

## Chapter 02

### Marketing Research: Process and Systems for Decision Making

#### Multiple Choice Questions

1. The process by which information about the environment is generated, analyzed and interpreted for use in marketing decision making is defined as \_\_\_\_\_.

- a. marketing orientation
- b. marketing research
- c. test marketing
- d. market capitalization

Answer: b

Topic: The Role of Marketing Research

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Marketing research is the process by which information about the environment is generated, analyzed and interpreted for use in marketing decision making. Marketing research does not make decisions, but it can substantially increase the chances that good decisions are made.

2. Which of the following statements about marketing research is true?

- a. The most carefully executed research will always be error free.
- b. Marketing research is an aid to decision making.
- c. Marketing research is a substitute for decision making.
- d. Marketing research forecasts consumer behavior and marketing trends with a great degree of certainty.

Answer: b

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Marketing research is an aid to decision making and not a substitute for it. In other words, marketing research does not make decisions, but it can substantially increase the chances that good decisions are made.

3. All of the following are true of marketing research EXCEPT that:
- even the most carefully executed marketing research can be fraught with errors.
  - marketing research does not forecast the future with certainty.
  - marketing research reduces the risks associated with managing marketing strategies.
  - marketing research is a substitute for decision making.

Answer: d

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Marketing research is the process by which information about the environment is generated, analyzed and interpreted for use in marketing decision making. It cannot be overstated that marketing research is an aid to decision making and not a substitute for it.

4. Charles, your business partner, is interested in starting a publishing house in Colorado. When you meet him for lunch, he shows you that the marketing research conducted guarantees that the new business will be a success. Which of the following statements of advice would enable him to develop a realistic view about the research?
- He should consider the results of the research as their final answer to all doubts about setting up the new business.
  - He should use the research conducted as a substitute for decision-making.
  - He should know that even the most carefully executed research can be filled with errors.
  - He should understand that marketing research studies all the factors that contribute to the success of a business.

Answer: c

Topic: The Role of Marketing Research

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: It is important for marketing managers to recognize that even the most carefully executed research can be fraught with errors.

5. Which of the following does NOT pertain to marketing research?
- Generating information related to the market
  - Interpreting information related to the market
  - Substituting good decision making in marketing research
  - Making strategic use of marketing research findings

Answer: c

Topic: The Role of Marketing Research

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Marketing research is the process by which information about the environment is generated, analyzed and interpreted for use in marketing decision making. It cannot be overstated that marketing research is an aid to decision making and not a substitute for it.

6. As a marketing manager, which of the following points about marketing research should you keep in mind?

- a. To make decisions in light of your own knowledge and experience
- b. To consider marketing research to be inclusive of all factors that could influence the success of a strategy
- c. To consider research to be the endpoint of strategic-decision making
- d. To use marketing research as a substitute for decision-making

Answer: a

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Marketing managers should recognize that they should make decisions in light of their own knowledge and experience, since no marketing research study includes all of the factors that could influence the success of a strategy.

7. While conducting marketing research, one should remember that:

- a. no marketing research study includes all of the factors that could influence the success of a strategy.
- b. marketing research should be carried out such that it serves as substitute for decision-making.
- c. marketing research should provide highly accurate predictions of consumer behavior.
- d. because of its high degree of accuracy, it should be used to make final decisions.

Answer: a

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Marketing managers should recognize that they should make decisions in light of their own knowledge and experience, since no marketing research study includes all of the factors that could influence the success of a strategy.

8. Although marketing research does not make decisions, an organization should conduct marketing research to:

- a. make marketing strategies error-free.
- b. forecast with certainty what will happen in the future.
- c. reduce the risks associated with managing marketing strategies.
- d. directly translate into solutions for potential marketing problems.

Answer: c

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Although marketing research does not make decisions, it can reduce the risks associated with managing marketing strategies.

9. What is the closest observation one can make about the statement: “Marketing research can examine the effects of a change in any element of the marketing mix on customer perception and behavior?”

- a. Final decisions about marketing strategies should be made by marketing research.
- b. Marketing research can predict with accuracy the impact of a strategy prior to its implementation.
- c. Marketing research cannot decrease the risks associated with managing marketing strategies.
- d. Marketing research can investigate the effects of various marketing strategies after they have been implemented.

Answer: d

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Marketing research is vital for investigating the effects of various marketing strategies after they have been implemented. For example, marketing research can examine the effects of a change in any element of the marketing mix on customer perception and behavior.

10. In the past, marketing researchers were primarily engaged in the technical aspects of research, but were not extensively involved in the:

- a. sample selection for research participants.
- b. strategic use of research findings.
- c. planning dimension of marketing research.
- d. performance of data collection.

Answer: b

Topic: The Role of Marketing Research

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: At one time, marketing researchers were primarily engaged in the technical aspects of research, but were not heavily involved in the strategic use of research findings. Today, however, many marketing researchers work hand-in-hand with marketing managers throughout the research process and have responsibility for making strategic recommendations based on the research.

11. The first step in the research process is:

- a. to collect data and label data sets.
- b. to determine the appropriate marketing strategy based on findings.
- c. to prepare a research report which contains a summary of all aspects of the study.
- d. to determine explicitly why research is needed and what it is to accomplish.

