
- D. Advances in e-commerce.

33. The zone of tolerance is defined by the difference between

- A. Expected service and desired service.
- B. Predicted service and desired service
- C. Desired service and adequate service.
- D. Predicted service and perceived service

34. Customers ultimately determine the services by.....

- A. The type of competitors.
- B. The levels of marketing effectiveness and operational efficiency
- C. The cycle of fluctuations
- D. The price of the competitors.

35. During a service recovery effort, the employee promptly refunded the customers money but threw the money at the customer. As a result, the recovery effort violated the customers _____ justice need

- A. Interactional
- B. Ethical.
- C. Social.
- D. Procedural

36. Soft technologies refer to

- A. Flexible rules that can be bent to meet customer needs.
- B. The personal touches that ultimately lead to customer satisfaction.
- C. Guidelines that permit employee empowerment
- D. Hardware that facilitates the production of a standardized

37. The _____ is calculated by dividing the activity time by the number of locations at which the activity is performed.

- A. Service cost per meal

- B. Maximum output per hour
- C. Process time.
- D. Activity time.

38. Which of the following is not a step in the construction process of a service blueprint?

- A. Obtaining scripts from both customers and employees
- B. Segmenting customers based on the content of the script.
- C. Identify steps in the process where the system can go awry.
- D. Calculating the time frame for the service execution.

39. A volume-oriented positioning strategy is achieved by

- A. Reducing divergence.
- B. Increasing complexity
- C. Reducing complexity.
- D. Increasing divergence

40. A buyers perception of value is considered a trade-off between

- A. Product value and psychic cost
- B. Total customer value and total customer cost.
- C. Image value and energy cost
- D. Service value and monetary cost.

41. Total customer value consists of all of the following components except

- A. Product value.
- B. Service value.
- C. Image value
- D. Personnel value.

42. Total customer cost consists of all of the following components except

- A. Monetary cost
- B. Social cost.
- C. Time cost.
- D. Energy cost.

43. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?

- A. The demand for services tends to be more elastic than the demand for goods
- B. Cost-oriented pricing is more difficult for services
- C. Comparing prices of competitors is more difficult for service consumers.
- D. Self-service is a viable competitive alternative.

44. _____ is a firm view toward planning its operations according to market needs

- A. Marketing orientation
- B. Marketing functions.
- C. Marketing department.
- D. Marketing forecast.

45. Which of the following is not a criterion for effective price discrimination?
- A. The segments should be identifiable, and a mechanism must exist to price them differently.
 - B. Different groups of consumers should have similar responses to price.
 - C. Segments should be large enough to be profitable
 - D. Incremental revenues should exceed incremental costs.
46. Service firms often find themselves in a three-cornered fight between
- A. Engineering, production, and accounting
 - B. Marketing, finance, and human resources
 - C. Operations, accounting, and marketing
 - D. Human resources, marketing and operations
47. Customer frustration resulting from receiving poor service is most similar to
- A. Image costs.
 - B. Monetary price
 - C. Energy costs.
 - D. Psychic costs.
48. Among many services, the demand for medical services tends to be _____.
- A. Inelastic.
 - B. Elastic.
 - C. Substitute demand
 - D. Price cross elastic demand
49. Customer competencies can be described as
- A. Consumer expectations pertaining to the service delivery process and the final outcome
 - B. Customer perceptions regarding the quality of the outcome
 - C. Customer abilities that enable them to properly evaluate the servicescape.
 - D. The ability to interact effectively with other
50. Costs that are planned and are accrued during the operating period regardless of the level of production and sales are called
- A. Direct variable costs
 - B. Fixed costs.
 - C. Average costs
 - D. Marginal costs.
51. The technique that allows consumers to either buy Service A and Service B together or purchase one service separately is called
- A. Long-term bundling
 - B. Mixed bundling
 - C. Price bundling.
 - D. Product bundling
52. Which pricing strategies encourage the customer to expand his/her dealings with the service provider?
- A. Relationship pricing

- B. Price bundling.
- C. Benefit-driven pricing.
- D. Efficiency pricing.

