

1) In studying consumers like Gail, a college junior, marketers often find it useful to learn how they spend their leisure time, their interests in music or clothing, even attitudes about social issues, to be able to categorize them according to their lifestyles. This sort of information is called:

- a. core values.
- b. psychographics.
- c. configurations.
- d. physiognomies.

Answer: b

Diff: 2

Type: MC

Page Reference: 6

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

2) Gail decides to take a break from studying, and goes online to check things out. She connects with one of the product discussion groups that she participates in. This is an example of a/an:

- a. lifestyle discussion.
- b. brand competition.
- c. consumption community.
- d. marketplace competition.

Answer: c

Diff: 2

Type: MC

Page Reference: 3

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

3) If a product succeeds in satisfying needs and is purchased over and over, it most likely has attained:

- a. product separation.
- b. brand loyalty.
- c. lifestyle variation.

d. purchase conception.

Answer: b

Diff: 1

Type: MC

Page Reference: 4

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

4) The study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires is called:

- a. market segmentation,
- b. relationship marketing.
- c. market research.
- d. consumer behaviour

Answer: d

Diff: 1

Type: MC

Page Reference: 4

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

5) Tina, a supervisor of displays for Sears Canada, knows that attractive displays can generate additional sales of particular items. From a marketer's perspective, this is a/an:

- a. purchase issue
- b. postpurchase issue
- c. merchandising complexity
- d. loss leader

Answer: a

Diff: 3

Type: MC

Page Reference: 5

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

6) John is the vice president of marketing for a local tour guide company. He is concerned that his customers are not recommending his company to friends of theirs. For John, this problem is a:

- a. purchase issue.
- b. demographic problem.
- c. prepurchase issue.
- d. postpurchase issue.

Answer: d

Diff: 2

Type: MC

Page Reference: 5

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

7) The expanded view of the exchange that includes the issues that influence the consumer before, during, and after a purchase is called:

- a. the value.
- b. the strategic focus.
- c. the pre-sell strategy.
- d. the consumption process.

Answer: d

Diff: 1

Type: MC

Page Reference: 5

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

8) A fast-food chain describes its core customer as a single male under 30 years of age with a working class job, who reads little, likes loud music, and hangs out with friends. This is an example of:

- a. subculture.
- b. marketing segmentation.
- c. demographics.

d. typical male Canadian consumer of burgers.

Answer: b

Diff: 3

Type: MC

Page Reference: 6

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

9) In studying consumer behaviour, it is often useful to categorize people on the basis of some similarity. Descriptions such as age, gender, income, or occupation are called:

- a. demographics.
- b. psychographics.
- c. personal profiles.
- d. physiology.

Answer: a

Diff: 1

Type: MC

Page Reference: 6

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

10) Which of the following is not an example of a demographic variable?

- a. age
- b. geography
- c. lifestyle
- d. ethnicity

Answer: c

Diff: 2

Type: MC

Page Reference: 6

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

11) Mary designed an unsuccessful advertising campaign for a medical insurance company that was targeted at 18- to 34-year-old males. The campaign only included one commercial, which featured a young man who had become crippled in a skydiving accident. While planning the campaign, Mary failed to recognize that:

- a. 18- to 34-year-old males are not interested in medical insurance.
- b. not all 18- to 34-year-old males share the same lifestyle.
- c. television commercials are not effective for advertising medical insurance.
- d. she should have also segmented based on ethnicity.

Answer: b

Diff: 3

Type: MC

Page Reference: 8-9

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

12) Marketers who interact with their customers on a regular basis, and not just at the time of purchase, are most likely engaged in:

- a. brand loyalty
- b. psychographic segmentation
- c. market segmentation
- d. relationship marketing

Answer: d

Diff: 2

Type: MC

Page Reference: 9

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

13) Recently marketers have come to realize the value of what is being called relationship marketing. In marketing terms, it means:

- a. developing friendships with foreign governments so that American products can be sold in their countries at a fair price.
- b. instituting practices which show companies' awareness of their responsibilities to the environment and society.
- c. building bonds between brands and customers that will last over time.
- d. using new electronic capabilities to ensure that all channel members work smoothly together, for example, in seeing that products get to retailers before their inventories run out.

Answer: c

Diff: 2

Type: MC

Page Reference: 9

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

14) Tony Roma's restaurant sends regular customers a coupon for a free meal on their birthdays. This is an example of:

- a. a company seeking to attract lost clients back to base.
- b. a social networking process.
- c. a loss-leading promotion campaign.
- d. relationship marketing.

Answer: d

Diff: 2

Type: MC

Page Reference: 9

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

15) The film *The Wedding Crashers* had what reported impact?

- a. It resulted in an decrease in wedding bookings.
- b. It led to a sell out DVD success.
- c. It caused an outbreak of uninvited wedding guests.
- d. It boosted the US economy by 15% in it's year of release.

Answer: c

Diff: 2

Type: MC

Page Reference: 9

Skill: Recall

Objective: LO 3 Popular culture is both a product of and an inspiration for marketers.

16) Doritos have capitalized on _____ in their memorable Superbowl ads.

- a. spokescharacters
- b. social marketing
- c. green marketing
- d. consumer-generated content

Answer: d

Diff: 3

Type: MC

Page Reference: 10

Skill: Recall

Objective: LO 3 Popular culture is both a product of and an inspiration for marketers.

17) Saucony Canada held a contest asking consumers to send in their own photos, which will be utilized in a future advertising campaign for the company. This is an example of:

- a. anticonsumption.
- b. consumer-generated content
- c. social marketing.
- d. green marketing.

Answer: b

Diff: 3

Type: MC

Page Reference: 10

Skill: Application

Objective: LO 3 Popular culture is both a product of and an inspiration for marketers.

18) Billy is an avid collector of shoes. He constantly voices his opinion on blogs and product review websites of what features new shoes should have. His behaviour is consistent with the concept of:

- a. file sharing.
- b. database marketing.
- c. interpretivism.
- d. consumer-generated content.

Answer: d

Diff: 2

Type: MC

Page Reference: 10

Skill: Application

Objective: LO 3 Popular culture is both a product of and an inspiration for marketers.

