

Chapter 1: The Role of Marketing Research in Management Decision Making

Multiple Choice

- 1) Which of the following is *not* part of the definition of marketing?
- a. planning and execution regarding the marketing mix
 - b. creating exchange
 - c. gauging production efficiency
 - d. satisfying consumer needs as well as organizational objectives
 - e. All of the above are part of the definition of marketing.

Ans: C

Difficulty: Easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

- 2) The fact that cell phones now come in a vast array of designs and colors relates to which specific component of the marketing concept?
- a. production orientation
 - b. systems orientation
 - c. goal orientation
 - d. consumer orientation
 - e. none of the above

Ans: D

Difficulty: Easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

- 3) Target marketing most closely identifies with which of the following orientations?
- a. production orientation
 - b. systems orientation
 - c. goal orientation
 - d. consumer orientation
 - e. All are part of the requirements for adopting the marketing concept.

Ans: D

Difficulty: Medium

Response: See page: 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

- 4) Achieving a 15% rate of return on investment would identify with which of the following orientations?
- a. production orientation
 - b. systems orientation
 - c. goal orientation
 - d. consumer orientation
 - e. All are part of the requirements for adopting the marketing concept.

Ans: C

Difficulty: Medium

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

- 5) Which of the following is under control of the marketer?
- a. The external environment
 - b. The marketing mix
 - c. Economic conditions
 - d. Political stability
 - e. None of the above is under marketers' control.

Ans: B

Difficulty: Easy

Response: See page 3

Ref: Nature of Marketing

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

- 6) Which of the following is *not* done by marketing research?
- a. specifying information to address a marketing issue
 - b. managing the data collection process
 - c. analyzing data from the collection process
 - d. based on the information deciding to terminate a product or service that is not meeting organizational goals
 - e. All of the above are done by marketing research.

Ans: D

Difficulty: Medium

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.3: To define marketing research.

7) Determining what consumer attitudes are with regard to a particular product and its advertising would be part of the _____ function in marketing research.

- a. descriptive
- b. diagnostic
- c. predictive
- d. forecasting
- e. none of the above

Ans: A

Difficulty: Medium

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

8) At the heart of marketing research is the analysis of _____.

- a. decisions
- b. results
- c. data
- d. management
- e. none of the above

Ans: C

Difficulty: Hard

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.3: To define marketing research.

9) The best way for a business to achieve brand loyalty is to measure and monitor _____.

- a. production output
- b. customer satisfaction
- c. continual improvement
- d. none of the above
- e. all of the above

Ans: B

Difficulty: Medium

Response: See page 5

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

- 10) Which of the following would *not* be characteristic of basic research?
- a. determining the most attractive price for a new product
 - b. validating an existing theory
 - c. learning more about a concept
 - d. conducted by professors at larger “flagship-type” universities
 - e. All are characteristic of basic research.

Ans: A

Difficulty: Medium

Response: See page 7

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

- 11) Which of the following would characterize an applied research effort?
- a. determining the best package design for a Hispanic market
 - b. forecasting the demand for a new service
 - c. determining whether or not to add a new model of option
 - d. deciding which retail locations will produce the most consumer traffic
 - e. all of the above

Ans: E

Difficulty: Hard

Response: See pages 7-8

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

- 12) Which of the following might provide a good reason *not* to conduct marketing research?
- a. insufficient time to conduct research
 - b. no budget allocated for research
 - c. decision making data already exists
 - d. All of the above are reasons to conduct marketing research..
 - e. All of the above are reasons *not* to conduct marketing research..

Ans: C

Difficulty: Hard

Response: See pages 9-10

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

13) A marketing firm bids on a project for a bank study. In the study, a minimum of \$20,000 is budgeted for data collection and focus groups after the survey. The bank responds by saying that it can only allocate \$10,000 for data collection alone. What should the marketing research firm do?

- a. scale back the project sample size
- b. delete the focus group research
- c. decline the project
- d. both (a) and (b)
- e. none of the above

Ans: C

Difficulty: Medium

Response: See page 9

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

14) Which of the following would be the strongest reason for *not* conducting marketing research?