53. Do studies suggest that price is more likely to be used as a cue to quality under the following conditions?

- A. When alternatives are of bad products
- B. When the company new to the market
- C. When a price is the primary differential information available
- D. When a customer does not have knowledge

54. The primary role of a service firm for the customer in the communication mix is to

- A. Confuse customers.
- B. Inform and remind customers
- C. Oppose the competitor s claim
- D. Persuade the dealers.

55. The plan for differentiating the firm from its competitors in consumer's eyes is referred to as the firms

- A. Communication mix
- B. Positioning strategy.
- C. Publicity.
- D. Target marketing

56. Differentiation approaches such as competence, courtesy, reliability, and responsiveness are forms of

- A. Product differentiation
- B. Personnel differentiation
- C. Image differentiation
- D. Service differentiation.

57. The appropriate communication content during the introduction stage of the product life cycle would be

- A. Informational.
- B. Informational and persuasive
- C. Persuasive.
- D. Persuasive and reminder.

58. Which of the following is not a communication objective during the maturity and decline stages of the product life cycle?

- A. Encourage repeat purchases
- B. Provide ongoing contact with customers
- C. Prepare the way for personal selling efforts
- D. Express gratitude to the existing customer base.

59. Which one of the following communication approaches would be appropriate during the growth and maturity stages of the product life cycle?

- A. Informational.

- B. Informational and persuasive
- C. Persuasive.
- D. Persuasive and reminder

60. The primary objective of a firms communication mix during the pre-consumption choice stage is to

- A. sell the product
- B. Minimize the perceived risk associated with the purchase
- C. Encourage repeat purchases
- D. Persuasively convince customers why the firms brand is superior to the competitors

61. The perceived consequences of a consumer s purchase decision are

- A. Financial, social and performance
- B. Social, ethical and performance.
- C. Performance, social and ethical.
- D. Ethical, social and psychological

62. Tangible clues are more important when services are

- A. Highly perishable.
- B. Tangible dominant.
- C. Intangible dominant
- D. Heterogeneous

63. Which of the following communication objectives becomes the most important during the post-consumption evaluation stage

- A. Informing customers
- B. Managing customer expectations.
- C. Reducing consumer perceived risk
- D. Persuading customers

64. Branding of services becomes difficult because they are

- A. Intangible.
- B. Heterogeneous.
- C. Perishable.
- D. Inseparable.

65. Word-of-Mouth communication networks are particularly important for service firms because

- A. Service customers tend to rely more on personal than the non-personal source of information
- B. Service firms only offer one brand of service.
- C. Service firms can seldom afford to pay for promotional efforts.
- D. Service customers tend to rely more on non-personal than personal sources of information

66. The suggested communication strategy to use when the product is intangible dominant is to

- A. Create an intangible image for the product.
- B. Create awareness for the product

- C. Surround the product with tangible evidence.
- D. Make sure the product is in the evoked set of

67. _____ is an overall favourable impression or unfavourable impression based on the early stages of the service encounter.

- A. Cognitive dissonance.
- B. Environmental stimulus
- C. Visual pathway.
- D. Halo effect.

68. The advantage that the E-marketing communications carries are.....

- A. Reaching a widely dispersed audience.
- B. Being cost-effective.
- C. Being personalized.
- D. More customer satisfaction.

69. A disadvantage of e-marketing is

- A. High cost.
- B. Low reach.
- C. Loss of personal contact
- D. Less satisfaction.

70. Which of the following is not a component of service firm's physical evidence?

- A. Parking.
- B. Employee appearance
- C. Billing statements.
- D. In-house process equipment

71. One of the advantages of requiring employees to wear uniforms is that it reduces the customers' perception of_____.

- A. Intangibility.
- B. Inseparability.
- C. Heterogeneity.
- D. Socialization.

72. which of the following is not an advantage of requiring employees to wear uniforms?

- A. Identifies the firm's personnel
- B. Provides price expectations to customers.
- C. Implies a coherent group structure
- D. Provides a physical symbol that embodies the group's ideas and attributes

73. _____ is the study of the use of physical evidence to create service environments and their influence on the perceptions and behaviours of individual's

- A. Ergonomics
- B. Environmental psychology.
- C. Physics

D. Physical sociology

74. Direct labour cost and sales commissions cost incurred in services are called as.....

- A. Fixed costs.
- B. Variable costs.
- C. Average costs.
- D. Marginal costs.

