

Chapter 1: What is CB and Why Should I Care?

TRUE/FALSE

1. An understanding of consumer behavior can mean better business for companies, better public policy for governments, and a better life for individuals.
ANS: T PTS: 1 DIF: Easy REF: p. 4
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
2. While consumer behavior refers to human thought and action, it is not considered a field of study.
ANS: F
Consumer behavior can be defined from two different perspectives: (1) human thought and action and (2) a field of study that is developing an accumulated body of knowledge.
PTS: 1 DIF: Moderate REF: p. 4 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
3. Consumer behavior can be thought of as the actions, reactions and consequences that take place as the consumer goes through a decision making process, reaches a decision and then uses the product.
ANS: T PTS: 1 DIF: Easy REF: p. 4
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
4. Consumer behavior is the set of value-seeking activities that take place as people go about addressing realized needs.
ANS: T PTS: 1 DIF: Easy REF: p. 4
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
5. The basic consumption process begins with the consumer recognizing that he or she wants something new.
ANS: F
Recognition of a need begins the consumption process. A want is simply a specific desire that spells out a way a consumer can go about addressing a recognized need.
PTS: 1 DIF: Hard REF: p. 5 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
6. The basic consumption process involves a consumer assessing the costs and benefits associated with a choice.
ANS: T PTS: 1 DIF: Moderate REF: p. 5
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
7. The final step in the consumption process is satisfaction.
ANS: F
The final step in the consumption process is value.
PTS: 1 DIF: Moderate REF: p. 5 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

8. An exchange is the acting out of a decision to give something up in return for something of equal value.
ANS: F
Something is given up in return for something of greater value.
PTS: 1 DIF: Hard REF: p. 5 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
9. Consumer behavior represents the process by which goods, services, or ideas are used and transformed into value.
ANS: F
This is the definition of consumption, not consumer behavior.
PTS: 1 DIF: Hard REF: p. 4-5 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
10. Costs involve more than just the price of the product.
ANS: T PTS: 1 DIF: Moderate REF: p. 5
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
11. Benefits are the only result of consumption.
ANS: F
Costs are also the result of consumption.
PTS: 1 DIF: Hard REF: p. 5 OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
12. Consumer behavior, as a field of study, is a very young field.
ANS: T PTS: 1 DIF: Hard REF: p. 6
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
13. Consumer behavior has family roots in other disciplines such as economics, anthropology, and psychology.
ANS: T PTS: 1 DIF: Moderate REF: p. 6
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
14. Marketing's roots in economics are evident in the production and distribution of goods.
ANS: T PTS: 1 DIF: Hard REF: p. 6
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Marketing Plan| R&D Knowledge of general business functions
15. Psychology is the study of human reactions to their environment.
ANS: T PTS: 1 DIF: Easy REF: p. 7
OBJ: 01-1
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
16. The subdisciplines of psychology that are highly relevant to consumer behavior are social psychology and experimental psychology.
ANS: F

The subdisciplines of psychology that are highly relevant to consumer behavior are social psychology and cognitive psychology.

PTS: 1 DIF: Moderate REF: p. 7 OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

17. Anthropology focuses on the thoughts, feelings and behaviors that people have as they interact with other people.

ANS: F

Social psychology focuses on the thoughts, feelings and behaviors that people have as they interact with other people.

PTS: 1 DIF: Moderate REF: p. 7 OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

18. Cognitive psychology is helpful in understanding how consumers process information from marketing communications such as advertisements.

ANS: T PTS: 1 DIF: Moderate REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

19. Marketing activities include the production, promotion, pricing, and distribution of goods, services, ideas, and experiences that provide value for consumers and other stakeholders.

ANS: T PTS: 1 DIF: Easy REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Marketing Plan| R&D Knowledge of general business functions

20. Consumer behavior focuses primarily on the study of groups of people within a society.

ANS: F

Sociology focuses on the study of groups of people within a society. Consumer behavior studies consumers as they go about the consumption process and encompasses knowledge from sociology as well as several other disciplines.

PTS: 1 DIF: Hard REF: p. 8 OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

21. Anthropology has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate.

ANS: T PTS: 1 DIF: Moderate REF: p. 8

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

22. A highly competitive marketplace in which consumers have many alternatives is more likely to result in better customer service than a marketplace with little competition.

