Chapter 2: Secondary Data: A Potential Big Data Input

Multiple Choice

1. Which of the following is not characteristic of secondary data?

   a. observation data collected for the project at hand
   b. might be relevant to the problem at hand
   c. gathered previously for another purpose
   d. might be relevant to problem and gathered previously for another purpose
   e. All are characteristic of secondary data.

   Answer: a

2. Which of the following would *not* be a source of internally generated secondary data?

   a. reports to stockholders
   b. government documents
   c. product testing results
   d. annual reports
   e. all of these are internally generated data

   Answer: b

3. Which of the following is *not* a source of externally generated secondary data?

   a. syndicated marketing research data
   b. news media reports
   c. Web-based reports
   d. salesperson strategic intelligence reports
   e. All of these are externally generated data.

   Answer: d

4. USA Today conducted a poll which found that 84% of the persons responding to the poll indicated they had changed in some significant way since 9/11. This type of data would be considered which of the following?

   a. internally generated secondary data
   b. internally generated primary data
   c. externally generated secondary data
   d. externally generated primary data
   e. none of these

   Answer: c

5. Which of the following is *not* an advantage of secondary data?

   a. Secondary data can help clarify the research problem.
   b. Secondary data may provide a solution to the problem.
   c. Secondary data may provide the sample frame.
   d. All of these are advantages of secondary data.

   Answer: d

6. A marketing researcher wants to know what percentage of consumers would purchase a car that has not yet been produced. She would likely have a hard time finding secondary data to address this due to _____.

   a. lack of availability
   b. lack of relevance
   c. inaccuracy
   d. insufficiency
   e. none of these

   Answer: a

7. A market researcher was negotiating with a client concerning the best way to accomplish the client's objectives. The researcher discovered a study, which had some circumstances similar to that of the present client. Which of the following best describes what happened?

    a. Secondary data provided primary research alternatives.
    b. Secondary data actually provided the solution to the problem.
    c. Secondary data helped to clarify the problem.
    d. Secondary data provided necessary background information.
    e. none of these

    Answer: a

8. Which of the following is not a limitation of secondary data?

    a. takes more time to collect than primary data
    b. may lack relevance for the present study
    c. may not be available in the form needed for the present study
    d. may not be accurate
    e. All of these are possible limitations of secondary data.

    Answer: a

9. Which of the following would be the least reliable source of secondary data? Data compiled by_____.

    a. the Federal Government
    b. a University Bureau of Business & Economic Research
    c. a major trade association
    d. city's Chamber of Commerce
    e. All of these are equally reliable.

    Answer: d

10. Which of the following websites would include the most credible data?

    a. U.S. Census Bureau
    b. local newspaper's website
    c. chamber of commerce website
    d. an individual's homepage
    e. Wikipedia

    Answer: a

11. What type of company could most easily compile a large internal database?

    a. CPG, such as Kellogg's
    b. service, such as Delta Airlines
    c. Online, such as Google
    d. entertainment, such as Universal

    Answer: c

12. When you are not sure who gathered secondary data, its _____ may be questionable.

    a. availability
    b. relevance
    c. accuracy
    d. timeliness
    e. none of these

    Answer: c

13. A marketing database would be easiest to set up for which type of business?

    a. traditional retailer
    b. international retailer
    c. online retailer
    d. specialty retailer

    Answer: c

14. All of the following are advantages of secondary data except:

   a. It can help clarify or redefine the problem during the exploratory research process.
   b. It may provide a solution to the problem.
   c. It may provide primary data research method alternatives.
   d. It may provide the necessary background information and build credibility for the research report.
   e. All of these about are advantages

15. Big data offers a firm which of the following:

   a. broader insights
   b. deeper insights
   c. inactive insights
   d. Both broader and deeper insights
   e. None of these

   Answer: d

16. Which of the following questions can help improve with checking the accuracy of secondary data?

   a. Who gathered the data?
   b. What was the purpose of the study?
   c. What information was collected?
   d. When was the information collected?
   e. All of these would help

   Answer: e

17. A firm's internal data base.

   a. First party data
   b. Second party data
   c. Third party data
   d. Fourth party data
   e. None of the above

   Answer: a

18. Data that two or more firms decide to share on a "private basis".

    a. First party data
    b. Second party data
    c. Third party data
    d. Fourth party data
    e. None of the above

    Answer: b

19. Data collected about people who aren't known to your organization.

    a. First party data
    b. Second party data
    c. Third party data
    d. Fourth party data
    e. None of the above

    Answer: c

20. A firm's data that is collected actively, such as through a questionnaire, or passively.

    a. First party data
    b. Second party data
    c. Third party data
    d. Fourth party data
    e. None of the above

    Answer: a

21. Requires financial corporations to tell their customers how they use their personal information and to have policies that prevent fraudulent access to it.

    a. Gramm-Leach-Bliley Act
    b. Health Insurance Portability and Accountability Act
    c. The Fair Credit Reporting Act
    d. The Children's Online Privacy Protection Act
    e. The General Data Protection Regulation

    Answer: a

22. Limits disclosure of individuals' medical information and imposes penalties on organizations that violate privacy rules.

   a. Gramm-Leach-Bliley Act
   b. Health Insurance Portability and Accountability Act
   c. The Fair Credit Reporting Act
   d. The Children's Online Privacy Protection Act
   e. The General Data Protection Regulation

   Answer: b

23. Promotes accuracy in consumer reports.

   a. Gramm-Leach-Bliley Act
   b. Health Insurance Portability and Accountability Act
   c. The Fair Credit Reporting Act
   d. The Children's Online Privacy Protection Act
   e. The General Data Protection Regulation