Answer: d

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy  
Explanation: The first step in the research process is to determine explicitly why the research is needed and what it is to accomplish.

12. Which of the following steps in the research process determines why a particular research study is undertaken?

- a. Plan of the research
- b. Processing of research data
- c. Purpose of the research
- d. Preparation of research report

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Purpose of research is the first step in the research process which determines explicitly why the research is needed and what it is to accomplish.

13. If a market researcher is analyzing the current situation involving the problem to be researched, he is most likely to be working on the \_\_\_\_\_ stage.

- a. performance of the research
- b. purpose of the research
- c. preparation of research report
- d. processing of research data

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: At the end of purpose of the research stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem, and (3) the specific question or questions the research is designed to investigate.

14. "Hale and Hearty" is planning to release a range of organic beauty products. Before initiating the project, the company is conducting a marketing research study as a part of which, the team is currently evaluating the market for organic products. Depending on the findings of this stage, the team will create a blueprint for the exact process they will follow subsequently. This is a function of the \_\_\_\_\_ stage of the research process.

- a. processing of research data
- b. preparation of research report
- c. purpose of research
- d. performance of research

Answer: c

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: At the end of purpose of the research stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem, and (3) the specific question or questions the research is designed to investigate.

15. By the end of the first stage of the marketing research process, managers and researchers should agree on:

- a. whether or not the company will undertake a test marketing exercise based on the results.
- b. who will be responsible for designing observational forms and questionnaires.
- c. the specific question or questions the research is designed to investigate.
- d. the type of quantitative research to be used in the current study.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: At the end of the first stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem and (3) the specific question or questions the research is designed to investigate.

16. The Five Ps of the research process include purpose of research, plan of research, performance of research, processing of research data, and \_\_\_\_\_.

- a. preparation of research report
- b. implementation of research
- c. promotion of research results
- d. propagation of research

Answer: a

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Refer to: Fig. 2.1

Explanation: The Five Ps of the research process include purpose of research, plan of research, performance of research, processing of research data, and preparation of research report.

17. During which stage of the research process does a market researcher decide whether primary or secondary data are needed for the research process?

- a. Processing of research data
- b. Plan of the research
- c. Preparation of research report
- d. Performance of the research

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Once the specific research question or questions have been agreed on, a research plan can be developed. Three critical issues that influence the research plan are (1) whether primary or secondary data are needed, (2) whether qualitative or quantitative research is needed, and (3) whether the company will do its own research or contract with a marketing research specialist.

18. During the \_\_\_\_\_ stage of the research process, it should be decided whether the company will do its own research or contract with a marketing research specialist.

- a. preparation of the research report
- b. processing of the data
- c. performance of the research
- d. plan of the research

Answer: d

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Once the specific research question or questions have been agreed on, a research plan can be developed. Three critical issues that influence the research plan are (1) whether primary or secondary data are needed, (2) whether qualitative or quantitative research is needed, and (3) whether the company will do its own research or contract with a marketing research specialist.

19. Which of the following best describes primary data?

- a. Data collected specifically for the research problem under investigation
- b. Data that has previously been collected for other purposes but can be used for the problem at hand
- c. Data collected through business and industry publications
- d. Data collected through government reports or syndicated data providers

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Primary data are data collected specifically for the research problem under investigation; secondary data are those that have previously been collected for other purposes but can be used for the problem at hand.

20. Which of the following is true regarding secondary data?

- a. It is more expensive than primary data.
- b. It is data that had previously been collected for other purposes.
- c. It is always available for strategy-specific research questions.
- d. It has limited sources which makes the process of gathering data difficult.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Secondary data are those that have previously been collected for other purposes but can be used for the problem at hand.

21. Isabel is planning to open an art gallery in Spain which will feature the artwork of young Hispanic artists. However, she is unsure if the new business would succeed. To make a clear decision, she collects data from the Statistical Office of the country which shows that 70 percent of the community in the country is Hispanic. Which of the following types of data does she use to aid her in decision making in this scenario?

- a. Primary data
- b. Secondary data
- c. Combination of primary and secondary data
- d. Raw data

Answer: b

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Secondary data are those that have previously been collected for other purposes but can be used for the problem at hand. There are many sources of secondary data useful for marketing research. Government sources, such as the Statistical Abstracts of the United States or the Survey of Current Business, can provide insights into the economy and industries within it.

22. Which of the following is the advantage of secondary data over primary data?

- a. It is always available for strategy-specific research questions.
- b. Its sources are limited making the information more valuable.
- c. It is cheaper to utilize secondary data than primary data for research.
- d. It is collected specifically for the research problem under investigation.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Secondary information has the advantage of usually being cheaper than primary data, although it is not always available for strategy-specific research questions.

23. Qualitative research typically involves \_\_\_\_\_.

- a. conducting face-to-face interviews
- b. developing equations to model relationships among variables through econometric and statistical techniques
- c. manipulating one variable and examining its impact on other variables
- d. using secondary data such as scanner data collected and stored in computer files

Answer: a

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Qualitative research typically involves face-to-face interviews with respondents designed to develop a better understanding of what they think and feel concerning a research topic, such as a brand name, a product, a package or an advertisement.

