

## Chapter 01

### Marketing Research for Managerial Decision Making

#### Multiple Choice Questions

1. Which of the following is true of marketing research?
  - A. It draws heavily on the social sciences both for methods and theory.
  - B. It is exclusively used by large businesses.
  - C. It solely relies on quantitative techniques.
  - D. It solely relies on qualitative techniques.
  - E. It involves management of the activities in a supply chain to maximize product value.
  
2. Test marketing \_\_\_\_\_.
  - A. identifies two or more segments within the market for a particular company's products
  - B. provides information for decisions on product improvements and new-product introductions
  - C. includes choosing and evaluating locations, channels, and distribution partners
  - D. focuses on database development through optical scanning at the point of purchase
  - E. involves understanding how one's target consumers behave as shoppers, in different channels and formats, and leveraging this intelligence to the benefit of all stakeholders

3. Zephyr Corp. manufactures air purifiers. It comes up with an idea for a new range of air purifiers called alpha purifiers. Before launching the range of purifiers, Zephyr lets some people try out the product and then collects feedback from them to identify any problems with it. Which of the following is best exemplified in this scenario?

- A. Curbstoning
- B. Concept testing
- C. Perceptual mapping
- D. Behavioral targeting
- E. Branded "black-box" methodology

4. Which of the following is a technique that is used to picture the relative position of products on two or more product dimensions important to consumer purchase decisions?

- A. Retailing wheel
- B. Optical scanning
- C. Store image studies
- D. Perceptual mapping
- E. Behavioral targeting

5. Which of the following pertains to the creation of a perceptual map?

- A. Retailers focus on database development through optical scanning at the point of purchase.
- B. Marketers have to work on branding of both new and existing products.
- C. Marketing research considers the total performance of a promotional program as each effort often affects others in the promotional mix.
- D. Consumers have to indicate how similar or dissimilar a group of relevant brands or products is to each other.
- E. Consumer behavior activities embedded in a cultural context are studied by marketers using ethnographic research.

6. Apex Corp. asks its consumers to determine how they perceive the similarities and dissimilarities among relevant product attributes for a group of competing brands. In this case, Apex Corp. is most likely using the technique of \_\_\_\_\_.

- A. concept testing
- B. behavioral targeting
- C. perceptual mapping
- D. bivariate regression analysis
- E. analysis of variance (ANOVA)

7. Research investigations that focus on topics such as trade area analysis, store image/perception, in-store traffic patterns, and location analysis are collectively called:

- A. perceptual mapping.
- B. positioning research.
- C. retailing research.
- D. test marketing.
- E. focus group research.

8. A new supermarket, The Deluxe Mart, collates its sales data using scanners at the point of purchase. It uses this data to identify the products to stock and the type of content and media to use to attract customers. In this scenario, The Deluxe Mart is most likely using:

- A. perceptual mapping.
- B. test marketing.
- C. retailing research.
- D. logistical assessment.
- E. concept testing.

9. Sally browses through different articles featured on Pop.com. She notices ads for skirts that she recently viewed on Trendz.com, an online apparel store, being displayed on Pop.com. In this scenario, Trendz.com is using the technique of \_\_\_\_\_.

- A. perceptual mapping
- B. test marketing
- C. behavioral targeting
- D. theoretical sampling
- E. concept positioning

10. Marketing to consumers based on research of the entire process consumers go through when making a purchase is termed:

- A. shopper marketing.
- B. behavioral targeting.
- C. retailing research.
- D. test marketing.
- E. a benefit and lifestyle study.

11. The three most common research tasks in integrated marketing communications are advertising effectiveness studies, sales tracking, and:

- A. in-store traffic patterns.
- B. attitudinal research.
- C. location analysis.
- D. trade area analysis.
- E. store image studies.

12. Research depicts the typical Saturn dirt bike shopper as a middle-aged person with an income of \$75,000 per annum. This is an example of:

- A. positioning research.
- B. retailing research.
- C. focus group research.
- D. market segmentation research.
- E. pricing strategy research.

