

Marketing: An Introduction, 10e (Armstrong/Kotler)

Chapter 4 Managing Marketing Information to Gain Customer Insights

1) Despite the data glut that marketing managers receive, they frequently complain that they lack

- _____.
- A) enough information of the right kind
 - B) reliable information
 - C) timely information
 - D) accurate information
 - E) valid information

Answer: A

Diff: 1 Page Ref: 101

Skill: Concept

AACSB: Communication

Objective: 4-1

2) Which of the following statements is NOT true regarding information collected by marketers?

- A) Managers lack information of the *right* kind.
- B) Most managers do not need *more* information.
- C) Most managers need *better* information.
- D) Many managers are burdened by data overload.
- E) Managers have the *right* information and they have enough of it.

Answer: E

Diff: 1 Page Ref: 101

Skill: Concept

AACSB: Communication

Objective: 4-1

3) A marketing information system (MIS) consists of people and procedures to assess information needs, _____, and help decision makers analyze and use the information.

- A) experiment to develop information
- B) test market the information
- C) develop the needed information
- D) critique the needed information
- E) compare the needed information

Answer: C

Diff: 1 Page Ref: 102

Skill: Concept

AACSB: Communication

Objective: 4-1

4) The real value of a company's marketing research and information system lies in the _____.

- A) amount of data it generates
- B) variety of contact methods it uses
- C) efficiency with which it completes studies
- D) quality of customer insights it provides
- E) marketing information system it follows

Answer: D

Diff: 2 Page Ref: 102

Skill: Concept

AACSB: Communication

Objective: 4-1

5) The marketing information system can serve _____.

- A) the company's marketing managers
- B) suppliers
- C) resellers
- D) marketing services agencies
- E) all of the above

Answer: E

Diff: 2 Page Ref: 102

Skill: Concept

Objective: 4-2

6) A good MIS balances the information users would _____ against what they really _____ and what is _____.

- A) need; like; feasible
- B) like; can afford; needed
- C) like to have; need; feasible to offer
- D) need; can afford; useful
- E) use; have to use; available

Answer: C

Diff: 2 Page Ref: 103

Skill: Concept

AACSB: Communication

Objective: 4-2

7) Marketers must weigh carefully the costs of additional information against the _____ resulting from it.

- A) organization
- B) benefits
- C) creativity
- D) ethical issues
- E) cost

Answer: B

Diff: 1 Page Ref: 103

Skill: Concept

Objective: 4-2

8) Four common sources of internal data supplied to internal databases include the accounting department, operations, the sales force, and the _____.

- A) owners
- B) stockholders
- C) marketing department
- D) competition
- E) Web

Answer: C

Diff: 2 Page Ref: 103

Skill: Concept

AACSB: Communication

Objective: 4-2

9) Marketing information from which type of database usually can be accessed more quickly and cheaply than other information sources?

- A) external
- B) LexisNexis
- C) DataStar
- D) internal
- E) ProQuest

Answer: D

Diff: 1 Page Ref: 104

Skill: Concept

AACSB: Use of IT

Objective: 4-2

10) _____ is the systematic collection and analysis of publicly available information about consumers, competitors, and developments in the marketing environment.

- A) Marketing data
- B) Marketing intelligence
- C) Sales management
- D) Customer intelligence
- E) Competitive intelligence

Answer: B

Diff: 1 Page Ref: 104

Skill: Concept

Objective: 4-2

11) Which of the following statements regarding marketing intelligence is true?

- A) Marketing intelligence is privately held information.
- B) The advantage of using competitive intelligence is negligible.
- C) All marketing intelligence is free.
- D) Marketing intelligence is publicly available information.
- E) Marketing intelligence gathering is more focused on gaining insights into consumer activities than competitors' activities.

Answer: D

Diff: 2 Page Ref: 104

Skill: Concept

Objective: 4-2

12) Which of the following is NOT considered a source of marketing intelligence?

- A) suppliers
- B) resellers
- C) key customers
- D) causal research
- E) activities of competitors

Answer: D

Diff: 2 Page Ref: 105

Skill: Concept

Objective: 4-2

13) Which of the following is NOT a potential source for marketing intelligence?

- A) competitors' garbage
- B) competitors' products
- C) competitors' sales data published in annual reports
- D) primary data
- E) discussions with purchasing agents

Answer: D

Diff: 2 Page Ref: 105

Skill: Concept

Objective: 4-2

14) Through which of these sources of information is a competitor least likely to reveal intelligence information?

- A) annual reports
- B) trade show exhibits
- C) Web pages
- D) press releases
- E) internal marketing meetings

Answer: E

Diff: 1 Page Ref: 105

Skill: Concept

AACSB: Communication

Objective: 4-2

15) Which of the following is an example of a free online database that a company could access in order to develop marketing intelligence?

- A) LexisNexis
- B) Hoover's
- C) Dialog
- D) U.S. Security and Exchange Commission's database
- E) ProQuest

Answer: D

Diff: 2 Page Ref: 105

Skill: Concept

AACSB: Use of IT

Objective: 4-2

16) Faced with determined competitive marketing intelligence efforts by competitors, most companies are now doing which of the following?

- A) training employees on protecting company information
- B) promising to not participate in marketing intelligence efforts against competitors
- C) providing employees with less key company information
- D) decreasing the number of employees involved in decision-making processes
- E) introducing codes of ethics

Answer: A

Diff: 2 Page Ref: 105

Skill: Concept

Objective: 4-2

17) _____ is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization.

- A) The marketing information system
- B) Marketing research
- C) Exploratory research
- D) Observational research
- E) Causal research

Answer: B

Diff: 1 Page Ref: 106

Skill: Concept

Objective: 4-3

18) What is the first step in the marketing research process?

- A) developing a marketing information system
- B) defining the problem and research objectives
- C) developing the research plan for collecting information
- D) implementing the research plan
- E) interpreting data and deciding on type of research

Answer: B

Diff: 2 Page Ref: 106

Skill: Concept

Objective: 4-3

19) Your colleague is confused about using the marketing research process, as he knows that something is wrong but is not sure of the specific causes to investigate. He seems to be having problems with _____, which is often the hardest step to take.

- A) developing the research plan
- B) determining a research approach
- C) defining the problem and research objectives
- D) selecting a research agency to help
- E) C and D

Answer: C

Diff: 2 Page Ref: 106

Skill: Concept

Objective: 4-3

20) Which of the steps in the marketing research process has been left out of the following list: defining the problems and research objectives, implementing the research plan, and interpreting and reporting the findings?

- A) developing the research budget
- B) choosing the research agency
- C) choosing the research method
- D) developing the research plan
- E) comparing and contrasting primary and secondary data

Answer: D

Diff: 2 Page Ref: 106

Skill: Concept

Objective: 4-3

21) Causal research is used to _____.

- A) test hypotheses about cause-and-effect relationships
- B) gather preliminary information that will help define problems
- C) find information at the outset of the research process in an unstructured way
- D) describe marketing problems or situations
- E) quantify observations that produce insights unobtainable through other forms of research

Answer: A

Diff: 1 Page Ref: 107

Skill: Concept

Objective: 4-3

22) Of the following combinations, managers would be most likely to start with _____ research and later follow with _____ research.