ANS: T PTS: 1 DIF: Easy REF: p. 9

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

23. A market-oriented firm stresses the importance of creating value for customers among all employees.

ANS: T PTS: 1 DIF: Easy REF: p. 9

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

24. Relationship marketing is based on the belief that firm performance is enhanced through repeat business.
ANS: T PTS: 1 DIF: Easy REF: p. 10
OBJ: 01-2
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
25. Interaction points refer to direct contacts between the firm and a customer.
ANS: F
Touchpoints refer to direct contacts between the firm and a customer.
PTS: 1 DIF: Moderate REF: p. 10 OBJ: 01-2
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
26. One theory explaining why companies succeed or fail is attribution theory.
ANS: F
Resource-advantage theory is a theory explaining why companies succeed or fail and describes how the firm goes about obtaining resources from consumers in return for the value the resources create.
PTS: 1 DIF: Hard REF: p. 11 OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
27. Benefits are the physical parts of a product.
ANS: F
Attributes are the physical parts of a product.
PTS: 1 DIF: Moderate REF: p. 11 OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Product| R&D Knowledge of human behavior & society
28. A product is a potentially valuable bundle of benefits.
ANS: T PTS: 1 DIF: Moderate REF: p. 11
OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Product| R&D Knowledge of human behavior & society
29. Undifferentiated marketing means that the same basic product is offered to all customers.
ANS: T PTS: 1 DIF: Easy REF: p. 12
OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions
30. Undifferentiated marketers generally adopt a market orientation.
ANS: F
Undifferentiated marketers generally adopt a product orientation.
PTS: 1 DIF: Moderate REF: p. 12 OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions
31. A market orientation means innovation is geared primarily toward making the production process as efficient and economic as possible.
ANS: F
This is a product orientation.
PTS: 1 DIF: Moderate REF: p. 12 OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions
32. Differentiated marketing can be taken to the extreme with a practice known as one-to-one marketing.
ANS: T PTS: 1 DIF: Easy REF: p. 13

- OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions
33. Niche marketers specialize in serving one market segment.
ANS: T PTS: 1 DIF: Easy REF: p. 13
OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions
34. There are several approaches to studying consumer behavior, but most researchers agree that the interpretive approach is the best.
ANS: F
Consumer researchers have many tools and approaches with which to study consumer behavior, and researchers don't always agree on which approach is the best.
PTS: 1 DIF: Hard REF: p. 15 OBJ: 01-3
TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society
35. Interpretive research seeks to explain the inner meanings and motivations associated with specific consumption experiences.
ANS: T PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4
TOP: AACSB Reflective Thinking| CB&C Model Customer| CB&C Model Research| R&D Knowledge of human behavior & society
36. Quantitative research tools include things such as cases analyses, clinical interviews, focus group interviews and other tools in which data are gathered in a relatively unstructured way.
ANS: F
These are qualitative research tools.
PTS: 1 DIF: Moderate REF: p. 16 OBJ: 01-4
TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society
37. Data generated from qualitative research are considered "researcher-dependent."
ANS: T PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4
TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society
38. The roots of interpretive consumer research go back over 150 years to the earliest days of consumer research.
ANS: F
The roots of interpretive research go back over 50 years.
PTS: 1 DIF: Hard REF: p. 16 OBJ: 01-4
TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society
39. The motivational research era in consumer research proved to be very useful in providing satisfying explanations for consumer behavior on a large scale.
ANS: F
The motivational research era proved disappointing in providing satisfying explanations of consumer behavior on a large scale.
PTS: 1 DIF: Moderate REF: p. 16 OBJ: 01-4
TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society
40. Two common interpretative orientations are psychology and sociology.

ANS: F

Two common interpretative orientations are phenomenology and ethnography.

PTS: 1 DIF: Hard REF: p. 16 OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

41. The phenomenological researcher relies on highly-structured, formal interviews with consumers.

ANS: F

The phenomenological research relies on casual interviews.

PTS: 1 DIF: Moderate REF: p. 16 OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

42. An ethnographic approach to studying consumers often involves analyzing the artifacts associated with consumption.

ANS: T PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

43. A researcher measuring consumers' attitudes toward different brands on a scale ranging from 1 (very negative) to 5 (very positive) is using qualitative research.

ANS: F

Quantitative research uses numerical measurement and analysis tools.

PTS: 1 DIF: Hard REF: p. 17 OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

44. Interpretation of quantitative research data is a function of the researcher's opinion.

ANS: F

Unlike qualitative data, quantitative data are not researcher dependent, that is, the interpretation of the data is not a matter of opinion.

PTS: 1 DIF: Moderate REF: p. 17 OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

45. Qualitative research better enables researchers to test hypotheses as compared to quantitative research.

ANS: F

Quantitative research better enables researchers to test hypotheses as compared to qualitative research.

PTS: 1 DIF: Moderate REF: p. 17 OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

46. Trends shaping the value received by consumers include internationalization, technological changes, changing communications, changing demographics, and the changing economy.

ANS: T PTS: 1 DIF: Moderate REF: p. 18-20

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

47. Companies must deal only with geographical distances when operating in different countries.

ANS: F

Companies must deal with cultural distances as well.

