

PRINCIPLES OF MARKETING

Final exam (No. 4)

Student name: _____

Mark

Student ID: _____

PART A – MULTI-CHOICE QUESTIONS (8 marks)

Instructions: Students should answer each question by marking an (X) in one of the four options, A, B, C, or D, in the answer table provided below. **ONLY ANSWERS MARKED IN THIS TABLE WILL BE GRADED.**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A																				
B																				
C																				
D																				

	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
A																				
B																				
C																				
D																				

1. Under the Canopy has two rooms and therefore a maximum monthly capacity of 60 room-nights. Fixed costs are VND 36 million per month and variable cost is VND 250,000 per occupied room-night. Why does the fixed cost per occupied room-night rise when occupancy falls?

- A. Variable cost increases automatically when demand decreases.
- B. The same monthly fixed cost is spread across fewer sold room-nights.
- C. Fixed costs become variable costs in low season.
- D. Customers become more price elastic in low season.

2. A delivery company describes itself as “a company that helps customers receive what they need quickly and conveniently” rather than simply “a delivery company.” Which marketing idea is most clearly reflected?

- A. Marketing should begin with customer needs and value rather than the product itself.
- B. A firm should define its business according to its current production technology.
- C. Marketing orientation requires firms to offer the lowest possible price.
- D. A company should concentrate primarily on improving operational efficiency.

3. An insurance company finds that young consumers rarely think about buying one of its protection products even though the potential need exists. Which combination would be most consistent with the product classification discussed in the course?

- A. Unsought product; awareness building, education and personal selling may be important.
- B. Convenience product; intensive distribution alone should create demand.
- C. Shopping product; consumers will naturally undertake extensive comparison.
- D. Specialty product; exclusivity should be the primary communication objective.

4. A store has monthly fixed costs of VND 24 million. Each bottle sells for VND 250,000 and has a variable cost of VND 130,000. Approximately how many bottles must be sold to break even?

- A. 96 B. 120 C. 250 D. 200

5. A cosmetics company identifies “environmentally conscious consumers” as a potential target segment. Research shows, however, that some mainly seek vegan ingredients, some focus on recyclable packaging, some are extremely price-sensitive, and others willingly pay premium prices for sustainability. What is the BEST conclusion?

- A. Environmental concern is useless as a segmentation variable.
- B. Environmental concern may identify a broad segment, but additional variables are needed to make the segments more actionable.
- C. All environmentally conscious customers should receive exactly the same marketing mix.
- D. The company should replace segmentation with undifferentiated marketing.

6. A company segments customers according to lifestyle, personal values and motivations rather than age or income. Which basis of segmentation is it primarily using?

- A. Geographic segmentation
- B. Demographic segmentation
- C. Behavioural segmentation
- D. Psychographic segmentation

- 7. A luxury cosmetics brand limits its products to carefully selected retailers that can provide suitable advice and maintain the desired store environment. Which strategy is most appropriate?**
- Intensive distribution
 - Direct distribution only
 - Selective distribution
 - No-channel distribution
- 8. In the meat-pie case, an established bakery dramatically reduced its price before a new competitor entered, maintained the low price while the entrant struggled, and subsequently raised prices again after the entrant exited. Which strategic issue is illustrated most strongly?**
- Price can be used competitively not only to attract demand but potentially to alter the competitive structure of a market.
 - The case proves that lower prices always maximise long-run consumer value.
 - Price has no relationship with barriers to market entry.
 - New firms always have lower fixed costs than established firms.
- 9. A campaign objective states: "Raise awareness of TH true MILK among consumers aged 18–25 from 40% to 60% within three months." Why is this a stronger objective than "increase awareness"?**
- It specifies the target audience, desired change and time period.
 - It guarantees sales growth.
 - It eliminates the need to evaluate campaign results.
 - It is a pricing rather than communication objective.
- 10. Cocoon sells through its own channels as well as Guardian, Watsons and e-commerce marketplaces. Suppose research finds that one customer segment strongly prefers purchasing skincare after professional in-store consultation, while another prefers comparing reviews and ordering online. Which decision should most directly follow from this insight?**
- Different distribution arrangements may be appropriate for different target segments.
 - Both groups should receive identical channels to protect brand consistency.
 - Product quality should be reduced for online customers.
 - Distribution decisions should be made before segmentation.
- 11. A company identifies a large segment with attractive growth potential, but lacks the distribution capability and expertise required to serve it effectively. Which requirement of effective segmentation is most clearly missing?**
- Measurability
 - Substantiality
 - Actionability
 - Differentiability
- 12. An iPhone family contains basic, higher-specification and premium versions with increasing price steps that communicate differences in features, performance and status. This illustrates:**
- segmented geographic pricing.
 - product-line pricing.
 - promotional pricing.
 - by-product pricing.
- 13. Street coffee sells for VND 15,000, café coffee for VND 30,000 and premium specialty coffee for VND 50,000 even though ingredient-cost differences may be much smaller. The best explanation is:**
- premium cafés necessarily have three times higher variable costs.
 - consumers may pay for atmosphere, location, service, brand and social experience in addition to the physical coffee.
 - coffee demand is always inelastic.
 - high prices eliminate the need for differentiation.
- 14. A researcher wants first to understand why university students distrust AI-generated product reviews before developing a structured questionnaire for 1,000 respondents. Which research approach should logically come first?**
- Exploratory qualitative research
 - A census
 - A pricing experiment only
 - Descriptive secondary-data analysis only
- 15. Coca-Cola's eventual selection of 可口可乐 (Kěkǒu Kělè) in China illustrates most directly that an international brand name should:**
- always be translated literally.
 - be identical in spelling in every country.
 - consider pronunciation, meaning and associations in the local market.
 - avoid any phonetic similarity with the original brand.
- 16. A company buys 100 laptops for employees, while a student buys the same laptop for personal study. According to the lecture classification:**
- both are consumer products because the physical product is identical.
 - both are industrial products because laptops are technological goods.
 - the first is an industrial product and the second is a consumer product.
 - classification depends only on the price paid.
- 17. A company develops a technically excellent product and assumes that customers will buy it because its engineers believe it is superior. Customer research is conducted only after sales disappoint. Which orientation best describes the company?**
- Societal marketing orientation
 - Selling orientation
 - Product orientation
 - Customer relationship orientation