- A) exploratory; causal
- B) descriptive; causal
- C) descriptive; exploratory
- D) causal; descriptive
- E) causal; exploratory

Answer: A

Diff: 3 Page Ref: 107

Skill: Concept

Objective: 4-3

23) The objective of _____ research is to gather preliminary information that will help define the problem and suggest hypotheses.

- A) descriptive
- B) exploratory
- C) causal
- D) corrective
- E) descriptive and exploratory

Answer: B

Diff: 2 Page Ref: 106

Skill: Concept

AACSB: Communication

Objective: 4-3

24) In the second step of the marketing research process, research objectives should be translated into specific _____.

- A) marketing goals
- B) information needs
- C) dollar amounts
- D) research methods
- E) information sources

Answer: B

Diff: 2 Page Ref: 107

Skill: Concept

Objective: 4-3

25) Secondary data consists of information _____.

- A) that already exists somewhere but is outdated
- B) that does not currently exist in an organized form
- C) that already exists somewhere but was collected for another purpose
- D) that is used by competitors
- E) that the researcher can only obtain through surveys and observation

Answer: C

Diff: 1 Page Ref: 108

Skill: Concept

AACSB: Communication

Objective: 4-3

26) Information collected from online databases on the Internet is an example of _____ data.

- A) primary
- B) secondary
- C) observational
- D) experimental
- E) ethnographic

Answer: B

Diff: 2 Page Ref: 108

Skill: Concept

AACSB: Use of IT

Objective: 4-3

27) Which form of data below can usually be obtained more quickly and at a lower cost than the others?

- A) primary
- B) survey research
- C) secondary
- D) experimental research
- E) observational research

Answer: C

Diff: 2 Page Ref: 108

Skill: Concept

AACSB: Analytic Skills

Objective: 4-3

28) It is most accurate to say that secondary data are _____.

- A) collected mostly via surveys
- B) expensive to obtain
- C) not always very usable
- D) never purchased from outside suppliers
- E) always necessary to support primary data

Answer: C

Diff: 2 Page Ref: 108-110

Skill: Concept

Objective: 4-3

29) Your assistant wants to use secondary data exclusively for the current marketing research project. You advise him that the use of secondary data has some potential problems. Which of the following is NOT one of them?

- A) It may not exist.
- B) It may not be relevant.
- C) It may not be impartial.
- D) It is generally more expensive to obtain than primary data.
- E) It may not be current.

Answer: D

Diff: 2 Page Ref: 108-110

Skill: Concept

Objective: 4-3

30) For secondary data to be useful to marketers, it must be relevant, current, unbiased, and _____.

- A) complete
- B) accurate
- C) inexpensive
- D) collected before secondary data
- E) experimental

Answer: B

Diff: 2 Page Ref: 110

Skill: Concept

Objective: 4-3

31) Which method could a marketing researcher use to obtain information that people are unwilling or unable to provide?

- A) observational research
- B) focus groups
- C) personal interviews
- D) Internet surveys
- E) questionnaires

Answer: A

Diff: 1 Page Ref: 110

Skill: Concept

AACSB: Communication

Objective: 4-3

32) Ethnographic research _____.

- A) comes from traditional focus groups
- B) is gathered where people live and work
- C) provides secondary data
- D) is most popular in the service sector
- E) provides data to marketers when observation is impossible

Answer: B

Diff: 2 Page Ref: 111

Skill: Concept

AACSB: Communication

Objective: 4-3

33) Which of the following is true of ethnographic research?

- A) It is conducted within traditional focus groups.
- B) It provides fresher and better insight into customer behavior than traditional approaches do.
- C) It provides researchers with secondary data.
- D) It is most popular in the service sector.
- E) It is a research option when observation is not possible.

Answer: B

Diff: 3 Page Ref: 111

Skill: Concept

Objective: 4-3

34) Survey research, though used to obtain many kinds of information in a variety of situations, is the approach best suited for gathering _____ information.

- A) interpersonal
- B) causal
- C) attitudinal
- D) descriptive
- E) exploratory

Answer: D

Diff: 2 Page Ref: 111

Skill: Concept

AACSB: Communication

Objective: 4-3

35) Fredia Pellerano has just discovered the major advantage of survey research. She reports to her supervisor that the advantage is its _____.

- A) flexibility
- B) interactive design
- C) ease to complete
- D) understandability
- E) simplicity

Answer: A

Diff: 2 Page Ref: 111

Skill: Concept

Objective: 4-3

36) Survey research is least likely to be conducted through which of the following?

- A) the Web
- B) the mail
- C) the telephone
- D) observation
- E) person-to-person interactions

Answer: D

Diff: 1 Page Ref: 111

Skill: Concept

AACSB: Communication

Objective: 4-3

37) Experimental research is best suited for gathering _____ information.

- A) exploratory
- B) causal
- C) attitudinal
- D) interactive
- E) descriptive

Answer: B

Diff: 2 Page Ref: 111

Skill: Concept

AACSB: Communication

Objective: 4-3

38) ABC Company has decided to use mail questionnaires to collect data. Management recognizes this method has all the following advantages EXCEPT which one?

- A) low cost per respondent
- B) more honest answers may be given
- C) has an average response rate
- D) has no interviewer to bias respondents' answers
- E) can collect large amounts of information

Answer: C

Diff: 3 Page Ref: 112

Skill: Concept

AACSB: Communication

Objective: 4-3

39) Which of the following is NOT a disadvantage of telephone interviews?

- A) They are more expensive to conduct than mail questionnaires.
- B) Interviewer bias is introduced.
- C) Respondents may be unwilling to answer personal questions.
- D) Interviewers may explain or probe more deeply on some questions.
- E) Potential respondents may refuse to participate.

Answer: D

Diff: 2 Page Ref: 112

Skill: Concept

AACSB: Communication

Objective: 4-3

40) Which of the following contact methods is generally the least flexible?

- A) telephone interviewing
- B) personal interviewing
- C) mail questionnaires
- D) online surveys
- E) online panels

Answer: C

Diff: 2 Page Ref: 112

Skill: Concept

AACSB: Communication

Objective: 4-3

41) Which contact method for marketing research is flexible, allows for explanation of difficult questions, and lends itself to showing products and advertisements?

- A) personal interviewing
- B) online interviewing
- C) phone interviewing
- D) ethnographic research
- E) observational research

Answer: A

Diff: 1 Page Ref: 113

Skill: Concept

AACSB: Communication

Objective: 4-3

42) Focus group interviewing has become one of the major marketing research tools for getting insight into consumer thoughts and feelings. However, if the sample size is small, a researcher would be most concerned about which of the following?

- A) finding a representative sample
- B) generalizing from the results
- C) administering the questions
- D) orchestrating cooperation among participants
- E) finding enough secondary data to support the findings

Answer: B

Diff: 2 Page Ref: 113

Skill: Concept

AACSB: Communication

Objective: 4-3

43) Which of the following is a disadvantage of online focus groups?

- A) Participants must be in a central location.
- B) The Internet format can restrict respondents' expressiveness.
- C) Results take longer to tabulate and analyze.
- D) The cost of online focus groups is greater than that of most other qualitative research methods.
- E) The format of focus groups can be varied.

