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

Multiple Choice

1. Which of the following is *not* part of the definition of marketing?

a. planning and execution regarding the marketing mix

b. creating exchange

c. gauging production efficiency

d. satisfying consumer needs as well as organizational objectives

e. All of these are part of the definition of marketing.

Ans:C

Difficulty: Easy

Ref: Nature of Marketing

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

2. The fact that cell phones now come in a vast array of designs and colors relates to which specific component of the marketing concept?

a. production orientation

b. systems orientation

c. goal orientation

d. consumer orientation

e. none of the these

Ans*:* D

Difficulty: Easy

Ref: Nature of Marketing

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

3. Target marketing most closely identifies with which of the following orientations?

a. production orientation

b. systems orientation

c. goal orientation

d. consumer orientation

e. All are part of the requirements for adopting the marketing concept.

Ans:D

Difficulty: Medium

Ref: Nature of Marketing

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

4. Achieving a 15% rate of return on investment would identify with which of the following orientations?

a. production orientation

b. systems orientation

c. goal orientation

d. consumer orientation

e. All are part of the requirements for adopting the marketing concept.

Ans: C

Difficulty: Medium

Ref: Nature of Marketing

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

5. Which of the following is under control of the marketer?

a. The external environment

b. The marketing mix

c. Economic conditions

d. Political stability

e. None of these are under the marketers’ control.

Ans: B

Difficulty: Easy

Ref: Nature of Marketing

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

6. Which of the following is *not* done by marketing research?

a. specifying information to address a marketing issue

b. managing the data collection process

c. analyzing data from the collection process

d. based on the information deciding to terminate a product or service that is not meeting organizational goals

e. All of these are done by marketing research.

Ans: D

Difficulty: Medium

Ref: Marketing Research and Decision Making

**Learning Objective 1.3: To define marketing research.**

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

a. descriptive

b. diagnostic

c. predictive

d. forecasting

e. none of the these

Ans: A

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

8. The objective that the quality being delivered is the quality desired by the target market is most closely related to:

1. quality control
2. return on quality
3. customer satisfaction
4. quality assurance
5. none of these

Ans: B

Difficulty: Easy

Ref: Market Research and Decision Making

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

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

a. production output

b. customer satisfaction

c. continual improvement

d. none of these

e. all of these

Ans: B

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

10. Which of the following would *not* be characteristic of basic research?

a. determining the most attractive price for a new product

b. validating an existing theory

c. learning more about a concept

d. conducted by professors at larger “flagship-type” universities

e. All are characteristic of basic research.

Ans: A

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

11. Which of the following would characterize an applied research effort?

a. determining the best package design for a Hispanic market

b. forecasting the demand for a new service

c. determining whether or not to add a new model of option

d. deciding which retail locations will produce the most consumer traffic

e. all of these characterize an applied research effort

Ans: E

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

12. Which of the following might provide a good reason *not* to conduct marketing research?

a. insufficient time to conduct research

b. no budget allocated for research

c. decision making data already exists

d. Both insufficient time and no budget allocated for research

e. All of these are reasons to conduct marketing research.

Ans: C

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

a. scale back the project sample size

b. delete the focus group research

c. decline the project

d. Scale back the project sample size and delete the focus group

e. none of these

Ans: C

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

a. small market yielding a small profit

b. small market yielding a large profit

c. large market yielding a small profit

d. large market yielding a large profit

e. none of these

Ans: A

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

a. small profit margin

b. large profit margin

c. large market size

d. small market size

e. large growing market

Ans: A

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

a. toy managers confused about what information is needed

b. costs of research outweigh the benefits

c. decision has already been made

d. decision-making information already exists

e. none of these

Ans: D

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

a. resources for the study are lacking

b. the research results would not be useful

c. the managerial decision has already been made

d. decision-making information already exists

e. none of these

Ans: B

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

a. decline the project

b. conduct more exploratory research

c. tell the top managers what the research objectives should be and do the project

d. agree to do the subsequent project for a lower cost

e. none of these

Ans: A

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

a. the Internet tends to produce dramatically different results

b. most clients prefer traditional techniques

c. the Internet tends to yield similar research findings compared to traditional techniques

d. research on the Internet tends to be less valid

e. it is more difficult to obtain a large sample in an Internet study

Ans: C

Difficulty: Medium

Ref: Development of Market Research

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

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

a. more rapid access to business intelligence

b. facilitates follow-up studies

c. slashes many cost-related activities in the research process

d. improves response rates over mail surveys

e. All are benefits of the Internet.

Ans: E

Response: See page 14

Ref: Development of Market Research

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

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

a. allows for greater probing on specific questions

b. higher response rates

c. drastically reduced data collection costs

d. real-time reporting of results

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

Ans: A

Difficulty: Medium

Ref: Development of Market Research

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

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

a. survey programming costs

b. travel costs

c. report publishing costs

d. report distribution costs

e. All of these can be reduced by using the Internet for marketing research.

Ans: A

Difficulty: Hard

Ref: Development of Market Research

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

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

a. collaboration between client and supplier

b. data management and online analysis

c. publishing and distribution of reports

d. real time reporting

e. none of these

Ans: B

Difficulty: Hard

Ref: Development of Market Research

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

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

a. basic research

b. problem-based research

c. applied research

d. pure analytical research

e. none of these

Ans: A

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

25. \_\_\_\_\_\_\_\_\_\_\_ orientation monitors the external environment in order to deliver the marketing mix to the target market.

a. Systems

b. Goal

c. Diagnostic

d. Proactive

e. A combination of all of these is correct.