19) One of the fundamental premises of the modern field of consumer behaviour is that people often buy products not for what they do, but for what they:

- a. cost.
- b. mean.
- c. look like.
- d. promise.

Answer: b

Diff: 2

Type: MC

Page Reference: 10

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

20) If you listed your collection of NHL rookie cards on eBay, you would be engaging in which type of commerce?

- a. transactional
- b. psychographic
- c. B2C
- d. C2C

Answer: d

Diff: 2

Type: MC

Page Reference: 11

Skill: Application

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

21) Christina Chiang has decided to order a week's worth of groceries from HomeGrocer.com. She places her order and is pleasantly surprised when she receives her order at her doorstep six hours after the order was placed. This transaction is an example of:

- a. social commerce.
- b. TCR.
- c. virtual consumption.
- d. U-commerce.

Answer: c

Diff: 2

Type: MC

Page Reference: 11

Skill: Application

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

22) People who have grown up “wired” in a world of digital technology are described as _____.

- a. horizontal revolutionaries
- b. smart socialites
- c. digital natives
- d. face-to-place consumers

Answer: c

Diff: 2

Type: MC

Page Reference: 11

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

23) The multi-player online game “World of Warcraft” is a good example of:

- a. consumer-generated content.
- b. the dark side of consumerism.
- c. a virtual brand community.
- d. anti-consumption

Answer: c

Diff: 2

Type: MC

Page Reference: 11

Skill: Application

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

24) Groups of people that unite on the Internet to share a passion for a product are known as:

- a. chat rooms.
- b. virtual brand communities.
- c. consumer networks.
- d. product organizations.

Answer: b

Diff: 3

Type: MC

Page Reference: 11

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

25) An e-tailer is:

- a. a market research company that primarily collects data online.
- b. an anti e-commerce advocate.
- c. an online retail supplier.
- d. an end-of-purchase
feedback service.

Answer: c

Diff: 1

Type: MC

Page Reference: 11

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

26) The Open Data Partnership is:

- a. a low privacy data-matching service.
- b. a free-serve information access network.
- c. a system allowing consumers to edit information collected about them.
- d. a controlled group of corporations dedicated to information sharing.

Answer: c

Diff: 3

Type: MC

Page Reference: 14

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

27) Sara and Jessica text back and forth while Sara is shopping and Jessica is riding the bus to work. This is an example of:

- a. a synchronous interaction.
- b. an asynchronous interaction.
- c. utilitarian consumption.
- d. a consumption community.

Answer: a

Diff: 2

Type: MC

Page Reference: 14

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

28) Global terms like kuroi kiri, la mordida, bustarella, and baksheesh are referring to:

- a. competition.
- b. segmentation.
- c. theft.

d. bribery.

Answer: d

Diff: 2

Type: MC

Page Reference: 13

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

29) Research has shown that Mexican firms are less likely to have formal codes of ethics and more likely to bribe public officials than are American or Canadian companies. This demonstrates that:

- a. business practices can be unethical without being illegal.
- b. social marketing is not important in Mexico.
- c. cultural values and beliefs are important for determining what is considered ethical.
- d. American and Canadian companies are more respectful than Mexican companies.

Answer: c

Diff: 3

Type: MC

Page Reference: 13

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

30) The fact that bribery in business is acceptable in some countries but not in others demonstrates that:

- a. ethics are relative to the situation in which business persons find themselves.
- b. cultural jamming has been successfully practiced in some countries.
- c. ethics are incompatible with social marketing.
- d. practices can be unethical without being illegal.

Answer: d

Diff: 2

Type: MC

Page Reference: 13

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

31) Although research has shown that consumers think better of products made by firms they feel are behaving ethically, many "ethical" companies encounter difficulties selling their products. What is a good a reason for this?

- a. Ethical companies do not make good quality products.
- b. Products made by ethical companies are hard to find for consumers.
- c. Sometimes consumers' buying behaviour is not consistent with their positive attitudes about ethical products.
- d. Consumers lie on surveys about ethical companies in order to appear like they care.

Answer: c

Diff: 3

Type: MC

Page Reference: 13

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

32) In a survey designed to measure people's willingness to pay for fair trade coffee, researchers found that most coffee drinkers were willing to pay an average price premium of _____.

- a. 10 percent
- b. 20 percent
- c. 30 percent
- d. 40 percent

Answer: a

Diff: 3

Type: MC

Page Reference: 13

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

33) Which Act is designed to protect consumers against purchasing food, cosmetics, or drugs that are deceptive or misleading, or that may pose a risk to health?

- a. Food and Drugs Act
- b. Consumer Packaging and Labelling Act
- c. Hazardous Products Act
- d. National Trademark and True Labelling Act

Answer: a

Diff: 3

Type: MC

Page Reference: 16

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

34) Of the following pieces of legislation intended to protect the consumer, which was passed first?

- a. Textile Labelling Act
- b. Food and Drug Act
- c. Motor Vehicle Safety Act
- d. Hazardous Products Act
- e. National Trademark and True Labelling Act

Answer: e

Diff: 2

Type: MC

Page Reference: 16

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

35) Jackson, the marketing manager for a large food manufacturing plant, recently met with his boss because he was concerned that his company was violating the Food and Drugs Act of 1953 and the Competition Act of 1986. Based on this information, what was the problem that Jackson was concerned about?

- a. The company had not taken any quality-control measures when producing its products.
- b. The company was advertising one of its unhealthy products as being healthy.
- c. The company would not reveal what information it was collecting from its customers.

d. Its products were unsafe to consume and could cause harm to people.

Answer: b

Diff: 3

Type: MC

Page Reference: 16

Skill: Application

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

36) The purpose of advertisements for Coca-Cola is to:

- a. teach us ways to satisfy a need.
- b. encourage moral breakdown.
- c. encourage us to be thirsty.
- d. create a need.

Answer: a

Diff: 2

Type: MC

Page Reference: 14

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

37) In the "good old days" companies decided what they wanted their customers to know and do. This time is known as:

- a. consumer space.
- b. the baby boomer era.
- c. market control.
- d. marketer space.

