

Chapter 2: The Marketing Research Industry and Research Ethics

Multiple Choice

1. Which of the following is *not* a way marketing research is used by corporate marketing departments to support the marketing decision-making process?
 - a. to evaluate the ongoing success of operational marketing strategies
 - b. to identify new target markets
 - c. to measure the quality of customer service and level of satisfaction
 - d. to assess changes in the internal environment
 - e. All of the above are used to support the marketing decision-making process.

Ans: D

Difficulty: Medium

Response: See pages 22

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

2. When a market research supplier subcontracts out data collection activities to another firm, they are using what kind of a company?
 - a. data analysis
 - b. field service
 - c. quality control
 - d. target marketing
 - e. None of the above

Ans: B

Difficulty: Easy

Response: See page 23

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

3. Greenfield Online manages a database of consumers who have agreed to fill out online surveys periodically. This data base of consumers is an example of a _____.
 - a. focus group
 - b. research panel
 - c. cyberstudy
 - d. strategic partnership

Ans: B

Difficulty: Easy

Response: See page 29

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

4. Which of the following is *not* an internal client of marketing research?
- a. franchisees
 - b. marketing department
 - c. senior management
 - d. All are internal clients of marketing research.

Ans: A

Difficulty: Medium

Response: See page 31

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

5. The Nielsen ratings, compiled by AC Nielsen Media Research, are an example of which type of research?
- a. custom
 - b. ad hoc
 - c. qualitative
 - d. syndicated

Ans: D

Difficulty: Easy

Response: See page 23, 28

Ref: Evolving Structure of the Marketing Research Industry; Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

6. Field service firms:
- a. are data collection specialists who collect data on a subcontract basis.
 - b. design research strategies for large marketing companies.
 - c. analyze interviews and provide this analysis to clients.
 - d. specialize in going into the field and generating new product ideas.
 - e. do only exploratory research.

Ans: A

Difficulty: Medium

Response: See page 23

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

7. Which of the following would be considered a custom research firm?
- a. Burke, Inc.
 - b. the marketing department for Dell computers
 - c. a statistical software company
 - d. AC Nielsen

Ans: A

Difficulty: Hard

Response: See page 23, 28

Ref: Evolving Structure of the Marketing Research Industry; Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

8. Which of the following is an example of an external user of marketing research?
- a. the company's vendor's
 - b. senior management
 - c. human resources management
 - d. manufacturing
 - e. Information Resources, Inc.

Ans: A

Difficulty: Hard

Response: See page 31

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

9. When a television network is interested in finding out the ratings of its programs, it purchases data from AC Nielsen. What type of research firm is Nielsen?
- a. custom
 - b. syndicated
 - c. ad hoc
 - d. internal

Ans: D

Difficulty: Medium

Response: See page 28-29

Ref: Research Suppliers, Syndicated Service Firms

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

10. When a research supplier purchases a list of 3,000 customers, it is contracting with what type of company?
- a. Syndicated service firm
 - b. specialized service firm
 - c. software firm
 - d. sampling firm
 - e. none of the above

Ans: D

Difficulty: Easy

Response: See page 30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

11. Who might use the services of a field service firm?
- a. custom research firms
 - b. syndicated research firms
 - c. ad agencies and corporations
 - d. none of the above
 - e. all of the above

Ans: E

Difficulty: Easy

Response: See page 29-30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

12. Syndicated service firms:
- a. are relatively small.
 - b. are large in number.
 - c. specialize in product movement and audience media data.
 - d. do nothing but collect data.
 - e. account for 90% of all monies spent on market research.

Ans: C

Difficulty: Medium

Response: See page 34

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

13. When the brand manager for Red Bull energy drinks seeks a research project designed for their unique needs, they would be advised to hire what type of supplier?
- a. sampling firm
 - b. syndicated service firm
 - c. custom research firm
 - d. media research firm

Ans: A

Difficulty: Medium

Response: See page 30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

14. A true field service firm:
- a. is involved in all the steps of marketing research.
 - b. is only involved in data collection on a contract basis.
 - c. places a great deal of emphasis on research design and data analysis.
 - d. uses data collected for internal purposes.
 - e. none of the above

Ans: B

Difficulty: Easy

Response: See page 29-30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

15. Which is *not* an example of a media company?
- a. custom marketing research firm
 - b. advertising agency
 - c. public relations agency
 - d. direct marketing firm
 - e. All of the above are examples of media companies.

