

Competitive Strategy Interview Questions And Answers Guide.



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Competitive Strategy Job Interview Preparation Guide.

Question # 1

The first approach of any competitor analysis is to establish is what?

Answer:-

1. Who are the competitors?
2. Evaluate and qualify the threat posed by each of the competitors.
3. How many competitors there are?
4. All of the above
5. None of the above

Answer: Who are the competitors?

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Question # 2

When adopting a market perspective, the competition is defined as task competition whereby companies are trying to satisfy customer or customer group, needs and wants. Which of the following illustrate a company adopting a market perspective identification of competitors?

Answer:-

1. Heineken views Coors as its competition.
2. Heineken views the entire social drinking market to identify its competitors.
3. Heineken views Carlsberg as its competition.
4. Heineken views Smirnoff Ice as its competition.

Answer: Heineken views the entire social drinking market to identify its competitors.

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Question # 3

Competitive advantage is gained through the offering customers greater value. How can this be achieved?

Answer:-

1. Offering lower prices
2. Improving the quality of the product or service
3. Offering innovative qualities to the product
4. Providing more benefits that will justify higher prices
5. All of the above

Answer: All of the above

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Question # 4

Most companies will compete with those competitors that resemble them the most, for example, Peugeot/Citroen competes against Renault rather than against Ferrari. There are several strategic benefits to the existence of competitors. What are these benefits?

Answer:-

1. May assist in the legitimization of new technology
2. May share cost of market and product development
3. May help increase total demand from the market
4. May lead to the development of more product differentiation
5. All of the above

Answer: All of the above

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Question # 5

When discussing the 8Cs framework for mergers and acquisitions, which of the following is not a component of the criteria-

Answer:-

1. Competitors



2. Challengers
3. Collaborators
4. Customers
5. Commodities

Answer: Collaborators

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Question # 6

The Boston consulting Group estimates that _____ of recent US acquisitions have destroyed value for the acquirers shareholders.

Answer:-

1. 75%
2. 56%
3. 64%
4. 43%
5. 20%
6. 80%

Answer: 64%

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Question # 7

Which of the following are mechanisms to expanding the total market?

Answer:-

1. New uses for existing products
2. More over all general usage of product
3. New users for existing products
4. All of the above
5. None of the above

Answer: All of the above

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Question # 8

A runner-up firm in an industry that is fighting hard to increase market share, is referred to as?

Answer:-

1. Market leader
2. Market follower
3. Market nicher
4. Market challenger

Answer: Market challenger

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Question # 9

Which of the following competitive positioning strategies is a losing strategy?

Answer:-

1. Middle-of-the-roader
2. Dissemination
3. Overall cost leadership
4. Differentiation

Answer: Middle-of-the-roader

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Question # 10

What is competitor myopia?

Answer:-

1. Company is focused only on the one major competitor.
2. Company is too focused on the major competitors.
3. Immediate competition blinds a company to latent competitors who can destroy the old ways of doing business.
4. All of the above
5. None of the above

Answer: Immediate competition blinds a company to latent competitors who can destroy the old ways of doing business.

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Question # 11

Determining what drives competitor behavior is based upon establishing which of the following-

Answer:-

1. Determining the competitor profit levels
2. Satisfying profit goals versus maximizing profit goals
3. Defining the competitor's objectives
4. Short-term profits versus long-term profits

Answer: Defining the competitor's objectives



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Question # 12

Competition can be viewed from different aspects. When an industry is defined as the set of all sellers of a product or service, this is referred to as what-

Answer:-

1. A customer perspective
 2. A market perspective
 3. An industry perspective
 4. A competitive perspective
- Answer: A market perspective

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Question # 13

For some products, competitive pressure may keep margins tight. To increase profit the organization may do which of the following-

Answer:-

1. Reduce marketing expenditure; reduce costs.
 2. Reduce marketing expenditure; increase the price.
 3. Reduce marketing expenditure; increase the price.
 4. Reduce costs; increase output.
 5. Increase the price; reduce costs.
- Answer: Reduce costs; increase output

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Question # 14

Price sensitivity can be a meaningful way of doing which of the following between groups of customers.

Answer:-

1. Diffusing
 2. Differentiating
 3. Dividing
 4. Distributing
 5. Diverging
- Answer: Differentiating

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Question # 15

Retail and wholesale markets take a far more rational approach to price interpretation than do consumer groups. Intermediaries must look in which two directions when deciding what price they can charge-

- * 1) The banks
- * 2) The manufacturers
- * 3) The environment
- * 4) The consumers
- * 5) The authorities

Answer:-

1. 2, 3
 2. 4, 5
 3. 1, 2
 4. 2, 4
 5. 3, 4
- Answer: 2, 4

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Question # 16

Marketers would use which pricing strategy to overcome a competitor that they felt did not have sufficient resources to sustain a price war.

Answer:-

1. Market skimming
 2. Market penetration
 3. Discounts and allowances
 4. Product line pricing
 5. Optional-product pricing
 6. By-product pricing
- Answer: Market penetration

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Question # 17

Like Amazon.com and e-bay, the Internet bank, most e-commerce operations offer prices well below those in the high street or mall and are making huge losses. What are the Internet businesses hoping to achieve with their aggressive pricing and is their price advantage likely to be maintained? Which of the following statements are correct and relevant to this pricing strategy?

Answer:-

1. Start-up costs, which involve heavy promotion in conventional media, are likely to depress profits for the first ten years.



2. Internet companies are hoping to achieve economies of scale, since the marginal cost of an increase in business is small.
3. All of the above
4. None of the above

Answer: All of the above

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Question # 18

Define a penetration pricing strategy.

