



Pearson

Solomon, Consumer Behaviour 4e

Chapter 1: Buying, having, and being

Multiple choice: Choose the one alternative that best completes the statement or answers the question.

LO 1.1

1. Which of the following is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires?
 - A. Lifestyle marketing
 - B. Role theory
 - C. Consumer behaviour
 - D. Marketing research

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: C

2. A(n) [Blank] is a person who identifies a need or desire, makes a purchase, and then disposes of a product.
 - A. marketer
 - B. consumer
 - C. influencer
 - D. content generator

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: B

LO 1.2

3. A marketer who segments a population by age and gender is using [Blank] to categorise consumers.

- A. demographics
- B. psychographics
- C. roles
- D. lifestyle

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

4. A consumer researcher who examines consumers' lifestyles and personalities is studying [Blank].

- A. demographics
- B. psychographics
- C. social class
- D. usage rates

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: B

5. People who belong to the same social class are most likely to have which of the following in common?

- A. Income level
- B. Personality
- C. Ethnicity
- D. Family structure

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

6. Which of the following marketing philosophies emphasises interacting with customers on a regular basis and giving them reasons to maintain a bond with a company's brands over time?
- A. Differentiated marketing
 - B. Global marketing
 - C. Social marketing
 - D. Relationship marketing

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: D

7. A consumer with a(n) [Blank] attachment to a product uses the product as part of his or her daily routine.
- A. nostalgic
 - B. interdependent
 - C. psychographic
 - D. positivist

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: B

8. A soft drink company decided to produce a cola drink with more caffeine than usual in the hope of preventing current teen and early-twenties customers from shifting to coffee and tea drinks after graduating from university. The company test-marketed this new product at a Melbourne university. The company has segmented the market based on [Blank.]
- A. psychographics
 - B. lifestyle
 - C. demographics
 - D. usage rates

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: C

LO 1.3

9. In an online [Blank], members share opinions and recommendations about products.

- A. market segment
- B. consumption community
- C. marketing database
- D. culture jam

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

10. Which of the following is an example of C2C e-commerce?

- A. RFID tags
- B. Virtual brand communities
- C. Database marketing
- D. Green marketing

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

11. A digital native is someone who [Blank].

- A. grew up in a 'wired' and highly networked world
- B. is a heavy user of alternate reality games (ARGs)
- C. participates in database marketing
- D. belongs to a consumption community

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: A

12. Sarah uses an app on her phone to find the nearest coffee shop and then, once she is there, sends her friend a link of precisely where she is so that the friend can meet her.

Sarah is making use of

- A. fast-moving consumer goods
- B. location-based services
- C. market segmentation

D. crowdsourcing

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

13. Arnold needs to raise money quickly for his very ill grandmother. His friend Paul suggests that he create a GoFundMe page that describes his grandmother's condition, so that many people can see it and share it with others. What is Paul recommending to Paul?

A. crowdsourcing

B. location-based services

C. exchange value

D. B2C e-commerce

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: A

14. Joining an online marketplace in order to buy and sell new and used products with people in one's community is an example of

A. crowdsourcing

B. C2C e-commerce

C. exchange value

D. B2C e-commerce

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

15. Social media platforms enable [Blank] culture.

A. exclusionary

B. dictatorial

C. participatory

D. repressed

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: C

16. Web 3.0 is also known as [Blank].

- A. social commerce market
- B. the semantic web
- C. social media
- D. consumerspace

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

17. Sherif visits a new diner in his town. He receives poor service, and his food does not taste fresh. When he gets home, he leaves an honest review of the restaurant online. Another user, Jemma, reads his review and decides she will not visit the dinner. Sherif and Jemma are engaging in a [Blank].

- A. market segmentation
- B. B2C e-commerce market
- C. virtual brand community
- D. social commerce market

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: D

LO 1.4

18. A marketer uses [Blank] to target a brand only to specific groups of consumers who are most likely to be heavy users of the marketer's brand.