Ans: A

Difficulty: Medium

Response: See page 24,

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

16. Where are the majority of the large global marketing research firms based?
- a. Japan
 - b. United Kingdom
 - c. France
 - d. Germany
 - e. United States

Ans: E

Difficulty: Easy

Response: See page 22

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.7: To appreciate trends in global marketing research.

17. Which type of research supplier would provide audience media ratings, scanner data, and internet research?
- a. syndicated research firm
 - b. field service firm
 - c. custom research firm
 - d. advertising agency
 - e. quality control firm

Ans: A

Difficulty: Easy

Response: See page 28

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

18. A marketing research supplier that quotes an unrealistically low price for marketing research, only to raise it, is engaging in _____.
- a. price skimming
 - b. price penetration
 - c. price leadership
 - d. low-ball pricing
 - e. none of the above

Ans: D

Difficulty: Easy

Response: See page 38

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

19. When research is commissioned for public relations purposes or to prove a position, this is referred to as a(n) _____ study.
- a. qualitative
 - b. quantitative
 - c. advocacy
 - d. valid

Ans: C

Difficulty: Hard

Response: See page 38

Ref: Marketing Research Ethics

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

20. What type of manager is among the heaviest users of marketing research?
- a. franchise manager
 - b. vendor
 - c. new product development manager
 - d. top management
 - e. none of the above

Ans: C

Difficulty: Medium

Response: See page 32

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.5: To learn who uses marketing research.

21. Mystery shoppers:
- a. develop strategic partnerships.
 - b. play an important role in the distribution function.
 - c. develop new product ideas.
 - d. are heavy users of marketing research.
 - e. work for franchisors and provide information for franchisees.

Ans: E

Difficulty: Medium

Response: See page 31

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.3: To learn about various types of firms and their functions in the marketing research industry.

22. Which of the following is an example of an internal client?
- a. franchisees
 - b. vendors
 - c. marketing research companies
 - d. a firm's marketing department

Ans: D

Difficulty: Medium

Response: See pages 32-33

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

23. When selecting a research supplier, a client firm would be wise to do which of the following?
- a. not do business with a supplier who guarantees an outcome
 - b. always choose the supplier with the lowest price
 - c. work with a supplier only one time
 - d. all of the above

Ans: A

Difficulty: Hard

Response: See page 37

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

24. A company that provides statistical analysis to the marketing research industry is an example of what type of firm?
- a. syndicated service firm
 - b. custom research firm
 - c. field service firm
 - d. specialized service firm

Ans: D

Difficulty: Medium

Response: See page 30

Learning Objective 2.3: To learn about various types of firms and their functions in the marketing research industry.

25. In terms of research ethics, which of the following is *not* an important right that respondents have?
- a. right to choose
 - b. right to objectivity
 - c. right to be informed
 - d. right to safety

Ans: B

Difficulty: Medium

Response: See page 43

Ref: Marketing Research Ethics

Learning Objective 2.9: To become familiar with respondents' rights.

26. When a research study disguises brand names in order to avoid biasing the study, after the study, respondents should be _____.
- a. probed
 - b. compensated extra
 - c. debriefed
 - d. randomized

Ans: C

Difficulty: Easy

Response: See page 43

Ref: Marketing Research Ethics

Learning Objective 2.9: To become familiar with respondents' rights.

27. In survey research, it is especially important to protect respondents' _____.
- a. responses
 - b. integrity
 - c. professionalism
 - d. anonymity
 - e. none of the above

Ans: D

Difficulty: Medium

Response: See page 44

Ref: Marketing Research Ethics

Learning Objective 2.9: To become familiar with respondents' rights.

28. When a research supplier claims to have a proprietary way of measuring brand loyalty, this is known as _____.
a. RFP
b. TQM
c. black box branding
d. low ball pricing
e. none of the above

Ans: C

Difficulty: Hard

Response: See page 40

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

29. A respondent who participates in several studies each week is known as a(n) _____ respondent.
a. inside
b. informed
c. professional
d. ethical
e. all of the above

Ans: C

Difficulty: Easy

Response: See page 42

Ref: Marketing Research Ethics

Learning Objective 2.10: To discover methods by which the level of professionalism in marketing research can be raised.

