

## **Chapter 1—The Role of Marketing Research**

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### **TRUE/FALSE**

1. Marketing research attempts to provide accurate information in order to reduce uncertainty in decision-making.

ANS: T                      PTS: 1                      REF: p. 5  
NAT: AACSB: Reflective Thinking

2. Marketing research is more than conducting surveys.

ANS: T                      PTS: 1                      REF: p. 5  
NAT: AACSB: Reflective Thinking

3. The term “research” means “to search again.”

ANS: T                      PTS: 1                      REF: p. 6  
NAT: AACSB: Reflective Thinking

4. A marketing researcher needs to be objective in order to provide accurate information.

ANS: T                      PTS: 1                      REF: p. 6  
NAT: AACSB: Reflective Thinking

5. Marketing research is restricted to the promotion aspect of the marketing mix.

ANS: F  
Marketing research is relevant to all aspects of the marketing mix: product, pricing, promotion, and distribution.

PTS: 1                      REF: p. 6                      NAT: AACSB: Reflective Thinking

6. Marketing research is restricted to for-profit organizations and should not be used by non-profit organizations.

ANS: F  
Marketing research also includes efforts that assist nonprofit organizations that exist to satisfy social needs.

PTS: 1                      REF: p. 6                      NAT: AACSB: Reflective Thinking

7. Applied marketing research is conducted to address a specific marketing decision for a specific firm or organization.

ANS: T                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

8. The procedures and techniques used by applied researchers and basic researchers differ substantially.

ANS: F  
All marketing research, whether basic or applied, involves the scientific method.

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

9. The scientific method used by researchers is essentially the same process in marketing as it is in physics.

ANS: T                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

10. When ideas can be stated in researchable terms, we reach the analysis stage of the scientific method.

ANS: F  
At this point, we reach the hypothesis stage of the scientific method.

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

11. Marketing research plays a more prominent role in product-oriented companies than in customer-oriented companies.

ANS: F  
A product-oriented firm prioritizes decision making in a way that emphasizes technical superiority in the product, and marketing research may take a backseat.

PTS: 1                      REF: p. 8                      NAT: AACSB: Reflective Thinking

12. The marketing concept emphasizes a cross-functional approach to long-term profitability.

ANS: T                      PTS: 1                      REF: p. 9  
NAT: AACSB: Reflective Thinking

13. Keeping customers is less important than getting customers.

ANS: F  
Keeping customers is equally important as getting customers.

PTS: 1                      REF: p. 11                      NAT: AACSB: Reflective Thinking

14. The marketing concept and the ideas in total quality management are unrelated to one another.

ANS: F  
Total quality management is a business philosophy that has much in common with the marketing concept.

PTS: 1                      REF: p. 11                      NAT: AACSB: Reflective Thinking

15. Quality improvement is every employee's job.

ANS: T                      PTS: 1                      REF: p. 11  
NAT: AACSB: Reflective Thinking

16. Marketing research can help prevent commercialization of products that are not consumer oriented.

ANS: T                      PTS: 1                      REF: p. 12  
NAT: AACSB: Reflective Thinking

17. Developing and implementing a marketing strategy involves six stages.

ANS: F

It involves four stages.

PTS: 1

REF: p. 13

NAT: AACSB: Reflective Thinking

18. When a marketing researcher describes the age, gender, income, and education of consumers in a particular city, this is known as geo-demographic information.

ANS: T

PTS: 1

REF: p. 15

NAT: AACSB: Reflective Thinking

19. Concept testing is a form of pricing research.

ANS: F

Concept testing is a form of product research.

PTS: 1

REF: p. 15

NAT: AACSB: Reflective Thinking

20. The most common forms of performance-monitoring research are sales performance and profit analyses.

ANS: F

Market-share analysis and sales analysis are the most common forms of performance-monitoring research.