- a. small market yielding a small profit
- b. small market yielding a large profit
- c. large market yielding a small profit
- d. large market yielding a large profit
- e. none of the above

Ans: A

Difficulty: Medium

Response: See page 11

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

15) In which condition would you be *least* likely to perform marketing research?

- a. small profit margin
- b. large profit margin
- c. large market size
- d. small market size
- e. none of the above

Ans: A

Difficulty: Hard

Response: See page 11

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

16) A producer of toys for small children asks a marketing research firm to conduct a survey to determine what percentage of the households in a region have children under 6 years of age. The marketing research firm should probably decline the project because of which of the following?

- a. toy managers confused about what information is needed
- b. costs of research outweigh the benefits
- c. decision has already been made
- d. decision-making information already exists
- e. none of the above

Ans: D

Difficulty: Hard

Response: See pages 9-10

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

17) Why would a bank not be interested in a study that would tell them which of their male customers have a poor self-concept and tend to be introverted?

- a. resources for the study are lacking
- b. the research results would not be useful
- c. the managerial decision has already been made
- d. decision-making information already exists
- e. none of the above

Ans: B

Difficulty: Hard

Response: See page 9

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

18) A marketing research firm is discussing the possibility of a major project for a real estate company. The research firm has already conducted extensive exploratory research for the project and has been compensated. For the subsequent survey, the top managers in the real estate firm cannot agree on exactly what the specific research objectives should be. What should the marketing research firm do?

- a. decline the project
- b. conduct more exploratory research
- c. tell the top managers what the research objectives should be and do the project

- d. agree to do the subsequent project for a lower cost
- e. none of the above

Ans: A

Difficulty: Medium

Response: See page 10

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

19) Which of the following is true regarding using the Internet for marketing research versus more traditional techniques such as telephone?

- a. the Internet tends to produce dramatically different results
- b. most clients prefer traditional techniques
- c. the Internet tends to yield similar research findings compared to traditional techniques
- d. research on the Internet tends to be less valid
- e. it is more difficult to obtain a large sample in an Internet study

Ans: C

Difficulty: Medium

Response: See page 14

Ref: Development of Market Research

Learning Objective 1.6: To learn how the Internet is changing market research.

20) Which of the following is *not* a benefit of the Internet for marketing research?

- a. more rapid access to business intelligence
- b. facilitates follow-up studies
- c. slashes many cost-related activities in the research process
- d. improves response rates over mail surveys
- e. All are benefits of the Internet.

Ans: E

Difficulty: Easy

Response: See page 14

Ref: Development of Market Research

Learning Objective 1.6: To learn how the Internet is changing market research.

21) Which of the following is *not* an advantage of Internet surveys over telephone surveys?

- a. allows for greater probing on specific questions
- b. higher response rates
- c. drastically reduced data collection costs
- d. real-time reporting of results

- e. All are advantages of the Internet over telephone surveys.

Ans: A

Difficulty: Medium

Response: See page 15

Ref: Development of Market Research

Learning Objective 1.6: To learn how the Internet is changing market research.

22) Which of the following is *not* one of the costs that can be reduced by conducting marketing research online?

- a. survey programming costs
- b. travel costs
- c. report publishing costs
- d. report distribution costs
- e. All of the above can be reduced by using the Internet for marketing research.

Ans: A

Difficulty: Hard

Response: See page 14

Ref: Development of Market Research

Learning Objective 1.6: To learn how the Internet is changing market research.

23) Clients being able to access their survey results via the research supplier's secure Web site is an example of which Internet advantage?

- a. collaboration between client and supplier
- b. data management and online analysis
- c. publishing and distribution of reports
- d. real time reporting
- e. none of the above

Ans: B

Difficulty: Hard

Response: See page 15

Ref: Development of Market Research

Learning Objective 1.6: To learn how the Internet is changing market research.