24. Which of the following is an example of qualitative research?

- a. Mathematical modeling
- b. Long interviews
- c. Experiments
- d. Observational research

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: The two most common types of qualitative research in marketing are focus groups and long interviews.

25. An instance of qualitative research would be:

- a. a research being conducted to observe how much time consumers spend browsing different sections of a store.
- b. changing the price of a product to see its impact on the purchase of other similar products.
- c. retail marketers doing traffic counts at various intersections to help determine the best locations for stores.
- d. a 3-hour interview during which the interviewee talks about the products that have improved the quality of his life.

Answer: d

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: The two most common types of qualitative research in marketing are focus groups and long interviews. Long interviews are conducted by an interviewer with a single respondent for several hours.

26. D-Tools Inc. manufactures and markets computer games. Their latest addition is a game called "Flashbox." This game is targeted at children of the age group of 13-16 years. The company recently conducted a free trial session where they invited groups of teenagers to play the game. After the gaming session, the company's market research executives conducted discussion sessions with the group and evaluated their feedback. What kind of research did the company undertake?

- a. Qualitative research
- b. Observational research
- c. Mathematical modeling
- d. Experimental research

Answer: a

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Easy

Explanation: Qualitative research typically involves face-to-face interviews with respondents designed to develop a better understanding of what they think and feel concerning a research topic, such as a brand name, a product, a package or an advertisement.

27. A marketing research study using a \_\_\_\_\_ involves discussions among a small number of consumers led by an interviewer and is designed to generate insights and ideas about products and brands.

- a. survey
- b. long interview
- c. projective technique
- d. focus group

Answer: d

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: The two most common types of qualitative research in marketing are focus groups and long interviews. Focus groups involve discussions among a small number of individuals led by an interviewer and are designed to generate insights and ideas.

28. M&N, a leading cosmetic company, recently launched a test marketing initiative for its line of cosmetics for preteens between the ages of 9 and 14 years. To promote the product, its marketing team undertook a campaign where it invited groups of preteens to try out the cosmetics in malls and conducted a session to obtain feedback from them. The feedback from the preteens helped the team understand the ideas that these preteens had about their products. Which of the following methods of collecting data did the marketing team of M&N utilize in this scenario?

- a. Observational research
- b. Focus groups
- c. Mathematical modeling
- d. Experimental research

Answer: b

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Hard

Explanation: Focus groups involve discussions among a small number of individuals led by an interviewer and are designed to generate insights and ideas.

29. Warner Implants, a pioneer in the industry for medical implants, was voted as one of the fifty most influential companies of the century in 1999. The following year, Warner Implants completed 50 years and on that occasion, the company launched a revolutionary cardiac implant. As a part of its promotional strategy, the marketing team at Warner Implants undertook extensive interviews with a few long-term customers individually. The interviews aimed at understanding the meaning their implants brought to the lives of their consumers. This scenario illustrates the use of \_\_\_\_\_ as a mode of research.

- a. observation
- b. mathematical modeling
- c. experiments
- d. long interviews

Answer: d

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Long interviews are designed to find out such things as the meanings various products or brands have for an individual or how a product influences a person's life.

30. \_\_\_\_\_ is a kind of research which involves interacting with a single respondent for several hours.

- a. Observational research
- b. Long interview
- c. Mathematical modeling
- d. Experimental research

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Long interviews are conducted by an interviewer with a single respondent for several hours. They are designed to find out such things as the meanings various products or brands have for an individual or how a product influences a person's life.

31. Which of the following is NOT a type of quantitative research?

- a. Observations
- b. Surveys
- c. Experiments
- d. Focus groups

Answer: d

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Four common types of quantitative research in marketing are observation, surveys, experiments and mathematical modeling. Focus groups are a type of qualitative research.

32. Quantitative research involves:

- a. systematic procedures designed to obtain and analyze numerical data.
- b. interviews with several people at a time to generate insights about a product.
- c. discussions among a small number of individuals led by an interviewer.
- d. focus groups and long interviews as its primary techniques for data collection.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Quantitative research involves systematic procedures designed to obtain and analyze numerical data. Four common types of quantitative research in marketing are observation, surveys, experiments, and mathematical modeling.

33. Observation, surveys, experiments and mathematical modeling are four common types of \_\_\_\_\_.

- a. quantitative research
- b. qualitative research
- c. archival research
- d. secondary research

Answer: a

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Quantitative research involves systematic procedures designed to obtain and analyze numerical data. Four common types of quantitative research in marketing are observation, surveys, experiments and mathematical modeling.

34. Which of the following types of quantitative research involves watching people and recording relevant facts and behaviors?

- a. Experimental research
- b. Focus groups
- c. Observational research
- d. Survey research

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Observational research involves watching people and recording relevant facts and behaviors. For example, retail stores may use observational research to determine what patterns customers use in walking through stores, how much time they spend in various parts of the store, and how many items of merchandise they examine.

35. The management team at Mercury, a department store, has received feedback from the customer service department that the store's exchange policy creates a lot of stress for customers. The customers need to visit several counters before their product is finally exchanged with another. All attempts to interact with customers to study the problem have failed because consumers chose to become hostile, rather than giving any constructive feedback. The team is now planning to conduct market research by monitoring people's behavior as they wait in line for products to be exchanged. What type of research is the store conducting?