30. All of the following firms represent the front line of the research industry except what?
a. Custom research firms
b. Syndicated research firms
c. Limited function research firms
d. Specialized service firms

Ans: d

Difficulty: Medium

Response: See page 24

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

31. Which U.S. marketing research firm is not in the top five in revenue, based on Exhibit 2.3 The 40 Largest U.S. Marketing Research Firms.
- a. The Nielson Co.
 - b. Q Research Solutions Inc.
 - c. Symphony IRI
 - d. Kantar
 - e. IMS Health Inc.

Ans: b

Difficulty: Medium

Response: See page 26

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

32. An alliance formed by two or more firms with unique skills and resources to offer a new service for clients, provide strategic support for each firm, or in some other manner create mutual benefits is:
- a. A positive relationship
 - b. Mutual agreement
 - c. Strategic partnership
 - d. A smart business deal

Ans: c

Difficulty: easy

Response: See page 31

Ref: Using Marketing Research – A Corporate Perspective

Learning Objective 2.6: To understand the growing importance of strategic partnering.

33. The major ethical theories discussed in the chapter include all of the following except:
- a. Existentialism
 - b. Utilitarianism
 - c. Deontology
 - d. Causist

Ans: a

Difficulty: easy

Response: See page 37

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

True/False

34. Primary information users are sometimes referred to as client organizations.

Ans: True

Difficulty: Easy

Response: See page 22

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

35. Field service firms are the ultimate users of the research data provided by their marketing research departments.

Ans: False

Difficulty: Medium

Response: See page 29

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

36. Custom, or ad hoc, research firms are primarily in the business of executing custom, one-of-a-kind marketing research projects for corporate clients.

Ans: True

Difficulty: Easy

Response: See page 28

Ref: Research suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

37. Syndicated service firms are relatively few and, compared to custom research firms, relatively large.

Ans: True

Difficulty: Medium

Response: See page 28

Ref: Research suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

38. Professional respondents are generally viewed in a positive light by marketing researchers.

Ans: False

Difficulty: Medium

Response: See page 42

Ref: Marketing research ethics

Learning Objective 2.10: To discover methods by which the level of professionalism in marketing research can be raised.

39. An organization's marketing department is an example of an external user of marketing research.

Ans: False

Difficulty: Hard

Response: See page 31-32

Ref: Using Marketing Research-A Corporate Perspective

Learning Objective 2.5: To learn who uses marketing research.

40. Most of the large marketing research firms are concentrated in Europe.

Ans: False

Difficulty: Medium

Response: See page 22

Ref: Evolving Structure of the Marketing Research Industry

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

41. A true field service firm not only collects data, but performs research design and analysis as well.

Ans: False

Difficulty: Easy

Response: See page 29-30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

42. Often, participants of a research panel receive cash or gifts in exchange for participating.

Ans: True

Difficulty: Easy

Response: See page 29

Ref: Research Suppliers

Learning Objective 2.1: To appreciate the structure of the marketing research industry.

43. Syndicated research suppliers focus only on compiling television ratings.

Ans: False

Difficulty: Medium

Response: See page 28

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

44. In terms of revenues, the largest marketing research firms tend to be syndicated research suppliers.

Ans: True

Difficulty: Easy

Response: See page 28

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

45. Reaching a representative sample of respondents is not seen as particularly important by marketing research executives.

Ans: False

Difficulty: Medium

Response: See page 35

Ref: The State of the Marketing Research Industry

Learning Objective 2.1: To learn the structure of the marketing research industry.

46. An advocacy study is a good way to produce a non-biased research project.

Ans: False

Difficulty: Hard

Response: See page 38

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

47. Black box branding techniques are usually easy for a potential client to decipher.

Ans: False

Difficulty: Hard

Response: See page 40

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

48. Subjectivity should be discouraged in marketing research.

Ans: True

Difficulty: Medium

Response: See page 38

Ref: Marketing Research Ethics

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

49. The average size of marketing research departments is quite small and the recent recession has led many firms to outsource this function of their business.