PTS: 1 DIF: Moderate REF: p. 18 OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C International perspective| R&D Knowledge of human behavior & society

48. The Internet has made geographical distance almost a non-issue.

ANS: T PTS: 1 DIF: Easy REF: p. 19

OBJ: 01-5

TOP: AACSB Technology| CB&C Model Online/Computer| R&D Knowledge of technology, design, & production

49. One demographic trend impacting marketers is that households increasingly include two primary income providers.

ANS: T PTS: 1 DIF: Easy REF: p. 19

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

50. One demographic trend shaping consumer behavior is the decreasing birth rates in the U.S. and Europe.

ANS: T PTS: 1 DIF: Moderate REF: p. 20

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

MULTIPLE CHOICE

1. From which two perspectives can consumer behavior be defined?
- primary and secondary
 - human thought and behavior and as a field of study
 - social and psychological
 - as an input and as an outcome
 - based on needs or based on wants

ANS: B PTS: 1 DIF: Hard REF: p. 4

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

2. A market researcher focuses on the psychological process, including thoughts, feelings, and behavior that people experience once they realize they have an unmet need. The human behavior that makes up the set of value-seeking activities that the researcher is examining is best described as ____.
- marketing
 - consumer behavior
 - cognitive psychology
 - social interaction
 - consumption

ANS: B PTS: 1 DIF: Hard REF: p. 4

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

3. The first step in the basic consumption process is ____.
- cost and benefit analysis
 - reaction
 - value assessment
 - want specification
 - need realization

ANS: E PTS: 1 DIF: Moderate REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior &

society

4. What is the last step in the basic consumption process?
- exchange
 - value
 - reaction
 - want
 - costs and benefits

ANS: B PTS: 1 DIF: Easy REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

5. Renee is going to a formal dance next month and goes shopping for a full-length gown. The gown is an example of a(n) _____ in the basic consumption process.
- need
 - want
 - reaction
 - outcome
 - satisfier

ANS: B PTS: 1 DIF: Moderate REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

6. The acting out of a decision to give something up in return for something of greater value is known as _____.
- exchange
 - marketing
 - consumption
 - consumer behavior
 - benefitizing

ANS: A PTS: 1 DIF: Moderate REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

7. Customers pay money for products they believe will satisfy their needs and wants. This transfer of money for goods or services is best described as _____.
- benefit gratification
 - consumption
 - transformational marketing
 - exchange
 - consumer behavior

ANS: D PTS: 1 DIF: Hard REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

8. _____ can be thought of as negative results of consumption.
- Wants
 - Reactions
 - Costs
 - Benefits

e. Consequences

ANS: C PTS: 1 DIF: Easy REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

9. Dana and John are expecting their first child and are purchasing furniture for the nursery. They are searching the Internet, reading parents' magazines and paying attention to the advertisements, and visiting many stores because they want to purchase the best quality furniture that fits their budget. The effort they are expending to ensure they make the right decision can be described as a _____ associated with the consumption process.

- a. cost
- b. reaction
- c. value outcome
- d. benefit
- e. satisfier

ANS: A PTS: 1 DIF: Hard REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

10. Positive outcomes of consumption are referred to as _____.

- a. costs
- b. consequences
- c. benefits
- d. enhancers
- e. satisfiers

ANS: C PTS: 1 DIF: Easy REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

11. Apple sold more than 7 million iPads within months of launching the product. Prices for this product ranged from \$499 to more than \$800, and Apple had difficulty keeping up with the demand.

Obviously, the _____ outweighed the _____ for this product.

- a. satisfaction; demand
- b. need; want
- c. consumption; need
- d. benefits; costs
- e. want; demand

ANS: D PTS: 1 DIF: Hard REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

12. _____ represents the process by which goods, services or ideas are used and transformed into value.

- a. Value transfer
- b. Cost conversion
- c. Benefits conversion
- d. Consumption
- e. Marketing

ANS: D PTS: 1 DIF: Moderate REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

13. When consumers recognize they have an unmet need, they usually seek out specific products or services that they believe will satisfy that need and provide value to them. They are willing to give up something, such as money and effort, to find the products or services that will provide the benefits they seek. This process that consumers go through to satisfy their needs is best described as the _____ process.
- marketing
 - consumption
 - exchange
 - internal
 - purchase

ANS: B

PTS: 1

DIF: Hard

REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

14. A description for a marketing course in a college course catalog states, "This course represents the study of consumers as they go about the consumption process." What course is this best describing?
- Consumer Marketing
 - Value-based Marketing
 - Promotion
 - Consumption Marketing
 - Consumer Behavior

ANS: E

PTS: 1

DIF: Moderate

REF: p. 5

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

15. Which of the following is NOT a discipline in which consumer behavior has roots?
- economics
 - accounting
 - anthropology
 - social psychology
 - sociology

ANS: B

PTS: 1

DIF: Hard

REF: p. 6

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

16. Which discipline is often defined as the study of production and consumption?
- marketing
 - psychology
 - economics
 - distribution
 - anthropology

ANS: C

PTS: 1

DIF: Moderate

REF: p. 6

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of general business functions

17. Juan is majoring in a discipline that examines the production and consumption of goods and services. Which of the following best describes Juan's major?
- a. economics
 - b. accounting
 - c. anthropology
 - d. psychology
 - e. production management

ANS: A PTS: 1 DIF: Hard REF: p. 6

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of general business functions

18. Which discipline studies human reactions to their environment?
- a. marketing
 - b. economics
 - c. psychology
 - d. anthropology
 - e. sociology

