

MIDTERM SAMPLE SHORT AND VERY SHORT ANSWERS

Part II: Short answer. Using the space provided on the exam, **please answer FIVE** of the following six questions. If you answer all six, only the first five answers will be counted. 5*10 points each=50 points.

1. According to author of *Contagious*, what did the study of “boring” versus “interesting” products find?

Although the more interesting products received slightly more word of mouth in the beginning, over time, the extent of word of mouth did not differ significantly.

2. According to the text, what is *derived demand*?

Derived demand involves a demand for components or other inputs into a product that comes about as a result of the product higher up the value chain. For example, a demand for iPhones brings about a derived demand for microprocessors used to make these. (NOTE: This is *not* the same as complementary products. A demand for iPhones will bring about a demand for cases, but if those are bought separately by customers, they do *not* constitute derived demand).

3. What is the “Internet of Things?”

The Internet of Things involves the integration of appliances (e.g., freezers, dryers, washers, lighting) and other devices into the Internet such that information can be sent back and forth. For example, an irrigation timer connected to the Internet can be set to adjust the amount of water emitted depending on weather information that the timer is sent over the Internet.

4. According to the text, what does *conscious marketing* involve?

Conscious marketing involves a higher purpose than merely making profits by itself and an awareness of the consequences of the firm’s choices on people and the environment. (NOTE: The text description is considerably more elaborate, but this is sufficient for full credit).

5. According to the text, what does *showrooming* involve?

Showrooming involves the practice of a customer visiting a brick-and-mortar retailer such as Best Buy to examine products in person and possibly get input from sales people, after which the customer will compare prices (usually through an app) of other brick-and-mortar and/or online merchants and then buying the product at a lower price. (NOTE: As discussed in the text, this does *not* involve benefits of displaying actual products.)

6. How does a means-end chain work? What must be in its first, intermediate, and final steps?

The means-end chain is a path from tangible characteristics of a product toward the ultimate terminal value (a desired outcome valued in its own right so that it cannot be reduced any further. The first step involves a tangible attribute of the product (e.g., high caffeine content of a cup of coffee). We then make our way from consequences of this and consequences in turn of each consequence (e.g., greater alertness → greater work productivity → promotion) until we reach the terminal value.

Part III: Very short answer. These questions can usually be answered in one or two sentences. Using the space provided on the exam, **please answer THREE** of the following four questions. If you answer all four, only the first three answers will be counted. 3*5 points each=15 points.

1. According to the author of *Contagious*, what did the “Halloween” study find?

The study found that there were greater sales of orange items (triggered by Halloween) the week before Halloween than on the day after Halloween when the trigger had disappeared.

2. What is a micropayment?

A micropayment involves a small amount of money (typically \$2.00 or less). In the U.S., these can be expensive to collect online since the main way to charge customers for small amounts is through credit cards. In addition to the percentage fee taken by the credit card processor, which is manageable, there is a flat fee, usually 30-35¢, which can “eat” a large portion. NOTE: Micropayments are *not* a series of payments charged over time (known as installments) to reduce the amount of money the buyer needs when making the purchase. Because the fixed fee is collected *each* time a payment is made, that would make the problem worse!

3. According to the text, what is the “bottom of the pyramid” market?

The “bottom of the pyramid” market consists of very poor people, usually at the subsistence level, and usually found in developing countries. Because these consumers may never have more than about a dollar in their possession at any one time, it is often necessary to make very small portions of products (e.g., shampoo, toothpaste) available.

4. According to the author of *Contagious*, what resulted from Motrin's "Babywearing" campaign?

Response to this intended tribute to mothers who suffered considerable pain and discomfort from carrying their babies was rather negative. It was perceived as suggesting that carrying babies was primarily a fashion statement and that these mothers would engage in "crazed" behavior.