PTS: 1

REF: p. 19

NAT: AACSB: Reflective Thinking

## **MULTIPLE CHOICE**

1. \_\_\_\_\_ is the application of the scientific method in searching for the truth about marketing phenomena.
- Marketing
  - Business
  - Marketing Research
  - Science

ANS: C

PTS: 1

REF: p. 5

NAT: AACSB: Reflective Thinking

2. All of the following are important aspects of the marketing research process EXCEPT:
- searching for and collecting information
  - idea and theory development
  - analyzing data
  - making results publicly available

ANS: D

PTS: 1

REF: p. 6

NAT: AACSB: Reflective Thinking

3. Which of the following are the two types of marketing research based on the specificity of its purpose?
- basic and applied
  - scientific and non-scientific

- c. cross-sectional and qualitative
- d. quantitative and secondary

ANS: A                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

4. \_\_\_\_\_ is conducted to address a specific marketing decision for a specific firm or organization.
- a. Basic marketing research
  - b. Qualitative marketing research
  - c. Quantitative marketing research
  - d. Applied marketing research

ANS: D                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

5. Which type of research tries to verify a theory or to learn more about a marketing concept and is not intended to solve a particular marketing problem?
- a. performance-monitoring research
  - b. basic research
  - c. total quality management
  - d. the scientific method

ANS: B                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

6. Which of the following refers to the way researchers go about using knowledge and evidence to reach objective conclusions about the real world?
- a. qualitative method
  - b. quantitative method
  - c. scientific method
  - d. primary method

ANS: C                      PTS: 1                      REF: p. 7  
NAT: AACSB: Reflective Thinking

7. A firm focusing more on how to provide value to customers than on the physical product or production process is embracing which orientation?
- a. marketing orientation
  - b. quality orientation
  - c. external orientation
  - d. value orientation

ANS: A                      PTS: 1                      REF: p. 8  
NAT: AACSB: Reflective Thinking

8. Which of the following is an important aspect of the marketing concept?
- a. a cross-functional perspective for the coordination of the organization's activities
  - b. an emphasis on long-term profitability instead of dollar sales volume
  - c. a consumer orientation
  - d. all of the above

ANS: D                      PTS: 1                      REF: p. 9  
NAT: AACSB: Reflective Thinking

9. Marketers of snack foods who consider the nutritional value that parents desire as well as the fun and experience that children want are demonstrating a(n):

- a. emphasis on short-term profits
- b. cross-functional perspective
- c. customer orientation
- d. product orientation

ANS: C                      PTS: 1                      REF: p. 9  
NAT: AACSB: Reflective Thinking

10. According to the concept of cross-functional activities, which of the following can affect the organization's marketing efforts?
- a. the research & development department
  - b. the accounting department
  - c. the production department
  - d. all of the above

ANS: D                      PTS: 1                      REF: p. 10  
NAT: AACSB: Reflective Thinking

11. Which of the following is the first step in developing a marketing strategy?
- a. analyzing firm performance
  - b. identifying and evaluating market opportunities
  - c. selecting target markets
  - d. planning and implementing a marketing mix that will provide value to customers and meet organizational objectives

ANS: B                      PTS: 1                      REF: p. 13  
NAT: AACSB: Reflective Thinking

12. When the typical consumer in zip code 63119 is a senior citizen with several children over the age of 25, has a college degree, and is retired, this is an example of what type of information?
- a. TQM
  - b. performance-monitoring
  - c. geo-demographic
  - d. the marketing concept

ANS: C                      PTS: 1                      REF: p. 15  
NAT: AACSB: Reflective Thinking

13. All of the following are a type of product research EXCEPT:
- a. concept testing
  - b. product testing
  - c. brand-name evaluation
  - d. pricing analysis

ANS: D                      PTS: 1                      REF: p. 15  
NAT: AACSB: Reflective Thinking

14. Asking target market members to compare the performance of a prototype of a possible new product to the performance of a competitor's product is an example of which type of research?
- a. distribution research
  - b. copytesting
  - c. promotion research
  - d. product testing