75. The organization must effectively plan to _____ fear, uncertainty and doubts that might occur in the minds of customers during the course of acquisition.

- A. Minimize
- B. Maximize
- C. Study
- D. Balance

76. Internal marketing deals with

- A. Marketing the products to employees
- B. Marketing the products in the local market
- C. Marketing the products inside the country
- D. Identifying and taking care of employees need and wants

77. What is mean by interactive marketing?

- A. Marketing by interacting with employees.
- B. Marketing by interacting with dealers
- C. Marketing is done by interacting between employees and customers
- D. Marketing by interacting with top management.

78. Consumer responses to environmental stimuli are characterized by approach or avoidance behaviours.

Consumer approach behaviour is defined as

- A. A desire to stay in the market.
- B. A desire to explore many products
- C. A desire to communicate with society
- D. Feelings of satisfaction.

79. In order to improve the process and performance of the company towards the customers, they should try to

- A. Modernize the building.
- B. Modernize the product.
- C. Reduce the waiting time by adopting the reservation system.
- D. Asking customers to come another time.

80. When developing services capes, firms recognize that their physical environment will affect employees and customers. This is primarily due to

- A. Reflect the quality at all spheres
- B. Intangibility
- C. Heterogeneity

D. Perishability

81. Consumers who seek convenience over price and personal attention are

- A. Economic customers
- B. Personalized customers
- C. Apathetic customers.
- D. Ethical customers.

82. Which of the following is NOT an example of an ambient condition in a retail environment?

- A. Music.
- B. Signs.
- C. Scents
- D. Lighting.

83. Ambient conditions will have the least effect on customer behaviour in which of the following service scapes?

- A. A bakery shop
- B. An air-conditioned hotel.
- C. An open five-story parking garage
- D. Bookstore with an in-store coffee cart.

84. In a _____ environment, the service employees are physically present while customers are involved in the service production process at an arm's length.

- A. Self-service.
- B. Vertical service
- C. Remote service
- D. Saleable service

85. _____ is the customers composite of mental images of the service firms physical facilities.

- A. Internal response moderators
- B. Perceived services cape.
- C. Cognitive response
- D. Emotional response.

86. Total customer value consists of all of the following components except

- A. Product value
- B. Personal value.
- C. Image value
- D. Time value.

87. The emotional states of pleasure-displeasure, arousal-no arousal, and dominance-submissiveness are types of _____

- A. Internal response moderators
- B. The holistic environment.
- C. Individual behaviours.

D. Social interactions

88. Doing promotional activity is difficult in the marketing of which of the following services.

- A. Leisure service industry
- B. Education industry.
- C. NGO.
- D. Public sector.

89. Consumer moods and attitudes are types of

- A. Physiological customer responses
- B. Emotional customer responses
- C. Individual approach behaviours
- D. Internal response moderators

90. Consumer feelings of pain, comfort, and physically fit are types of

- A. Physiological customer responses
- B. Emotional customer responses
- C. Individual approach behaviours
- D. Cognitive customer responses.

91. The three primary visual stimuli that appeal to consumers on a basic level are

- A. Harmony, contrast, and clash.
- B. Size, shape, and colour.
- C. Blue, yellow, and green.
- D. Red, blue, and green.

92. To manage demand and supply, the company can

- A. Ask the customers to wait in peak demand
- B. Adopt reservation systems to balance the demand
- C. Divert to competitors.
- D. Deliver substitute products to customers.

93. Which of the following statements pertaining to colours is false?

- A. Warm colours are perceived as aloof or formal.
- B. Children appear to favour brighter colours.
- C. Adults tend to favour softer tones.
- D. Dark colours make large empty spaces look smaller.

94. Which of the following statements pertaining to the location of the firm is false?

- A. Location decisions should consider the amount of customer involvement necessary to provide the service.
- B. Low contact firms should consider moving sites that are closer to sources of supply, transportation and labour.
- C. The actual location of high-contact services should be close to the street as possible.
- D. The firm's facility should be compatible with its surrounding environment.

95. Managing the peak demand becomes difficult due to _____ nature.

- A. Intangibility.
- B. Perishability.
- C. Inseparable.
- D. Heterogeneous.