Answer: d

Diff: 1

Type: MC

Page Reference: 14

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

38) Social critics have maintained that marketing leads people to buy products they do not want and do not need. However, the failure rate of new products that are heavily marketed is reportedly as high as 80 percent. How can these two seemingly opposite views of marketing be reconciled?

- a. The social critics are simply wrong. People are not influenced by marketing.
- b. Consumers are highly influenced by marketing, but some products simply fail anyway.
- c. Marketing does have an influence on consumers, but marketers simply do not know enough about people to manipulate them any way they please.
- d. Products that fail are generally products that will satisfy a want, but not a need.

Answer: c

Diff: 3

Type: MC

Page Reference: 14

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

39) While marketers cannot create needs, they:

- a. may affect an environment in which specific needs may be activated.
- b. can always sell to somebody.
- c. are close to being able to create needs in the next five years.
- d. control the mass media—almost the same thing.

Answer: a

Diff: 2

Type: MC

Page Reference: 14

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

40) Firms that are interested in voluntarily protecting or enhancing their positive social and environmental impacts are engaged in:

- a. relationship marketing.

- b. transformative consumer research.
- c. green marketing.
- d. corporate social responsibility.

Answer: d

Diff: 1

Type: MC

Page Reference: 17

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

41) If Maple Leaf Foods of Toronto were to donate a certain percentage of its annual profits to adult literacy, they would be engaged in:

- a. lifestyle segmentation.
- b. irresponsible practices.
- c. corporate giving.
- d. database marketing.

Answer: c

Diff: 2

Type: MC

Page Reference: 17

Skill: Application

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

42) To reduce waste associated with their Downey Fabric Softener, Proctor & Gamble introduced refillable containers. This is an example of:

- a. green marketing.
- b. ethical marketing.
- c. culture jamming.
- d. anticonsumption.

Answer: a

Diff: 2

Type: MC

Page Reference: 17

Skill: Application

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

43) Current consumer research is likely to include attention to the "dark side" of consumer behaviour. This growing emphasis refers to the fact that:

- a. it is difficult to measure the contribution of the "art" of consumer behaviour research to the corporate bottom line.
- b. many consumer behaviour findings are being stolen by competitors, via computers.
- c. not all consumer behaviour or marketing activity is necessarily beneficial to society.
- d. understanding consumption for its own sake should be the focus of research rather than for the sake of making money.

Answer: c

Diff: 2

Type: MC

Page Reference: 19

Skill: Recall

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the "dark side" of consumer behaviour.

44) A physiological and/or psychological dependency on products or services is called consumer _____.

- a. psychosis
- b. conditioning
- c. addiction
- d. obsession
- e. gratification

Answer: c

Diff: 1

Type: MC

Page Reference: 19

Skill: Recall

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

45) Mrs. Brown has an obsessive need to shop every day to relieve depression and boredom. Her behaviour is termed:

- a. a spending spree.
- b. compulsive consumption.
- c. impulse buying.
- d. consumer behaviour.

Answer: b

Diff: 2

Type: MC

Page Reference: 20

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

46) At times Pepsi and Coke have been accused of causing psychological dependence due to the levels of caffeine in their colas. This is known as:

- a. psychological marketing.
- b. consumer addiction.
- c. social marketing.
- d. brand loyalty.

Answer: b

Diff: 2

Type: MC

Page Reference: 19

Skill: Application

Objective: L1-03 Popular culture is both a product of and an inspiration for marketers.

47) Mrs. Almarez is a middle-aged, high-income, stay-at-home mother. Recently she was caught shoplifting. She shoplifts because:

- a. her friends do it.

- b. she does not believe it is morally wrong.
- c. she gets a thrill from doing it.
- d. she needs the stolen goods.

Answer: c

Diff: 3

Type: MC

Page Reference: 21

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

48) According to the film and music industries, downloading music and videos from file-sharing sites such as Kazaa is:

- a. an example of theft
- b. a way to monitor the e-commerce entertainment industry.
- c. the future for entertainment.
- d. social marketing at its best.

Answer: a

Diff: 2

Type: MC

Page Reference: 12

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

49) The main difference between impulse buying and compulsive consumption is:

- a. impulse buying only occurs for certain types of products, while compulsive consumption can occur for any product.
- b. impulse buying occurs at a particular moment, while compulsive consumption is an enduring behaviour.
- c. impulse buying is done by choice, while compulsive consumption is not.
- d. impulse buying cannot be measured empirically, while compulsive consumption can be.

Answer: b

Diff: 2

Type: MC

Page Reference: 20

Skill: Understanding

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

50) Protection Motivation Theory suggests that:

- a. people are naturally driven to protect their assets.
- b. arousing fear can help change a person’s behaviour.
- c. we are motivated to care for ourselves from a very young age.
- d. it is difficult to persuade people to indulge in high-risk activities.

Answer: b

Diff: 3

Type: MC

Page Reference: 22

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

51) The term *shrinkage* is an industry term for:

- a. the fragmentation of consumer needs caused by the Internet.
- b. reductions in waste resulting from product usage.
- c. a North American consumer trend associated with paying less for products.
- d. inventory and cash losses due to shoplifting and employee theft.

Answer: d

Diff: 1

Type: MC

Page Reference: 20

Skill: Recall

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society.

52) At night, Aaron likes to walk around the city spray painting a black circle over company logos on billboards and bus-stop advertisements. Aaron's behaviour is an example of:

- a. addictive consumption.
- b. anticonsumption.
- c. anticommunication.
- d. shrinkage.

Answer: b

Diff: 1

Type: MC

Page Reference: 22

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society.

53) Considering the dramatic growth of shopping centres worldwide, toward what country would you point a businessperson who was interested in locating in the largest shopping mall in the world?

- a. United States
- b. China
- c. Australia
- d. Germany

Answer: b

Diff: 2

Type: MC

Page Reference: 22

Skill: Application

Objective: L1-03 Popular culture is both a product of and an inspiration for marketers.

54) The growth of the Web has created thousands of online consumption communities. What is the biggest danger of such communities?