ANS: D                      PTS: 1                      REF: p. 15  
NAT: AACSB: Reflective Thinking

15. Asking consumers what they think about a possible brand name for a new product is an example of which type of research?
- a. product research
  - b. promotion research
  - c. product testing
  - d. concept testing

ANS: A                      PTS: 1                      REF: p. 15

NAT: AACSB: Reflective Thinking

16. When Cheetos snack food conducted research in China to determine which flavors consumers would find appealing, this was an example of which type of research?
- a. pricing research
  - b. promotion research
  - c. product research
  - d. distribution research

ANS: C                      PTS: 1                      REF: p. 15

NAT: AACSB: Reflective Thinking

17. Which aspect of the marketing mix is represented by the value that a consumer places on a good when this consumer purchases that good?
- a. product
  - b. place
  - c. price
  - d. promotion

ANS: C                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

18. Research that attempts to determine which critical attributes of the product consumers use to perceive the value of the product is an example of which type of research?
- a. product research
  - b. distribution research
  - c. promotion research
  - d. pricing research

ANS: D                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

19. A network of interdependent institutions that perform the logistics necessary for consumption to occur is called a(n):
- a. marketing channel
  - b. distribution network
  - c. supply channel
  - d. distribution linkage

ANS: A                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

20. When Sears conducted research to determine which products it should offer to customers over the Internet, this was an example of which type of research?
- a. distribution research
  - b. promotion research

- c. pricing research
- d. product research

ANS: A                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

21. When an organization is attempting to decide whether to add home delivery to its customer service options, this is an example of which type of research?
- a. promotion research
  - b. pricing research
  - c. distribution research
  - d. product research

ANS: C                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

22. When McDonald's studies traffic patterns and population density patterns in order to select sites for future restaurants, this is an example of which type of research?
- a. pricing research
  - b. distribution research
  - c. promotion research
  - d. product research

ANS: B                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

23. When Wal-Mart is attempting to decide where to locate its regional warehouses in order to minimize travel time from its warehouses to its stores, this is an example of which type of research?
- a. product research
  - b. pricing research
  - c. distribution research
  - d. promotion research

ANS: C                      PTS: 1                      REF: p. 16

NAT: AACSB: Reflective Thinking

24. \_\_\_\_\_ is the communication function of the firm responsible for informing and persuading buyers.
- a. Marketing
  - b. Research
  - c. Distribution
  - d. Promotion

ANS: D                      PTS: 1                      REF: p. 17

NAT: AACSB: Reflective Thinking

25. When Procter & Gamble attempts to determine the effectiveness of mailing free samples of a new type of shampoo to residents in specific zip codes on unit sales performance, it is engaged in which type of research?
- a. product research
  - b. distribution research
  - c. promotion research
  - d. pricing research

ANS: C                      PTS: 1                      REF: p. 17

NAT: AACSB: Reflective Thinking

26. When AT&T discovered an 80 percent recognition of its logo with consumers who typically spend at least \$75 per month on long-distance and wireless services, this was an example of which type of research?
- a. distribution research
  - b. promotion research
  - c. pricing research
  - d. product research

ANS: B                      PTS: 1                      REF: p. 17

NAT: AACSB: Reflective Thinking

27. When Target stores monitors the sales activities of its retail stores in order to detect any indication of dollar sales changes, this is an example of which type of research?
- a. relationship marketing research
  - b. total quality management research
  - c. basic research
  - d. performance-monitoring research

ANS: D                      PTS: 1                      REF: p. 19

NAT: AACSB: Reflective Thinking

28. When a marketing manager decides not to do research because a decision needs to be made before the results of the study can be analyzed, this is an example of which aspect in the determination of the need for marketing research?
- a. nature of the decision
  - b. time constraints
  - c. availability of the data
  - d. cost considerations