13. In the context of marketing research, which of the following highlights problems and opportunities for marketers that are based on consumers' actual behavior?

- A. Deanonymizing data
- B. Situation analysis
- C. Curbstoning
- D. Sugging
- E. Ethnography

14. In the context of types of marketing research firms, external research suppliers:

- A. chosen by companies on a study-by-study basis help the companies gain greater flexibility.
- B. strictly perform only selected aspects of marketing research.
- C. are typically organizational units that reside within a company.
- D. provide research method consistency unlike internal research providers.
- E. are less objective in their approach and more subject to company politics and regulations than internal research providers.

15. Services provided by standardized research firms that include data made or developed from a common data pool or database are called \_\_\_\_ services.

- A. debriefed
- B. syndicated business
- C. customized
- D. highly tailored
- E. branded "black-box"

16. Aura Inc. is a research firm that conducts store audits for a variety of retail stores. It follows an established, common approach in research design so the results of a study conducted for one client can be compared to norms from studies done for other clients. In the context of types of marketing research firms, Aura Inc. is a(n) \_\_\_\_.

- A. customized research firm
- B. internal research provider
- C. standardized research firm
- D. specialty market research firm
- E. brokerage firm

17. The practice of data collection personnel filling out surveys for fake respondents is called \_\_\_\_.

- A. sugging
- B. frugging
- C. curbstoning
- D. debriefing
- E. deanonymizing data

18. In the context of marketing research, curbstoning occurs when:

- A. a researcher does not maintain respondent confidentiality.
- B. a researcher deanonymizes information on the Internet by combining different publicly available records available at social networks.
- C. a researcher's trained interviewers or observers make up observed respondents' behaviors.
- D. a researcher fully explains to respondents any deception that was used during research.
- E. e-tailers display ads at one website based on a user's previous surfing behavior.

19. Which of the following illustrates the abuse of respondents in marketing research?

- A. Selling unnecessary or unwarranted research services
- B. Not providing the promised incentive for completing interviews or questionnaires
- C. Having friends and relatives fill out surveys
- D. Not using the designated sample of respondents but rather anyone who is conveniently available to complete a survey
- E. Revealing one's clients to respondents

20. The process of fully explaining to respondents any deception that was used during research is known as \_\_\_\_\_.

- A. the practice of sugging
- B. the practice of frugging
- C. rocking-chair interviewing
- D. subject debriefing
- E. deanonymizing data

21. Which of the following is ethical in marketing research practices?

- A. Sugging
- B. Frugging
- C. Rocking-chair interviewing
- D. Subject debriefing
- E. Deanonymizing data

22. Frugging means:

- A. claiming that a survey is for research purposes and then asking for a sale or donation.
- B. fully explaining to respondents any deception that was used during research.
- C. using data collection personnel to fill out surveys for fake respondents.
- D. combining different publicly available information on the Internet to determine consumers' identities.
- E. conducting research below professional standards.

23. Which of the following is true of frugging?

- A. It occurs when research firms do not fully disclose how the methodology works.
- B. It creates a negative impact on the entire industry.
- C. It must be conducted at the end of any study involving deception.
- D. It occurs when anyone who is conveniently available completes a survey.
- E. It occurs when different publicly available information are combined to determine consumers' identities.



24. Which of the following is true of the guidelines developed by the Marketing Research Association (MRA) for Internet marketing research issues?

- A. It states that researchers must deanonymize data on the Internet by combining different publicly available records available at social networks.
- B. It encourages the use of digital technologies such as GPS as they do not result in privacy-related issues.
- C. It does not allow clickstream tracking.
- D. It prohibits the use of cookies.
- E. It states that researchers must discontinue follow-up e-mails if requested to by respondents.