- a. the members will receive bad information
- b. the members will feel pressure to conform to certain types of purchase behaviour
- c. the members will become frustrated in their communication efforts
- d. the members of have no sense of mission

Answer: b

Diff: 3

Type: MC

Page Reference: 3

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

55) When data is collected by the researcher specifically for the research question at hand this is called:

- a. exploratory research.
- b. quantitative research.
- c. primary research.
- d. secondary research.

Answer: c

Diff: 2

Type: MC

Page Reference: 23

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

56) _____ involve(s) asking respondents to self-report answers to a set of questions posed by the researcher, often in written, online, or phone format.

- a. Survey research
- b. Focus group research
- c. Interviews
- d. Observational research

Answer: a

Diff: 2

Type: MC

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

57) _____ involve(s) gathering data from small group sessions with approximately six to twelve consumer participants.

- a. Survey research
- b. Focus group research
- c. Interviews
- d. Observational research

Answer: b

Diff: 2

Type: MC

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

58) _____ involve(s) gathering data through a one-on-one interaction between an interviewer and a respondent.

- a. Survey research
- b. Focus group research
- c. Interviews
- d. Observational research

Answer: c

Diff: 2

Type: MC

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

59) _____ involve(s) gathering data by directly observing consumer behaviours.

- a. Survey research
- b. Focus group research
- c. Interviews

d. Observational research

Answer: d

Diff: 2

Type: MC

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

60) Ethnographic research is an example of a type of:

- a. survey research.
- b. focus group research.
- c. experimental research.
- d. observational research.

Answer: d

Diff: 2

Type: MC

Page Reference: 25

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

61) In qualitative research, the presentation of ambiguous objects or activities that are open to various interpretations is known as _____.

- a. random assignment
- b. a projective technique
- c. an experiment
- d. role playing

Answer: b

Diff: 2

Type: MC

Page Reference: 25

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

62) A researcher is studying the effect of including a bonus product on people's tendency to purchase personal care items (e.g., shampoo, deodorant, etc.). The researcher randomly assigns male and female consumers to be asked to buy the product with the bonus or to be asked to buy the product without the bonus. The researcher then calculates the proportion of people in each condition that purchase the product. The dependent variable in this study is:

- a. the proportion of people that purchase the product.
- b. personal care items.
- c. gender.
- d. the presence or absence of a bonus.

Answer: a

Diff: 3

Type: MC

Page Reference: 26

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

63) A researcher is studying the effect of including a bonus product on people's tendency to purchase personal care items (e.g., shampoo, deodorant, etc.). The researcher randomly assigns male and female consumers to be asked to buy the product with the bonus or to be asked to buy the product without the bonus. The researcher then calculates the proportion of people in each condition that purchase the product. The independent variable in this study is:

- a. the proportion of people that purchase the product.
- b. personal care items.
- c. gender.
- d. the presence or absence of a bonus.

Answer: d

Diff: 3

Type: MC

Page Reference: 26

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

64) Scanner technology and clickstream data gathering are two methods of_____.

- a. conducting qualitative research
- b. conducting experimental research
- c. conducting observational research
- d. tracking data on digital networking behaviour

Answer: c

Diff: 3

Type: MC

Page Reference: 25

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

65) Shoppers Drug Mart periodically videotapes consumers and how they interact with new point-of-purchase displays in the cosmetics department. This is an example of:

- a. conducting qualitative research.
- b. conducting experimental research.
- c. conducting observational research.
- d. tracking data on digital networking behaviour.

Answer: c

Diff: 3

Type: MC

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

66) When Gail investigates sex, age, and income characteristics of her friends, she is studying psychographics.

- a. True
- b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 6

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

67) Consumer behaviour as a discipline deals mainly with what happens at the point of purchase.

a. True

b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 4

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

68) The expanded view of consumer behaviour recognizes that the consumption process includes issues that influence consumers before, during, and after a purchase is made.

a. True

b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 4

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

69) The key issue about market segmentation is that consumers within a segment have to be psychographically the same.

a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 4

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

70) Rather than try to reach everybody, a marketer today usually targets his product to specific consumers, even if he makes other people deliberately avoid it as a result.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 4

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

71) Age, gender, ethnicity, income, geography, and purchase frequency are all potential segmentation variables.

- a. True
- b. False

Answer: a

Diff: 3

Type: TF

Page Reference: 6

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

72) The Jones and Smiths were born in the 1960s, so they tend to share a common set of cultural experiences that they carry throughout life.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 7

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

73) Differentiating products by gender does not begin until the teenage years.

- a. True
- b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 7

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

74) Consumer behaviour theorists have found that consumers only buy products and services for what the products /services do.

- a. True
- b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 10

Skill: Recall

Objective: L1-03 Popular culture is both a product of and an inspiration for marketers.

75) Online shopping does not create opportunities for small, specialized businesses.

- a. True
- b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 11

Skill: Recall

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

76) Business ethics essentially are rules of conduct that guide actions in the marketplace.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 12

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

77) Canada is one of the "cleanest" countries in the world when it comes to issues like bribery or giving "gifts" in exchange for getting business from suppliers.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 13

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

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78) Marketer space is really the same concept as a newer term called consumer space.

- a. True
- b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 14

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

79) Many firms choose to protect or enhance the natural environment as they go about their business activities. This is called "corporate giving."

- a. True
- b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 17

Skill: Recall

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

80) Keith went into a store to return a shirt. The owner of the store replied that she needed Keith's address and phone number to refund his money. After providing his information, Keith asked what the information was needed for, but the owner of the store would not tell him. The owner's actions are in direct violation of the Competition Act.

a. True

b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 16

Skill: Application

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

81) "Shopaholics" turn to shopping in much the same way as addicted people turn to drugs or alcohol.

a. True

b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 20

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the "dark side" of consumer behaviour.

82) Unlike those with physical addictions, consumption addicts really do have control over their behaviour; the comparison is strictly metaphorical.

- a. True
- b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 20

Skill: Understanding

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

83) Gambling is an example of a "consumption addiction" because the person never experiences any regret or guilt afterwards.