24) A recent university study suggests that spectators of sporting events have higher levels of involvement with the products being advertised when the home team is winning. What type of research is this?

- a. basic research
- b. problem-based research
- c. applied research
- d. pure analytical research

- e. none of the above

Ans: A

Difficulty: Medium

Response: See page 7

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

25) _____ orientation monitors the external environment in order to deliver the marketing mix to the target market.

- a. Systems
- b. Goal
- c. Diagnostic
- d. Proactive
- e. A combination of all of the above is correct.

Ans: A

Difficulty: Medium

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

26) Most marketing research studies which aim to assist a company with its marketing function are categorized as _____ research.

- a. pure
- b. applied
- c. basic
- d. evaluative
- e. none of the above

Ans: B

Difficulty: Medium

Response: See page 7

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

27) The recent emphasis on customer satisfaction research by many companies relies on the notion that customer satisfaction is closely linked with _____.

- a. customer defection
- b. customer complaints
- c. customer loyalty

- d. value consciousness
- e. none of the above

Ans: C

Difficulty: Easy

Response: See page 5

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

28) When a research firm conducts focus groups to test 3 potential ad concepts for its client, they are using which type of applied research?

- a. programmatic
- b. selective
- c. evaluative
- d. diagnostic
- e. none of the above

Ans: B

Difficulty: Hard

Response: See page 8

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

29) An advertiser recently learned that over 50% of their target market regularly uses text messaging. This is an example of monitoring the _____ environment.

- a. marketing
- b. internal
- c. predictive
- d. external
- e. none of the above

Ans: D

Difficulty: Medium

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

30) The Internet has impacted which aspects of marketing research?

- a. data collection
- b. communication between client and research supplier
- c. distribution of reports

- d. retrieval of secondary sources of information, such as the US Census
- e. all of the above

Ans: E

Difficulty: Hard

Response: See page 14-15

Ref: Development of Marketing Research

Learning Objective 1.6: To learn how the Internet is changing marketing research.

- 31) The “mature” years of marketing research began in which decade?
- a. the 1920s
 - b. the 1930s
 - c. the 1940s
 - d. the 1950s
 - e. the 1960s

Ans: D

Difficulty: Medium

Response: See page 12

Ref: Development of Marketing Research

Learning Objective 1.7: To understand the history of marketing research.

- 32) The article in the chapter, “What is Good about Marketing Research Today,” William D Neal discusses all of the following specifically with regard to improvement in market research except what?
- a. Voice of the customer
 - b. Management Metrics
 - c. Branding
 - d. Allocating funds
 - e. New products

Ans: d

Difficulty: Medium

Response: See page 13-14

Ref: Development of Marketing Research

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

- 33) Which answer best describes a market researcher?
- a. one who is academically trained for market research

- b. one who understands the marketing process as well as the subtleties of marketing problems and opportunities
- c. one who is well trained in statistics and can design proper sampling procedures
- d. one who has a strong background in communications and advertising

Ans: b

Difficulty: Medium

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

- 34) What is the primary channel that will allow management to make timely decisions in the marketing process?
- a. Financing decisions
 - b. Marketing research
 - c. Making business decisions based on feel and what looks good
 - d. None of the above

Ans: b

Difficulty: easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

True/False

35) Customer satisfaction is an important element of the marketing concept.

Ans: True

Difficulty: Medium

Response: See page 2, 5

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

36) Marketing research is seldom related to making a direct contribution to managerial decision making.

Ans: False

Difficulty: Easy

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.3: To define marketing research.

37) Marketing research is used only when marketers face a serious problem.

Ans: False

Difficulty: Medium

Response: See page 6

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

38) It is more profitable for marketers to keep existing customers than to acquire new ones.

Ans: True

Difficulty: Easy

Response: See pages 11

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

39) Knowledge of the external marketing environment has more to do with identifying new opportunities than it does with altering the present marketing mix.

Ans: False

Difficulty: Hard

Response: See page 2-3

Ref: Nature of Marketing

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

40) Managers are typically more interested in basic research than in applied research.