25. Which of the following illustrates an unethical activity of research users?

- A. Decision makers requesting detailed research proposals from research providers
- B. Not using the designated sample of respondents but rather anyone who is conveniently available to complete a survey
- C. Obtaining first drafts of questionnaires and using the information to perform the research project themselves
- D. Prohibiting market researchers from deanonymizing data
- E. Not following up on the established callback procedures indicated in the research procedure

### **True / False Questions**

26. Given the nonlinear nature of marketing research, it is not a very systematic process.

True False

27. Marketing research methods are diverse, spanning a wide variety of qualitative and quantitative techniques and borrowing from disciplines such as psychology, sociology, and anthropology.

True False

28. Marketers are interested in consumer subcultures, as products are often used to enact and support subculture participation.

True False

29. The process of identifying people or markets a company wants to serve is called positioning.

True False

30. In the field of marketing research, analytics exclusively uses qualitative techniques to determine performance efficiency.

True False

31. Creating customer profiles and understanding behavioral characteristics are major focuses of any marketing research project.

True False

32. The purpose of marketing theory is to generalize relationships between concepts in a way that is applicable to a wide variety of business and often other settings.

True False

33. The benefits of internal marketing research providers include research method consistency, shared information across the company, lower research costs, and ability to produce actionable research results.

True False

34. Many companies use internal research suppliers because the suppliers can be more objective and less subject to company politics and regulations than external suppliers.

True False

35. As marketing research firms expand their geographic scope, many fundamental skill requirements will change and negotiation skills will be replaced by statistical skills.

True False

36. Individuals who ignore emotional experiences find marketing research to be a rewarding career.

True False

37. Research firms are required to maintain client confidentiality.

True False

38. If a client is unable to get sufficient insight into a testing method's strengths and weaknesses prior to purchase from a marketing research supplier, the client can choose another supplier.

True False

39. Subject debriefing means claiming that a survey is for research purposes and then asking for a sale or donation.

True False

40. Frugging leads to consumers turning down legitimate research inquiries because they do not want to be solicited.

True False

41. While cookies are usually designed to maintain consumer privacy with respect to identity at least, they still nevertheless collect and utilize consumer data.

True False

42. The Marketing Research Association (MRA) guidelines prohibit clickstream tracking.

True False

43. If a respondent does not want a researcher to find out the truth, it is ethical for the respondent to lie on a survey.

True False

44. The Code of Ethics for the American Marketing Association applies to all marketing functions, including research.

True False

45. One of the recent trends in the marketing research industry is a movement toward data analysis.

True False

### **Essay Questions**

46. Define marketing research. Describe the advantages of marketing research.

47. How does marketing research impact pricing decisions?

48. Explain the different types of marketing research firms.

49. What are the key skills that recruiters look for in a candidate when they are hiring for marketing researcher positions?

50. What are some of the major emerging trends in the field of marketing research?

# Chapter 01 Marketing Research for Managerial Decision Making **Answer** **Key**

## Multiple Choice Questions

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*Accessibility: Keyboard Navigation*

*Difficulty: 2 Medium*

*Learning Objective: 1.1 Describe the impact marketing research has on marketing decision making.*

2. Test marketing \_\_\_\_\_.

- A. identifies two or more segments within the market for a particular company's products
- B.** provides information for decisions on product improvements and new-product introductions
- C. includes choosing and evaluating locations, channels, and distribution partners
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*Accessibility: Keyboard Navigation*

*Difficulty: 2 Medium*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

*Learning Objective: 1.3 Provide examples of marketing research studies.*

3. Zephyr Corp. manufactures air purifiers. It comes up with an idea for a new range of air purifiers called alpha purifiers. Before launching the range of purifiers, Zephyr lets some people try out the product and then collects feedback from them to identify any problems with it. Which of the following is best exemplified in this scenario?

- A. Curbstoning
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- E. Branded "black-box" methodology

*Accessibility: Keyboard Navigation*

*Difficulty: 3 Hard*

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5. Which of the following pertains to the creation of a perceptual map?
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- A. Deanonymizing data
- B. Situation analysis
- C. Curbstoning
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- E. Ethnography**

*Accessibility: Keyboard Navigation*

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*Learning Objective: 1.4 Understand the scope and focus of the marketing research industry.*

15. Services provided by standardized research firms that include data made or developed from a common data pool or database are called \_\_\_\_\_ services.

