



SmartKeeda

The Question Bank

Presents

TestZone

India's least priced Test Series platform

JOIN

12 Month Plan

2017-18 All Test Series

@ Just

₹ 399/-

300+ Full Length Tests

- Brilliant Test Analysis
- Excellent Content
- Unmatched Explanations

JOIN NOW

Comprehension Test for SBI PO Pre

Passage No. 34

Directions: Read the following passage carefully and answer the questions given below it. Certain words/phrases have been given in bold to help you locate them while answering some of the questions.

Manufacturers of consumer packaged goods (CPG) face two key challenges this year. The first is continued slow or negative growth in people's disposable incomes. The second is changing consumer attitudes toward products and brands, as the great fragmentation of consumer markets takes another turn. In response, companies must dramatically shift the route they take to reach consumers in terms of both product distribution and communications. In many markets, consumer wages have been static for five years. Even where economies are starting to perform better, the squeeze on after-tax wages, especially for the middle class, younger people, and families, is **depressing** consumer spending. Although growth in developing countries is still better than in the United States and Europe, a slowdown in emerging countries such as China — where many companies had hoped for higher sales — has translated quickly into lower-than-expected consumer spending growth. We expect continued weakness in consumer disposable income regardless of which way macro GNP uncertainties break.

Meanwhile, what we call the great fragmentation is manifested in consumer behavior and market response. In both developed and emerging markets, there is a wider variety among consumers now than at any time in the recent past. Growth is evident both at the top of the market (where more consumers are spending for higher-quality food and other packaged goods) and at the lower end (where an increasing number of consumers are concentrating on value). But the traditional middle of the market is **shrinking**.

Further, individual consumer behavior is more pluralistic. We're used to seeing, for example, spirits buyers purchasing a premium brand in a bar, a less-costly label at home for personal consumption, and yet another when entertaining

guests. But this type of **variegated** shopping has now spread to the grocery basket. Fewer consumers are making one big stocking-up trip each week. Instead, shoppers are visiting a premium store and a discounter as well as a supermarket, in multiple weekly stops — in addition to making frequent purchases online. In the recession, more shoppers became inclined to spend time hunting for bargains, and as some traditional retailers either went out of business or **shuttered** down, retail space was freed up and was often filled by convenience stores, specialty shops, and discounters.

A decade ago, CPG companies had only a handful of sales channels to consider: supermarkets, convenience stores, hypermarkets in advanced economies, and traditional small and large retailers in emerging and developed countries. Since then, various discounters have made significant inroads, including no frills, low variety outlets, such as Europe's Aldi and Lidl, which sell a limited range of private-label grocery items in smaller stores, and massive warehouse clubs, such as Costco and Sam's Club, which initially operated solely in the U.S. but are now expanding internationally, as well as Makro in Europe. In addition, dollar stores, specialized retailers, and online merchants are having an impact on the CPG landscape. Economizing consumers have been pleasantly surprised by the savings generated by spreading their business among multiple channels, as well as by the variety and product quality they find. The result has been greater demand for more products and brands, with different sizes, packaging, and sales methods. At most CPG companies, SKUs are proliferating, despite there being little increase in overall consumption. A better outcome can be seen at smaller food and beverage suppliers, which are benefiting from consumer demand for variety and authenticity. A recent Strategy& report found that in the U.S., small manufacturers (with revenues of less than US\$1 billion) grew at twice the compound annual rate of large manufacturers (with revenues of more than \$3 billion) between 2009 and 2012.

Consumers' media usage has also fragmented with the rise of digital content and the proliferation of online devices. Each channel — from the Web, mobile, and social sites to radio, TV, and print — has its own requirements, audience appeal,

and economics, needing specialized attention. But at the same time, media campaigns need to be closely coordinated for effective consumer messaging.

Collectively, these shifts challenge the way CPG companies manage their brand and business portfolios, and call for a rethinking of their go-to-market approach, with an emphasis on analytics. Our work with INSEAD shows that among business leaders, applying analytics — especially for tracking consumer behavior and product and promotional performance — is considered one of the most effective ways to improve results and outpace the competition. But it's not just about insight; it's also about using the insight wisely to determine how to manage costs. The more knowledgeable about customer needs and preferences a company is, the smarter and more focused it must be in managing its own economics to cost-effectively deliver both variety and value to the squeezed consumer.