ANS: B                      PTS: 1                      REF: p. 19

NAT: AACSB: Reflective Thinking

29. In terms of marketing research, the \_\_\_\_\_ important a decision is strategically to the organization, the \_\_\_\_\_ likely that research will be undertaken.
- a. less; more
  - b. more; more
  - c. more; less
  - d. none of the above

ANS: B                      PTS: 1                      REF: p. 20

NAT: AACSB: Reflective Thinking

30. When a marketing manager is trying to decide whether a new product launch decision should be postponed until some additional marketing research can be conducted, which of the following questions should this manager ask himself or herself?
- a. Is the proposed research expenditure the best use of the available funds?
  - b. Will the information gained by marketing research improve the quality of the marketing decision enough to warrant the expenditure?
  - c. Will the payoff from the research be worth the dollar expenditures for research?
  - d. all of the above

ANS: D                      PTS: 1                      REF: p. 20

NAT: AACSB: Reflective Thinking

## COMPLETION



1. The application of the scientific method in searching for truth about marketing phenomena is known as \_\_\_\_\_.

ANS: marketing research

PTS: 1                      REF: p. 5                      NAT: AACSB: Reflective Thinking

2. The two types of marketing research based on the specificity of its purpose are called \_\_\_\_\_ and \_\_\_\_\_.

ANS: basic, applied

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

3. Research that attempts to verify a theory but which is not intended to solve any specific business problem is known as \_\_\_\_\_ research.

ANS: basic

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

4. Organizations conducting research in order to make a decision about a real situation faced in the marketplace are conducting \_\_\_\_\_ research.

ANS: applied

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

5. The way researchers go about using knowledge and evidence to reach objective conclusions about the real world is known as the \_\_\_\_\_.

ANS: scientific method

PTS: 1                      REF: p. 7                      NAT: AACSB: Reflective Thinking

6. When a company focuses all of its efforts aimed at consumers based on its technical superiority in product design and features, this company is said to be \_\_\_\_\_- oriented.

ANS: product

PTS: 1                      REF: p. 8                      NAT: AACSB: Reflective Thinking

7. A company that applies the marketing concept in its dealings with its customers is using a \_\_\_\_\_ orientation.

ANS: marketing

PTS: 1                      REF: p. 8                      NAT: AACSB: Reflective Thinking

8. According to the marketing concept, the \_\_\_\_\_ is the central focus of the activities of the organization.

ANS: customer

PTS: 1                      REF: p. 9                      NAT: AACSB: Reflective Thinking

9. One of the goals of marketing is to establish a long-term relationship with customers so that they continue to purchase the organization's products in the future. This is known as \_\_\_\_\_.

ANS: relationship marketing

PTS: 1                      REF: p. 11                      NAT: AACSB: Reflective Thinking

10. A company that employs a total quality strategy must evaluate itself through the eyes of the \_\_\_\_\_.

ANS: customer

PTS: 1                      REF: p. 11                      NAT: AACSB: Reflective Thinking

11. The idea that continuous improvement of the organization's services to customers is the job of everyone who works in the organization is an important aspect of \_\_\_\_\_.

ANS: total quality management

PTS: 1                      REF: p. 11                      NAT: AACSB: Reflective Thinking

12. Information describing the demographic profile of consumers in a particular geographic region is called \_\_\_\_\_.

ANS:  
geo-demographics  
geo demographics

PTS: 1                      REF: p. 15                      NAT: AACSB: Reflective Thinking

13. The term \_\_\_\_\_ is sometimes used to refer to a channel of distribution.

ANS: supply chain

PTS: 1                      REF: p. 16                      NAT: AACSB: Reflective Thinking

14. From a research standpoint, the \_\_\_\_\_ means that research studies often investigate effects of various combinations of marketing mix elements on important outcomes like sales and image.

ANS: integrated marketing mix

PTS: 1                      REF: p. 18                      NAT: AACSB: Reflective Thinking

15. When empirical evidence from two different cultures suggests that people in one culture act in ways that are similar to people in a different culture, we say that this fact \_\_\_\_\_ the hypothesis that the two cultures are similar to one another.