- A. asynchronous interactions
- B. market segmentation strategies
- C. the 80/20 strategy
- D. economies of information

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

19. The sociological perspective of [Blank] takes the view that much of consumer behaviour resembles actions in a play.
- A. role theory
 - B. pastiche
 - C. interpretivism
 - D. psychographics

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

20. The term [Blank] refers to an environment in which an individual can dictate to a company the type of products he or she wants and how, when and where he or she wants to learn about them.
- A. database market
 - B. consumerspace
 - C. social market
 - D. consumption community

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

21. The goals of helping people and bringing about social change are the focus of [Blank].
- A. relationship marketing
 - B. social media
 - C. transformative consumer research
 - D. open data partnerships

Difficulty: Moderate

AACSB: Ethical understanding and reasoning abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: C

22. Researchers who argue that the field of consumer behaviour should not be a 'handmaiden to business' believe that consumer behaviour research should [Blank].
- A. have a market-oriented focus
 - B. aim to apply knowledge to increasing profits

- C. focus on understanding consumption for its own sake
- D. be judged in terms of its ability to improve marketing practices

Difficulty: Complex

AACSB: Ethical understanding and reasoning abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: C

23. Which of the following social science fields would most likely be associated with macro consumer behaviour?

- A. Experimental psychology
- B. Clinical psychology
- C. Human ecology
- D. Cultural anthropology

Difficulty: Complex

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: D

24. Which of the following social science fields would most likely be associated with micro consumer behaviour?

- A. Experimental psychology
- B. Social psychology
- C. Demographics
- D. Cultural anthropology

Difficulty: Complex

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

25. Another term for positivism is [Blank].

- A. interpretivism
- B. pluralism
- C. modernism
- D. postmodernism

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: C

26. Of the following, a proponent of [Blank] would be most likely to argue that our society emphasises science and technology too much.

- A. consumerism
- B. positivism
- C. modernism
- D. interpretivism

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: D

27. A consumer researcher who believes in the paradigm of [Blank] believes that human reason is supreme and that there is a single, objective truth that can be discovered by science.

- A. fundamentalism
- B. interpretivism
- C. positivism
- D. postmodernism

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: C

28. The belief that meaning is not fixed but is instead constructed by each individual is part of the [Blank] paradigm.

- A. positivist
- B. pragmatic
- C. interpretivist
- D. consumerist

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: C

29. A student of postmodernism is most likely to believe that the world in which we live is a(n) [Blank] or a mixture of images.
- A. alternate reality
 - B. pragmatic
 - C. consumerspace
 - D. pastiche

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: D

30. Jenny Rowlin is absolutely exhausted after her shopping trip to pick out a dress for her school formal. The stores were crowded, and none of her favourite shops carried a dress that she liked in her size. After spending hours at the shopping centre, Jenny gave up and decided to order her dress online and just return it if it wasn't exactly right. This decision took place in the [Blank] stage of Jenny's consumption process.

- A. pre-consumption
- B. consumption
- C. post-consumption
- D. influence

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

31. Professor Franklin had a time machine and travelled back to 1975. He told a 1975 marketing class that in the future it would become popular among high school and university students to put holes through various parts of their anatomy and to attach metal plugs and ornaments through those holes. The students laughed at Professor Franklin and said they couldn't imagine that anyone would do that to his or her own body. What aspect of consumer behaviour did the students not understand?

- A. They didn't understand the impact of popular culture in influencing consumers.
- B. They didn't understand that lifestyle issues are more important than social class issues.
- C. They didn't understand the meaning of consumption.
- D. They didn't understand the importance of culture jamming.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

32. Lucy Chang recently purchased a lovely ceramic bowl that featured a red dragon design. When she thought about her purchase, she found that she really had no justification for buying the bowl other than it reminded her of the bowls her mother used during evening meals when she was a young child in Hong Kong. Which of the following types of relationships with a product best explains the reason for Lucy's purchase of the dragon bowl?

- A. Self-concept attachment
- B. Nostalgic attachment
- C. Interdependence
- D. Cohort attachment

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

33. Evan does business in South America. He has mastered Spanish and many cultural norms, but he still has problems with cultural differences in ethics. Many of the regulatory officials Evan must deal with expect bribes. Evan solves this problem by bringing with him a number of moderately priced watches. When an official admires his watch, Evan offers it to him or her as a gift. Later he puts a new watch on his wrist. Evan's situation demonstrates that [Blank].