96. The service industry has grown many folds due to _____

- A. less growth in other sectors
- B. more growth in all sectors
- C. more affluence of customers
- D. effective marketing strategies of service marketers

97. Growth in leisure and entertainment services due to _____

- A. more surplus money left with customers
- B. interest that people want to spend leisure time fruitfully
- C. more support from the government to invest in such an industry.
- D. growth of other sectors contributed to this growth

98. Which of the following statements is not true?

- A. Combinations of warm and cool colours can create relaxing, yet stimulating atmospheres.
- B. Lighter hues are popular for fixtures.
- C. Darker hues are used for attention grabbers.

99. _____ encourages quick decisions and work best for businesses where low-involvement purchase decisions are made.

- A. Response moderators.
- B. Scent appeals.
- C. Warm colours.
- D. Sound appeals

100. Positioning map in services will help too.....

- A. Identify the position of the company on the world map.
- B. Identify the position of the company on the industry map.
- C. Identify the position of the company on the local map.
- D. Know-how the brand is perceived by customers among other players in the market.

101. Word-of-Mouth communication networks are particularly important for service firms because

- A. Service customers tend to rely more on personal than the non-personal source of information.
- B. Service firms do not believe in promotional efforts.
- C. Service firms can seldom afford to pay for promotional expenditures.
- D. Service customers tend to rely more on non-personal than personal sources of information.

102. Initially, bank counter staff was uncomfortable with their new task of selling services to customers.

They viewed themselves as bank counter staff and not salespersons. This is an example of which type of conflict?

- A. Channel conflict.
- B. Organization/client conflict
- C. Person/role conflict.
- D. Inter-client conflict.

103. As part of the internal marketing strategy, the company takes up

- A. Performance appraisal.
- B. Training employees.
- C. Assigning more responsibilities
- D. Transferring the employees.

104. The service quality is determined on the basis of.....

- A. Employee involvement.
- B. Customer involvement.
- C. Top management involvement
- D. Employee and customer involvement.

105. Services marketing is important in today's context because of it

- A. Generates more customers.
- B. Generates more GDP.
- C. Generates more jobs.
- D. Generates more jobs and GDP.

106. _____ gives discretion to front-line personnel to meet the needs of consumer's creatively.

- A. Empowerment
- B. Enfranchisement.
- C. Service passion
- D. Service climate.

107. It is important for organizations to change and develop. The stages that service organisations go through are known as the Product Life Cycle. The Introduction Stage refers to

- A. Introducing a change to the service.
- B. Introducing a new service overseas.
- C. Introducing new ideas to the market.
- D. Introducing existing services to new markets.

108. It is important for organizations to change and develop. The stages that service organisations go through are known as the Product Life Cycle. The Growth Stage refers to

- A. Growth of the new service in the minds of employees.
- B. Introduction of new services to grow the portfolio of the company
- C. Grow advertising spend to loyal customers
- D. Raise awareness of new service to new customer

109. . It is important for organizations to change and develop. The stages that service organisations go through are known as the Product Life Cycle. The Saturation Stage refers to

- A. All competitors leave the market place.
- B. New competitors join the market place.
- C. Many competitors seeking the same customers
- D. All competitors seek the same customers.

110. It is important for organizations to change and develop. The stages that service organisations go through are known as the Product Life Cycle. The Decline Stage refers to

- A. Sales decline but remain profitable.
- B. Profitability improves and sales decline.
- C. Sales increase and profitability declines.
- D. Profitability declines and sales decline.

111. Which of the following was NOT discussed as a Driver for Service Change?

- A. Regulations
- B. Perishability
- C. Consumer
- D. Competitors

112. The characteristics of what, when and how the new services are delivered to the customer are called

- A. Continuum of new service development.
- B. Service delivery continuum.
- C. New service and customer delivery continuum
- D. Customer delivery continuum

113. Strategies to increase the efficiency of service operations include all of the following except

- A. Training the employees
- B. Reduce the waiting time.
- C. Giving subcontracting to others.
- D. Engage the customers effectively by explaining the service process

114. One of the major lessons to learn from the Service-Profit Chain is:

- A. Customer loyalty leads to customer satisfaction
- B. Employee retention leads to employee satisfaction
- C. The firm's profitability leads to customer satisfaction.
- D. Revenue growth leads to customer satisfaction

115. Important components of internal service quality include all of the following except for

- A. Customer referrals.
- B. Rewards and recognition
- C. Workplace design.
- D. Job design.