- a. True
- b. False

Answer: b

Diff: 3

Type: TF

Page Reference: 20

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

84) Graffiti disparaging Nike on the Toronto subway is one form of anticonsumption.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 22

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

85) When the researcher uses data collected by another entity to answer a new research question, this is called primary research.

- a. True
- b. False

Answer: b

Diff: 2

Type: TF

Page Reference: 23

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

86) A survey is a method of data collection in which the respondents self-report answers to a set of questions posed by the researcher.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 24

Skill: Understanding

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

87) Interviews usually involve small group sessions with approximately 6-12 consumer participants.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 24

Skill: Understanding

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

8) Social class is not considered a demographic variable because it is not a directly observable aspect of the population.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 7

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

89) As a grocery store manager, you want to be able to easily track what items need to be restocked and which ones are past their expiry date. Using RFID tags could help you with this.

- a. True
- b. False

Answer: a

Diff: 2

Type: TF

Page Reference: 10

Skill: Application

Objective: L1-03 Popular culture is both a product of and an inspiration for marketers.

90) One drawback of surveys, focus groups, and interviews is that they all involve the consumers themselves reporting on their attitudes, behaviours, or experiences.

- a. True
- b. False

Answer: a

Diff: 1

Type: TF

Page Reference: 24-25

Skill: Understanding

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

91) Techniques such as storytelling are examples of quantitative research.

- a. True
- b. False

Answer: b

Diff: 1

Type: TF

Page Reference: 25

Skill: Understanding

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

92) What do we mean when we say that consumer behaviour is a process?

Answer: Consumer behaviour is more than just the purchase itself. The field of consumer behaviour covers a lot of ground: It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.

Diff: 1

Type: ES

Page Reference: 4

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

93) In the early stages of development, consumer behaviour was known as buyer behaviour. What important aspect of the exchange process does this change in name reflect?

Answer: The original name reflects an emphasis on the interaction between consumers and producers at the time of purchase. Marketers now recognize that consumer behaviour is an ongoing *process*, not merely what happens at the moment a consumer hands over money or a credit card and in turn receives a good or service.

Diff: 1

Type: ES

Page Reference: 4

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

94) Explain the view that marketing is more than just an exchange.

Answer: The **exchange**, in which two or more organizations or people give and receive something of value, is an integral part of marketing. Although exchange is an important part of consumer behaviour, the expanded view emphasizes the entire consumption process, which includes the issues that influence the consumer before, during, and after a purchase.

Diff: 1

Type: ES

Page Reference: 5

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

95) Gail is studying the interests and values of a group of ten consumers for some consumer researcher. What category of information is Gail studying and what other aspects of the consumers may also be included in her study?

Answer: Psychographics. The study of psychographics includes aspects of a person's lifestyle, interests, attitudes, values, and personality.

Diff: 3

Type: ES

Page Reference: 6-7

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

96) Why would a marketer use age as a segmentation variable?

Answer: Consumers of different age groups obviously have very different needs and wants. Although people who belong to the same age group differ in many other ways, they tend to share a set of values and common cultural experiences that they carry throughout life. In some cases, marketers initially develop a product to attract one age group and then try to broaden its appeal later on.

Diff: 3

Type: ES

Page Reference: 7

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

97) Alan owns an independent coffee shop in a trendy urban neighbourhood. He asks you to explain “relationship marketing” and how he might implement this in his business.

Answer: Marketers have realized that a key to success is building relationships that will last a lifetime between brands and customers. **Relationship marketing** involves making an effort to interact with customers on a regular basis, giving them reasons to maintain a bond with the company over time.

Students can provide their own examples/ suggestions regarding how to implement this.

Diff: 3

Type: ES

Page Reference: 9

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

98) What is relationship marketing? How might relationship marketing be used by marketers to become "closer" to consumers?

Answer: Marketers are carefully defining customer segments and listening to people in their markets more than ever before. Many marketers have realized that a key to success is building relationships that will last a lifetime between brands and customers.

Relationship marketing involves making an effort to interact with customers on a regular basis, giving them reasons to maintain a bond with the company over time.

Diff: 3

Type: ES

Page Reference: 9

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

99) State the notation for business selling to consumers on the Internet and explain how it differs from other types of commerce.

Answer: B2C commerce. In addition, virtual consumption has greatly facilitated consumer-to- consumer activity (C2C commerce). Just as e-consumers are not limited to local retail outlets in their shopping, they are not limited to their local communities when looking for friends.

Diff: 3

Type: ES

Page Reference: 11

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

100) What is a virtual brand community? Give an example that demonstrates the concept.

Answer: A virtual brand community is a collection of people whose online interactions are based on shared enthusiasm for and knowledge of a specific consumption activity. Picture a small group of local collectors who meet once a month at a local diner to discuss their shared interests over coffee. Now multiply that group by thousands, and include people from all over the world who are united by a shared passion for sports memorabilia, Barbie dolls, Harley-Davidson motorcycles, refrigerator magnets, or massive multiplayer online games (MMOGs) such as *World of Warcraft*. These are examples of virtual brand communities.

Diff: 3

Type: ES

Page Reference: 11

Skill: Understanding

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

101) A clergyman of a small inner-city parish has spent time defacing billboards advertising the local casino. Explain his behaviour.

Answer: The clergyman is participating in destructive consumer behaviour, in this case, anticonsumption or the defacement or alteration of advertising materials as a form of political expression. In effect, he is destroying advertising that he feels promotes unethical acts—in this case gambling.

Diff: 3

Type: ES

Page Reference: 22

Skill: Understanding

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

102) What are social media? Give an example.

Answer: **Social media** are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility. Facebook and Twitter are examples of this.

Diff: 3

Type: ES

Page Reference: 11

Skill: Understanding

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

103) Describe what is meant by a “culture of participation.”

Answer: This is a belief in democracy; the ability to freely interact with other people, companies, and organizations; open access to venues that allows users to share content from simple comments to reviews, ratings, photos, stories, and more; and the power to build on the content of others from an individual’s unique point of view. Of course, as with democracy in the real world, we have to take the bitter with the sweet. There are plenty of unsavory things going on in cyberspace, and the hours people spend on Facebook, in online gambling sites, or in virtual worlds like Second Life have led to divorce, bankruptcy, or jail in the real world.