- A. different cultures define ethical business behaviours differently
- B. laws regulating business have become uniform because of the demands of a global economy
- C. a small lapse of ethics is acceptable
- D. universal values are the basis of business ethics

Difficulty: Moderate

AACSB: Ethical understanding and reasoning abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

34. George says that he sees everything as 'black or white—no in between'. George would most accurately be characterised as a(n) [Blank].

- A. positivist
- B. collectivist
- C. interpretivist
- D. consumerist

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

35. Which of the following consumer behaviour issues discussed in the chapter would be most accurately classified as a micro consumer behaviour topic?
- A. How marketing campaigns have influenced popular culture
 - B. How individual consumers perceive advertisements
 - C. How consumers in different geographic regions respond differently to marketing campaigns
 - D. How the growth of C2C e-commerce has affected marketing strategies

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

True or false: Choose the one alternative that best completes the statement or answers the question.

LO 1.1

36. According to the definition of consumer behaviour, how a consumer disposes of an idea and accepts another is NOT part of consumer behaviour.
- A. True
 - B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: B

37. When a transaction occurs between two or more organisations or people who give and receive something of value, an exchange has taken place.
- A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: A

38. Since consumer behaviour is now examined as an entire consumption process that includes pre-consumption and post-consumption issues, exchange theory is no longer relevant to the study of consumer behaviour.

A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: False

39. A paradigm is a belief that guides an understanding of the world.

A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: A

40. Ikea began a new campaign to sell outdoor furniture. In emphasising how outdoor furniture has been used over the decades in movies and books, by celebrities, and as essential ingredients for home entertainment, the campaign is drawing upon popular culture.

A. True

B. False

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: A

LO 1.2

41. A common way to segment consumers is to identify which consumers are heavy users of a given product.

A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

42. Demographics refer to aspects of a person's lifestyle and personality.

A. True

B. False

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: B

43. Demographics are statistics that measure observable aspects of a population.

A. True

B. False

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

44. A market researcher who analyses a population of consumers using the variable of marital status is segmenting the population by the demographic category of family structure.

A. True

B. False

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

45. Consumers who share demographic characteristics such as ethnicity and age can have very different lifestyles.

A. True

B. False

Difficulty: Basic

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

46. Psychographic information is not considered to be demographic data because this type of information is not directly observable.

- A. True
- B. False

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: A

LO 1.3

47. Regularly sending text messages rather than communicating by voice is characteristic of a digital native.

- A. True
- B. False

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: A

48. In recent years, the focus of electronic marketing has shifted from C2C e-commerce to B2C e-commerce.

- A. True
- B. False

Difficulty: Basic

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

49. A prosumer is a passive consumer who does not engage in product design and manufacturing.

- A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

50. On-demand, hyper-local delivery is a service that is offered to target those in the pre-consumption stage of the consumption process.

A. True

B. False

Difficulty: Basic

AACSB: Communication abilities

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: B

LO 1.4

51. Popular culture is both a product of marketing and an inspiration for marketing.

A. True

B. False

Difficulty: Moderate

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

52. The fact that people often buy products not for what the products do but for what they mean implies that a product's basic function is unimportant.

A. True

B. False

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

53. According to the different categories of relationships that people may have with products, nostalgic attachment occurs if the product is part of the user's daily routine.

A. True

B. False

Difficulty: Moderate

AACSB: Communication abilities

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

54. Global consumer culture and popular culture are interchangeable terms.

A. True

B. False

Difficulty: Moderate

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

55. The sociological perspective of role theory can be used to explain why people who engage in certain activities seem to have a 'uniform.' For example, cyclists have spandex and helmets, while fly fishermen have vests and floppy hats.

A. True

B. False

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A

56. A person who believes that science can fix or find a cure for anything most likely follows the philosophy of interpretivism.

A. True

B. False

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: B

Short Answer: Write your answer in the space provided or on a separate sheet of paper.