   Answer: c

24. Is meant to ensure the privacy of the information in consumer reports.

   a. Gramm-Leach-Bliley Act
   b. Health Insurance Portability and Accountability Act
   c. The Fair Credit Reporting Act
   d. The Children's Online Privacy Protection Act
   e. The General Data Protection Regulation

   Answer: c

25. Aims to give parents control over what information is collected from their children online and how such information may be used.

   a. Gramm-Leach-Bliley Act
   b. Health Insurance Portability and Accountability Act
   c. The Fair Credit Reporting Act
   d. The Children's Online Privacy Protection Act
   e. The General Data Protection Regulation

   Answer: d

26. Is the toughest data privacy law in the world. It

    a. Gramm-Leach-Bliley Act
    b. Health Insurance Portability and Accountability Act
    c. The Fair Credit Reporting Act
    d. The Children's Online Privacy Protection Act
    e. The General Data Protection Regulation

    Answer: e

27. Was passed by the European Union (EU) and put into effect in 2018.

    a. Gramm-Leach-Bliley Act
    b. Health Insurance Portability and Accountability Act
    c. The Fair Credit Reporting Act
    d. The Children's Online Privacy Protection Act
    e. The General Data Protection Regulation

    Answer: e

28. Which of the following is *not* required by the General Data Protection Regulation?

    a. The company must designate a person for data protection.
    b. The company must certify that processes minimize the impact on privacy rights.
    c. The company must collect only data needed immediately and not store data for unspecified use at a later date.
    d. The company must list all the data it collects on a public website.
    e. In the event of a data breach, the firm must inform the data subjects (persons impacted by the loss or theft of data) within 72 hours.

    Answer: d

True/False

1. Secondary data is more current than primary data.

   Answer: False

2. Secondary data can sometimes solve a marketing problem.

   Answer: True

3. Secondary data is previously gathered data that might be relevant to the problem at hand.

   Answer: True

4. Generally, the cost of collecting secondary data is about the same as the cost of collecting primary data.

   Answer: False

5. Secondary data can sometimes be used as a sample frame.

   Answer: True

6. Traditionally, the starting point for the development of an internal database was based on a firm's sales or inquiry processing and tracking system.

   Answer: True

7. Most consumers will never give up personal information to marketers.

   Answer: False

8. Secondary data is available for nearly every research question.

   Answer: False

9. Gathering secondary data is often an effective way to clarify a marketing problem.

   Answer: True

10. A company may already possess secondary information.

    Answer: True

11. A database could be created easier for a traditional store than for a Web retailer.

    Answer: False

12. Big data analytics takes into account all the data, structured and unstructured, to understand the complex, evolving, and interrelated conditions to produce more accurate insights.

    Answer: True

13. Big data is more about "why" than "what."

    Answer: False

14. Until recently, complex computer programs, such as programs for big data analysis, needed to run on expensive hardware, such as enormous mainframe computers.

    Answer: True

15. Big data researchers have insights into all the individual, all the products, all the parts, all the events, and all the transactions.

    Answer: True

16. Data from the Internet of Things is considered a data channel.

    Answer: True

17. Data from the wearables is considered a data channel.

    Answer: True

18. Passive data collection is using a methodology which takes place without the "participants" awareness

    Answer: True

19. Private data is collected about people who aren't known to your organization.

    Answer: False

20. Traditional marketing research wants to learn about how people feel about a product, a company, or an ad.

    Answer: True

21. With big data, why people do things is critically important.

    Answer: False

22. The huge growth of big data has resolved a number of data privacy problems and issues.

    Answer: False

23. There is no general federal law on data privacy.

    Answer: True

24. As of 2020, only California and Vermont have enacted state privacy laws.

    Answer: True

25. The California Consumer Privacy Act of 2018 went into effect on January 1, 2020 and only impacts companies headquartered in California.

    Answer: False

Essay Questions

1. What are some of the advantages of secondary data? More specifically, what are the advantages of secondary data over primary data?

   Answer: Advantages of Secondary Data:

   - Help clarify a problem during exploratory research
   - May provide a solution to a problem
   - Provide primary data research alternatives
   - Provide background information
   - Alert marketers to potential problems
   - Can be collected much more quickly than primary data
   - Costs are a fraction of the cost of acquiring primary data

2. An entrepreneur is contemplating establishing a funeral home in a small town. This person believes the demand for funeral home services is greater than the services being provided. Initially, the entrepreneur contacts a consultant and tells the consultant he needs a community survey to determine the total demand for funeral home services in the small town and surrounding communities. If you were the consultant, how would you react to the entrepreneur's request for a survey? What kind of counter proposal would you make?

   Answer: A survey would not be the best way to approach forecasting funeral home demand. The consultant could find secondary data, probably from the Census. That would yield death rates for the community in question, which could be extrapolated for the population growth to yield an estimates of the number of deaths in a particular geographic area.

3. Why should companies consider creating an internal marketing database? Name some types of information that might be found in this database and sources of this information.

   Answer: Internal marketing databases are an excellent way to identify and classify customers and to monitor their purchases. This gives the firm the ability to target their market offering more effectively. The types of information that might be in the database include the customer demographics, including names, addresses, telephone numbers, age, income, family members' names and ages, and preferences, as well as purchase history. Potential customers' names might also be listed with as much demographic information as is available. This information may come from several sources, including sales records, sales call reports, credit applications, registrations for "clubs," customer panel data, and registrations for gifts and prizes.

4. What is required by the General Data Protection Regulation>

   Answer: Under GDPR companies must: (1) designate a person for data protection, (2) certify that processes minimize the impact on privacy rights, (3) collect only data needed immediately and not store data for unspecified use at a later date, (4) in the event of a data breach, the firm must inform the data subjects (persons impacted by the loss or theft of data) within 72 hours.