- a. Focus group research
- b. Surveys
- c. Observational research
- d. Experimental research

Answer: c

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Four common types of quantitative research in marketing are observation, surveys, experiments, and mathematical modeling. Observational research involves watching people and recording relevant facts and behaviors.

36. Researchers at Spark, a fashion line, are conducting a study to estimate the traffic flow at various commercial intersections in New York. This is to help determine the best locations for their upcoming store. What type of research are the researchers most likely to be undertaking in this scenario?

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

Answer: a

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Observational research involves watching people and recording relevant facts and behaviors. It is a type of quantitative research.

37. The management team at the Orion department store has noticed that the sale of some popular food products has fallen ever since they have changed the layout of the store. The marketing manager of the store wants to conduct a research through which they can monitor customers as they browse through the store and note the time they spend in each part of the store. In this scenario, the manager is planning to use the \_\_\_\_\_ method of research.

- a. observational
- b. mathematical modeling
- c. experimental
- d. survey

Answer: a

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Observational research involves watching people and recording relevant facts and behaviors. It is a type of quantitative research.

38. Which of the following kinds of research collects data by means of a feedback form by mail, phone or in person?

- a. Experimental research
- b. Mathematical modeling
- c. Survey research
- d. Observational research

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Survey research involves the collection of data by means of a questionnaire either by mail, phone or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

39. Starks Inc., a fast food chain in Los Angeles, is planning to open a joint in Mexico City. Prior to opening the joint, they have decided to conduct market research to assess and understand the market. The process will involve recruiting representatives in the city who will ask consumers a set of structured questions in person. Which of the following research methods is Starks Inc. using?

- a. Experimental research
- b. Archival research
- c. Survey research
- d. Observational research

Answer: c

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Survey research involves the collection of data by means of a questionnaire either by mail, phone or in person. Personal surveys involving structured questions are useful but expensive.

40. The market research team of Shine, a company which produces hair products, is puzzled because their sale of hair shampoos has dropped drastically. The marketing manager is wondering if the drop in sales is a result of a recent newspaper article about deforestation caused by the company's extraction of palm oil for hair products. The manager wants to conduct a market research to see if the company needs to modify the product. He sends out a questionnaire by e-mail to their wide customer base to gather relevant information. Which of the following types of research methods is he using?

- a. Observational research
- b. Experimental research
- c. Survey research
- d. Mathematical modeling research

Answer: c

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Hard

Explanation: Survey research involves the collection of data by means of a questionnaire either by mail, phone or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

41. GenX Techware, a manufacturer of computer monitors, wants to know whether there would be an increase in sales among women if monitors were of pastel-colored cases. For this purpose, the marketing team at GenX Techware created a set of questions that were answered by a group of 500 female respondents. This is an example of a(n) \_\_\_\_\_.

- a. observational research
- b. archival research
- c. experimental research
- d. survey research

Answer: d

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Survey research involves the collection of data by means of a questionnaire either by mail, phone or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

42. Which of the following research methods deals with manipulating one variable and examining its impact on other variables?

- a. Marketing audit
- b. Observational research
- c. Archival research
- d. Experimental research

Answer: d

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Experimental research involves manipulating one variable and examining its impact on other variables.

43. The price of a product in one test store was changed while it was left the same in other stores. Comparing sales in the test store to those in other stores provided evidence about the impact of price change in the overall market. The type of research used here is called \_\_\_\_\_.

- a. experimental research
- b. mathematical modeling
- c. observational research
- d. survey research

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: In experimental research, the price of a product in one test store could be changed, while left the same in other stores. Comparing sales in the test store with those in other stores can provide evidence about the likely impact of a price change in the overall market. Many marketing research experiments are conducted in laboratories or simulated stores to carefully control other variables that could impact results.

44. A marketer of yo-yos wants to know how an increase in price would affect its sales. It uses a test store where it increases the price of the yo-yo by ten percent and then studies its impact on sales. Comparing sales in the test store with those in other stores provides evidence about the likely impact of a price change in the overall market. Identify the type of market research used in the scenario.

- a. Experimental research
- b. Mathematical modeling research
- c. Observational research
- d. Qualitative research

Answer: a

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Experimental research involves manipulating one variable and examining its impact on other variables.

45. Which of the following types of research involves the application of econometric or statistical techniques to secondary data, such as scanner data collected and stored in computer files from retail checkout counters?

- a. Focus groups research
- b. Observational research
- c. Mathematical modeling
- d. Qualitative research

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Mathematical modeling research often involves secondary data, such as scanner data collected and stored in computer files from retail checkout counters.

46. Which of the following types of research would you expect a consumer products company to use if it wanted to study the patterns of household buying habits using secondary data sets each containing 500,000 items?

- a. Short interviews
- b. Mathematical modeling
- c. Focus groups research
- d. Observational research

Answer: b

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Mathematical modeling research often involves secondary data, such as scanner data collected and stored in computer files from retail checkout counters.