ANS:  
cross-validates

cross validates

PTS: 1

REF: p. 22

NAT: AACSB: Reflective Thinking

## ESSAY

1. Compare and contrast basic and applied marketing research. Discuss an example of each.

ANS:

**Applied marketing research** is conducted to address a specific marketing decision for a specific firm or organization. It is relatively specific, and an example might Wendy's fast food restaurant trying to determine if its new veggie burger will be successful.

**Basic marketing research** is conducted without a specific decision in mind, and it usually does not address the needs of a specific organization. It attempts to expand the limits of marketing knowledge in general, and as such is not aimed at solving a particular pragmatic problem. For example, a marketing researcher might study the effects of music on consumption in a restaurant setting.

PTS: 1

REF: p. 7

NAT: AACSB: Reflective Thinking| AACSB: Communication

2. Define the scientific method and list the steps involved in implementing it.

ANS:

The **scientific method** is the way researchers go about using knowledge and evidence to reach objective conclusions about the real world. In the scientific method, there are multiple routes to developing ideas, such as through prior knowledge or observation. When the ideas can be stated in researchable terms, we reach the hypothesis stage. The next step involves testing the hypothesis against empirical evidence (facts from observation or experimentation). The results either support a hypothesis or do not support a hypothesis. From these results, new knowledge is acquired.

PTS: 1

REF: p. 7

NAT: AACSB: Reflective Thinking| AACSB: Communication

3. Explain the differences among a product-oriented firm, a production-oriented firm, and a marketing-oriented firm and the role marketing research plays in each.

ANS:

A **product-oriented** firm prioritizes decision making in a way that emphasizes technical superiority in the product. A **production-oriented** firm prioritizes efficiency and effectiveness of the production processes in making decisions. In both of these orientations, marketing research may take a backseat. In contrast, marketing research is a primary tool enabling implementation of a marketing orientation. A **marketing-oriented** firm must: (1) be customer-oriented, (2) emphasize long-run profitability rather than short-term profits or sales volume, and (3) adopt a cross-functional perspective.

PTS: 1

REF: p. 8

NAT: AACSB: Reflective Thinking| AACSB: Communication

4. Discuss the factors that influence whether or not marketing research is needed.

ANS:

The determination of the need for marketing research centers on:

- (1) **Time constraints** - systematic research takes time, and sometimes the urgency of a situation precludes the use of research.
- (2) **Availability of data** - when managers lack adequate information, data need to be collected from an appropriate source in a timely fashion.
- (3) **Nature of the decision** - in general, the more strategically or tactically important the decision, the more likely it is that research will be conducted.
- (4) **Benefits versus costs** - when deciding whether to make a decision without research or to postpone the decision in order to conduct research requires examining whether the payoff or rate of return will be worth the investment, whether the information gained by marketing research will improve the quality of the marketing decision enough to warrant the expenditure, and whether the proposed research expenditure is the best use of the available funds.

PTS: 1

REF: p. 20

NAT: AACSB: Reflective Thinking| AACSB: Communication

5. Explain why marketing research, like all business activity, continues to change.

ANS:

Changes in communication technologies and the trend toward an ever more global marketplace have played a large role in many of these changes. With respect to communication technologies, virtually everyone is “connected” today and the speed with which information can be exchanged has increased tremendously. Changes in computer technology have also made for easier data collection and data analysis. Markets today have few, if any, geographic boundaries. Companies that conduct business in foreign countries must understand the nature of those particular markets and judge whether they require customized marketing strategies. The internationalization of research places greater demands on marketing researchers and heightens the need for research tools that allow us to cross-validate research results, which means that the empirical findings from one culture also exist and behave similarly in another culture.

PTS: 1

REF: pp. 21-22

NAT: AACSB: Reflective Thinking| AACSB: Communication