- 18. A café has good coffee and competitive prices but customers describe the shop as dark, crowded, noisy and uncomfortable. Repeat patronage falls. Which explanation best integrates Place with the wider marketing mix?**
- Place concerns only physical location, so the problem is Product.
 - The café should respond only through advertising.
 - Because coffee is tangible, servicescape cannot affect perceived value.
 - In services, physical environment forms part of the experience and can influence emotion, perceived quality, comfort, positioning and repeat behaviour.
- 19. TH true MILK coordinates advertising, PR, packaging, retail outlets, e-commerce, social media and sales promotions around a consistent image of clean, natural products supporting health and well-being. This is best described as:**
- integrated marketing communications supporting consistent positioning across customer touchpoints.
 - undifferentiated pricing.
 - exclusive distribution.
 - production orientation.
- 20. A milk-tea shop increases price by 10%, after which sales volume falls by 25%. Ignoring the negative sign and focusing on magnitude, price elasticity of demand is:**
- 2.5, indicating elastic demand.
 - 0.4, indicating inelastic demand.
 - 1.0, indicating unit elasticity.
 - 3.5, indicating perfectly elastic demand.
- 21. Suppose research shows that customers describe a brand as “premium” in interviews but consistently choose cheaper competitors in actual purchase situations. Which conclusion is most defensible?**
- The qualitative research must be incorrect.
 - Premium positioning necessarily causes low sales.
 - Attitudes are irrelevant to consumer behaviour.
 - Managers should examine the gap between expressed perceptions and actual behaviour, including price, context, availability and competing value propositions.
- 22. In the AIDA model, an advertisement first attracts attention, then explains how the product solves a relevant consumer problem. The second activity primarily aims to create:**
- Action
 - Desire
 - Interest
 - Loyalty
- 23. A survey of satisfaction with a supermarket is sent only to members of its premium loyalty programme. What is the most important concern if the company wants to generalise the results to all shoppers?**
- The questionnaire must contain open-ended questions.
 - The sample may systematically exclude important types of shoppers.
 - Loyalty programme members cannot answer satisfaction questions.
 - Primary data cannot be used for descriptive research.
- 24. The famous Chevrolet Nova story is useful in a branding lecture because it highlights the potential risk that:**
- brand names may acquire unintended linguistic associations across markets.
 - product quality automatically changes after internationalisation.
 - Spanish-speaking consumers never purchase foreign brands.
 - international brands should avoid meaningful names entirely.
- 25. A traveller compares Vietnam Airlines, VietJet and Bamboo Airways in terms of fare, baggage, schedule, reliability and service. What does this example demonstrate?**
- Competition-based pricing requires every airline to charge the same fare.
 - Customers evaluate the whole value proposition rather than price in isolation.
 - Airline services have no reference price.
 - Price should be set before considering product positioning.
- 26. A car manufacturer adds advanced safety systems, a larger screen, premium audio and driver assistance to higher versions while retaining a basic model. Which interpretation is MOST complete?**
- Features can simultaneously differentiate versions, serve different segments, create additional value and support different price levels.
 - Additional features matter only because they increase production cost.
 - The strategy is primarily geographic segmentation.
 - Product features should be identical across segments to maintain positioning.
- 27. Consider two sales-promotion programmes: Programme A: 20% discount for 15 days. Programme B: A 30-day lucky draw; customers spending at least VND 500,000 receive an entry, with a fixed total prize pool. Which conclusion is MOST defensible?**
- Programme A is universally superior because discounts directly reduce price.
 - Programme B is universally superior because lucky draws protect margins.
 - The superior programme depends on objectives and target behaviour: A may stimulate immediate sales among price-sensitive customers, whereas B may protect price image, increase basket size and cap promotion cost.
 - Both programmes must produce the same financial result if customer awareness is equal.