Diff: 3

Type: ES

Page Reference: 12

Skill: Understanding

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

104) Frog Box is a Canadian company that offers consumers re-usable moving boxes and donates a percentage of its revenue to frog habitat restoration. Discuss the two main marketing processes that are being used by this company.

Answer: Green marketing (eco-friendly reusable boxes), and cause-related marketing (donating to a related cause).

Diff: 3

Type: ES

Page Reference: 17

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

105) A low tar claim in an advertisement for Brand X cigarettes proved to be misleading. Which Act was violated and why?

Answer: The Competition Act was violated. The Competition Act prohibits misleading advertising and deceptive marketing practices in promoting the supply or use of a product or service or any business interest.

Diff: 3

Type: ES

Page Reference: 16

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

106) Distinguish between green marketing and social marketing.

Answer: Some firms take a **green marketing** approach in which they offer products in ways that are less harmful to the environment. Examples are firms that have focused their efforts on reducing wasteful packaging, as when Proctor & Gamble introduced refillable containers for Downy fabric softener. **Social marketing** refers to using marketing techniques normally employed to sell beer or detergent to encourage positive behaviours such as increased literacy or to discourage negative activities such as drunk driving.

Diff: 3

Type: ES

Page Reference: 17

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

107) What is culture jamming? Give an example.

Answer: Culture jamming involves consumer actions that attempt to disrupt corporate efforts to dominate our cultural landscape. Adbusters is a not-for-profit organization that advocates for “the new social activist movement of the information age.” Adbusters sponsors numerous initiatives, including Buy Nothing Day and TV Turnoff Week, intended to discourage rampant commercialism.

Diff: 3

Type: ES

Page Reference: 17

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

108) What is CSR? Give an example.

Answer: CSR, or **Corporate Social Responsibility**, is when firms voluntarily choose to protect or enhance their positive social and environmental impacts as they go about their business activities. This is something that is often driven by consumer demand, as companies attempt to differentiate themselves in the marketplace. Companies such as Lush, the Body Shop, and American Apparel have successfully differentiated themselves on ethical attributes. While some marketers donate their own money to good causes (**corporate giving**), others promise donations to charity as purchase incentives (a form of **cause-related marketing**).

Diff: 3

Type: ES

Page Reference: 17

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

109) What is Transformative Consumer Research? Give an example.

Answer: **Transformative Consumer Research (TCR)** promotes research projects that include the goal of helping people or bringing about social change. Consumers are not objects of research, but collaborators who work with the researchers to realize this change. Adherents of TCR work with at-risk populations such as children, the disadvantaged, and the disabled or on such topics as materialism, consumption of dangerous products, and compulsive consumption.

Diff: 3

Type: ES

Page Reference: 19

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

110) Ella feels that her little brother has a psychological dependence on playing video games. She feels that he has become obsessed with the games and that playing the games

interferes with other aspects of his life. Using terminology from the textbook, how would you characterize his behaviour?

Answer: **Consumer addiction** is a physiological or psychological dependency on products or services. This type of addiction includes addiction to alcohol, drugs, and cigarettes, and many companies profit from selling addictive products or by selling solutions to addiction.

Diff: 3

Type: ES

Page Reference: 19-20

Skill: Application

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

111) What is compulsive consumption and how does it differ from impulse buying?

Answer: **Compulsive consumption** refers to repetitive shopping, often excessive, done as an antidote to tension, anxiety, depression, or boredom. “Shopaholics” turn to shopping in much the same way as those with addictions turn to drugs or alcohol. Compulsive consumption is distinctly different from impulse buying. The impulse to buy a specific item is temporary, and it centres on a specific product at a particular moment. In contrast, compulsive buying is an enduring behaviour that centres on the *process* of buying, not the purchases themselves.

Diff: 3

Type: ES

Page Reference: 20

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

112) Jennifer has a new product line of small homeware products on which she wants to get some detailed feedback. What type of research technique might you recommend and why?

Answer: Focus groups or indepth interviews would be good techniques. Focus groups are often used when a new idea or product is being tested, or the researchers want to generate new ideas for what strategic direction to take next. As you might guess, one benefit of focus groups is that they tend to elicit more rich, detailed, and narrative feedback from consumers. Like focus groups, interviews involve direct contact with the consumer. In contrast to focus groups, this approach involves a one-on-one interaction with an

interviewer and respondent. Interviews allow the researcher to collect rich, in-depth data, but minimize any impacts of group factors influencing consumer responding. Interviews can be particularly useful if the topic is sensitive, embarrassing, or polarizing in some way. The downside of interviews is that the research process can take much longer and is much more expensive if each consumer is being asked questions one at a time.

Diff: 3

Type: ES

Page Reference: 24

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

113) Susan and George are working for the City of North Vancouver and are interested in investigating how people interact at their local dog park. They know that people often report antisocial behaviour (failure to collect dog feces, uncontrolled dogs, etc.) as a problem, but a recent survey has shown very few self-reports of anti-social behaviour. What research technique might be useful here and why?

Answer: Observational research. One drawback of surveys, focus groups, and interviews is that they all involve the consumers themselves reporting on their attitudes, behaviours, or experiences. One issue with this is that consumers may not always express the truth; perhaps because they wish to present themselves positively to the researcher, because they don't recall everything accurately, or because they are not consciously aware of all the factors influencing their behaviours. Observation has the benefit of directly tracking and measuring real behaviours.

Diff: 3

Type: ES

Page Reference: 24

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

114) Compare and contrast primary and secondary research.

Answer: When the data is collected by the researcher specifically for the research question at hand, this is called **primary research**. However, sometimes the marketer can find the information needed by going to a pre-existing source of information collected for another purpose. When the researcher uses data collected by another entity to answer a new research question, this is called **secondary research**. For example, as noted above, when the Government of Canada collects statistical information regarding its citizens,

marketers may use this information to provide insights about the consumer in ways that inform marketing strategy.