Answer: B

Diff: 2 Page Ref: 115

Skill: Concept

AACSB: Use of IT

Objective: 4-3

44) Which of the following is NOT an advantage of Web-based research?

- A) speed
- B) low costs
- C) almost instantaneous results
- D) control over who respondents are
- E) ease of administration

Answer: D

Diff: 2 Page Ref: 116

Skill: Concept

AACSB: Use of IT

Objective: 4-3

45) Which of the following has the highest rating for speed of data collection and compilation?

- A) open-ended questionnaires
- B) personal interviews
- C) mail surveys
- D) online surveys
- E) ethnographic research

Answer: D

Diff: 2 Page Ref: 112

Skill: Concept

AACSB: Use of IT

Objective: 4-3

46) Marketing researchers usually draw conclusions about large groups of consumers by studying a small _____ of the total consumer population.

- A) group
- B) sample
- C) population
- D) target group
- E) audience

Answer: B

Diff: 1 Page Ref: 116

Skill: Concept

Objective: 4-3

47) You generally need to ask three questions when developing a sampling plan. Which of the questions below is one of these three?

- A) Who should be left out of the sample (sampling exclusion)?
- B) How should we contact the sample (sampling approach)?
- C) Why should respondents be selected (sampling justification)?
- D) How should participants be chosen (sampling procedure)?
- E) none of the above

Answer: D

Diff: 3 Page Ref: 116

Skill: Concept

Objective: 4-3

48) What is a major drawback of probability sampling?

- A) It can be time consuming.
- B) Sampling error cannot be measured.
- C) The most difficult population from which to obtain information is chosen.
- D) Everyone has an equal chance of selection.
- E) Marketers must rely on the judgment of the researcher in respondent selection.

Answer: A

Diff: 2 Page Ref: 116

Skill: Concept

Objective: 4-3

49) What are the two main types of research instruments used to collect primary data?

- A) surveys and samples
- B) questionnaires and mechanical devices
- C) focus groups and online databases
- D) online panels and experiments
- E) personal interviews and online focus groups

Answer: B

Diff: 2 Page Ref: 118

Skill: Concept

Objective: 4-3

50) The most common research instrument used is the _____.

- A) mechanical device
- B) live interviewer
- C) questionnaire
- D) telephone interviewer
- E) moderator

Answer: C

Diff: 1 Page Ref: 118

Skill: Concept

Objective: 4-3

51) Which of the following is the best advice about creating research questionnaires?

- A) Use simple and direct language.
- B) Questions should not be arranged in a particular order.
- C) Ask difficult questions in the beginning to "weed out" uninterested respondents.
- D) Ask personal questions in the middle of the instrument.
- E) Avoid personal questions that may make some respondents uncomfortable.

Answer: A

Diff: 2 Page Ref: 119

Skill: Concept

AACSB: Communication

Objective: 4-3

52) After a research instrument is selected, the next step in the marketing research process is _____.

- A) selecting a sampling method
- B) interpreting the findings
- C) implementing the research plan
- D) collecting secondary data
- E) selecting a research approach

Answer: C

Diff: 2 Page Ref: 120

Skill: Concept

Objective: 4-3

53) AMF Research Group must guard against problems during the implementation phase of marketing research for its clients. Which of the following is NOT a problem that should be anticipated during this phase?

- A) ensuring the accuracy of the collected data
- B) respondents who give biased answers
- C) interviewers who make mistakes or take shortcuts
- D) interpreting and reporting the findings
- E) ensuring the completeness of the collected data

Answer: D

Diff: 3 Page Ref: 120

Skill: Concept

Objective: 4-3

54) Typically, customer information is buried deep in separate databases, plans, and records of many different company functions and departments. To overcome such problems, which of the following should you try?

- A) customer satisfaction measurement
- B) more sophisticated software
- C) customer relationship management
- D) a marketing information system
- E) decreased marketing intelligence

Answer: C

Diff: 2 Page Ref: 121

Skill: Concept

AACSB: Use of IT

Objective: 4-4

55) Which of the following is true about customer relationship management (CRM)?

- A) It relies on information produced through primary research.
- B) Its aim is to maximize profit margins.
- C) Its aim is to increase the efficiency of each customer touchpoint.
- D) Its aim is to maximize customer loyalty.
- E) Most companies who first implemented CRM have greatly benefited from the results.

Answer: D

Diff: 2 Page Ref: 121

Skill: Concept

AACSB: Use of IT

Objective: 4-4

56) Which of the following most accurately identifies the purpose of a data warehouse?

- A) to prioritize information
- B) to integrate information a company already has
- C) to interpret data
- D) to analyze data
- E) to identify and discard old data

Answer: B

Diff: 2 Page Ref: 121

Skill: Concept

AACSB: Use of IT

Objective: 4-4

57) In CRM, findings about customers discovered through _____ techniques often lead to marketing opportunities.

- A) data warehousing
- B) data mining
- C) customer strategy
- D) customer loyalty management
- E) value network

Answer: B

Diff: 2 Page Ref: 121

Skill: Concept

AACSB: Use of IT

Objective: 4-4

58) A successful CRM program can be expected to help a company achieve all of the following EXCEPT _____.

- A) providing higher levels of customer service
- B) developing deeper customer relationships
- C) creating offers tailored to specific customer requirements
- D) understanding competition better
- E) understanding how to better build the marketing mix

Answer: D

Diff: 2 Page Ref: 122

Skill: Concept

Objective: 4-4

59) Marketing information is only valuable when it is used to _____.

- A) simplify management's job
- B) identify a target market
- C) please shareholders
- D) increase efficiencies in the supply chain
- E) make better marketing decisions

Answer: E

Diff: 2 Page Ref: 122

Skill: Concept

Objective: 4-4

60) What source of marketing information provides those within the company ready access to research information, stored reports, shared work documents, contact information for employees and other stakeholders, and more?

- A) an intranet
- B) an extranet
- C) the Internet
- D) marketing research
- E) marketing intelligence

Answer: A

Diff: 2 Page Ref: 122

Skill: Concept

AACSB: Use of IT

Objective: 4-3

61) When managers use small convenience samples such as asking customers what they think or inviting a small group out to lunch to get reactions, they are using _____.

- A) informal surveys
- B) experiments
- C) observation
- D) direct marketing
- E) marketing intelligence

Answer: A

Diff: 2 Page Ref: 124

Skill: Concept

Objective: 4-5

62) Small organizations can obtain, with minimal effort and cost, most of which type of data available to large businesses?

- A) experimental
- B) observational
- C) secondary
- D) primary
- E) ethnographic

Answer: C

Diff: 2 Page Ref: 124

Skill: Concept

Objective: 4-5

63) You have been asked to locate secondary data for your small organization's research needs. Which of the following is NOT a common source for this type of research?

- A) competitors' Web sites
- B) the U.S. Small Business Administration
- C) the U.S. Census Bureau
- D) online surveys
- E) the local Chamber of Commerce

Answer: D

Diff: 1 Page Ref: 124

Skill: Concept

Objective: 4-5

64) The availability of which of the following is most problematic in international marketing research?