47. Far-n-Wide, a leading travel agency, wants to implement market segmentation in order to target people who travel at least once a week for business purposes. The ticketing data from all outlets issuing tickets is consolidated in the company database and this is used to identify the consumers who constitute this frequent-flyers segment. What type of research is the company using?

- a. Mathematical modeling research
- b. Observational research
- c. Qualitative research
- d. Experimental research

Answer: a

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: Mathematical modeling research often involves secondary data, such as scanner data collected and stored in computer files from retail checkout counters.

48. An advantage of using focus groups is that:

- a. it is flexible to use in a marketing study.
- b. it does not require expert moderators.
- c. it has a broad geographic dispersion.
- d. it prevents the operation of bias from the moderator.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of using focus groups is that it is flexible to use and is relatively low in cost.

49. Which of the following is a benefit of using focus groups as a method of data collection?

- a. It is free from bias from the moderator.
- b. It can have a large sample size.
- c. It is a relatively low cost technique.
- d. It does not need expert moderators.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of using focus groups is that it has a relatively low cost and data can be collected quickly.

50. Which of the following is a disadvantage of using focus groups?

- a. It requires an expert moderator.
- b. It eliminates the chances of bias influencing the results.
- c. It takes a long time to collect data.
- d. It increases cost per contact in the study.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of using focus groups is that it requires an expert moderator. It may also have potential bias from moderator.

51. A drawback of using focus groups as a method of data collection is that:
- it involves a long data gathering process.
  - it involves a very high cost per contact made in the study.
  - it suits only those studies that have a small sample size.
  - it represents a rigid technique that cannot be tailored to the needs of individual projects.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of using focus groups is that it has a small sample size.

52. Which of the following is an advantage of telephone surveys?
- It provides a high depth of response.
  - It provides a proportionate coverage of low-income segments.
  - It prevents the abuse of phone by solicitors.
  - It reduces the time taken to collect data substantially.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of telephone surveys is that data can be collected quickly. It is also more cost-effective than personal interviews.

53. A benefit of using telephone surveys is that:
- it has a centralized control of data collection.
  - it is less likely to be perceived as intrusive by respondents.
  - it has a proportionate representation of low-income segments.
  - it has a high depth of response.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of telephone surveys is that it has a centralized control of data collection.

54. Which of the following is a disadvantage of telephone surveys?

- a. It has a non-centralized control of data collection.
- b. It has a disproportionate coverage of low-income groups.
- c. It has a lengthy and drawn-out data collection process.
- d. It is the least cost-effective method of data collection.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of telephone surveys is that it has a disproportionate coverage of low-income groups.

55. A disadvantage of telephone surveys is:

- a. the lack of cost-effectiveness compared to personal interviews.
- b. the prolonged amount of time taken for data collection.
- c. the lack of centralized control on data collection.
- d. the resistance in collecting financial data like income details.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of telephone surveys is the resistance in collecting income and financial data.

56. Which of the following is an advantage of mail surveys?

- a. High depth of response
- b. Easy to estimate non-response biases
- c. Broad geographic dispersion
- d. Easy to reach all segments

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: One of the advantages of a mail survey is that it has a broad geographic dispersion.

57. An advantage of mail surveys is the ease it provides in the area of \_\_\_\_\_.

- a. administration of the survey to respondents
- b. estimation of non-response biases in the survey
- c. representation of all kinds of segments in the survey
- d. collection of financial data for the survey

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of mail survey is its ease of administration. In addition, data can be collected quickly.

58. Which of the following is a drawback of using mail surveys as a method of data collection?

- a. It is the most expensive method of data collection.
- b. It is difficult to estimate non-response biases.
- c. It has a restricted geographic dispersion.
- d. It has a long-drawn data collection process.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of mail surveys is that it is difficult to estimate non-response biases.

59. A disadvantage of mail surveys is that:

- a. it has a limited depth of response.
- b. it has a limited geographic reach.
- c. it is difficult to administer to respondents.
- d. it is a time-consuming method of data collection.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of mail surveys is that it has a limited depth of response.

60. An advantage of personal interviews is that:

- a. it avoids transmitting biasing cues.
- b. the cost per contact is extremely low.
- c. it has a low data collection time.
- d. it generates more ideas compared to group methods.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: The advantages of personal interviews is that they have more in-depth response compared to telephone interviews and they generate a substantial number of ideas compared to group methods.

61. Which of the following is an advantage of personal interviews?

- a. It facilitates a broad coverage in a feasible manner.
- b. It has a low cost-per-contact for ever respondent studied.
- c. It has more depth of response than telephone interviews.
- d. It involves less time in data collection.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: The advantage of personal interviews is that it has more depth of response than telephone interviews.

62. A drawback of personal (in-depth) interviews is that:

- a. it has a high cost per contact for every respondent studied.
- b. it does not generate as many ideas as group methods do.
- c. it has an element if confusion as there is high geographic dispersion.
- d. it has a lesser depth of response than other interviews.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Personal (in-depth) interviews have a disadvantage of high cost per contact. It is also easy to transmit biasing cues.