116. Customer retention, repeat business, and customer referrals are alternative measures for

- A. Internal service quality.

- B. External service value.
- C. Employee satisfaction.
- D. Customer loyalty.

117. The buying process of services becomes complicated because

- A. Difficult to assess and compare.
- B. No direct sales are available.
- C. Many products leads to confusion.
- D. Door delivery is not possible.

118. The consumer management areas of particular importance to service marketers are

- A. Managing customer participation
- B. Managing customer waits.
- C. Managing uncooperative customers
- D. Customer relationship management

119. Efforts to transform customers into partial employees should not be interpreted as the firms' way of distancing itself from the customer. This is consistent with which of the following guidelines for increasing customer participation?

- A. Develop customer trust.
- B. Promote the benefits and stimulate trial.
- C. Understand customer habits.
- D. Monitor and evaluate performance.

120. Blueprints identify all of the following process steps except

- A. The direction in which processes flow
- B. The time it takes to move from one process to another.
- C. The costs involved with each processing site.
- D. The amount of inventory build-up at each step

121. The most common mistake made when constructing a service blueprint is

- A. Bottlenecks are not identified correctly
- B. Failure points are not identified correctly
- C. The blueprint is one-sided.
- D. Representing only the firm's perception of the process

122. Co-production of services is made possible due to _____ inherent in the production of services.

- A. Homogeneity.
- B. Intangibility.
- C. Heterogeneity.
- D. Inseparability.

123. The internal marketing refers to which of the following options.

- A. Marketing its products to its customers.
- B. Marketing its products to its employees.
- C. Marketing to local customers.

D. Ensuring that the employees are satisfied in the organization.

124. Physical evidence helps

- A. To evaluate the service by customers
- B. To deliver the services
- C. To evaluate the services by the provider.
- D. To assess the quality by the third party.

125. The augmented product is one which offers

- A. Basic services
- B. Additional services
- C. Services which are more valuable than any other competitors
- D. Multiple services

126. Potential product is the one which can be.....

- A. Enjoys a competitive edge wherein no one can come nearby.
- B. Satisfies customer needs.
- C. Caters to large segments
- D. Is available in all the places.

ANSWER: A

127. In order to win over the competitors and attract the customers, the company need to create.....

- A. New markets.
- B. New customers
- C. Meaningful unique selling proposition which is valuable and has more opportunities.
- D. More products.

ANSWER: C

128. While advertising the service product, the marketers need to.....

- A. Show the service product
- B. Need not to show the service product
- C. Show some tangible clues to help the customers to understand and evaluate
- D. Create a world-class advertisement to attract the customers.

129. Customers may go dissatisfied even when the company offers the best in the industry due to

- A. More competition in the market
- B. More customers in the market
- C. More products in the product line
- D. The customers expect more than what the company offers due to more exaggerated advertisements.

130. Internal marketing refers to satisfying the

- A. Employees of the organization.
- B. Customers of the organization.
- C. Customers as well as employees.
- D. public

131. Customer may get dissatisfied due to

- A. Less waiting time
- B. More waiting time
- C. More products
- D. Fewer products.

132. Dissatisfaction due to more waiting time can be resolved by

- A. Introducing reservation systems.
- B. Asking the customers to come next time.
- C. Asking the customers politely to wait.
- D. Reducing demand.

133. When waiting time is unavoidable, the company can

- A. Ask the customers to wait for some time.
- B. makes the customers wait in the canteen.
- C. Provide refreshments to customers.
- D. Provide magazines, newspapers and show relevant movie/Video to kill the time.

134. When the demand is more than the supply, then the company can

- A. Expand the facility
- B. Ignore the excess demand
- C. Ask the customers to wait for some time
- D. Divert the excess demand to competitors

135. Service quality much depends on

- A. Customer involvement in the process
- B. Timing of the delivery process
- C. The involvement of the customer and employee
- D. The timing of the process

136. In the services marketing mix, people refer to

- A. Employees and customers
- B. Customers
- C. Employees
- D. Public at large

137. Physical evidence is more important in service marketing because

- A. It is the evidence of service quality
- B. Customers are going to value based on this evidence.
- C. Every service provider uses it
- D. every employee expects this

138. _____ acts as clue for physical evidence.