Ans: True

Difficulty: Medium

Response: See page 25

Ref: Consumer and Industrial Corporate Marketing Research Departments

Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

50. Nielson's Buy segment provides market research and analysis primarily to businesses in the consumer packaged goods industry, and it is organized into two areas: Information & Technology.

Ans: False

Difficulty: Hard

Response: See page 28

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

51. A study by Boston Consulting Group found that, on average, 20-35 percent of a company's market research budget is invested in strategic research studies.

Ans: True

Difficulty: Hard

Response: See page 35

Ref: The State of the Marketing Research Industry

Learning Objective 2.7: To appreciate trends in global marketing research

Essay Questions

52. What is the difference in a syndicated marketing research firm and a field services marketing research firm?

Ans: Both syndicated firms and field service firms collect data. However, there are differences. Syndicated firms are large and few in number. They collect data of a general nature, package it, and sell it. Some of their main thrusts are media ratings and product movement studies. Field service firms only collect data on a contract basis. They do not have any other role in the marketing research process. Their clients may be syndicated firms, corporations, or they may be small custom firms.

Difficulty: Medium

Response: See pages 28-30

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

53. Radio station KOOL is in a large metropolitan area, and is having trouble selling advertising space to advertisers. The advertisers contend that they don't know how much coverage they are getting by advertising on KOOL. What kind of data collection strategy should KOOL undertake?

Ans: Since KOOL is in a large metropolitan area, it should contract with an audience media marketing research firm such as Arbitron. Arbitron will collect data concerning how many people are listening to KOOL versus the competition. With that information, KOOL will be able to more effectively market its advertising space to potential advertisers.

Difficulty: Hard

Response: See pages 25-30

Ref: Research Suppliers

Learning Objective: 2.2: To comprehend the nature of corporate marketing research departments.

54. Station WWWW radio has been using Arbitron for to produce numbers it can use to sell advertising to its customers. Since beginning to use Arbitron's rating service their ratings have fluctuated widely and wildly from measurement to measurement. WWWW is located in a small town on the edge of the Arbitron rating area. The rating area is about 120 miles in diameter contain several large cities, but the station provides coverage for only the county in which it resides, which is sparsely populated. WWWW's advertisers are getting hesitant concerning the coverage they are getting. What should WWWW do?

Ans: Chances are since WWWW is on the edge of the rating area, very few households being can pick up the station. The station would be better served getting a local consultant or custom ad hoc marketing research firm to do a rating study for just the county that it is in.

Difficulty: Hard

Response: See pages 24-28.

Ref: Research Suppliers

Learning Objective: 2.2: To comprehend the nature of corporate marketing research departments.

55. You work for a marketing research supplier and one of your clients indicates that he would like to see the raw data for a recent study, including all of the names and phone numbers of respondents. What do you do?

Ans: This is a tough situation to be in, but the student should be able to back up the right decision, indeed the ethical decision (not sharing such information) by describing the ethical guidelines of marketing research, as defined by CASRO. Among those, privacy and confidentiality are paramount.

Difficulty: Medium

Response: See pages 36-43

Ref: Marketing Research Ethics

Learning Objective 2.9: To become familiar with respondents' rights.

56. Your company has decided it needs some marketing research done. However, you are inexperienced in the evaluation of research suppliers. What are some things to consider in the selection of a marketing research supplier?

Ans: The text notes a number of warning signs to look for when evaluation perspective research suppliers.

Difficulty: Easy

Response: See page 34

Ref: Practicing Marketing Research

Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

57. A custom ad hoc research firm is attempting to develop a template for measuring community assessment, that it can market and administer communities in general. It decides to construct a relatively comprehensive questionnaire with the goal of determining which questions are the most important generally in a community assessment. Who would the research firm want to sample for such a study and who would provide the sample frame?

Ans: There are a number of possible answers here. One possible suggestion would be finding a sampling firm that would provide a national sample of respondents. Probably doing the survey online would be the most efficient approach, and utilizing a research panel from a sampling firm that would guarantee a certain number of usable responses for a reasonable price per usable response.

Difficulty: Hard

Response: See pages 28-29

Ref: Research Suppliers

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.