Ans: False

Difficulty: Medium

Response: See page 7-8

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

41) Communication of the results generated by marketing research is rarely the responsibility of marketing research.

Ans: False

Difficulty: Easy

Response: See page 4

Ref: Marketing Research and Decision Making.

Learning Objective 1.3: To define marketing research.

42) Basic research is often conducted in universities.

Ans: True

Difficulty: Medium

Response: See page 7

Ref: Marketing Research and Decision Making.

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

43) Marketing research moved out of its embryonic stage in about 1970.

Ans: False

Difficulty: Easy

Response: See page 11-12

Ref: Development of Marketing Research

Learning Objective 1.7: To understand the history of marketing research.

44) Marketing research should be conducted even if the managers will not be able to afford implementing a study's recommendations.

Ans: False

Difficulty: Easy

Response: See page 9

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

45) Recently, an article about changing consumer predispositions toward low involvement purchases appeared in the Journal of Marketing. Chances are this article would be classified as applied research.

Ans: False

Difficulty: Easy

Response: See page 7-8

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

46) Two of the more important determinants of the potential benefits from a marketing research study are profit margins and market size.

Ans: True

Difficulty: Hard

Response: See page 11

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

47) Analyzing trends in Internet broadband access by a potential Internet advertiser would be an example of descriptive research.

Ans: True

Difficulty: Medium

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

48) Applied research focuses on abstract theory to expand the frontiers of marketing research.

Ans: False

Difficulty: Easy

Response: See page 7

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

49) The unique blend of product pricing, promotion, offerings, and distribution designed to meet the needs of a specific group is the marketing mix.

Ans: True

Difficulty: Easy

Response: See page 3

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

50) Conducting online surveys is the only significant way that marketing research companies utilize the Internet.

Ans: False

Difficulty: Easy

Response: See page 14-15

Ref: Development of Marketing Research

Learning Objective 1.6: To learn how the internet is changing marketing research.

51) Marketing research can potentially address all four elements of the marketing mix.

Ans: True

Difficulty: Easy

Response: See page 4

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

52) Companies that engage in marketing research can control elements of the external environment.

Ans: False

Difficulty: Easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

53) The concept of market segmentation was introduced in the 1970s.

Ans: False

Difficulty: Medium

Response: See page 13

Ref: Development of Marketing Research

Learning Objective 1.7: To understand the history of marketing research.

54) Internet surveys typically have higher response rates than telephone surveys.

Ans: True

Difficulty: Easy

Response: See page 14-15

Ref: Development of Marketing Research

Learning Objective 1.6: To learn how the internet is changing marketing research.

55) The decision of how to communicate a research study's results sometimes involves an ethical dilemma.

Ans: True

Difficulty: Easy

Response: See page 10

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

56) Recent studies show that Internet marketing research leads clients to very different business decisions than traditional marketing research.

Ans: False

Difficulty: Medium

Response: See page 14-15

Ref: Development of Marketing Research

Learning Objective 1.6: To learn how the internet is changing marketing research.

57) The marketing concept is not solely focused on customer needs.

Ans: True

Difficulty: Easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

58) According to the concept of return on quality, product quality is completely separate from a firm's profitability.

Ans: False

Difficulty: Hard

Response: See page 5

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

59) In practice, a marketing research department's goal can be grouped into three major categories: Programmatic, Evaluative, and Selective.

Ans: False

Difficulty: Easy

Response: See page 8

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

60) Marketing research should be undertaken only when its results will reduce uncertainty or confirm the wisdom of previous decisions.

Ans: True

Difficulty: Easy

Response: See page 10

Ref: Marketing Research and Decision Making

Learning Objective 1.5: To learn when marketing research should and should not be conducted.

61) To make the “right” decisions, management must have untimely decision-making information.

Ans: False

Difficulty: Easy

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

62) According to William D. Neal, investments in marketing research have continued to increase far above the rate of inflation.