ANS: C PTS: 1 DIF: Hard REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

19. Marian is trying to decide on a college major, so she took an aptitude test offered by the career services office at her school. The results indicated that she is interested in understanding how people react to their environment and is concerned with their thoughts, feelings, and behaviors. Which of the following disciplines should Marian pursue?
- a. accounting
 - b. economics
 - c. anthropology
 - d. psychology
 - e. biology

ANS: D PTS: 1 DIF: Hard REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

20. Social psychologists focus on the ____.
- a. intricacies of mental reactions involved in information processing
 - b. production and consumption of goods and services
 - c. value-producing activities that facilitate exchanges between buyers and sellers
 - d. relationships between people and their possessions
 - e. thoughts, feelings, and behaviors that people have as they interact with other people

ANS: E PTS: 1 DIF: Hard REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

21. John is a psychologist and analyzes the thoughts, feeling and behaviors that people have as they interact with other people in groups. John is a ____.
- a. qualitative psychologist
 - b. group psychologist
 - c. quantitative psychologist

- d. cognitive psychologist
- e. social psychologist

ANS: E PTS: 1 DIF: Moderate REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

22. Melanie is a psychologist who studies consumer behavior. She specializes in the mental reactions involved in consumer information processing, such as how advertisements persuade consumers to buy a product. Which field of psychology is Melanie practicing?
- a. qualitative psychology
 - b. personal psychology
 - c. quantitative psychology
 - d. cognitive psychology
 - e. social psychology

ANS: D PTS: 1 DIF: Hard REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

23. _____ involves the multitude of value-producing activities that facilitate exchanges between buyers and sellers.
- a. Consumption
 - b. Consumer behavior
 - c. Marketing
 - d. Psychology
 - e. Economics

ANS: C PTS: 1 DIF: Moderate REF: p. 7

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Marketing Plan| R&D Knowledge of general business functions

24. Marketing as a recognized discipline grew out of which two other disciplines?
- a. economics and psychology
 - b. economics and accounting
 - c. psychology and anthropology
 - d. psychology and sociology
 - e. sociology and economics

ANS: A PTS: 1 DIF: Hard REF: p. 8

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Marketing Plan| R&D Knowledge of general business functions

25. If you wanted to learn how groups of people interact within society, which discipline should you study?
- a. economics
 - b. sociology
 - c. anthropology
 - d. cognitive psychology
 - e. astrology

ANS: B PTS: 1 DIF: Moderate REF: p. 8

OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

26. Which discipline has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate?
- a. economics
 - b. sociology
 - c. anthropology
 - d. cognitive psychology
 - e. astrology

ANS: C PTS: 1 DIF: Hard REF: p. 8
OBJ: 01-1

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

27. Two factors should be considered when trying to understand how important serving customers well should be to any given organization. The first factor is the competitiveness of the marketing environment, and the second is the ____.
- a. price charged for the product or service
 - b. income level of customers
 - c. social impact
 - d. dependency of the marketer on repeat business
 - e. objectives of the marketer

ANS: D PTS: 1 DIF: Moderate REF: p. 8
OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

28. Kim moved from one house in a neighborhood to another house in a nearby neighborhood. She called her trash collection company to inform them of her address change and was dismayed to learn that her trash collection bill will be \$10 a month higher than it was at her previous residence even though it is the same company. She commented on this and was told by the lady from the company that was the price and she can deal with removing her own trash if she didn't like the price hike. Kim just had to pay the higher price because there was no other company allowed to service this neighborhood. What is the best reason why Kim was treated so poorly by this company?
- a. the trash company was dependent on her repeat business
 - b. there are no other competitors providing this service
 - c. it is a regulated service
 - d. Kim preferred this company over any others
 - e. the company really doesn't need her business

ANS: B PTS: 1 DIF: Hard REF: p. 8
OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

29. Which orientation refers to a way of doing business in which the actions and decision making of the institution prioritize consumer value and satisfaction above all other concerns?
- a. product orientation
 - b. production orientation
 - c. consumer orientation
 - d. sales orientation
 - e. benefit orientation

ANS: C PTS: 1 DIF: Easy REF: p. 9

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

30. The Ritz-Carlton Hotel has a culture that embodies the importance of creating value for guests among all employees. One way this is implemented is giving the front desk employees the authority to correct a problem presented by a guest without having to have approval from a manager. Which type of orientation does his company embrace?
- a. market orientation
 - b. product orientation
 - c. production orientation
 - d. sales orientation
 - e. outward orientation

ANS: A PTS: 1 DIF: Hard REF: p. 9

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

31. Which of the following is based on the belief that firm performance is enhanced through repeat business?
- a. acquisition marketing
 - b. outward marketing
 - c. inward marketing
 - d. repetition marketing
 - e. relationship marketing

ANS: E PTS: 1 DIF: Easy REF: p. 10

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

32. _____ refer to direct contacts between the firm and a customer.
- a. Touchpoints
 - b. Intersections
 - c. Interaction points
 - d. Moments of truth
 - e. Counterpoints

ANS: A PTS: 1 DIF: Moderate REF: p. 10

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

33. All of the following are examples of touchpoints EXCEPT _____.
- a. a consumer placing an order over the telephone
 - b. a customer asking an attendant for directions at an amusement park
 - c. a consumer replying to a request sent in an email by a company
 - d. a consumer watching a television commercial
 - e. a guest checking into a hotel

ANS: D PTS: 1 DIF: Hard REF: p. 10

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

34. The ultimate hallmark of success for a business is _____.

- a. maximum profits
- b. maximum sales
- c. long-term survival
- d. short-term sales
- e. monopoly

ANS: C PTS: 1 DIF: Hard REF: p. 10

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

35. Obtaining resources from consumers in return for the value they create is a basic tenet of _____, which is a theory explaining why companies succeed or fail.