- A) primary data
- B) research specialists
- C) secondary data
- D) intelligence limitations
- E) consumers willing to answer surveys

Answer: C

Diff: 3 Page Ref: 125

Skill: Concept

AACSB: Multicultural and Diversity

Objective: 4-5

65) Because of the scarcity of good secondary data, international researchers often must collect their own primary data. An initial problem with this collection is developing good _____.

- A) samples
- B) research firms
- C) customer relationships with nationals
- D) relationships with channel members
- E) analytical models

Answer: A

Diff: 2 Page Ref: 125

Skill: Concept

Objective: 4-5

66) What do many researchers encounter when conducting market research in foreign countries?

- A) Some countries have few telephones, limiting access to respondents.
- B) Some countries have poor mail services.
- C) Some countries have poor roads that limit personal contacts.
- D) Some cultures may not value marketing research.
- E) all of the above

Answer: E

Diff: 1 Page Ref: 125

Skill: Concept

AACSB: Multicultural and Diversity

Objective: 4-5

67) Cultural differences, especially those involving language, can add to research costs in foreign markets and can increase the _____.

- A) foreign trade
- B) risks of error
- C) response rate
- D) need for a larger sample
- E) reliance on primary data

Answer: B

Diff: 2 Page Ref: 125

AACSB: Multicultural and Diversity

Objective: 4-5

68) Anna Gregory just completed reading a marketing research report about the top 25 countries that purchase American products. What would the report most likely say about international research within these countries?

- A) It is on the decrease due to high costs.
- B) The costs are higher than the benefits.
- C) There is a lack of qualified research personnel.
- D) Despite the costs of international research, the costs of not doing it are higher.
- E) Interpretations of American quality are consistent among different countries.

Answer: D

Diff: 2 Page Ref: 126

Skill: Concept

Objective: 4-5

69) According to your text, what are two current major public policy and ethical issues in marketing research?

- A) child pornography and identifying sampling methods
- B) intrusions on consumer privacy and misuse of research findings
- C) misuse of research findings and locating valuable secondary data
- D) selling of personal information to other firms and online secondary data
- E) ethnography and the misinterpretation of it

Answer: B

Diff: 2 Page Ref: 126

Skill: Concept

AACSB: Ethical Reasoning

Objective: 4-5

70) Choose the statement that is NOT a typical consumer concern about intrusion on consumer privacy.

- A) Sophisticated researchers probe our deepest feelings.
- B) Marketers use personal information to manipulate our buying.
- C) Marketers build huge databases full of personal information.
- D) Marketers make too many products and services available, creating unnecessary consumer wants.
- E) Protecting personal information is increasingly important.

Answer: D

Diff: 1 Page Ref: 126

Skill: Concept

AACSB: Ethical Reasoning

Objective: 4-5

71) Behavioral targeting, the practice of _____, is being used by more and more companies.

- A) tracking customers' activities and rewarding customer loyalty
- B) managing customer relationships
- C) mining and analyzing data from data warehouses
- D) tracking consumers' online movements and using this information to target ads to them
- E) observing and interacting with consumers in their natural environments

Answer: D

Diff: 3 Page Ref: 127

Skill: Concept

AACSB: Use of IT

Objective: 4-5

72) Consumers are most likely to willingly provide research information when researchers provide which of the following?

- A) coupons
- B) social network membership
- C) value for the exchange
- D) prizes
- E) rebates

Answer: C

Diff: 2 Page Ref: 129

Objective: 4-5

73) The best approach for researchers to take to guard consumer privacy includes all of the following EXCEPT which one?

- A) Ask only for the information needed.
- B) Use information responsibly to provide value.
- C) Avoid sharing information without the customer's permission.
- D) Sell the information only when it is financially worthwhile.
- E) Fully explain to the respondents how the information will be used.

Answer: D

Diff: 1 Page Ref: 129

Skill: Concept

AACSB: Ethical Reasoning

Objective: 4-5

74) Many major companies have created the position of _____ to address concerns about the privacy of customers.

- A) chief customer loyalty manager
- B) chief behavioral analyst
- C) chief privacy officer
- D) ethics manager
- E) data warehouse manager

Answer: C

Diff: 2 Page Ref: 129

Skill: Concept

AACSB: Ethical Reasoning

Objective: 4-5

75) To address concerns about the misuse of research study findings, several highly regarded marketing associations have developed _____.

- A) customer relationship management guidelines
- B) behavior targeting "Do Not Track" lists
- C) chief privacy officer job descriptions
- D) codes of research ethics
- E) bans against using "cookies"

Answer: D

Diff: 2 Page Ref: 129

Skill: Concept

AACSB: Ethical Reasoning

Objective: 4-5

76) Most marketers today believe they still lack a sufficient quantity of research data to make high-quality decisions.

Answer: FALSE

Diff: 1 Page Ref: 101

Skill: Concept

Objective: 4-1

77) The real value of marketing research and information lies not in quantity but in the customer insights provided.

Answer: TRUE

Diff: 1 Page Ref: 101

Skill: Concept

Objective: 4-1

78) Customer needs and buying motives are typically obvious to marketers.

Answer: FALSE

Diff: 2 Page Ref: 101

Skill: Concept

Objective: 4-1

79) An effective MIS assesses information needs, develops needed information, and distributes the information to help managers use it in decision making.

Answer: TRUE

Diff: 2 Page Ref: 102

Skill: Concept

AACSB: Communication

Objective: 4-1

80) Too much marketing information can be as harmful as too little.

Answer: TRUE

Diff: 1 Page Ref: 103

Skill: Concept

Objective: 4-2

81) When you glean information from your company's accounting and sales records stored in the computer, you are developing an internal database.

Answer: TRUE

Diff: 2 Page Ref: 103

Skill: Concept

AACSB: Use of IT

Objective: 4-2

82) You have just extracted sales and cost data used by the accounting department for preparing financial statements. Most likely, this information is complete and in useable form to build an internal marketing database.

Answer: FALSE

Diff: 3 Page Ref: 103

Skill: Concept

AACSB: Use of IT

Objective: 4-2

83) Data age quickly, so keeping the database current requires dedicated resources.

Answer: TRUE

Diff: 1 Page Ref: 104

Skill: Concept

AACSB: Use of IT

Objective: 4-2

84) Major suppliers and resellers are not important sources of intelligence information for marketing decision making.

Answer: FALSE

Diff: 2 Page Ref: 105

Skill: Concept

Objective: 4-2

85) Your manager asked you to go through three of your competitors' garbage bins to gather marketing intelligence from their discarded paperwork. One of them caught you in the act and has summoned you to court. The judge will most likely rule this to be an illegal activity and fine you and your company.

Answer: FALSE

Diff: 3 Page Ref: 104-106

Skill: Application

AACSB: Ethical Reasoning

Objective: 4-2

86) Good sources of marketing intelligence information include competitors' annual reports, business publications, trade show exhibits, press releases, advertisements, and Web pages.

Answer: TRUE

Diff: 2 Page Ref: 105

Skill: Concept

AACSB: Communication

Objective: 4-2

87) Your firm faces determined marketing intelligence efforts by competitors. Managers are likely to instruct employees on how to take steps to protect information.

Answer: TRUE

Diff: 1 Page Ref: 105

Skill: Concept

Objective: 4-2

88) After conducting formal marketing research for your department, you summarize the data in an oral presentation to management. You are following normal marketing research steps.