Diff: 3

Type: ES

Page Reference: 23-24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

115) Compare and contrast focus group research with interview research.

Answer: **Focus groups** usually involve small group sessions with approximately 6-12 consumer participants. The session is guided by a moderator who leads a group discussion involving a product, concept, or marketing message. Focus groups are often used when a new idea or product is being tested, or the researchers want to generate new ideas for what strategic direction to take next. As you might guess, one benefit of focus groups is that they tend to elicit more rich, detailed, and narrative feedback from consumers. One drawback, however, is that social influence can play a role, dampening the expression of consumers' true individual attitudes. (See Chapter 11 for a discussion of some of these effects.)

One other research technique is to utilize in-depth *interviews*. Like focus groups, interviews involve direct contact with the consumer. In contrast to focus groups, this approach involves a one-on-one interaction with an interviewer and respondent. Interviews allow the researcher to collect rich, in-depth data, but minimize any impacts of group factors influencing consumer responding. Interviews can be particularly useful if the topic is sensitive, embarrassing, or polarizing in some way. The downside of interviews is that the research process can take much longer and is much more expensive if each consumer is being asked questions one at a time.

Diff: 3

Type: ES

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

116) What is observational research? Give an example

Answer: Another technique commonly employed by marketers is *observational research*. In this type of research consumer behaviours are directly observed, either in a natural

context (e.g., at the mall) or controlled setting (e.g., think of a lab that observes how children play with new toy products).

One specific type of observation involves **ethnographic research**, in which researchers observe and record how consumers behave in real-world contexts, often to understand the meanings consumers subscribe to different consumption experiences. Sometimes the researcher goes as far as to immerse him or herself in the consumption setting, observing people in context over long periods of time. A famous example of this approach is Intuit's "follow me home" program where the researchers asked purchasers of Intuit's software products if they could follow them home to observe how they interacted with and used the software.

Diff: 3

Type: ES

Page Reference: 24

Skill: Recall

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

117) List the three stages of the consumption process, indicating for each stage some of the issues of concern to the consumer as well as to the marketer.

Answer: Pre-purchase stage:

-Consumer concerns: How does the consumer decide if a product is needed? What are the best sources for information to learn more about alternative choices?

-Marketers' concerns: How are consumer attitudes formed or changed?

What cues do consumers use to infer which products are superior to others?

Purchase stage:

-Consumer concerns: Is acquiring a product a stressful or pleasant experience? What does the purchase say about the consumer?

-Marketers' concerns: How do situational factors, such as time pressure or store displays, affect the consumer's purchase decisions?

Post-purchase stage:

-Consumer concerns: Does the product provide pleasure or perform its intended function? How is the product eventually disposed of, and what are the environmental consequences of this action?

-Marketers' concerns: What determines whether a consumer will be satisfied with a product and buy it again? Does this person tell others about his/her experience with the product and affect their purchase decisions?

Diff: 3

Type: ES

Page Reference: 5

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

118) In the early stages of development, what was the field of consumer behaviour known as? What important understanding of the exchange process does this change in name reflect?

Answer: In its early stages of development, the field of consumer behaviour was often referred to as *buyer behaviour*, reflecting an emphasis on the interaction between consumers and producers at the time of purchase. Marketers now recognize that consumer behaviour is an ongoing *process*, not merely what happens at the moment a consumer hands over money or a credit card and in turn receives a good or service.

A good answer would detail the issues in the consumption process from Figure 1.1: prepurchase, issues, purchase issues, and postpurchase issues.

Diff: 3

Type: ES

Page Reference: 4

Skill: Recall

Objective: L1-01 Consumer behaviour is a process.

119) Define demographics. Next, using information that you have learned from the text about the demographics of consumers, identify three marketing opportunities that match demographic trends. Justify your opportunities with specifics from your demographic appraisal.

Answer: Demographics are objectively measurable descriptive characteristics of a population..

Students can identify any number of marketing opportunities, drawing upon the sections in the text such as age, gender, family structure, social class and income, ethnicity, and geography.

Diff: 2

Type: ES

Page Reference: 6

Skill: Application

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

120) An illegal business practice in any given country could or could not be considered unethical. Explain.

Answer: This is really an open-ended question for the students to answer. They could draw on the definition of business ethics and point out that many unethical actions are legal. In addition, laws and norms around ethical behaviour can differ cross-culturally.

Business ethics are essentially rules of conduct that guide actions in the marketplace—the standards against which most people in a marketplace judge what is right, wrong, good, or bad. These universal values include honesty, trustworthiness, fairness, respect, justice, integrity, concern for others, accountability, and loyalty.

Notions of right and wrong do differ among people, organizations, and cultures. Some businesses, for example, believe it is all right for salespeople to persuade customers to buy even if it means giving them false information, while other firms feel that anything less than total honesty with customers is terribly wrong. Because each culture has its own set of values, beliefs, and customs, ethical business behaviours are defined quite differently around the world. For example, one recent study found that because of differences in values, Mexican firms are less likely to have formal codes of ethics and more likely to bribe public officials than are American or Canadian companies. On the other hand, different attitudes about work and interpersonal relationships mean that Mexican companies are also more likely to treat lower-level employees better than do their NAFTA partners to the north.

These cultural differences certainly influence whether business practices such as bribery are acceptable. In Japan, it's called *kuroi kiri* (black mist); in Germany, it's *schmiergeld* (grease money); Mexicans refer to *la mordida* (the bite); the French say *pot-de-vin* (jug of wine); and Italians speak of the *bustarella* (little envelope). They're all talking about *baksheesh*, the Middle Eastern term for a "tip" to grease the wheels of a transaction. Giving "gifts" in exchange for getting business from suppliers or customers is common and acceptable in many countries, even though this practice may be frowned upon in Canada. Recently, more than 800 business experts were asked to identify the countries where this practice is most flagrant. Russia and China emerged at the top of the list, with Taiwan and South Korea close behind. The "cleanest" countries were Australia, Sweden, Switzerland, Austria, and Canada.

Diff: 2

Type: ES

Page Reference: 12-13

Skill: Understanding

Objective: L1-05 There are many ethical issues to consider in the domain of marketing and consumer behaviour.