Ans: A

Difficulty: Medium

Ref: Nature of Marketing

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

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

a. pure

b. applied

c. basic

d. evaluative

e. none of these

Ans: B

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

27. Marketing research helps retain customers through:

1. increasing the number of customers
2. gaining an intimate understanding of customer needs
3. learning what the customer wants
4. increasing value consciousness
5. all of these

Ans: B

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

a. programmatic

b. selective

c. evaluative

d. diagnostic

e. none of these

Ans: B

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

a. marketing

b. internal

c. predictive

d. external

e. none of these

Ans: D

Difficulty: Medium

Ref: Nature of Marketing

**Learning Objective 1.2: To comprehend the marketing environment within which**

**managers must make decisions.**

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

a. data collection

b. communication between client and research supplier

c. distribution of reports

d. retrieval of secondary sources of information, such as the US Census

e. all of these

Ans: E

Difficulty: Hard

Ref: Development of Marketing Research

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

31. The accumulation and analysis of massive quantities of information is referred to as:

1. Information Mining
2. “The Cloud”
3. “Big Data”
4. Knowledge Management
5. Survey analysis

Ans: C

Difficulty: Easy

Ref: Development of Marketing Research

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

32. The breakthrough for big data came when new algorithms were created to analyze \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and free-form data.

1. unstructured
2. structured
3. open
4. organized
5. uncontrolled

Ans: A

Difficulty: Easy

Ref: Development of Marketing Research

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

33.Which answer best describes a market researcher?

a. one who is academically trained for market research

b. one who understands the marketing process as well as the subtleties of marketing problems and opportunities

c. one who is well trained in statistics and can design proper sampling procedures

d. one who has a strong background in communications and advertising

Ans: B

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

34. What is the primary channel that will allow management to make timely decisions

in the marketing process?

a. Financing decisions

b. Marketing research

c. Making business decisions based on feel and what looks good

d. None of these

Ans: B

Difficulty: easy

Ref: Nature of Marketing

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

True/False

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

Ans: True

Difficulty: Medium

Ref: Nature of Marketing

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

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

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

**Learning Objective 1.3: To define marketing research.**

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

Ans: False

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

Ans: True

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Hard

Ref: Nature of Marketing

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

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

Ans: False

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making.

**Learning Objective 1.3: To define marketing research.**

42. Applied research is often conducted in universities.

Ans: False

Difficulty: Medium

Ref: Marketing Research and Decision Making.

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

43. Marketing research moved out of its early growth stage in about 1970.

Ans: False

Difficulty: Easy

Ref: Development of Marketing Research

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

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

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

Ans: True

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

Ans: True

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

Ans: True

Difficulty: Easy

Ref: Nature of Marketing

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

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

Ans: False

Difficulty: Easy

Ref: Development of Marketing Research

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

51. The change from a buyer’s market to a seller’s market necessitated better marketing intelligence in the mature years of market research.

Ans: False

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Easy

Ref: Nature of Marketing

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

53. The concept of market segmentation was introduced in the 1980s.

Ans: False

Difficulty: Medium

Ref: Development of Marketing Research

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

54. The explanation of data or actions is known as the descriptive function of marketing research.

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

**Learning Objective 1.3: To define marketing research.**

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

Ans: True

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

Ans: False

Difficulty: Medium

Ref: Development of Marketing Research

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

57. The marketing concept is solely focused on customer needs.

Ans: False

Difficulty: Easy

Ref: Nature of Marketing

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

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

Ans: False

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

59.In practice, a marketing research department's goal can be grouped into three

major categories: Programmatic, Evaluative, and Selective.

Ans: False

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

60.Marketing research should be undertaken only when its results will reduce

uncertainty or confirm the wisdom of previous decisions.

Ans: True

Difficulty: Easy

Ref: Marketing Research and Decision Making

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

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

information.

Ans: False

Difficulty: Easy

Ref: Nature of Marketing

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

62. Analyzing social media can guide brand and communication strategies, and customer-focused efforts

Ans: True

Difficulty: Easy

Ref: Development of Marketing Research

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

***Essay Questions***

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

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

Difficulty: Medium

Ref: Nature of Marketing

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

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

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

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

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

Difficulty: Hard

Ref: Marketing Research and Decision Making

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

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

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

Difficulty: Medium

Ref: Marketing Research and Decision Making

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

67. Relate how a systems orientation will facilitate the firm’s efforts to monitor its

external environment.

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

Difficulty: Medium

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

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

68. Explain why most marketing research done by commercial marketing research suppliers would be best characterized as “applied research.”

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

Difficulty: Easy

Ref: Applied Research versus Basic Research

**Learning Objective 1.3: To define marketing research.**

69. Discuss how marketing research helps facilitate proactive management.

Ans: Students should discuss the difference between proactive and reactive management. They should further explain how by having thorough knowledge of factors that have an impact on the target market and the marketing mix, management can be proactive rather than reactive. The benefits of proactive management could also be discussed.

Difficulty: Easy

Ref: Proactive Role of Marketing Research

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

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

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

Difficulty: Hard

Ref: Decision to Conduct Marketing Research

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