- 28. Cocoon products purchased from the official company website versus Guardian represent, respectively:**
- A. direct distribution and indirect distribution.
 - B. intensive and exclusive distribution.
 - C. wholesale and direct distribution.
 - D. two forms of personal selling.
- 29. A premium hotel faces a competitor that cuts room prices by 20%. The hotel's occupancy has not yet fallen, its target customers value service quality, and management fears damaging its premium positioning. Which response is most strategically justified before automatically matching the price cut?**
- A. Close some rooms to increase scarcity.
 - B. Cut price by more than 20% immediately.
 - C. Maintain price while investigating the competitor's objective and customer response, and consider strengthening perceived value.
 - D. Ignore all competitor actions because premium firms never respond to price.
- 30. An airline has an empty seat when a flight departs. Why is that seat particularly important from a Place/service-distribution perspective?**
- A. It can be placed in inventory and sold on another flight.
 - B. It becomes an industrial product after departure.
 - C. Unused service capacity is perishable and cannot be stored for future sale.
 - D. The loss is caused primarily by product packaging.
- 31. A skincare company replaces a conventional container with lighter recyclable packaging, a refill option and clearer ingredient information. Which statement is BEST?**
- A. These changes concern promotion only.
 - B. Packaging can contribute simultaneously to convenience, information, sustainability, differentiation and positioning.
 - C. Packaging is part of the core customer value rather than the actual product.
 - D. Sustainable packaging eliminates the need for product quality.
- 32. A coffee machine is sold at a relatively attractive price, while compatible capsules generate repeated higher-margin purchases. This is most clearly:**
- A. optional-product pricing.
 - B. psychological pricing.
 - C. captive-product pricing.
 - D. allowance pricing.
- 33. A salesperson deliberately hides important conditions, pressures a customer to buy an unsuitable product and then reports a high conversion rate. From a marketing perspective, why is it incorrect to regard the salesperson as successful merely because conversion is high?**
- A. Conversion rate should never be used in personal selling.
 - B. Sales effectiveness should also consider customer suitability, trust, relationship quality and long-term brand consequences.
 - C. Personal selling should be used only for inexpensive convenience products.
 - D. Ethical problems occur only when a customer formally complains.
- 34. A retailer finds a strong positive relationship between exposure to KOC (Key Opinion Consumer) reviews and purchase intention. Management concludes that KOC exposure causes higher purchase intention. Why should a marketing researcher be cautious?**
- A. Purchase intention can never be measured quantitatively.
 - B. KOCs are not part of marketing communication.
 - C. Correlation alone does not rule out alternative explanations such as prior brand interest influencing both exposure and intention.
 - D. Causal research always requires a national census.
- 35. A Rolex buyer is willing to search for an authorised seller and makes considerable effort to obtain a particular model rather than readily accepting substitutes. Rolex is therefore most consistent with which consumer-product classification**
- A. Convenience product
 - B. Shopping product
 - C. Specialty product
 - D. Unsought product
- 36. A family uses the same shampoo, but the mother normally selects and buys the brand. For a shampoo communication campaign, distinguishing between "user" and "buyer" is important primarily because:**
- A. only users can belong to a target market.
 - B. purchasers always have greater product knowledge than users.
 - C. the communication target may differ from the person physically consuming the product.
 - D. family influence disappears for frequently purchased products.
- 37. A budget hotel does not provide luxury marble bathrooms but consistently provides cleanliness, safety and reliable service. Which statement BEST reflects the lecture's treatment of product quality?**
- A. Quality means offering every possible premium feature.
 - B. Budget products cannot compete on quality.
 - C. Quality and price are unrelated.
 - D. Appropriate quality level and quality consistency should match target-market expectations.

38. A firm first defines a target of 70% brand awareness among university students, determines that TikTok advertising, campus events and influencer content are required, estimates their costs, and then sets the budget. This is:

- A. affordable budgeting.
- B. percentage-of-sales budgeting.
- C. competitive-parity budgeting.
- D. objective-and-task budgeting.

39. A premium wine store replaces Top-40 background music with classical music. Customers subsequently tend to select more expensive wines. Within the lecture framework, the most plausible interpretation is that:

- A. music may create associations such as sophistication and prestige that influence product evaluation.
- B. classical music changes customers' income.
- C. classical music makes demand perfectly inelastic.
- D. the store has changed from selective to intensive distribution.

40. Why is intensive distribution particularly appropriate for Coca-Cola, bottled water, snacks and Hào Hào noodles?

- A. Consumers normally require extensive product comparison.
- B. Easy availability is important for frequently purchased convenience products.
- C. Their brands have no positioning.
- D. Intensive distribution creates territorial exclusivity.

PART B – Essay question (please answer briefly in 300 words) (2 marks)

Explain the four categories of the BCG Matrix: Stars, Cash Cows, Question Marks, and Dogs. Discuss how a product's position in the BCG Matrix can influence decisions about the Marketing Mix (Product, Price, Place, and Promotion).

Use one example to illustrate your explanation.