- a. attribution theory
- b. resource-advantage theory
- c. the marketing concept
- d. the theory of reasoned action
- e. resource-elaboration theory

ANS: B PTS: 1 DIF: Moderate REF: p. 11

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

36. The physical parts of a product are known as _____.

- a. benefits
- b. elements
- c. attributes
- d. resources
- e. components

ANS: C PTS: 1 DIF: Moderate REF: p. 11

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Product| R&D Knowledge of human behavior & society

37. All of the following are examples of product attributes EXCEPT _____.

- a. quality
- b. satisfaction
- c. styling
- d. weight
- e. safety

ANS: B PTS: 1 DIF: Hard REF: p. 11

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Product| R&D Knowledge of human behavior & society

38. A product is defined as _____.

- a. a potentially valuable bundle of benefits
- b. physical good offered to satisfy a need
- c. an item offering perceived value to a target market
- d. a resource allocated toward satisfying a felt need
- e. benefit offered for exchange

ANS: A PTS: 1 DIF: Hard REF: p. 11

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Product| R&D Knowledge of human behavior & society

39. Offering the same basic product to all customers is which type of business orientation?
- undifferentiated marketing
 - differentiated marketing
 - niche marketing
 - product marketing
 - production marketing

ANS: A

PTS: 1

DIF: Easy

REF: p. 12

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions

40. Walmart's supply chain is as efficient and as economic as possible, which allows it to offer lower prices than competing retailers. With only a few exceptions, Walmart offers the same basic products in all of its stores, even worldwide. What orientation does this illustrate?
- market orientation
 - customer orientation
 - production orientation
 - linear orientation
 - undifferentiated orientation

ANS: C

PTS: 1

DIF: Hard

REF: p. 12

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

41. A company embracing differentiated marketing will ____.
- offer the same basic product to all market segments
 - adopt innovative production processes to gain efficiency and economies of scale
 - specialize in serving one market segment with particularly unique demand characteristics
 - focus marketing efforts on the largest market segment
 - serve multiple market segments each with a unique product offering

ANS: E

PTS: 1

DIF: Hard

REF: p. 13

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

42. Procter & Gamble sells six different brands of laundry detergent, each with a unique offering for different market segments. Which business orientation does this illustrate?
- undifferentiated marketing
 - differentiated marketing
 - niche marketing
 - product marketing
 - multiple marketing

ANS: B

PTS: 1

DIF: Moderate

REF: p. 13

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions

43. Some marketers offer each individual customer a different product, so each customer is essentially treated as a segment of one. Which way of doing business does this represent?
- undifferentiated marketing

- b. personalized marketing
- c. customer-based marketing
- d. one-to-one marketing
- e. niche marketing

ANS: D PTS: 1 DIF: Moderate REF: p. 13

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions

44. Lane Bryant is a women's clothing store specializing in stylish clothing and flattering fits for plus-sized women. Which business orientation best describes Lane Bryant's approach?
- a. niche marketing
 - b. one-to-one marketing
 - c. mass marketing
 - d. product marketing
 - e. undifferentiated marketing

ANS: A PTS: 1 DIF: Moderate REF: p. 13

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of general business functions

45. When consumers study consumer behavior, they should come to make better decisions. Which of the following can be helpful in enlightening consumers?
- a. Consequences associated with poor budget allocation.
 - b. The role of emotions in consumer decision making.
 - c. Avenues for seeking redress for unsatisfactory purchases.
 - d. The effect of the environment on consumer behavior.
 - e. All of the above.

ANS: E PTS: 1 DIF: Easy REF: p. 15

OBJ: 01-3

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

46. In which research approach to understanding consumers do researchers derive meaning from talking to people and observing behavior rather than analyzing data?
- a. interpretive research
 - b. quantitative research
 - c. concentric research
 - d. depth research
 - e. dynamic research

ANS: A PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

47. Kayla is engaged in research that seeks to explain the inner meanings and motivations associated with purchasing clothing. She records and analyzes the words that consumers use to describe events and observes shoppers in stores. From that, she develops an understanding of what motivates shoppers. What type of research is Kayla performing?
- a. quantitative research
 - b. interpretive research
 - c. soft research
 - d. sociological research

e. independent research

ANS: B PTS: 1 DIF: Hard REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

48. What does it mean when research results are “researcher dependent”?
- a. it means the design of the research is a function of the researcher’s skills and training
 - b. it means the research results are generalizable to other research situations
 - c. it means an unstructured research design was used and the results cannot be replicated by other researchers
 - d. it means that the results are only significant if the researcher validates them
 - e. it means the interpretation of the results is a matter of the researcher’s opinion until corroborate by other findings