Answer: FALSE

Diff: 2 Page Ref: 106

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

89) Marketing research is the systematic design, collection, analysis, and reporting of data directly relevant to a specific marketing situation facing an organization.

Answer: TRUE

Diff: 2 Page Ref: 106

Skill: Concept

Objective: 4-3

90) Once the research problems and objectives have been defined, researchers must first determine the exact information needed and then present that information to management.

Answer: FALSE

Diff: 3 Page Ref: 106

Skill: Concept

Objective: 4-3

91) Marketing researchers can conduct their own searches of secondary data sources by using commercial online databases.

Answer: TRUE

Diff: 1 Page Ref: 108

Skill: Concept

AACSB: Use of IT

Objective: 4-3

92) Because secondary data provide good starting points and often help to define problems and research objectives, most companies do not also need to collect primary data.

Answer: FALSE

Diff: 2 Page Ref: 110

Skill: Concept

Objective: 4-3

93) Videoconferencing and Internet technology have changed how focus group interviews can be observed.

Answer: TRUE

Diff: 1 Page Ref: 113

Skill: Concept

AACSB: Use of IT

Objective: 4-3

94) Focus groups use no interviewer to bias the answers, may produce more honest answers, and can be used to collect large amounts of data at a low cost per respondent.

Answer: FALSE

Diff: 2 Page Ref: 113

Skill: Concept

AACSB: Communication

Objective: 4-3

95) It costs about the same to conduct individual personal interviews and telephone interviews.

Answer: TRUE

Diff: 2 Page Ref: 112

Skill: Concept

Objective: 4-3

96) The most important issue facing online researchers is the lack of a broad cross section of consumers who have access to the Internet.

Answer: FALSE

Diff: 2 Page Ref: 115

Skill: Concept

AACSB: Use of IT

Objective: 4-3

97) Ideally, a sample should be representative so that the researcher can make accurate estimates of the thoughts and behaviors of the larger population.

Answer: TRUE

Diff: 1 Page Ref: 116

Skill: Concept

Objective: 4-3

98) A researcher who wants to calculate confidence limits for sampling error would use nonprobability samples.

Answer: FALSE

Diff: 3 Page Ref: 116

Skill: Concept

Objective: 4-3

99) ABC Interior Designs wants to collect research data through mechanical instruments. The three typical methods are video cameras, checkout scanners, and Internet surveys.

Answer: FALSE

Diff: 3 Page Ref: 119

Skill: Concept

AACSB: Use of IT

Objective: 4-3

100) Questionnaires are the most common research instrument.

Answer: TRUE

Diff: 1 Page Ref: 118

Skill: Concept

Objective: 4-3

101) Open-ended survey questions are particularly useful in exploratory research.

Answer: TRUE

Diff: 2 Page Ref: 118

Skill: Concept

AACSB: Communication

Objective: 4-3

102) Neuromarketing techniques provide easy-to-interpret data that allow researchers to analyze consumer involvement with products.

Answer: FALSE

Diff: 2 Page Ref: 119

Skill: Concept

AACSB: Use of IT

Objective: 4-3

103) Interpretation of market research data should be the responsibility of the researchers, not the marketing managers.

Answer: FALSE

Diff: 2 Page Ref: 120

Skill: Concept

Objective: 4-3

104) You have just identified the "touch points" of the 400 best customers in your database. At this point, you want to manage detailed information about each of them to maximize customer loyalty. You should use customer relationship management (CRM).

Answer: TRUE

Diff: 2 Page Ref: 121

Skill: Application

AACSB: Reflective Thinking

Objective: 4-4

105) The ability to reach respondents is a major concern in international marketing research.

Answer: TRUE

Diff: 2 Page Ref: 125

Skill: Concept

AACSB: Multicultural and Diversity

Objective: 4-5

106) Discuss the makeup and functions of a marketing information system (MIS).

Answer: A typical MIS consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers. First, it interacts with information users to assess information needs. Next, it develops needed information from internal company databases, marketing intelligence activities, and marketing research. Finally, it helps users to analyze and use the information to develop customer insights, make marketing decisions, and manage customer relationships.

Diff: 2 Page Ref: 102

Skill: Application

AACSB: Communication

Objective: 4-1

107) Marketers can obtain needed information from internal data, marketing intelligence, and marketing research. Explain some common sources for each of these.

Answer: Internal databases are built upon records of consumer and market information data sources within the company network. For example, the accounting department provides records of sales, costs, and cash flows; operations reports on production-related issues; sales and marketing provide data on resellers, competitors, buyer behavior, and the industry; and marketing provides information on customer transactions, demographics, and buying behavior. Internal data are cheaper sources that are easy to access. Marketing intelligence is a collection and analysis of publicly available data about consumers, competitors, and developments in the industry. It can come from quizzing employees, studying competitors' ads and annual reports, analyzing competitors' products, monitoring Internet buzz, and researching the Internet. In addition to internal data and marketing intelligence, marketers often need formal studies of specific situations. To address this need, they conduct marketing research to collect, analyze, and report secondary and primary data to better form decisions.

Diff: 2 Page Ref: 103-106

Skill: Application

AACSB: Communication

Objective: 4-2

108) Describe the basic marketing research process.

Answer: The marketing research process involves four steps: defining the problem and research objectives, developing the plan, implementing the plan, and interpreting and reporting the findings. Managers must know what is wrong in defining the problem. Research objectives may be reached through exploratory, descriptive, or causal research. Next, the information needed is identified and a plan for gathering and presenting is made. Then, secondary and primary data must be collected to compile and analyze. Finally, the important information must be presented to management for decision making.

Diff: 2 Page Ref: 106-120

Skill: Application

AACSB: Communication

Objective: 4-3

109) Briefly compare the three different types of research approaches for gathering primary data.

Answer: The three research approaches for gathering primary data are observations, surveys, and experiments. Observational research involves watching relevant people, actions, and situations, usually to glean customer insights that can't be obtained through direct questions and answers. Observations can reveal information that people are unwilling or unable to provide in surveys or experiments. Survey research is very flexible, as it can be used to obtain many different kinds of information in many different situations. Mail, telephone, and online surveys have relatively low costs in comparison to observational research. Surveys are also better suited than observations for identifying people's attitudes and feelings; surveys are best suited for gathering descriptive information. Experimental research is best suited for gathering causal information; this type of research is most appropriate for determining cause-and-effect relationships.

Diff: 2 Page Ref: 110-112

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

110) Provide the advantages/benefits of each of the contact methods.

Answer: Mail questionnaires can be used to collect large amounts of information at a low cost per respondent. Respondents may give more honest answers to more questions in this format than to an unknown interviewer in person or on the phone. Also, no interviewer is involved to bias the answers. Telephone interviewing is one of the best methods for gathering information quickly and provides great flexibility. Interviewers can explain difficult questions, skip questions, or probe on other questions. Rates of response tend to be higher than mail methods. Personal and group interviews are flexible and allow interviewers to guide respondents and explore issues as they evolve. Visual aids can be used, products can be demonstrated, and reactions and behaviors can be observed. Computer-assisted interviewing aids in eliminating interviewer bias. Online methods allow the interviewee to be more honest, the costs are greatly reduced, the response rate is higher, and reports come back faster.

