

TOP: AACSB Reflective Thinking KEY: CB&E Model Strategy
MSC: BLOOMS Comprehension

7. U.S. paint manufacturers traditionally use different formulas for developing paint to be used in the humid Southeast, the frigid Midwest, and the hot and dry Southwest. This is an example of how demographic segmentation is used.

ANS: F
Regional marketing is an example of using geographic segmentation variables.

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8. A market segmentation study done by the University of Thessaly in Greece classified recreational skiers in terms of their gender, age, and income levels. The study used psychographic segmentation variables.

ANS: F
These are examples of demographic segmentation variables.

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9. Clearing Skies Press published a book by Robert Ruark entitled *Keeping the Baby Alive Till Your Wife Gets Home*. It is an advice book for new fathers. The market for this book is based on demographics.

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10. With respect to stage in the family life cycle, research has found that the overriding factor in describing baby boomer subsegments is the presence of children in the house.

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11. In market segmentation, individual psychographic variables can be combined with other variables to provide more detailed descriptions of market segments.

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12. Geodemographic segmentation combines geographic, demographic, and lifestyle segmentations.

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13. Clorox describes individuals who buy lots of cleaning products as heavy users. This is an example of how companies use benefit segmentation.

ANS: F

Usage-rate segmentation usually describes product usage with categories like heavy and light.

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14. The 80/20 principle implies that the majority of all demand is due to a minority of the customers.

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15. The business market consists of four broad segments: producers, resellers, government, and regions.

ANS: F
The four segments are producers, resellers, government, and institutions.

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16. Company characteristics, such as geographic location, type of company, company size, and product use, can be important segmentation variables.

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17. While it is important to understand potential business customers' buying processes, this is not a helpful segmentation basis.

ANS: F
Many business marketers find it helpful to segment customers and prospective customers on the basis of how they buy.

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18. The first step in segmenting a market is to choose a basis or bases for segmenting the markets.

ANS: F
The first step is to select a market or product category for study.

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19. One reason marketers use market segmentation as a tool is that once completed, the process need not be repeated.

ANS: F
Markets are dynamic, so it is important that companies proactively monitor their segmentation strategies over time..

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