- A. Interior of the building
- B. Cheque leaves
- C. Quotation
- D. Food

139. Service delivery becomes difficult without the support of the _____

- A. Employee
- B. Customer
- C. Organization.
- D. managers

140. Product line refers to

- A. Arrangement of products in the line.
- B. The assortment of products at the shop
- C. Variety of products company offers to customers.
- D. Waiting time of the customers.

141. Empathy refers to

- A. Providing service at the expected level.
- B. Making service available at all times.
- C. Being considerate and ready to assist customers.
- D. Providing service at doorstep.

142. Reliability refers to

- A. Ability to perform the service dependably and accurately.
- B. Ability to perform the service at cheap cost.
- C. Ability to perform the service in less time.
- D. Ability to perform the service at all the time.

143. Assurance refers to

- A. Trust and confidence of the employees on the customers
- B. Trust and confidence of the customers on employees
- C. The promise was given to stakeholders
- D. Consistent performance by the company

144. Gap model indicates the

- A. Possible failures in the service delivery process
- B. The outcome of the process
- C. Process of the service delivery
- D. The sequence in which service delivered

145. Service recovery refers to

- A. Recover the loss from the customers
- B. Recover the loss from the competitors
- C. Recover from the failure
- D. Recover from the market

146. Service encounter refers to

- A. conveying the service products to customers
- B. Selling the products to the customers
- C. Contact established with the customer at the delivery process
- D. Encountering the failures

147. Customer expectation becomes exaggerated by

- A. Exaggerated advertising
- B. The acts of competitors
- C. The activities of middlemen
- D. Over expectation from the service provider

148. Intangible nature of services poses

- A. Problems to marketers
- B. Problems to customers
- C. The difficulty for the researcher
- D. Problem for service designers

149. In order to manage the Peak-time demand, the service provider can

- A. Manage by introducing more products
- B. Manage by adding additional facilities
- C. Manage by diverting the customers for other services
- D. Manage by asking the customers to wait for some time

150. Service quality of the company may be affected by the act of.....

- A. Receptionist.
- B. Competitors.
- C. Advertisers.
- D. System administrator.

151. Select name of the country having maximum percent of GDP attributed to services

- a. United States
- b. China
- c. Germany
- d. India

152. Which of the following is not an element of physical evidence?

- a. Employee dress
- b. Employee Training
- c. Equipment
- d. Facility design

153. Which of the following is not an element of People?

- a. Motivation
- b. Teamwork

c. Flow of activities

d. Customer training

154. Standardized and customized flow of activities, simple and complex number of steps and customer involvement by which a service is delivered is called.....

a. Place Mix

b. Physical Evidence Mix

c. Process Mix

d. People Mix

155is the environment in which the service is delivered and where the firm and customer interact and any tangible components that facilitate performance or communication of the service.

a. Physical evidence

b. Process

c. Place

d. People

156. "All human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel, the customer and other customers in the service environment."

a. Process

b. Physical Environment

c. People

d. Place

157.is the difference between customer expectations and perceptions.

a. Customer Delight

b. Customer Satisfaction

c. Customer Gap

d. The supplier Gap

158. Which of the following is difficult to evaluate?

a. Jewellery

b. Auto repair

c. Furniture

d. Clothing

159. Evaluation of Medical Diagnosis service is mainly depends on

a. High in experience quality

b. High in credence quality

c. High in search quality

d. Both a and c

160.is defined a the caring, individualized attention that the firm provides its customers.

a. Empathy

b. Responsiveness

c. Sympathy

d. Assurance

161. Which of the following is not a type of Service encounters?

a. Remote encounters

b. Phone encounters

c. Face to face encounters

d. Check in Encounters

161.is a tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.

a. Front end planning

b. Service Blueprinting

c. Service Standardization

d. None of these

162.is the physical surroundings or the physical facility where the service is produced, delivered and consumed.