Diff: 3 Page Ref: 112-115

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

111) What would a researcher need to decide when designing a sample?

Answer: First, a researcher must determine who is to be surveyed. Next, a researcher must determine the sample size by deciding how many people need to be surveyed. Third, the sampling procedure should be chosen to clarify how the respondents should be chosen.

Diff: 2 Page Ref: 116

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

112) Compare and contrast closed-end questions and open-end questions for gathering data.

Answer: Closed-end questions, which include all possible answers, make it easier for respondents to choose among relevant answers. They are also easier for the researcher to interpret and tabulate. Open-end questions allow respondents to answer in their own words and as such do not limit their choices. Open-end questions are more difficult to interpret and tabulate, but they are particularly useful in exploratory research.

Diff: 2 Page Ref: 118

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

113) How can a company overcome the problem of gathering internal data for research purposes when the data is usually scattered widely across the organization?

Answer: Many companies are using customer relationship management (CRM). CRM offers the benefits of managing detailed information about individual customers and carefully managing customer "touch points" in order to maximize customer loyalty. By using sophisticated software and analytical tools, CRM can integrate information about customers from all sources and analyze that data in depth. The results can be applied to build stronger customer relationships. CRM integrates everything that a company's sales, service, and marketing teams know about individual customers to provide a 360-degree view of the customer relationship. CRM involves creating a data warehouse that can be mined for useful insights about customers.

Diff: 3 Page Ref: 121-122

Skill: Application

AACSB: Use of IT

Objective: 4-3

114) Discuss several ways in which smaller organizations can use marketing research techniques at little or no expense.

Answer: Small organizations can use the same marketing research process used by larger firms, as well as many of the same methods, such as secondary data collection, observation, surveys, and experiments. There are many sources of free secondary data on the Web, and small firms also have access to special help collecting data from chambers of commerce, government agencies, and other organizations. Managers of small organizations can use observation to collect data. For example, they can monitor competitors' advertisements, evaluate their own customer mix, and regularly visit their competitors' places of business. Informal surveys with small convenience samples are another tool that smaller organizations can use. Finally, managers of smaller organizations can conduct simple experiments by altering one aspect of a marketing strategy and analyzing the results. As with larger firms, smaller organizations must conduct research systematically for the results to be valid and useful.

Diff: 2 Page Ref: 123-124

Skill: Application

AACSB: Communication

Objective: 4-5

115) Explain the common problems that international marketing researchers encounter.

Answer: International researchers deal with less homogeneous markets in and among countries. The markets often vary greatly in their levels of economic development, their cultures and customers, and their buying patterns. Good secondary data are difficult to find in many foreign markets. More time and expense is involved in gathering primary data. In addition, choosing representative samples and finding methods of contacting participants can be a formidable task. Cultural and language differences can present obstacles in interpreting the data and drawing realistic conclusions. Consumers' attitudes in other countries may hinder the process of collection.

Diff: 3 Page Ref: 124-126

Skill: Application

AACSB: Multicultural and Diversity

Objective: 4-5

116) Diana Dion is currently researching data sources from within her company to make marketing decisions. Diana is making use of _____ databases.

- A) external
- B) current
- C) historical
- D) internal
- E) foreign

Answer: D

Diff: 1 Page Ref: 103

Skill: Application

AACSB: Reflective Thinking

Objective: 4-2

117) Your marketing department is attempting to improve strategic decision making, track competitors' actions, and provide early warning of opportunities and threats. To achieve this goal, which of the following would be the best for your department to use?

- A) internal databases
- B) external databases
- C) marketing intelligence
- D) the Internet
- E) company reports only

Answer: C

Diff: 2 Page Ref: 104

Skill: Application

AACSB: Reflective Thinking

Objective: 4-2

118) Patti Lovelace is making a presentation to the owners of her company. She is trying to convince them to conduct some current marketing research. Which of the following would she be LEAST likely to emphasize as a benefit or selling point of marketing research?

- A) assessing market potential and market share
- B) understanding customer satisfaction and purchase behavior
- C) measuring the effectiveness of pricing and accounting
- D) measuring the effectiveness of distribution and promotion activities
- E) understanding customer motivation

Answer: C

Diff: 3 Page Ref: 106

Skill: Application

AACSB: Analytic Skills

Objective: 4-2

119) You are about to test the hypothesis that sales of your product will increase at a very similar rate at either a \$5 drop in unit price or a \$7 drop in unit price. You are involved in what type of research?

- A) exploratory
- B) descriptive
- C) causal
- D) focus group
- E) ethnographic

Answer: C

Diff: 2 Page Ref: 107

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

120) Which type of research would be best suited for identifying which demographic groups prefer diet soft drinks and why they have this preference?

- A) observational research
- B) focus group research
- C) ethnographic research
- D) experimental research
- E) descriptive research

Answer: E

Diff: 2 Page Ref: 107

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

121) You want to observe how often consumers listen to music throughout their day and what different audio devices they use. You are also interested in how consumers store and access their own music collections. You should conduct _____ research.

- A) causal
- B) experimental
- C) secondary
- D) survey
- E) exploratory

Answer: E

Diff: 2 Page Ref: 106

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

122) Nathan Zabalas owns a regional chain of drug stores. Before expanding nationwide, Nathan is conducting marketing research to determine the best options for opening new stores. He plans to start by collecting secondary data. Which of the following is NOT a source of secondary data that Nathan might use?

- A) Yankelovich's *Monitor*
- B) commercial online databases
- C) online questionnaires
- D) Web search engines
- E) local chambers of commerce

Answer: C

Diff: 2 Page Ref: 108

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

123) Wal-Mart sends a trained observer to watch and interact with customers as they shop in a Wal-Mart store. This is an example of _____.

- A) secondary research
- B) survey research
- C) ethnographic research
- D) experimental research
- E) descriptive research

Answer: C

Diff: 3 Page Ref: 111

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

124) Carls Jr. came out with a new hamburger and released it in two different cities with two different price points. Marketers at Carls Jr. then analyzed the different levels of purchase made at the two different price points, planning on using the information to set a nationwide price for the new offering. This is an example of _____.

- A) observational research
- B) survey research
- C) ethnographic research
- D) experimental research
- E) descriptive research

Answer: D

Diff: 2 Page Ref: 111

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

125) Maryann Rose is conducting research to determine consumers' personal grooming habits. Because of the personal nature of the survey questions about this topic, Maryann wants to select the contact method that is most likely to encourage respondents to answer honestly. Which contact method should Maryann select?

- A) mail questionnaires
- B) telephone interviews
- C) individual interviews
- D) focus group interviews
- E) online panels

Answer: A

Diff: 2 Page Ref: 112

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

126) Tasoula Jeannopoulos has a limited budget for the market research she needs to conduct; however, the sample size for her research is quite large. Which of the following methods of contact would provide Tasoula with the most cost-effective way to reach a large sample of potential customers?

- A) telephone surveys
- B) personal interviews
- C) Internet surveys
- D) mail surveys
- E) focus group interviews

Answer: C

Diff: 2 Page Ref: 114

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

127) You want to find out whether Americans between 21 and 40 years of age tend to vote Democratic and whether Americans between 41 and 70 tend to vote Republican. You will most likely use a _____ to collect your data.