ANS: E PTS: 1 DIF: Hard REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

49. Which type of research includes tools such as case analyses, clinical interviews, focus group interviews, and other tools in which data are gathered in a relatively unstructured way?
- a. quantitative research
 - b. qualitative research
 - c. soft research
 - d. preliminary research
 - e. secondary research

ANS: B PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

50. Two common interpretive research orientations are ____.
- a. regression and cluster analysis
 - b. psychology and sociology
 - c. phenomenology and ethnography
 - d. primary and secondary
 - e. qualitative and quantitative

ANS: C PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

51. ____ represents the study of consumption as a “lived experience” and relies on casual interviews with consumers from whom the researcher has won confidence and trust?
- a. Touchpoint analysis
 - b. Psychology
 - c. Sociology
 - d. Phenomenology
 - e. Conjoint analysis

ANS: D PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior &

society

52. _____ has roots in anthropology and often involves analyzing the artifacts associated with consumption.
- a. Sociology
 - b. Phenomenology
 - c. Ethnography
 - d. Conjoint analysis
 - e. Grounded theory

ANS: C PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

53. Clark is a college student and has been hired by a consumer research firm to help a pizza restaurant learn more about the college market. Part of his job entails hanging out with other students and observing how they decide when to order pizza, which pizza restaurants they order from, how they eat it, and what they do with the leftovers, if any. Clark learned from his observations that some students like to put French dressing on their pizza, which led the pizza restaurant to advertise and offer the dressing with orders. Which interpretive orientation does this best illustrate?
- a. ethnography
 - b. quantitative research
 - c. sociology
 - d. grounded theory
 - e. demography

ANS: A PTS: 1 DIF: Hard REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

54. _____ research addresses questions about consumer behavior using numerical measurement and analysis tools.
- a. Quantitative
 - b. Qualitative
 - c. Interpretive
 - d. Initial
 - e. Final

ANS: A PTS: 1 DIF: Easy REF: p. 17

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

55. A consumer research study analyzes the factors, such as age, income, and stage of family life cycle, predicting a consumer's likelihood to purchase a 3-D television. Data were collected from 3,000 consumers using a structured questionnaire. Which type of research does this represent?
- a. qualitative
 - b. interpretive
 - c. quantitative
 - d. structured
 - e. focused

ANS: C PTS: 1 DIF: Hard REF: p. 17

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior &

society

56. What is the difference between qualitative and quantitative research?
- Qualitative research is used for hypothesis testing, and quantitative research is only used for descriptive analyses.
 - Quantitative research is longitudinal, and qualitative research is cross-sectional.
 - Qualitative research is researcher dependent, and quantitative research is not.
 - Quantitative research is researcher dependent, and qualitative research is not.
 - Quantitative research results in primary data, and qualitative research results in secondary data.

ANS: C PTS: 1 DIF: Hard REF: p. 17

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

57. All of the following are true regarding quantitative research EXCEPT ____.
- common purpose is to test hypotheses or specific research questions
 - structured response categories provided
 - samples are typically large to produce generalizable results
 - descriptive and causal research designs most often used
 - results are subjective

ANS: E PTS: 1 DIF: Hard REF: p. 17

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

58. Which of the following is NOT a trend shaping the value received by consumers today?
- internationalization
 - technological changes
 - market compression
 - changing demographics
 - changing communications

ANS: C PTS: 1 DIF: Hard REF: p. 18

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

59. Which of the following is a demographic trend shaping consumer behavior patterns?
- family size is increasing
 - households increasingly include two primary income providers
 - birthrates are increasing in the U.S. and Europe
 - lower levels of consumer affluence in the U.S.
 - decreasing life expectancy in the U.S.

ANS: B PTS: 1 DIF: Hard REF: p. 19

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

60. Which aspect of the changing economy likely has the most impact on consumer spending?
- high interest rates
 - high tax rates
 - high inflation rate
 - high prices
 - high unemployment rate

ANS: E

PTS: 1

DIF: Hard

REF: p. 20

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

RESTAURANT RESEARCH SCENARIO

Insight Research, a marketing research company, has been hired by a national chain of family restaurants to help them better understand their customers and how to serve them better. The restaurant chain has several competitors competing for the same type of customers and has experienced sales declines in the past few years. Researchers go “under cover” and pretend to be customers so that they will fit in while they observe the interactions between customers and the wait staff. Then they write a report of their interpretations of what they experienced personally while pretending to be a customer as well as what they saw regarding interactions of other customers with each other and with the employees of the restaurant. Some example conclusions drawn were that the employees were not especially attentive to the customers and that customers were overheard as saying they didn’t intend to come back. Some researchers also noted that the food was not very good, and they saw several customers send orders back.