LO 1.1

57. Consumers and the items they consume can take many forms. Give examples of three different types of consumers and three different types of items they could consume, including products, services and ideas.

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: Examples will vary. Consumers can include individuals of any age, groups and organisations. Items consumed can include products such as toys, cars and food; services such as dentist appointments, haircuts and massages; and ideas such as democracy and the green movement.

58. Different issues for marketers and consumers arise in the consumption process. Identify questions that might be asked from the consumer's perspective and from the marketer's perspective in the pre-consumption and consumption stages of the consumption process.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: Pre-consumption phase:

i. *Consumer's perspective*—How does a consumer decide that he or she needs a product? What are the best sources of information to learn more about alternative choices?

ii. *Marketer's perspectives*—How are attitudes toward products formed and/or changed? What cues do consumers use to infer which products are superior to others?

Consumption phase:

iii. *Consumer's perspective*—Is acquiring a product a stressful or pleasant experience? What does the purchase say about the consumer?

iv. *Marketer's perspectives*—How do situational factors, such as time pressure or store displays, affect the consumer's purchase decision?

59. Explain the concept of the 80/20 rule and why it is important to marketers.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: According to the 80/20 rule, 20 per cent of a product's users account for 80 per cent of sales of that product. These heavy users are the product's most faithful customers. A company that can identify, build relationships with, and create value for heavy users is likely to have a successful marketing strategy.

60. Briefly explain how marketers play a significant role in our view of the world and how we live in it. Give a specific example.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: We are surrounded by marketing stimuli, from television and radio commercials to online and print advertisements. In addition to promoting a product, these advertisements depict models of how people should interact in social situations, how people should dress, what people should eat, and what people should believe. For example, the marketing of cigarettes in the 1950s led many people to think of smoking as social and relaxing. Today, however, health campaigns have helped people to recognise the health risks of smoking.

61. List and briefly characterise four types of relationships a person might have with a product. Be specific.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: Four types of relationships are: 1) self-concept attachment—the product helps to establish the user's identity; 2) nostalgic attachment—the product serves as a link with a past self; 3) interdependence—the product is a part of the user's daily routine; and 4) love—the product elicits emotional bonds of warmth, passion or another strong emotion.

62. Explain the difference between a need and a desire, giving an example of each.

Difficulty: Moderate

AACSB: Analytic skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: A need is a basic biological motive that cannot be created by marketing. A desire represents one way that individuals are taught by society and culture to satisfy a biological need. For example, thirst in general is a need, but thirst for a Pepsi or Coke is a desire.

63. In the early stages of development, consumer behaviour was known as *buyer behaviour*.

What important aspect of the exchange process does this change in name reflect?

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer: Buyer behaviour reflects an emphasis on the act of consumption, but this exchange is dependent upon a number of pre-consumption and post-consumption perspectives and behaviours. To fully understand why an exchange is made, researchers must look at the decisions and influences before the exchange, as well as the expectations of what happens

after the exchange. The study of consumer behaviour, rather than simply buyer behaviour, accounts for pre-consumption and post-consumption issues along with consumption issues.

64. Compare and contrast the paradigms of positivism and interpretivism. Be specific in your comments and explanations.

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.1 Understand why studying the consumer is important for marketers.

Answer:

i. *Positivism* (sometimes called modernism)—Dominant at this point in time, it is a view that has significantly influenced Western art and science since the late 16th century. It emphasises that human reason is supreme and there is a single, objective truth that can be discovered by science. Positivism encourages us to stress the function of objects, to celebrate technology, and to regard the world as a rational, ordered place with a clearly defined past, present and future. Some critics feel that positivism overemphasises material well-being and that its logical outlook is dominated by an ideology that stresses the homogeneous views of a culture dominated by white males.

ii. *Interpretivism* (sometimes referred to as postmodernism)—Proponents of this view argue that there is an overemphasis on science and technology in our society and that this ordered, rational view of consumers denies the complex social and cultural world in which we live. Interpretivists stress the importance of symbolic, subjective experience and the idea that meaning is in the mind of the person. That is, we each construct our own meanings based on our unique and shared cultural experiences; there are no unique right or wrong answers. The value placed on products because they help us to create order in our lives is replaced by an appreciation of consumption as a set of diverse experiences. Interpretivists want to understand consumers and consumer behaviour rather than try to make predictions about consumers.