- A) simple random sample
- B) mechanical device
- C) stratified random sample
- D) cluster sample
- E) convenience sample

Answer: C

Diff: 3 Page Ref: 118

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

128) You have decided to use only closed-end questions on your survey. Which of the following questions would NOT be found on your survey?

- A) Do you like chocolate?
- B) What is your gender?
- C) Do you work full- or part-time?
- D) What do you like about your teacher?
- E) In what month do you plant your garden?

Answer: D

Diff: 2 Page Ref: 118

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

129) Loft Industries sells roof trusses to contractors and builders and would like to conduct research to determine how customers assess customer service. Which of the following research instruments would be best for this firm?

- A) people meters
- B) checkout scanners
- C) questionnaires
- D) eye cameras
- E) MRI scans

Answer: C

Diff: 2 Page Ref: 118

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

130) Michael Quinones is a customer service agent for a national car rental business. He has access to the company's intranet, which provides performance reports, shared work documents, contact information, and detailed information about customers. Which of the following is this access most likely to enable Michael to do during interactions with customers?

- A) analyze primary data
- B) use data mining techniques
- C) share information with value-network members
- D) reward customer loyalty with an upgrade or discount
- E) evaluate marketing intelligence

Answer: D

Diff: 2 Page Ref: 122

Skill: Application

AACSB: Analytic Skills

Objective: 4-4

131) As a small business consultant, you recommend to your clients that they use no-cost methods of observation to gather market research. Which of the following are you NOT likely to recommend your clients do?

- A) observe vehicle and pedestrian traffic
- B) monitor competitors' advertising from local media
- C) evaluate how many and what kind of customers they currently have
- D) hire additional staff to observe extensively
- E) visit and socialize with competitors

Answer: D

Diff: 1 Page Ref: 124

Skill: Application

AACSB: Reflective Thinking

Objective: 4-5

132) Juanita Petino operates a dress shop in a suburban mall. Her research budget is very small, so she uses low-cost or no-cost methods to gather research data. One method that works very well for her is changing the themes in her local newspaper and radio advertising and watching the result. Juanita is using _____ to gather data for marketing decisions.

- A) informal surveys
- B) experiments
- C) guess work
- D) logic-directed research
- E) secondary sources

Answer: B

Diff: 2 Page Ref: 124

Skill: Application

AACSB: Reflective Thinking

Objective: 4-5

133) For a small business manager deciding where to relocate within the city, relevant research will LEAST likely include _____

- A) traffic-flow patterns in specific areas
- B) informal surveys of customers
- C) past sales data
- D) competitors' advertisements
- E) options for repackaging the company's products

Answer: E

Diff: 1 Page Ref: 124

Skill: Application

AACSB: Reflective Thinking

Objective: 4-5

134) Marialba Hooper is conducting marketing research for a company that is investigating the possibility of entering multiple international markets. As Marialba plans her research in 30 different countries, upon which of the following is she LEAST likely to rely?

- A) free secondary data
- B) translators
- C) primary data collected for the purpose of her research
- D) the same process as domestic researchers
- E) personal interviews

Answer: A

Diff: 2 Page Ref: 125

Skill: Application

AACSB: Reflective Thinking

Objective: 4-5

135) Malaya Ramirez is organizing marketing research in Central American countries for a large American corporation that is interested in expanding its market. The survey Malaya is using was written in English and then translated into Spanish for use by Spanish-speaking respondents. Which of the following is it most important for Malaya to do before administering this questionnaire to a sample of the market?

- A) make sure that the survey includes both open-end and closed-end questions
- B) decide whether to focus on primary or secondary data
- C) determine which type of research instrument to use
- D) have the questionnaire translated back into English to check for accuracy
- E) determine whether to focus on descriptive or causal objectives

Answer: D

Diff: 2 Page Ref: 125-126

Skill: Application

AACSB: Analytic Skills

Objective: 4-5

136) Briefly explain the following statement: "Too much information can be as harmful as too little."

Answer: Too much information may prohibit marketers from clearly applying the data/information to their objectives, while excess information may lead marketers to lose sight of their objectives.

Diff: 2 Page Ref: 103

Skill: Application

AACSB: Analytic Skills

Objective: 4-2

137) You have decided to run for a local political office. You want to hand-deliver campaign materials in person to the homes of voters. Explain how marketing intelligence plays a role in this scenario.

Answer: You must have a system for knowing where the voters live; merely knocking on every door would be inefficient. You need a list of registered voters and their addresses from which you can plan your visits.

Diff: 3 Page Ref: 104

Skill: Application

AACSB: Analytic Skills

Objective: 4-2

138) When do marketers need marketing research?

Answer: Marketing research becomes important when marketing intelligence cannot provide the detailed information needed for a specific situation.

Diff: 1 Page Ref: 106

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

139) Explain why exploratory research, descriptive research, or causal research would be most useful for determining whether shoppers in the Midwest are more sensitive to a price increase for laundry soap than shoppers on the East Coast are.

Answer: Causal research would be most important because it investigates cause-and-effect relationships; causal research would allow the researcher to test a hypothesis about price sensitivity and compare the differences in the two geographic regions.

Diff: 3 Page Ref: 106-107

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

140) Why is it important for the statement of the problem and the research objectives to guide the entire research process?

Answer: The specific nature of the problem and the research objectives determine which type of research, contact methods, sampling plans, and instruments should be used; without a focus of a specific problem and objectives, the marketing research process would not result in relevant data.

Diff: 2 Page Ref: 107

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

141) Sales have dropped at XYZ Corporation. Give two specific pieces of information for which the company's marketing researcher might call.

Answer: The researcher will likely want to find out whether the number of competitors has increased and/or whether current competitors have changed their marketing strategies.

Diff: 3 Page Ref: 107

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

142) Why is it important for a research plan to be presented as a written proposal?

Answer: A research plan typically involves many components such as objectives, information to be obtained, how results will be used, and costs; a written proposal decreases the likelihood of confusion over any one of these components. This is particularly important when several people are involved in a large or complex research project.

Diff: 2 Page Ref: 108

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

143) You want to determine whether no-smoking policies have affected employee morale in the United States in the past two decades. Are any secondary data likely available? Why?

Answer: Yes, there are likely to be several studies conducted from which the researcher could extract information because many companies have implemented no-smoking policies in the past 20 years.

Diff: 3 Page Ref: 108

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

144) You want to determine whether no-smoking policies have affected employee morale in the United States among workers in companies that employ fewer than 50 workers in Fort Wayne, Indiana. Are any secondary data likely available? Why?

Answer: Because the data sought are so specific, there will likely not be much, if any, data that specifically answer the question.

Diff: 3 Page Ref: 108-110

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

145) Give two ways that a researcher should evaluate information in online databases.

Answer: The researcher should evaluate whether the data are relevant, current, unbiased, and accurately presented.

Diff: 1 Page Ref: 110

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

146) Give an example of primary data that could effectively be collected via observation.

Answer: Answers will vary. The purchase of lottery tickets or diet soft drinks, for example, among genders or age groups could be observed with little error.