63. Which of the following is a disadvantage of personal (in-depth) interviews?

- a. Lesser depth of response than telephone interviews
- b. Higher tendency to transmit biasing cues
- c. Lesser generation of ideas compared to group methods
- d. Lesser amount of usable data for research

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Personal (in-depth) interviews have a disadvantage of being easy to transmit biasing cues. In addition, broad coverage is often infeasible.

64. Which of the following is a benefit of using mall intercepts?

- a. It depends on projective techniques for success.
- b. It offers flexibility in answering questions.
- c. It offers unlimited time for every respondent.
- d. It allows for higher levels of interviewer supervision.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A benefit of using mall intercepts is that it offers flexibility in answering questions and collecting data.

65. An advantage of mall intercepts is that:

- a. it provides unrestrained time to respondents.
- b. its costs are free from the influence by incidence rates.
- c. it does not require interviewer supervision.
- d. it has fairly high response rates.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A benefit of using mall intercepts is that it has fairly high response rates. In addition, data can be collected quickly.

66. Which of the following is a drawback of using mall intercepts?

- a. It is a highly time consuming method of collecting data.
- b. It does not offer flexibility in probing respondents.
- c. Its costs depend on incidence rates.
- d. It cannot be used for copy evaluations.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of mall intercepts is that its costs depend on incidental rates. In addition, interviewer supervision is difficult.

67. A disadvantage of mall intercepts is that:

- a. interviewer supervision is difficult.
- b. collection of data takes a very long time.
- c. response rates are very low.
- d. it has low flexibility in collecting data.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: A disadvantage of mall intercepts is that interviewer supervision is difficult. In addition, costs depend on incidence rates.

68. Which of the following marketing research methods allows respondents to answer surveys at their convenience and facilitates evaluation of visual stimuli?

- a. Telephone surveys
- b. Internet surveys
- c. Focus groups
- d. Mall intercepts

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Two major advantages of internet surveys are that the survey can be answered at the convenience of the respondent and that visual stimuli can be evaluated. In addition, they are inexpensive and quickly executed.

69. One advantage of internet surveys is:

- a. that they are accurate and free from respondents' self-selection bias.
- b. that responses do not need to be checked for duplication.
- c. the ease of generating sample frames.
- d. that real-time data processing is possible.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: One advantage of internet surveys is that real-time data processing is possible. In addition, they are inexpensive and quickly executed.

70. One of the disadvantages of internet surveys is that:

- a. they are very expensive.
- b. they often provide bogus responses.
- c. they fail to evaluate visual stimuli.
- d. they cannot provide real-time processing of data.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: One of the disadvantages of internet surveys is that responses must be checked for duplication, bogus responses. In addition, it has a limited ability to qualify respondents and confirm responses.

71. A drawback of internet surveys is that:

- a. it takes a long time to be executed.
- b. it makes interviewer supervision difficult.
- c. it poses difficulties in generating sample frames for probability sampling.
- d. it creates a high degree of perceived intrusion as respondents cannot answer the questions at their convenience.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: One of the disadvantages of internet surveys is that it is difficult to generate sample frames for probability sampling.

72. Which of the following is a benefit of using projective techniques as a method of data collection?

- a. It elicits responses from respondents on sensitive topics.
- b. It minimizes the need for trained and experienced interviewers.
- c. It reduces the cost per interview in the research study substantially.
- d. It provides the broadest geographic dispersion for a marketing research study.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of projective technique is that it is less threatening to respondents for sensitive topics. It can also identify important motives underlying choices.

73. An advantage of projective techniques is that:

- a. it is the least expensive method of data collection.
- b. it can identify important motives underlying consumer choices.
- c. it can minimize the need for trained and experienced interviewers.
- d. it is the most easy to administer of all research techniques.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: An advantage of projective technique is that it can identify important motives underlying choices. It is also useful in word association tests of new brand names.

74. One disadvantage of projective techniques is that:

- a. they are highly threatening to respondents for sensitive topics.
- b. they cannot be used for word association tests of new brand names.
- c. it is not possible to identify important motives underlying consumer choices.
- d. it requires trained and experienced interviewers as sensitive data may be elicited.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: The disadvantages of projective techniques are that it requires trained interviewers and the cost per interview is high.

75. Which of the following is a drawback of projective techniques as a tool to collect data in marketing research?

- a. It is not useful for word association tests.
- b. It does not require trained interviewers.
- c. It has a high cost per interview that is conducted as a part of the study.
- d. It is unable to recognize important motives operating within consumers.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: The disadvantages of projective techniques are that they require trained interviewers and the cost per interview is high.

76. The advantage of observation as a method of data collection is that:

- a. it can accurately measure overt behaviors.
- b. it is inexpensive in data-collection-time costs.
- c. it can assess opinions of attitudes causing behaviors.
- d. it is appropriate for both frequently and rarely occurring behaviors.

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Observation can help in collecting sensitive data, measuring overt behaviors accurately, and studying cross-cultural differences.

77. Which of the following is a benefit of observation as a method of data collection?

- a. It is accurate in measuring covert behavior.
- b. It can be used in studies of cross-cultural differences.
- c. It can assess opinions of attitudes causing behaviors.
- d. It can provide clear evidence of causal relationships.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Observation can help in collecting sensitive data, measuring overt behaviors accurately, and studying cross-cultural differences.