Answer:-

1. Strategy used to gain as much sales volume as possible as quickly as possible through undercutting competitors' prices.
2. Strategy used to maximize profit.
3. Strategy used to gain as many consumers as possible in the launch phase.
4. All of the above
5. None of the above

Answer: Strategy used to gain as much sales volume as possible as quickly as possible through undercutting competitors' prices.

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Question # 19

A marketing managers pricing decisions are often influenced by the competitions pricing and their marketing strategies. Which of the following need to be considered when determining price?

Answer:-

1. The extent to which competitors are trying to focus the consumer's attention on price
2. The perceived similarity between the products in terms of non-price based features, benefits and additional services.
3. The desired market positioning
4. The price sensitivity of the target segment
5. The number of competitors
6. All of the above

Answer: All of the above

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Question # 20

What are sources of information when gathering market intelligence about competitors?

Answer:-

1. Personal experience
2. Customers
3. Suppliers and wholesalers
4. Secondary data
5. All of the above

Answer: All of the above

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Question # 21

The process of comparing the company s products and processes to those of competitors or leading firms in other industries, to find ways to improve quality and performance, is referred to as:

Answer:-

1. Comparative analysis
2. Empirical testing
3. Benchmarking
4. Customer value analysis

Answer: Benchmarking

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Question # 22

The analysis conducted to determine what features and benefits that BMW drivers prefer over the features and benefits of a Mercedes Benz and how customers rate the relative importance or value of these features, is a mechanism to conduct what type of analysis?

Answer:-

1. Customer value analysis
2. Customer audit
3. Performance rating
4. Customer review
5. Performance audit

Answer: Customer value analysis

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Question # 23

The process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses, reaction patterns and selection of which competitors to attack is part of what process?

Answer:-

1. Application of the GE Model



2. Competitor strength analysis
3. Application of the Ansoff Model
4. Competitor analysis
5. Porter's Analysis

Answer: Competitor analysis

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Question # 24

Volvo views Mercedes as prominent competitor, but does not view Rolls Royce as a competitor as these companies operate in different target markets. What type of competition does this represent?

Answer:-

1. Product competition
2. Product and service competition
3. Product phase competition
4. Product category competition

Answer: Product category competition

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Question # 25

An industry is defined as which of the following-

Answer:-

1. Group of firms developing similar products
2. A group of firms that operate in a specific field of expertise
3. Group of firms that offer products that are close substitutes for each other
4. All of the above
5. None of the above

Answer: Group of firms that offer products that are close substitutes for each other

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Question # 26

The launch of store own brands such as Tesco's Butter me up has had what effect on the competitive environment-

Answer:-

1. Increased price competitiveness
2. Increased pressure on market leading brands as it has eroded their market dominance.
3. Given the consumer an increased choice of products
4. Put additional pressure on the large manufacturers to provide further discount their original products to gain shelf space, instead of Tesco just stocking their own brand.
5. All of the above

Answer: All of the above

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Question # 27

A group of firms following the same or similar strategy is referred to as what-

Answer:-

1. A collusive group
2. A strategic group
3. A competitive group
4. An associative group

Answer: A strategic group

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Question # 28

Based upon rationality and mutual respect competitors can often exist harmoniously, however various predatory or retaliatory acts can disrupt this harmony. Which of the following are market disruptive strategies?

Answer:-

1. The use of product dumping tactics
2. The seeking of subsidies
3. Investment in over-capacity
4. Buying market share rather than earning it
5. All of the above

Answer: All of the above

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Question # 29

A runner up in an industry that is fighting hard to increase its market share is referred to as.

Answer:-

1. Market challenger
2. Market leader
3. Market follower



4. Market nicher
5. None of the above

Answer: Market challenger

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Question # 30

Which of the following strategies could a market leader implement to maintain its commanding leadership position?

Answer:-

1. Merger and acquisition of other organizations, especially if they are the opposition
2. The organization expands its activities to enlarge the market.
3. Reduce costs within the organization.
4. Expand total demand for the product.
5. All of the above

Answer: All of the above

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Question # 31

Improving productivity means squeezing more profits out of the same volume of sales. Which of the following are not specifically productivity enhancing tactics?

Answer:-

1. Win customer loyalty by implementing customer-relationship management programs.
2. Reduce fixed costs, especially wages, through outsourcing.
3. Reduce variable costs through lean production mechanisms of Total Quality Management (TQM).
4. Reduce capital cost by implementing JIT and improving stock-holding and work in progress inventory levels.

Answer: Win customer loyalty by implementing customer-relationship management programs

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Question # 32

Defense strategies are utilized by market leaders against their attackers. When competitors attack the market leaders weaknesses, such as Japanese car manufacturers entering the USA market with smaller and cheaper cars, this is referred to as what type of defense strategy?

Answer:-

1. Flanking defence
2. Contraction defence
3. Position defence
4. Pre-emptive defence
5. Counter-offensive defence
6. Mobile defence

Answer: Flanking defence

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Question # 33

Market challengers use a range of offensive strategies to attack the market leaders and other competitors. Which of the following is a market challenger strategy that uses a diversification approach, often into new technological and geographical areas and unrelated areas to overcome the opposition?

Answer:-

1. Flanking attack
2. Encirclement attack
3. Guerilla attack
4. Bypass attack
5. Frontal attack

Answer: Bypass attack

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Question # 34

Market follower often gains many advantages without excessive expense, by following the market leader. Which type of market follower strategy is one whereby the market follower copies some things from the market leader but maintains some differentiation with its packaging, advertising, pricing and other factors?

Answer:-

1. Nicher
2. Adapter
3. Cloner
4. Imitator

Answer: Imitator

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