Diff: 2 Page Ref: 110

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

147) You are trying to determine whether retired people drink more coffee at McDonald's during lunch than they do during dinner. Why is observation research NOT effective in this scenario?

Answer: It is difficult to determine, just by looking, whether people are retired.

Diff: 2 Page Ref: 111

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

148) How might survey research be a better approach than observation research when attempting to assess customer satisfaction?

Answer: Survey research is more effective than observation in measuring customer satisfaction because observations of smiling customers or armloads of merchandise, for example, do not necessarily indicate customer satisfaction.

Diff: 2 Page Ref: 111

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

149) A marketer of frozen dinners has decided to collect consumer feedback via a focus group interview. How might the marketer know for certain whether peas or green beans should be included with the turkey entrée?

Answer: The group might be given a prepared meal with both vegetable options. Afterward, the marketer can obtain fresh feedback from the respondents or through observation. The marketer could assess respondents' reactions and facial expressions while they eat provided meals.

Diff: 2 Page Ref: 113

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

150) A researcher is collecting data in an airport. Why might a sample be most appropriate?

Answer: People in an airport are often in a hurry; not everyone will want to participate in providing data. Therefore, the researcher may be satisfied with collecting data from whoever is willing to provide it.

Diff: 1 Page Ref: 116

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

151) How would you design the sample to determine whether retired people drink more coffee at McDonald's during lunch than they do during dinner? Explain.

Answer: The sample must include respondents based on work status. From there, the researcher can select a random sample from among the retired respondents.

Diff: 2 Page Ref: 116

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

152) Give an example of a closed-end question.

Answer: Closed-end questions force respondents to answer from a limited number of options.

Examples include: What is your gender? Do you prefer McDonald's to Burger King? Do you like spinach?

Diff: 1 Page Ref: 118

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

153) Explain why it's important for both the researcher and the marketing manager to interpret the findings of market research.

Answer: Both a marketing manager and a researcher bring important points of view to the task: a marketing manager is an expert in the problem and the decisions that must be made, but also may be biased about the results; a researcher is an expert in statistics. Because findings can be interpreted in many ways, discussions between a researcher and marketing manager will lead to the most appropriate interpretation for the given situation.

Diff: 2 Page Ref: 120

Skill: Application

AACSB: Communication

Objective: 4-3

154) Why is it difficult to obtain relevant and reliable secondary data when conducting international marketing research?

Answer: Unlike the United States, many countries have no or almost no research services; in addition, most international research services operate in only a handful of countries.

Diff: 2 Page Ref: 125

Skill: Application

AACSB: Multicultural and Diversity

Objective: 4-5

155) Why has consumer resentment toward marketing research been growing?

Answer: More individuals are wary of invasion of privacy and want to protect personal information; many also simply resent the intrusion of marketing research and dislike surveys that are too long or too personal.

Diff: 2 Page Ref: 128

Skill: Application

AACSB: Analytic Skills

Objective: 4-5

Scenario

Jason West, owner of A-1 Cleaning, began his enterprise in 2001. Jason's primary focus had been on office cleaning for large corporations. But in recent months Jason has seen a decline in demand for office cleaning. Surprisingly, the competitive environment appears relatively stable with no new competitors. However, Jason understands that office cleaning is a high-frequency service that is usually performed daily; therefore, competitors must be doing something to attract his customers. Building a competitive advantage seems to be the only option to offset competition. But as Jason pondered his dilemma, he realized that he needed to better understand how customers assess service quality and what they are looking for in a superior cleaning service before he could build his competitive advantage.

Jason developed a research plan. First, he gathered competitor information—primarily through pamphlets, but also from a few phone calls—to find out exactly what competitors offer in their cleaning packages. In addition, Jason obtained from the area Chamber of Commerce an updated list of local corporations to which he would send a short survey.

Though the list of corporations contained 141 local company names, Jason chose to survey 75 of them. To better understand customer service expectations in both small and large corporations, Jason divided his surveys into two categories. The survey questions were designed to extract specific data from respondents with regard to service quality expectations in correlation to service frequency and price.

Jason awaited the results. Though his primary focus had been on large corporations, he was flexible and would aim his efforts differently if needed.

156) What type(s) of marketing intelligence, if any, did Jason West use in this scenario?

Answer: Jason obtained intelligence information through competitors' pamphlets and through a few phone calls made directly to the competitors.

Diff: 2 Page Ref: 104

Skill: Application

AACSB: Reflective Thinking

Objective: 4-2

157) How did Jason know he needed marketing research?

Answer: Jason needed customer and market insights for his specific situation. Jason felt that he did not fully know what makes customers happy; therefore, he wanted to become better aware of what customers look for in a cleaning service and how those customers measure service quality. In addition, he wanted to find out whether he should continue to focus only on large corporations or, perhaps, change his focus to include smaller firms.

Diff: 3 Page Ref: 106

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

158) In what way(s) did Jason's project require descriptive data?

Answer: The primary descriptive data being sought in Jason's project included the customers' attitudes toward service quality and their expectations from cleaning service providers.

Diff: 2 Page Ref: 107

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

159) In what way(s) did Jason's project require causal research?

Answer: Jason used his survey to determine how price and service frequency correlated to service quality expectations.

Diff: 3 Page Ref: 107

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

160) What type(s) of secondary data did Jason collect?

Answer: The list of local companies provided by the area Chamber of Commerce constitutes a major source of secondary data in this scenario.

Diff: 1 Page Ref: 108

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

161) Could Jason have collected observational research effectively? Explain.

Answer: Collecting observational data within a business environment may have been difficult from the start, particularly since Jason was interested in attitudes and motives. Individuals' perceptions of service quality and customer satisfaction could be more effectively measured through survey or experimental research.

Diff: 2 Page Ref: 110

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

162) What types of contact methods did Jason utilize in this scenario?

Answer: He utilized the telephone to obtain competitor information early in the scenario. Further, he relied heavily on his mailed survey in order to get the respondents' feelings about service quality.

Diff: 1 Page Ref: 112

Skill: Application

AACSB: Reflective Thinking

Objective: 4-3

163) Why might Jason have purposefully avoided data collected via online research?

Answer: Jason wanted to control who was included in the sample; online data collection does not always guarantee that. Online surveys might work well in reaching hard-to-reach respondents; but, in this scenario, Jason knew exactly whom he had to contact and where he could contact them. Because Jason was concerned with a local market, he may have feared other samples would not be relevant.

Diff: 3 Page Ref: 115-116

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

164) Of the 141 companies on the list, Jason chose to survey only 75 of them. How might he have chosen this sample?

Answer: Though the case does not specify, Jason may have selected the 75 companies just based on convenience. Nonetheless, he likely selected those 75 companies because he felt assured that they accurately reflected the typical type of businesses that he would want to target for his cleaning service.

Diff: 3 Page Ref: 116

Skill: Application

AACSB: Analytic Skills

Objective: 4-3

165) How might Jason assure ethical conduct toward his respondents?

Answer: Jason might have included a disclosure statement on his survey, indicating that all information would be kept confidential, that the project was not a sales gimmick, that he was not building a database to be provided to any outside party, and that respondents could call him directly if any further questions arose.

Diff: 2 Page Ref: 128-129

Skill: Application

AACSB: Analytic Skills

Objective: 4-5