

PART A: Answer each of the following questions in one to two paragraphs. Each answer is worth 20 points.

1. Describe the major approaches to segmenting business-to-customer markets.
2. Explain the different circumstances under which marketers choose between informative, persuasive, and reminder advertising.
3. Define the concept of *price elasticity of demand*, and list the factors that influence the degree of elasticity.

PART B: Answer each of the following items in two or three sentences. Each response is worth four points.

1. How is the balance of ethnicities in the U.S. population changing, and what implications does this have for marketers?
2. What's *predatory pricing*? What federal acts make it illegal? How are consumers hurt by predatory pricing?
3. Which benefits of brick-and-mortar stores can't be duplicated by the Internet channel?
4. Why is it dangerous for marketers to set unrealistically high consumer expectations?
5. Phil is a textbook company salesman about to call on the Philadelphia School District. He would like to know in advance whether the school district's buying center is *autocratic* or *democratic*. What's the difference between the two buying center cultures? How could this information be useful to Phil?
6. What might be the underlying reason for a person to buy a Cadillac instead of a Ford Escort?
7. What's the difference between a *market penetration strategy* and a *market development strategy*? How might a company implement each strategy?
8. What happens when a product has been in the marketplace for a long time? How can this be avoided?
9. Why do manufacturers like Proctor & Gamble spend millions of dollars annually creating and maintaining their brands? Why don't they just manufacture their products and sell them under store brand labels?
10. Garden Gate is a one-location nursery business that sells plants and flowers for home gardeners. The new owners want to grow through either a product development or diversification strategy. What will the owners likely do if they pursue either strategy?