Ans: True

Difficulty: Medium

Response: See page 13

Ref: Development of Marketing Research

Learning Objective 1.7: To understand the history of marketing research.

Essay Questions

63) Traditionally, consumer goods firms were the primary clients of marketing research firms. However, many nontraditional types of institutions, such as universities, the United Way, hospitals, libraries, museums, etc., are now regular customers of marketing research suppliers. Comment on this trend.

Ans: Nontraditional institutions are now competing with each other for the consumers' or donors' dollar. Therefore, these institutions have to develop consumer, goal, and systems orientations to survive.

Difficulty: Medium

Response: See page 2

Ref: Nature of Marketing

Learning Objective 1.1: To review the marketing concept and the marketing mix.

64) Describe a project that will help a firm assess who are its best customers. Be sure to mention which marketing research functional role is operational in this project.

Ans: Marketing research would be meeting its descriptive functional role, in determining who a firm's best customers are. Marketing research would establish a database system of classifying the customers purchasing its clients' products or services. It would also collect information classify its clients customers in some meaningful way (i.e. size, demographics, etc).

Difficulty: Hard

Response: See page 4-5

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

65) Define and illustrate the Predictive Function of Marketing Research.

Ans: The predictive function of marketing research specifies how to use diagnostic and descriptive information to predict the results of a planned marketing decision. An example would be a descriptive study that says females are the primary users of a particular service, which would be the descriptive function. Further, the diagnostic function indicates that females prefer certain service features and are not concerned with the other features. Given that information, marketing research can forecast the demand for a product that will more specifically meet the demands of its most important constituency, females.

Difficulty: Hard

Response: See page 4-5

Ref: Marketing Research and Decision Making

Learning Objective 1.4: To understand the importance of marketing research in shaping marketing decisions.

66) As described in the first chapter, there are a number of advantages to conducting research online. What would be some disadvantages of conducting a study solely online?

Ans: Students may intuitively understand that the online population has unique characteristics, making online research more appropriate for certain product categories (laptop computers) than others (retirement communities).

Difficulty: Medium

Response: See pages 14-15

Ref: Development of Marketing Research

Learning Objective 1.6: To learn how the internet is changing marketing research.

67) Explain how marketing research can help a company retain its customers and turn them into brand loyal customers.

Ans: A discussion of customer satisfaction research and the marketing concept would be expected for this question.

Difficulty: Medium

Response: See pages 4-6

Ref: Marketing Research and Decision Making

Learning Objective 1.1: To understand the importance of marketing research in shaping marketing decisions.

68) Relate how a systems orientation will facilitate the firm's efforts to monitor its external environment.

Ans: Get students to relate how a systems orientation, by definition, is necessary in order for the firm to be able to effectively monitor its external environment.

Difficulty: Medium

Response: See pages 2-3

Ref: The Marketing Concept, Opportunistic Nature of Marketing Research and External Marketing Environment.

Learning Objective 1.2: To comprehend the marketing environment within which managers must make decisions.

69) Explain why most marketing research done by commercial marketing research suppliers would be best characterized as "applied research."

Ans: Students should compare the definitions of applied versus basic research, understanding that applied research is more appropriate for managerial decision making.

Difficulty: Easy

Response: See pages 7-8

Ref: Applied Research versus Basic Research

Learning Objective 1.3: To define marketing research.

70) Discuss at least 3 reasons with ethical implications when it is best not to conduct marketing research.

Ans: Probably the best 3 reasons which could be discussed in the context of how a marketing researcher or client could be unethical are a) resources are lacking (researcher quotes a price based on resources available, which may or may not achieve the research objectives); b) decision has already been made (this is a supplier ethical problem, as the client wants some numbers to support a pre-research decision); and c) decision making information already exists (researcher knows information is already available via secondary sources, but contracts for a primary research project to earn more money).

Difficulty: Hard

Response: See pages 9-10

Ref: Decision to Conduct Marketing Research

Learning Objective 1.5: To learn when marketing research should and should not be conducted.