- A. debriefed
- B. syndicated business**
- C. customized
- D. highly tailored
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- A. customized research firm
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- C. standardized research firm**
- D. specialty market research firm
- E. brokerage firm

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*Difficulty: 2 Medium*

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17. The practice of data collection personnel filling out surveys for fake respondents is called \_\_\_\_\_.

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- B. frugging
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- D. debriefing
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*Accessibility: Keyboard Navigation*

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*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

18. In the context of marketing research, curbstoning occurs when:

- A. a researcher does not maintain respondent confidentiality.
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20. The process of fully explaining to respondents any deception that was used during research is known as \_\_\_\_\_.
- A. the practice of sugging
  - B. the practice of frugging
  - C. rocking-chair interviewing
  - D.** subject debriefing
  - E. deanonymizing data

*Accessibility: Keyboard Navigation*

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21. Which of the following is ethical in marketing research practices?
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  - B. Frugging
  - C. Rocking-chair interviewing
  - D.** Subject debriefing
  - E. Deanonymizing data

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*



*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

22. Frugging means:

- A.** claiming that a survey is for research purposes and then asking for a sale or donation.
- B. fully explaining to respondents any deception that was used during research.
- C. using data collection personnel to fill out surveys for fake respondents.
- D. combining different publicly available information on the Internet to determine consumers' identities.
- E. conducting research below professional standards.

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- A. It states that researchers must deanonymize data on the Internet by combining different publicly available records available at social networks.
  - B. It encourages the use of digital technologies such as GPS as they do not result in privacy-related issues.
  - C. It does not allow clickstream tracking.
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  - E. It states that researchers must discontinue follow-up e-mails if requested to by respondents.

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  - E. Not following up on the established callback procedures indicated in the research procedure

*Accessibility: Keyboard Navigation*

*Difficulty: 2 Medium*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

## True / False Questions

26. Given the nonlinear nature of marketing research, it is not a very systematic process.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.1 Describe the impact marketing research has on marketing decision making.*

27. Marketing research methods are diverse, spanning a wide variety of qualitative and quantitative techniques and borrowing from disciplines such as psychology, sociology, and anthropology.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.1 Describe the impact marketing research has on marketing decision making.*

28. Marketers are interested in consumer subcultures, as products are often used to enact and support subculture participation.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

29. The process of identifying people or markets a company wants to serve is called positioning.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

30. In the field of marketing research, analytics exclusively uses qualitative techniques to determine performance efficiency.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

31. Creating customer profiles and understanding behavioral characteristics are major focuses of any marketing research project.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

32. The purpose of marketing theory is to generalize relationships between concepts in a way that is applicable to a wide variety of business and often other settings.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*

33. The benefits of internal marketing research providers include research method consistency, shared information across the company, lower research costs, and ability to produce actionable research results.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.4 Understand the scope and focus of the marketing research industry.*

34. Many companies use internal research suppliers because the suppliers can be more objective and less subject to company politics and regulations than external suppliers.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.4 Understand the scope and focus of the marketing research industry.*

35. As marketing research firms expand their geographic scope, many fundamental skill requirements will change and negotiation skills will be replaced by statistical skills.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.6 Discuss new skills and emerging trends in marketing research.*

36. Individuals who ignore emotional experiences find marketing research to be a rewarding career.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.6 Discuss new skills and emerging trends in marketing research.*

37. Research firms are required to maintain client confidentiality.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

38. If a client is unable to get sufficient insight into a testing method's strengths and weaknesses prior to purchase from a marketing research supplier, the client can choose another supplier.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

39. Subject debriefing means claiming that a survey is for research purposes and then asking for a sale or donation.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

40. Frugging leads to consumers turning down legitimate research inquiries because they do not want to be solicited.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

41. While cookies are usually designed to maintain consumer privacy with respect to identity at least, they still nevertheless collect and utilize consumer data.