78. A drawback of using observation as a data collection method is that:

- a. it is inaccurate in measuring overt behavior.
- b. it cannot be used to study cross-cultural differences.
- c. it is appropriate only for frequently occurring behaviors.
- d. it cannot collect any sensitive data about the respondents.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Observation as a method of data collection has a few drawbacks. It is appropriate only for frequently occurring behaviors. In addition, it is unable to assess opinions of attitudes causing behaviors.

79. Which of the following is a disadvantage of observation used as a method of data collection?

- a. It provides the same perspective as survey self-reports.
- b. It can measure only those behaviors that do not occur frequently.
- c. It does not have the ability to gather sensitive data.
- d. It is unable to assess opinions of attitudes causing behaviors.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Refer to: Fig. 2.3

Explanation: Observation as a method of data collection has a few drawbacks. It is appropriate only for frequently occurring behaviors. In addition, it is unable to assess opinions of attitudes causing behaviors.

80. Which of the following statements is true about conducting marketing research?
- a. The best approach to marketing research involves applying quantitative techniques in the beginning.
  - b. Qualitative research is often used in early stages of investigating a topic to get more information and insight.
  - c. Marketing research is seldom fruitful if contracted to outside parties.
  - d. Marketing research conducted internally is most reflective of a company's position.

Answer: b

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Often, qualitative research is used in early stages of investigating a topic to get more information and insight about it. Then, quantitative approaches are used to investigate the degree to which the insights hold across a larger sample or population.

81. What kinds of people buy our products, where do they live, and how much do they earn are questions that aid the \_\_\_\_\_ process.

- a. marketing segmentation
- b. data collection
- c. environmental assessment
- d. data mining

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: What kinds of people buy our products, where do they live, how much do they earn, and how many of them are there are segmentation questions that marketing research can help answer.

82. \_\_\_\_\_ is the process of extracting hidden predictive information from large databases.

- a. Data mining
- b. Sole sourcing
- c. Internal marketing
- d. Test marketing

Answer: a

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Data mining is the extraction of hidden predictive information from large databases. The focus is on finding statistical links about consumer purchasing patterns that suggest marketing actions.

83. The stage of performance of research involves:
- a. coding, labeling and structuring data.
  - b. defining the nature and purpose of collecting the data
  - c. analyzing and interpreting the collected data.
  - d. preparing for data collection and collecting it.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Performance of the research involves preparing for data collection and actually collecting them. The tasks at this stage depend on the type of research that has been selected and the type of data needed.

84. Which of the following steps of the research process involves locating data or preparing observational forms or questionnaires, if the research involves collecting primary data?

- a. Performance of the research
- b. Processing of the research
- c. Planning of the research
- d. Preparation of research report

Answer: a

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Performance of research involves preparing for data collection and actually collecting them. The tasks at this stage obviously depend on the type of research that has been selected and the type of data needed. If secondary data are to be used, they must be located, prepared for analysis, and possibly paid for. If primary data are to be collected, then observational forms, questionnaires, or other types of measures must be designed, pretested, and validated.

85. In the research process, the \_\_\_\_\_ step involves obtaining and recording the maximal amount of useful information, subject to the constraints of time, money, and respondent privacy.

- a. processing of data research
- b. analysis of data research
- c. performance of the research
- d. preparation of the research report

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: In terms of actual data collection, a cardinal rule is to obtain and record the maximal amount of useful information, subject to the constraints of time, money, and respondent privacy.

86. Processing of research data includes things such as:

- a. preparing observational forms for data collection.
- b. obtaining and recording the maximal amount of useful information.
- c. collecting data by means of a questionnaire either by mail or phone.
- d. editing structuring, and coding data for statistical analysis.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Processing research data includes such things as editing and structuring data and coding them for analysis. The appropriate analysis techniques for collected data depend on the nature of the research question and the design of the research.

87. Which of the following stages of the research process involves labeling data sets to avoid misinterpreting or misplacing them?

- a. Performance of the research
- b. Processing of research data
- c. Preparation of research data
- d. Planning of the research

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: Processing research data includes the preparation of data for analysis and its actual analysis. Data sets should be clearly labeled to ensure they are not misinterpreted or misplaced.

88. Holly and her team have collected data from 500 respondents as a part of the survey research they have undertaken to assess the changing trends among consumers buying different kinds of baby food. They have coded and collated all the data and fed them into a computer-based statistical analysis program. The results of the analysis are being analyzed by the team presently to uncover any significant patterns of consumer preference. Holly's team is at the stage of \_\_\_\_\_.

- a. performance of the research
- b. preparation of the research report
- c. plan of the research
- d. processing of research data

Answer: d

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: A critical part of processing research data is interpreting and assessing the research results. Marketing researchers should always double-check their analysis and avoid overstating the strength of their findings.

89. Which of the following statements is true with regard to the stage of processing research data?

- a. This stage must ideally reveal significantly strong correlations between the variables of the study to be fruitful for the marketing research undertaken.
- b. The use of judgment and insight must be minimized in interpreting results of the research as it reduces the scientific validity of the data.
- c. The marketing research team must abandon the study when the results emerging from it are ambiguous and ill-defined.
- d. This stage involves use of experience and knowledge to draw appropriate inferences and conclusions from data that represents small or moderate evidence.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Usually, in a marketing research study relationships among variables or differences between groups are small to moderate, and judgment and insight are needed to draw appropriate inferences and conclusions. Seldom, if ever, do marketing research studies obtain findings that are totally unambiguous.

