1. Heterogeneity of services means the quality of a service may not be tangible.

ANS: F

Service performances tend to be less standardized and uniform than goods. Heterogeneity of services means the quality of a service may vary from one service provider to another or may vary for the same service provider at different times of the day or week.

2. A(n) _____ is a characteristic that can be easily assessed prior to purchase, such as the softness of a mattress or the color of curtains.
   a. search quality
   b. intangible attribute
   c. experience quality
   d. credence quality
   e. heterogeneity feature

3. Western Union has 225,000 locations where clients can receive money in 196 countries. Because a person can send money from a small town in Georgia to a small town in Mexico without worrying, Western Union has a high degree of _____ quality.
   a. observation
   b. survey
   c. experience
   d. research
   e. credence

ANS: C

4. Alabama Adventure, an amusement park in Birmingham, offers reduced rates on weekdays and higher prices for those who want to attend on weekends. It also offers lower prices for patrons who enter the park after 4 p.m. This is a way to contend with the service characteristic of:
   a. variability
   b. perishability
   c. intangibility
   d. inseparability
   e. simultaneous production and consumption

ANS: B

Differential pricing tries to even out demand. This is important because services cannot be stored, inventoried, or warehoused.

5. Many people would like to sell and buy on eBay, the most popular of the current Internet auction sites, but they have questions about the process and how to sell and price their merchandise. A company called Keen.com has set up a directory of specialists to whom you can address questions. When you choose a name and click on the "Call Now" button, the specialist is contacted and will personally call and answer your questions. Users can see the ratings given to each specialist by previous users before they contact that specialist. Which service component does Keen.com use to help its customers evaluate its service quality?
   a. empathy
   b. assurance
   c. tangibles
   d. flexibility
   e. responsiveness

ANS: B
6. Budget airlines are a new service in China. Neither their passengers nor the airlines themselves know what to expect from each other. Shanghai-based Spring Airlines is a start-up service with a tight budget. According to the owner of Spring Airlines, customer satisfaction levels are at 97 percent although many of Spring Airlines' employees have been throttled and had their clothes ripped by unhappy passengers. According to the _____, there is a gap between what customers want and what management thinks customers want.

a. gap model of service quality
b. service pyramid
c. four dimensions of service quality
d. service paradigm
e. service delineation matrix

ANS: A

The gap model identifies five gaps that can cause problems in service delivery and influence customer evaluation of service quality.

7. Harriet Lowe makes children’s clothing, which she sells at craft festivals to end users. Lowe does not use channel intermediaries; she uses a direct channel.

ANS: T

8. Shopping goods are usually distributed selectively. Consumers are willing to look around for them but may not be willing to search or travel extensively to acquire the product.

ANS: T

9. Marketing channels make distribution simpler by reducing the number of transactions required to get products from manufacturers to consumers. This is called:

a. forward integration
b. contact efficiency
c. elimination of temporal discrepancies
d. sorting
e. reciprocity

ANS: B

10. Many people would like to sell and buy on eBay, the most popular of the current Internet auction sites, but they have questions about the process and how to sell and price their merchandise. A company called Keen.com has set up a directory of specialists to whom you can address questions. When you choose a name and click on the "Call Now" button, the specialist is contacted and will personally call and answer your questions. Users can see the ratings given to each specialist by previous users before they contact that specialist. Which service component does Keen.com use to help its customers evaluate its service quality?

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d. flexibility
e. responsiveness

ANS: B
11. Virtual Bellhop is a company that ships awkward sporting goods to vacation destinations so its customers do not have to worry about lugging them through airports or having them damaged in transit. The care with which the items are packed and the condition of the package when it arrives indicate concern with which aspect of service quality?
   a. tangibles
   b. responsiveness
   c. reliability
   d. variability
   e. homogeneity

   ANS: A
   Tangibles are the physical evidence of a service.

12. Which of the following statements about developing marketing mixes for services is true?
   a. The variability and perishability of services may require adjustments in marketing mix elements.
   b. Marketing mixes for services are often different than those for products.
   c. Elements of the marketing mix must be adjusted for the unique characteristics of services.
   d. The intangibility and simultaneous production and consumption of services may require adjustments in marketing mix elements.
   e. All of the statements about developing marketing mixes are true.

   ANS: E

13. The speed with which an ambulance can get to an accident site is an indication of the reliability dimension of service.

   ANS: F
   This would be an example of responsiveness.

14. A service cannot be touched, seen, tasted, heard, or felt in the same manner in which goods can be sensed and, therefore, is referred to as:
   a. impervious
   b. extraneous
   c. synergistic
   d. perishable
   e. intangible

   ANS: E

15. The three basic functions a channel intermediary provides are transactional (including physical distribution and sorting), logistical (including research and financing), and facilitating (including contacting, promoting, negotiating, and risk taking).

   ANS: F
   Although the three functions are correct, their sub-descriptions are not. Transactional functions include contacting and promoting, negotiating, and risk taking. Logistical functions include physical distribution and sorting. Facilitating functions include research and financing.

16. LoneStar Bar & Grill is a small chain of restaurants that feature marinated steaks. The marinade is so popular that LoneStar sells it at its restaurants and also sells it at Kroger supermarkets. This is an example of intensive distribution.

   ANS: F
This is an example of multiple (dual) distribution. To be intensive distribution, LoneStar would have to offer the product through discount stores, drugstores, supermarkets, and so on.

PTS: 1

17. Marketing channels can achieve economies of scale through:
   a. overcoming spatial discrepancies
   b. contact expertise
   c. specialization and division of labor
   d. overcoming temporal discrepancies
   e. overcoming discrepancies of quantity

ANS: C

18. Agents and brokers:
   a. have a great deal of control and risk invested in the goods
   b. only represent manufacturers in sales situations
   c. have a great deal of input on the terms of the sale
   d. generally are on salary with the manufacturer
   e. do not take title to merchandise

ANS: E

19. Aquabar distributes waters, natural fruit drinks, and premium liquids in still, sparkling, and naturally carbonated forms to restaurants, spas, supermarkets, hospitals, and educational institutions. Aquabar uses _____ distribution.
   a. intensive
   b. multiple
   c. exclusive
   d. cumulative
   e. aggregated

ANS: B

Multiple distribution occurs when a producer selects two or more different channels to distribute the same products to target markets.

20. _____ refers to the efforts of public and private nonprofit firms to bring about mutually satisfying exchanges with their target markets.
   a. Autonomous marketing
   b. Public affairs marketing
   c. Social targeting
   d. Social marketing
   e. Nonprofit organization marketing

ANS: E