61. Refer to Restaurant Research Scenario. Which of the following is the best reason why this restaurant chain should be concerned about customer satisfaction?
- because all restaurants should be concerned about customer satisfaction
 - because treating customers well is the concern of all businesses
 - because the marketplace is competitive and the restaurant is dependent on repeat business
 - because serving customers well is just the right thing to do
 - because other restaurants in the marketplace are offering price discounts and delivering superior customer satisfaction

ANS: C

PTS: 1

DIF: Hard

REF: p. 8

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Strategy| R&D Knowledge of human behavior & society

62. Refer to Restaurant Research Scenario. When customers interact with the wait staff, what are these interactions called?
- moments of truth
 - interactions
 - process nodes
 - touchpoints
 - performance evaluations

ANS: D

PTS: 1

DIF: Moderate

REF: p. 10

OBJ: 01-2

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

63. Refer to Restaurant Research Scenario. Which of the following can be a criticism of the research approach used by Insight Research?
- not providing useful information to the restaurant
 - results are objective
 - data are researcher dependent
 - presence of the researcher could have influenced the actions of consumers
 - interpretive research is not an acceptable approach for understanding consumer behavior

ANS: C

PTS: 1

DIF: Hard

REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research| R&D Knowledge of human behavior & society

64. Refer to Restaurant Research Scenario. Which research approach is Insight Research using to better understand this restaurant's customers?
- quantitative
 - selective
 - secondary
 - focused
 - qualitative

ANS: E PTS: 1 DIF: Moderate REF: p. 16

OBJ: 01-4

TOP: AACSB Reflective Thinking| CB&C Model Research|R&D Knowledge of human behavior & society

65. Refer to Restaurant Research Scenario. Which demographic trend discussed in Chapter 1 should result in the restaurant experiencing an increase, not a decrease, in sales?
- rise in households with a stay-at-home mom
 - rise in households with two primary income providers
 - decreasing birth rates
 - increasing unemployment rate
 - advances in technology

ANS: B PTS: 1 DIF: Hard REF: p. 19

OBJ: 01-5

TOP: AACSB Reflective Thinking| CB&C Model Customer| R&D Knowledge of human behavior & society

ESSAY

1. Compare and contrast the concepts *consumption* and *consumer behavior*.

ANS:

Consumer behavior can be defined from two different perspectives. This is because the term refers to both:

- Human thought and action, and
- A field of study (human inquiry) that is developing an accumulated body of knowledge.

First, **consumer behavior** is the set of value seeking activities that take place as people go about addressing realized needs. **Consumption** represents the process by which goods, services, or ideas are used and transformed into value.

Consumer behavior as a field of study represents the study of consumers as they go about the consumption process.

PTS: 1 DIF: Moderate REF: p. 4-5 OBJ: 01-1

TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| R&D Knowledge of human behavior & society

2. Discuss the relevant contributions of one other discipline to the study of consumer behavior.

ANS:

Consumer behavior has roots in several other disciplines, such as economics, psychology (social psychology and cognitive psychology), marketing, sociology, and anthropology. Students can discuss any one of these.

Economics - the study of production and consumption. Marketing has its origins in economics, particularly with respect to the production and distribution of goods. By definition, economics also involves consumption. However, the economist's focus on consumer behavior is generally a broad, or macro, perspective, not individual consumers. Consumer behavior researchers generally study consumer behavior at a more micro level, often focusing on individual consumer behavior.

Psychology - the study of human reactions to their environment including behavior and mental processes. Social psychology (group behavior) and cognitive psychology (mental reactions), in particular, are highly relevant to consumer behavior. Consumer behavior most often takes place in some type of social settings; thus, social psychology and consumer behavior overlap significantly. Every time a consumer evaluates a product, sees an advertisement, or reacts to product consumption, information is processed. Thus, cognitive psychology is also very relevant to consumer behavior.

Marketing - involves the multitude of value-producing seller activities that facilitate exchanges between buyers and sellers. Consumer behavior and marketing are very closely related. Exchange is ultimately involved in marketing and is central to consumer behavior too. Marketing actions are targeted at and affect consumers while consumer actions affect marketers.

Sociology - focuses on the study of groups of people within a society. This has relevance for consumer behavior because consumption often takes place within group settings or is in one way or another affected by group behavior.

Anthropology - has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate.

PTS: 1 DIF: Moderate REF: p. 6-8 OBJ: 01-1
TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| R&D
Knowledge of human behavior & society

3. Explain why consumers get treated differently in different types of exchange environments. Give an example of a situation where you were treated poorly by a business and explain why you might have been treated that way.

ANS:

Two questions help explain how important serving customers well should be to any given organization:

1. How competitive is the marketing environment?
2. How dependent is the marketer on repeat business?

A business operating in a market with little or no competition and a captive audience can still survive no matter how poor the service because they know consumers will return to do more business if that is the only option available (e.g., driver's license bureau). On the other hand, a business operating in a highly competitive marketplace in which consumers have many alternatives practically insures good customer service.

Students examples will vary, but they should include a discussion of one or both questions above in their explanation.