90. Which of the following is the final step of the research process?

- a. Processing of research data
- b. Data structuring and analysis
- c. Preparation of the research report
- d. Performance of the research

Answer: c

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: The preparation of the research report involves a write-up of each of the previous stages as well as the strategic recommendations from the research. The limitations of the research should be carefully noted.

91. A \_\_\_\_\_ is a complete statement of everything done in a research project and includes a write up of each of the previous stages as well as the strategic recommendations from the research.

- a. research report
- b. research plan
- c. research evaluation
- d. research strategy

Answer: a

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: A research report is a complete statement of everything done in a research project and includes a write-up of each of the previous stages as well as the strategic recommendations from the research. Research reports should be clear and unambiguous with respect to what was done and what recommendations are made.

92. The major goal of \_\_\_\_\_ is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely.

- a. observational research
- b. test marketing
- c. mathematical modeling
- d. data mining

Answer: b

Topic: The Marketing Research Process

Blooms: Remember

AACSB: Analytic

Level of Difficulty: Easy

Explanation: The major goal of most test marketing is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely. In this way, future sales potential can often be estimated reasonably well.

93. Budget constraints on marketing research can lead to:

- a. wrong interpretation of the research results.
- b. inappropriate inferences and conclusions.
- c. incorrectly formulated sample size and design.
- d. incorrect reasons regarding why the research is needed.

Answer: c

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: There are several problems that could invalidate test marketing study results. For instance, sample size and design can be incorrectly formulated because of budget constraints.

94. Test marketing study results can be invalidated if:

- a. test marketing areas are representative of and proportionate to the market in general.
- b. pretest measurements of competitive brand sales are created.
- c. test stores provide complete support to the study.
- d. test-market products are advertised beyond a profitable level for the market in general.

Answer: d

Topic: The Marketing Research Process

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Test marketing study results can be invalidated if test-market products are advertised or promoted beyond a profitable level for the market in general.

95. “Whims and Fancies” recently released a line of their home linen products at ten select retail stores in the state. The marketing team aims to sell the products on this small-scale basis to estimate consumer acceptance before releasing them across all stores where their products are sold. This approach to marketing a product is called \_\_\_\_\_.

- a. internal marketing
- b. test marketing
- c. digital marketing
- d. social marketing

Answer: b

Topic: The Marketing Research Process

Blooms: Apply

AACSB: Reflective Thinking

Level of Difficulty: Medium

Explanation: This is an example of test marketing. The major goal of most test marketing is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely. In this way, future sales potential can often be estimated reasonably well.

96. Which of the following is true regarding marketing decision support systems?
- It is a popular form of marketing information system with data, tools, and techniques.
  - It requires a search engine software and a word processing system to function.
  - It is a firewall that does not permit marketers to explore external databases.
  - It is designed exclusively to handle information from internal sources.

Answer: a

Topic: Marketing Information Systems

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: A popular form of marketing information system is the marketing decision support system. It is a coordinated collection of data, tools, and techniques involving both computer hardware and software by which marketers gather and interpret relevant information for decision making.

97. Marketing decision support systems require three types of software. These include:
- word processing systems, a spreadsheet, and a local area network system.
  - a database management system, search engine software, and a word processing system.
  - a spreadsheet, communications software, and word processing systems.
  - database management system, model base management software, and a dialog system.

Answer: d

Topic: Marketing Information Systems

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Marketing decision support systems require three types of software: a database management system, model base management software, and a dialog system.

98. Marketing decision support systems are designed to handle information from both internal and external sources. Which of the following is an example of an internal source of data that could be used by a marketing decision support system?
- Company expenditure data on advertising
  - Industry expenditure data on sales promotions
  - Economic environmental change statistics
  - Global information on competitors

Answer: a

Topic: Marketing Information Systems

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: Internal information includes such things as sales records or expenditure data on such things as advertising, personal selling, or packaging. Internal information is particularly important for investigating the efficiency and effectiveness of various marketing strategies.

99. Which of the following best illustrates an external source of data that could be used with a marketing decision support system?

- a. Sales record divided by territory
- b. Company expenditures on personal selling
- c. Organizational costs on advertising
- d. Information on technological advances in the field

Answer: d

Topic: Marketing Information Systems

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: External information is gathered from outside the organization and concerns changes in the environment that could influence marketing strategies. External information is needed concerning changes in global economies and societies, competitors, customers, and technology.

100. Which of the following pertains to the model base management software?

- a. It permits marketers to categorize and sort databases.
- b. It contains routines for manipulating data.
- c. It produces information to address decision-making needs.
- d. It helps in retrieving data from internal and external sources.

Answer: b

Topic: Marketing Information Systems

Blooms: Understand

AACSB: Analytic

Level of Difficulty: Medium

Explanation: The model base management software contains routines for manipulating data in ways that are useful for marketing decision making.