121) You have just told a girl you recently met about your enrollment in a consumer behaviour class, to which she replies, "I don't agree with marketers. They manipulate us through advertising by telling us we need something that we don't." What counterarguments (if any) could you give her and are there any examples you could use to be more convincing?

Answer: Students can offer different answers here. For example, one such response to this argument is that a *need* is a basic biological motive, while a *want* represents one way society has taught us to satisfy that need. For example, while thirst is biologically based, we are taught to want Coca-Cola to satisfy that thirst rather than, say, goat's milk. Thus, the need is already there; marketers simply recommend ways to satisfy it. A basic objective of advertising is to create awareness that these needs exist, rather than to create the needs.

Diff: 2

Type: ES

Page Reference: 13-17

Skill: Recall

Objective: L1-02 Marketers need to understand the wants and needs of different consumer segments.

122) Samantha recently returned from a grocery store. While at the store, she noticed a point-of-purchase display that was advertising three boxes of cookies on special, which she purchased. When Samantha arrived home, her husband Greg was extremely angry with her for buying cookies that they didn't need. He referred to her behaviour as being compulsive. Is he right?

Answer: **Compulsive consumption** refers to repetitive shopping, often excessive, done as an antidote to tension, anxiety, depression, or boredom. "Shopaholics" turn to shopping in much the same way as those with addictions turn to drugs or alcohol.

Compulsive consumption is distinctly different from impulse buying. The impulse to buy a specific item is temporary, and it centres on a specific product at a particular moment. In contrast, compulsive buying is an enduring behaviour that centres on the *process* of buying, not the purchases themselves.

Given that Samantha's purchase was a one-time purchase and she is not demonstrating a repetitive behaviour, her husband is incorrect in his conclusion.

Diff: 1

Type: ES

Page Reference: 20

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

123) Discuss addictions as an aspect of the dark side of consumer behaviour. Describe one example in detail.

Answer: Feedback: **Consumer addiction** is a physiological or psychological dependency on products or services. This type of addiction includes addiction to alcohol, drugs, and cigarettes, and many companies profit from selling addictive products or by selling solutions to addiction. Although most people equate addiction with drugs, virtually any product or service can be seen as relieving some problem or satisfying some need to the point that reliance on it becomes extreme.

Even technology can be addicting. When BlackBerry was a dominant cellphone brand, it had the nickname of “CrackBerry” because it was hard for users to stop checking it constantly. Internet addiction is already a big problem in South Korea, where 90 percent of homes connect to cheap, high-speed broadband. A government study estimates that up to 30 percent of South Koreans under 18 are at risk of Internet addiction. Many already exhibit signs of actual addiction, like an inability to stop themselves from using computers, rising levels of tolerance that drive them to seek ever longer sessions online, and withdrawal symptoms like anger and craving when they can’t log on. Some users have literally dropped dead from exhaustion after playing online games for days on end.

Diff: 3

Type: ES

Page Reference: 19-20

Skill: Application

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

124) In what way can illegal activities be viewed as harmful or destructive consumer behaviours?

Answer: Illegal activities—Many consumer behaviours are not only self-destructive or socially damaging, they are illegal as well. Examples include theft, shoplifting, employee pilferage, arson, and insurance fraud. Losses account for a substantial increase in the cost of goods since these losses are passed on to the consumer.

Anticonsumption—Products and services are deliberately defaced or mutilated, such as product tampering (e.g., Tylenol), graffiti on buildings or subways, and so on. Causes may range from peer pressure to rage against some aspect of society. The destruction of property by vandalism both contributes to additional costs to the consumer and threatens

society by potentially denying access to necessary services like public transportation and communication.

Diff: 3

Type: ES

Page Reference: 20-23

Skill: Recall

Objective: L1-06 There are various behaviours that can have negative impacts on consumers and society and these are sometimes referred to as the “dark side” of consumer behaviour.

125) How is social media changing consumer behaviour and the world in which we live?

Answer: Feedback: *Social media are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility.*

. The Internet and its related technologies that gave birth to Web 2.0 make what we know today as social media possible and prevalent. Every day, the influence of social media expands as more people join online communities. Facebook, the largest social media platform, a social utility that offers synchronous interactions (that occur in real-time like when you text back-and-forth with a friend) and asynchronous interactions (that don't require all participants to respond immediately, like when you textemail a friend and get an answer the next day), photo-sharing, games, applications, groups, e-retailing, and more, has as of the time of this writing more than 845 600 million active users. If Facebook were a country, it would be the third-most populated in the world. People aren't just joining social communities. They are contributing too! YouTube users upload more than 35 hours of video every single minute of every day. That's roughly equivalent to 176 000 full-length movies uploaded weekly. In just 30 days on YouTube, more video is broadcast than in the last 60 years on CBS, NBC, and ABC broadcasting networks combined.

This is all exciting stuff, especially because social media platforms enable a culture of participation; a belief in democracy; the ability to freely interact with other people, companies, and organizations; open access to venues that allows users to share content from simple comments to reviews, ratings, photos, stories, and more; and the power to build on the content of others from your own unique point of view. Of course, just like democracy in the real world, we have to take the bitter with the sweet. There are plenty of unsavory things going on in cyberspace, and the hours people spend on Facebook, in online gambling sites, or in virtual worlds like Second Life have led to divorce, bankruptcy, or jail in the real world.

Diff: 3

Type: ES

Page Reference: 11-12

Skill: Understanding

Objective: L1-04 The Internet has changed patterns of consumer behaviour.

126) Allison wants to examine whether consumers consider the environmental impact of products before they make their purchases. List three different research methods she might use, and give the pros and cons of each. Which method would you recommend and why?

Answer: Focus group – quick, cost effective; but there can be down sides to group influence

Surveys – cost effective, can get a large number of respondents, but respondents can't give rich or detailed feedback

Interviews – more costly and time consuming than the other two methods, but they remove group influence effects and allow for more open-ended, detailed responses.

Diff: 3

Type: ES

Page Reference: 24

Skill: Understanding

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.