PTS: 1 DIF: Moderate REF: p. 8-9 OBJ: 01-2
TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| R&D
Knowledge of human behavior & society

4. Explain the role of consumer behavior in business and society.

ANS:

Consumer behavior (CB) is important in at least three ways:

1. CB as an input to business/marketing strategy.
2. CB as a force that shapes society.
3. CB as an input to making responsible decisions as a consumer.

Consumer behavior influences the way a company will do business. Undifferentiated marketing means that the same basic product is offered to all customers. Differentiated marketers serve multiple market segments each with a unique product offering. Niche marketing is practiced by firms that specialize in serving one market segment with particularly unique demand characteristics. Understanding customers and potential customers guides marketers to the appropriate way of doing business for a given situation.

The things that people buy and consume end up determining the type of society in which we live. Things like customs, manners, and rituals all involve consumption-value producing activities. Therefore, our collective choices as consumers shape the societies in which we live.

Finally, when consumers study consumer behavior, they should come to make better decisions. Several topics can be particularly helpful in enlightening consumers including:

1. Consequences associated with poor budget allocation.
2. The role of emotions in consumer decision making.
3. Avenues for seeking redress for unsatisfactory purchases.
4. Social influences on decision making, including peer pressure.
5. The effect of the environment on consumer behavior.

PTS: 1 DIF: Hard REF: p. 10-15 OBJ: 01-3

TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| CB&C Model Strategy| R&D Knowledge of human behavior & society| R&D Knowledge of general business functions

5. Apple wants to learn how consumers use its blockbuster product, the iPad. Suggest an appropriate research approach and describe how it can be implemented.

ANS:

Students's responses will vary. Either a qualitative or a quantitative approach is appropriate.

Qualitative research tools include things such as case analyses, clinical interviews, focus group interviews and other tools in which data are gathered in a relatively unstructured way. Data of this type requires that the researcher interprets its meaning. Therefore, the data are considered "researcher-dependent." Interpretive research, which seeks to explain the inner meanings and motivations associated with specific consumption experiences, falls into the category of qualitative research. Two common interpretive orientations are phenomenology and ethnography. Students examples will vary, but if they describe this research approach, they should describe one that is unstructured and does not rely on numerical answers.

Quantitative research addresses questions about consumer behavior using numerical measurement and analysis tools. The measurement is usually structured, meaning that the consumer will simply choose a response from among alternatives supplied by the researcher. Unlike qualitative research, the data are not researcher dependent. This type of research better enables researchers to test hypotheses as compared to interpretive research. Quantitative research is more likely to stand on its own and not require deep interpretation. Students examples will vary, but if they suggest this research approach, they should describe activities such as using questionnaires to gather numerical answers and statistical analyses.

PTS: 1 DIF: Hard REF: p. 16-17 OBJ: 01-4

TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Research| R&D Knowledge of human behavior & society

6. Briefly discuss three recent trends shaping consumer behavior.

ANS:

Five trends shaping the value received by consumers today are discussed in the chapter: (1) internationalization, (2) technological changes, (3) changing communications, (4) changing demographics, (5) changing economy. Students can discuss any three.

Internationalization - While businesses are expanding worldwide, companies must deal not only with geographical distances, but with cultural distances as well. Although chains, such as Starbucks, can be found worldwide, consumers are not alike everywhere these firms operate.

Technology - The Internet has made geographical distance almost a non-issue, consumers can shop on his or her own schedule, and communication technology has also advanced tremendously.

Communications - Technology is changing how consumers communicate with each other. Electronic communications are replacing face-to-face communications, with older consumers embracing email and younger ones relying on social media.

Demographics - In most of the western world, notable demographic trends have shaped consumer behavior patterns greatly. First, households increasingly include two primary income providers. Second, family size is decreasing throughout the U.S. and Europe. China and India offer opportunities due to their large populations.

Economy - High unemployment rate and financial market turmoil have led consumers to be more cautious and react favorably to price-cutting policies. Consumers perceive lower discretionary income.

PTS: 1 DIF: Moderate REF: p. 17-20 OBJ: 01-5

TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| CB&C Model International perspective| R&D Knowledge of human behavior & society

7. In addition to the demographic trends discussed in Chapter 1, discuss one other demographic trend in the United States and how that trend will influence consumer behavior.

ANS:

The chapter discusses two U.S. demographic trends: households with two primary income providers and declining birth rates. Other trends students might discuss are:

(1) aging population - large percentage of U.S. population - "baby boomers" - retiring will increase demand for financial services, leisure products, and health care.

(2) geographic shifts - the latest census shows population shifts to the south and west, resulting in increased demand for all products and services in those regions and a decrease in other regions.

(3) increasing immigration - increasing Hispanic and Asian immigration, legal or otherwise, is changing the landscape of America and will require marketers to better understand these cultures.

These are just suggestions of what students might discuss. Specific answers to this question are not found in this chapter.

PTS: 1 DIF: Hard REF: p. 19 OBJ: 01-5

TOP: AACSB Reflective Thinking| AACSB Communication| CB&C Model Customer| R&D Knowledge of human behavior & society