a. Servicespace

b. Servicescape

c. Serviceplace

d. Servicescope

163. “.....is the culture where an appreciation for good service exists and where giving good service to internal as well as ultimate, external customers is considered a natural way of life and one of the most important norms by everyone.”

a. Service culture

b. Corporate culture

c. Service Triangle

d. Service Quality Dimensions

164. SSTs stands for.....

a. Stable Service Technologies

b. Social Service Technologies

c. Smart Service Technologies

d. Self Service Technologies

165.are the only service distributors which do not require direct human interactions.

a. Electronic Channels

b. SSTs

c. Direct Service Channels

d. Speculative channels

166. A triangle of Company, Customers, Employees, Internal Marketing, External Marketing communications and Interactive marketing is known as.....

a. Marketing Triangle

b. Service Triangle

c. Communication Triangle

d. Both a and b

167. Tata Sky is the joint venture of Tata and

a. Sony

b. Star

c. IBN

d. Zee

168. Intangibility, Perishability, Inseparability & Variability are the characteristics of

a. Products

b. Services

c. Goods

d. Both a&b

169. All of the following would be among the chief factors to consider when choosing a market-coverage strategy EXCEPT:

- a. organizational culture.
- b. product variability.
- c. product's life-cycle.
- d. market variability.

170. The way the product is defined by consumers on important attributes is called _____.

- a. market segmentation
- b. image psychology
- c. product position
- d. market targeting

171. The positioning task consists of three steps. Which of the following does not belong?

- a. Identifying a set of possible competitive advantages upon which to build a position.
- b. Choosing the right competitive advantages.
- c. Comparing the position with ethical and legal guidelines established by the trade.
- d. Selecting an overall positioning strategy.

172. The key to winning and keeping customers is to understand their needs and buying processes better than competitors do and:

- a. advertise constantly to let customers know about changes in products and services.
- b. hire the best sales people.
- c. have an updated Web presence.
- d. to deliver more value.

173. Product differentiation can be along all of the following lines EXCEPT:

- a. consistency.
- b. durability.
- c. reliability.
- d. competitive parity.

174. Gaining competitive advantage through speedy or careful delivery is an example of which type of differentiation?

- a. product
- b. services

- c. personnel
- d. image

175. The strategy of choosing one attribute to excel at to create competitive advantage is known as (the):

- a. unique selling proposition.
- b. under positioning.
- c. over positioning.
- d. confused positioning.

176 In general, a company needs to avoid three major positioning errors. Which of the following is NOT one of those errors?

- a. Under positioning
- b. repositioning
- c. over positioning
- d. confused positioning

177. In determining which differences to promote, focusing on a difference that delivers a highly valued benefit to target buyers would mean selecting the difference that is most:

- a. important.
- b. distinctive.
- c. superior.
- d. communicable.

178.. Choosing a product difference that competitors cannot easily copy would be which kind of differentiation criterion?

- a. important
- b. distinctive
- c. superior
- d. pre-emptive

179. A brand's _____ is the full positioning of the brand—the full mix of benefits upon which it is positioned.

- a. distinctive proposition
- b. preemptive proposition
- c. value proposition
- d. superior proposition

180 _____ factors are the most popular bases for segmenting customer groups.

- a. Geographic
- b. Demographic
- c. Psychographic
- d. Behavioral

181 _____ factors or variables are generally easier to measure than most of the other types of variables or factors.

- a. Geographic
- b. Demographic
- c. Psychographic
- d. Behavioral

182. Age is often a poor predictor of a person's life-cycle, health, work, or family status. Therefore, when using age and life-cycle segmentation, the marketer must guard against:

- a. stereotyping.
- b. gender bias.

- c. racial bias.
- d. intellectual bias.

183 Proctor & Gamble joined a growing list of marketers who use _____ segmentation when they developed Secret, a brand specially formulated for a woman's chemistry.

- a. geographic
- b. income
- c. benefit
- d. gender

184 All of the following Web sites would be examples of sites wishing to make gender segmentation appeals as their primary marketing segmentation strategy EXCEPT:

- a. www.iVillage.com
- b. www.girlson.com
- c. www.playboy.com
- d. www.neimanmarcus.com

185 _____ is the process of dividing a market into different groups based on social class, lifestyle, or personality characteristics.