LO 1.2

65. What is relationship marketing? Why is it so widely practiced by today's marketers?

AACSB: Analytic skills

Difficulty: Moderate

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: Marketers who practice relationship marketing have realised that a key to success is building relationships between brands and customers that will last a lifetime. In this type of marketing, companies make an effort to interact with customers on a regular basis and give them reasons to maintain a bond with the company over time. Relationship marketing is even more important during an economic downturn.

66. What is database marketing? Why is it so widely used by today's marketers?

Difficulty: Moderate

AACSB: Use of information technology

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer: Database marketing involves tracking consumers' buying habits very closely and crafting products and messages tailored precisely to people's wants and needs based on this information. As consumer markets are more and more segmented, marketers can use technology such as database marketing to determine exactly what each consumer wants and determine how to meet those wants.

67. One beer distributor identified a marketing segment as the 'campus guzzlers,' which the beer distributor described to its parent company as university students who study during the week but guzzle on the weekend. Explain what could be used to identify this segment and why.

Difficulty: Complex

AACSB: Multicultural and diversity understanding

Learning Outcome: 1.2 Describe how different demographic and psychographic variables can be applied to segment consumer markets.

Answer:

- a. *Age*—The potential customer would have to be old enough to drink legally yet still be young enough to attend university. By identifying the interests and lifestyles of this age group, promotions and products could be developed.
- b. *Gender*—Promotions to males might emphasise sports and physical activities, while promotions to women students might highlight relationships and good times.
- c. *Lifestyle*—Consumers in this age and gender bracket might reflect a wide variety of lifestyles including physical activity, sexual attraction and social interactions.

Family structure, social class, income, and race and/or ethnicity might play roles in segmenting 'campus guzzlers,' but age, gender and lifestyle, combined with the selection process inherent in attending colleges or universities, would make these relatively unimportant because of the unifying power of the first three characteristics.

LO 1.3

68. Discuss the positive and negative consequences of today's culture of participation as enabled by social media platforms.

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: In today's culture of participation, individuals can communicate with huge numbers of people with a click of a mouse. Information is no longer disseminated from a few sources;

rather, it is generated by people and flows across people. People are free to interact with each other and build upon each other's ideas. People have far greater access to information than ever before. However, social media is not all positive. The hours people spend on Facebook or in virtual worlds often come at the expense of time spent working, studying or being with family and friends. For many, it is difficult to balance the real and virtual worlds.

69. Describe a virtual brand community. Create an example that demonstrates the concept.

AACSB: Use of information technology

Learning Outcome: 1.3 Explain how the internet and social media are changing consumers.

Answer: A virtual brand community is an online group of people from anywhere around the world who share information about their experiences with a specific brand. One of the examples used in the text is The Hollywood Stock Exchange, a simulated entertainment stock market. Traders try to predict the four-week box office take from films. Student examples should reveal how their proposed virtual brand community interacts, who the members might be, and what makes the interaction among customers special. This extension of the chat room is a special research opportunity for the marketer and consumer behaviour specialist.

LO 1.4

70. A critic says that marketing encourages women to hate their own bodies by showing them models who are impossibly thin. Compare how a typical consumer behaviour researcher and a transformative consumer researcher might differ in their approaches to investigating this criticism. Be specific in your statements.

Difficulty: Moderate

AACSB: Reflective thinking skills

Learning Outcome: 1.4 Discuss the different approaches used by researchers to study consumers.

Answer: A typical consumer behaviour researcher would likely be interested in investigating how the purchasing behaviour of different groups of people is influenced by advertisements showing such impossibly thin models. Such a researcher may have a strategic focus, hoping to gain insights that would lead to more effective marketing. A transformative consumer researcher, on the other hand, would see subjects of the research as collaborators in identifying ways to improve consumer well-being. A transformative consumer researcher would be interested in social change.