**TRUE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

42. The Marketing Research Association (MRA) guidelines prohibit clickstream tracking.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

43. If a respondent does not want a researcher to find out the truth, it is ethical for the respondent to lie on a survey.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.5 Recognize ethical issues associated with marketing research.*

44. The Code of Ethics for the American Marketing Association applies to all marketing functions, including research.

**TRUE**

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45. One of the recent trends in the marketing research industry is a movement toward data analysis.

**FALSE**

*Accessibility: Keyboard Navigation*

*Difficulty: 1 Easy*

*Learning Objective: 1.6 Discuss new skills and emerging trends in marketing research.*

## Essay Questions

46. Define marketing research. Describe the advantages of marketing research.

The American Marketing Association defines marketing research as the function that links an organization to its market through the gathering of information. This information facilitates the identification and definition of market-driven opportunities and problems, as well as the development and evaluation of marketing actions. Finally, it enables the monitoring of marketing performance and improved understanding of marketing as a business process. Organizations use marketing research information to identify new product opportunities, develop advertising strategies, and implement new data-gathering methods to better understand customers.

*Difficulty: 2 Medium*

*Learning Objective: 1.1 Describe the impact marketing research has on marketing decision making.*

47. How does marketing research impact pricing decisions?

Pricing decisions involve pricing new products, establishing price levels in test marketing, and modifying prices for existing products. Marketing research provides answers to questions such as the following:

1. How large is the demand potential within the target market at various price levels?
2. What are the sales forecasts at various price levels?
3. How sensitive is demand to changes in price levels?
4. Are there identifiable segments that have different price sensitivities?
5. Are there opportunities to offer different price lines for different target markets?

*Difficulty: 2 Medium*

*Learning Objective: 1.2 Demonstrate how marketing research fits into the marketing planning process.*



48. Explain the different types of marketing research firms.

Marketing research providers can be classified as either internal or external, custom or standardized, or brokers/facilitators. Internal research providers are typically organizational units that reside within a company. The benefits of using internal research providers include research method consistency, shared information across the company, lower research costs, and ability to produce actionable research results.

Some firms choose to use external sources for marketing research. External sources, usually referred to as marketing research suppliers, perform all aspects of the research, including study design, questionnaire production, interviewing, data analysis, and report preparation. These firms operate on a fee basis and commonly submit a research proposal to be used by a client for evaluation and decision purposes.

Customized research firms provide specialized, highly tailored services to their clients. Many customized research firms concentrate their activities in one specific area such as brand-name testing, test marketing, or new-product development. Standardized research firms provide more general services. These firms also follow an established, common approach in research design so the results of a study conducted for one client can be compared to norms from studies done for other clients. Many standardized research firms also provide syndicated business services, which include the purchase of diary panels, audits, and advertising recall data made or developed from a common data pool or database.

*Difficulty: 2 Medium*

*Learning Objective: 1.4 Understand the scope and focus of the marketing research industry.*

49. What are the key skills that recruiters look for in a candidate when they are hiring for marketing researcher positions?

The top five skills executives hope to find in candidates for marketing research positions are (1) the ability to understand and interpret secondary data, (2) presentation skills, (3) foreign-language competency, (4) negotiation skills, and (5) information technology proficiency.

*Difficulty: 2 Medium*

*Learning Objective: 1.6 Discuss new skills and emerging trends in marketing research.*

50. What are some of the major emerging trends in the field of marketing research?

The general consensus in the marketing research industry is that five major trends are becoming evident: (1) increased emphasis on secondary data collection methods; (2) movement toward technology-related data management (optical scanning data, database technology, customer relationship management); (3) expanded use of digital technology for information acquisition and retrieval; (4) a broader international client base; and (5) movement beyond data analysis toward a data interpretation/information management environment.

*Difficulty: 2 Medium*

*Learning Objective: 1.6 Discuss new skills and emerging trends in marketing research.*