- a. Gender segmentation
- b. Behavioral segmentation
- c. Psychological segmentation
- d. Psychographic segmentation

186 Many marketers believe that _____ are the best starting point for building market segments and programs.

- a. behavioral variables
- b. geographic variables
- c. demographic variables
- d. psychographic variables

187 "Coke in the morning" is an attempt to segment according to which of the following?

- a. gender segmentation
- b. psychographic segmentation
- c. benefit segmentation
- d. occasion segmentation

188 The orange juice manufacturers know that orange juice is most often consumed in the mornings. However, they would like to change this and make the drink acceptable for other time periods during the day. Which form of segmentation would they need to work with to establish a strategy reflective of their desires?

- a. gender segmentation
- b. benefit segmentation
- c. occasion segmentation
- d. age and life-cycle segmentation

189. When companies market products on the basis of what the product's attributes will do for a given segment of consumers, they are using a powerful form of behavioral segmentation known as:

- a. occasion segmentation.
- b. benefit segmentation.
- c. user status segmentation.
- d. usage rate segmentation.

190 If people that take cruise ship vacations do so because of “gambling,” “fun,” or “for adventure or educational purposes,” then it is possible to segment this market based on what might be called:

- a. psychographic segmentation.
- b. benefit segmentation.
- c. demographic segmentation.
- d. gender segmentation.

191 A marketing firm classifies customers as nonusers, ex-users, potential users, first-time users, and regular users. Which of the following classifications is the firm most likely using to segment its market and devise strategies for selling its products and services?

- a. user status
- b. user rate
- c. loyalty status
- d. benefit status

192 One of the most promising developments in multivariable segmentation is called _____, where a host of demographic and socioeconomic factors are used.

- a. terragraphic segmentation
- b. fermagraphic segmentation
- c. geothermal segmentation
- d. geodemographic segmentation

193 . All of the following are major variables that can be used to segment business markets EXCEPT:

- a. operating characteristics.
- b. psychographics.
- c. demographics.
- d. situational factors.

195 _____ is forming segments of consumers who have similar needs and buying behavior even though they are located in different countries.

- a. External segmentation
- b. International segmentation
- c. Intermarket segmentation
- d. Enriched segmentation

196. When Mercedes-Benz targets the world’s well-to-do, regardless of their country, they are most likely following a segmentation strategy called:

- a. external segmentation.
- b. international segmentation.
- c. enriched segmentation.
- d. intermarket segmentation.

197 Clearly, there are many ways to segment markets. However, not all segmentations are effective or successful. To be useful, market segments must have all the following characteristics EXCEPT being:

- a. measurable.
- b. plausible.
- c. accessible.
- d. actionable.

198 It is a fact that there are 32.5 million left-handed people in the United States. However, most marketers do not attempt to appeal to or design products for this group because there is little in the way of census data about this group. Therefore, this group fails in one of the

requirements for effective segmentation. Which of the following is most likely to apply in this case?

- a. actionable
- b. substantial
- c. differentiable
- d. measurable

199 Knowing the size, purchasing power, and profiles of a market segment are all part of which of the following characteristics?

- a. substantiality
- b. measurability
- c. action ability
- d. accessibility

200. The ability to reach and serve a market segment defines the characteristic of:

- a. measurability.
- b. actionability.
- c. accessibility.
- d. substantiality.

201. In addition to the traditional four P's, the services marketing mix includes people, physical evidence, and: _____

perishability preparation production planning process

202 The customer gap is the difference between: _____ what the customer expects and what he or she is told will occur

customer perceptions and retailer perceptions

customer expectations and customer perceptions

what the retailer says it offers and what is actually offered

how service providers perceive their service quality and how customers perceive that same quality.

203. Which of the following statements about customer satisfaction is true?

Consumer satisfaction tends to be measured as if it is static.

Through the service cycle, the consumer will have a variety of different experiences that will all affect satisfaction.

Satisfaction can be viewed as contentment.

Satisfaction is the consumer's fulfillment response.

204 Customers who do not complain because they have received bad service typically believe:

- 1) that their complaining may produce positive consequences
- 2) that social benefits derive from complaining
- 3) complaining is a waste of time they deserve fair treatment
- 4) they have a social obligation that requires them to complain