Questions:

1. The central theme of the given passage is _____.

- A. The shrinking market.
- B. Shift towards offering luxury goods to consumers.
- C. Products to offer consumers with squeezed pockets.
- D. To highlight products consumed by the middle class.
- E. Gaining insight into changing consumer behavior towards CPSs.

2. In the context of the passage, which of the following brands existed otherwise but is now manifested in buying groceries as well?

- A. Consumers purchasing the same products for over a period of time.
- B. .Consumer willing to purchase goods for a longer period of time.

- C. Consumers preferring luxury goods over regular goods.
- D. Consumers are more aware of their rights.
- E. Consumers prefer buying goods from a variety of stores.

3. Which of the following is most nearly the OPPOSITE in meaning to the word 'DEPRESSING' as used in the passage?

- A. Encouraging
- B. Sunny
- C. Doubtful
- D. Light
- E. Nil



Smartkeeda

The Question Bank

4. As mentioned in the passage. CPG companies may have to reassess their present strategies of operating to _____.

i. Retain their customers.

ii. keep pace with changing consumer preference as they have access to multiple media channels.

iii. make more cost-effective decisions

- A. Only A
- B. Only B
- C. All the three A, B and C
- D. Only C
- E. Only A and B

5. Which of the following is true in the context of the passage?

- A. In the U.S., during the three year period after 2009, small manufacturers did not fare well as compared to their larger counterparts.
- B. Impact on disposable incomes of people barely affects the CPG manufacturing industry.
- C. Post-tax wages, especially for the middle class, are one of the critical factors which have reduced spending behavior of consumers.
- D. CPG have always been a favourite among consumers.
- E. None of the given options is true.

6. Which of the following correctly explains the meaning of phrase, 'a handful of' as used in the passage?

- A. Boundless
- B. Planned
- C. Satisfactory
- D. Limited
- E. Imperfect

7. As mentioned in the passage, one of the most critical factors that aids in catering to the needs of consumers is

- A. persuading them to purchase goods produced by the organization.
- B. assess their requirements and appropriately plan to meet them.
- C. offering them products that an organization regularly manufactures.

D. concentrating only on being aware about changing preference of consumers.

E. None of the given options.

8. Which of the following is most nearly the SAME in meaning to the word 'SHRINKING' as used in the passage?

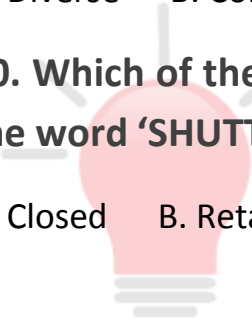
A. Developing B. Annoying C. Narrowing D. Wasting E. Rising

9. Which of the following is most nearly the SAME in meaning to the word 'VARIEGATED' as used in the passage?

A. Diverse B. Composite C. Strong D. Narrow E. Valued

10. Which of the following is most nearly the OPPOSITE in meaning to the word 'SHUTTERED' as used in the passage?

A. Closed B. Retail C. Flourished D. Gratified E. Nearest



Correct Answers:

1	2	3	4	5	6	7	8	9	10
E	E	A	C	C	D	B	C	A	C

Explanations:

3.

Depressing (Adjective) = making you feel very sad and without enthusiasm.

Encouraging (Adjective) = giving somebody support, courage or hope.

6.

A handful of = small number of people or things, limited.

8.

Shrink (Verb) = become smaller / make smaller in size or amount.

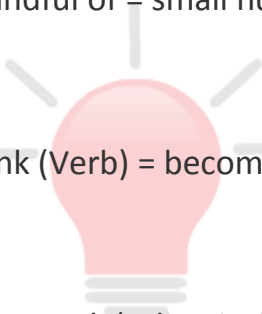
9.

Variegated (Adjective) = consisting of many different types of things or persons; having different colours; diverse.

10.

Shutter (Verb) = Close

Flourish (Verb) = to develop quickly; thrive.





SmartKeeda

The Question Bank

प्रस्तुत करते हैं

TestZone

भारत की सबसे क्फायती टेस्ट सीरीज़

अभी
जुड़ें

12 Month Plan

2017-18 All Test Series

@ Just

₹ 399/-

300+ फुल लेन्थ टेस्ट

- श्रेष्ठ विश्लेषण
- उत्कृष्ट विषय सामग्री
- बेजोड़ व्याख्या

अभी जुड़ें



Smartkeeda

The Question Bank