

Marketing: An Introduction, 13e (Armstrong)

Chapter 4 Managing Marketing Information to Gain Customer Insights

1) Which of the following demonstrates the real value of a company's marketing research and information system?

- A) the amount of data it generates
- B) the variety of contact methods it uses
- C) the tools it uses to gather information
- D) the quality of customer insights it provides
- E) the type of sampling plan it follows

Answer: D

Diff: 2

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

AACSB: Information technology

2) The initial function of a marketing information system is _____.

- A) generating insights from market consumption patterns
- B) analyzing the results of marketing research studies
- C) evaluating information from internal and external sources
- D) assessing the information needs of a company
- E) hiring research firms to conduct market research

Answer: D

Diff: 1

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

AACSB: Information technology

3) Which of the following is true of a good marketing information system?

- A) It focuses solely on maximizing the amount of data generated irrespective of relevance.
- B) It typically uses only external sources of data in marketing research.
- C) It balances the information that a firm would like to have against what they really need.
- D) It develops a way of offering information about future plans of action that might not be very feasible or cost-effective.
- E) It eliminates the time-consuming task of assessing the information needs of a firm.

Answer: C

Diff: 2

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

AACSB: Information technology

4) Big data presents marketers with big opportunities.

Answer: FALSE

Diff: 1

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

5) An effective MIS assesses information needs, develops needed information, and distributes the information to help managers with decision making.

Answer: TRUE

Diff: 1

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

AACSB: Information technology

6) Describe the components of a marketing information system (MIS), and list its three main functions.

Answer: A typical MIS consists of people and procedures for assessing information needs, developing the needed information, and helping decision makers use the information to generate and validate actionable customer and market insights. A well-designed information system begins and ends with users. There are three main components.

First, it interacts with information users to assess information needs. Next, it develops needed information from internal company databases, marketing intelligence activities, and marketing research. Finally, it helps users to analyze and use the information to develop customer insights, make marketing decisions, and manage customer relationships.

Diff: 2

LO: 4-1: Explain the importance of information in gaining insights about the marketplace and customers.

AACSB: Information technology

7) Susan Hart, the manager of a children's boutique, collects data from her monthly records of sales, costs, and cash flow. In this case, Susan is making use of _____ databases.

- A) external
- B) secondary
- C) historical
- D) internal
- E) dialog

Answer: D

Diff: 3

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Analytical thinking; Information technology

8) Which of the following sources constitutes the internal database of a company?

- A) commercial online databases
- B) conversations on social media
- C) the company's sales records
- D) reports sold by market research firms
- E) the Web

Answer: C

Diff: 1

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

9) Although internal databases can be accessed more quickly and cheaply than other information sources, one of the challenges of internal databases is _____.

- A) the inability to access
- B) maintaining the current database
- C) the lack of sophisticated equipment and technologies
- D) decision making about data collection software
- E) putting the customer at the center of all decisions

Answer: B

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

10) Hammond Corp. operates in the highly aggressive electronics market. The firm aims to obtain early warnings of opportunities and threats caused by the actions of other firms that are doing well in the industry. Which of the following sources would best serve Hammond's purpose?

- A) sales data from exclusive Hammond retailers
- B) archival data on company performance
- C) competitive marketing intelligence
- D) research on demographics of its existing customers
- E) internal survey on employee performance

Answer: C

Diff: 3

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Analytical thinking

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11) Which of the following statements regarding marketing intelligence is true?

- A) Marketing intelligence typically involves sensitive and confidential information kept out of the public domain.
- B) The advantage of using competitive intelligence is negligible as it is based only on internal sources of data.
- C) All marketing intelligence inputs are available at no cost to any potential users.
- D) Marketing intelligence is the systematic collection, monitoring, and analysis of publicly available information.
- E) Marketing intelligence efforts are more focused on gaining insights into a firm's consumers rather than its competitors.

Answer: D

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

12) Which of the following is *not* considered a source of competitive intelligence?

- A) a company's sales force
- B) suppliers and resellers
- C) competitors' internal databases
- D) key customers
- E) online databases

Answer: C

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

13) Which of the following is true of competitive marketing intelligence?

- A) It can predict a firm's future but not the pattern of forces in the market.
- B) It cannot be collected from internal sources of a firm such as employees and the sales force.
- C) It requires inside information from a competitors' internal database.
- D) It can be obtained from information that is available in the public domain.
- E) It can be obtained from online databases only through subscription and a fee.

Answer: D

Diff: 1

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

14) When managers glean information from their company's accounting and sales records stored in the company computer system, they are using an internal database.

Answer: TRUE

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

15) Internal databases usually are more expensive to use than other market information sources.

Answer: FALSE

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

16) The information collected for an internal database is typically complete and in the proper form.

Answer: FALSE

Diff: 1

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Information technology

17) Secondary data consist of information collected for the specific purpose at hand.

Answer: FALSE

Diff: 1

LO: 4-2: Define the marketing information system and discuss its parts.

18) Marketers can obtain needed information from internal data, marketing intelligence, and marketing research. Describe some common sources of each.

Answer: Internal databases are built upon records of consumer and market information data sources within the company network. For example, the accounting department provides records of sales, costs, and cash flows; operations reports on production-related issues; the sales force provides data on resellers, competitors, buyer behavior, and the industry; and marketing department provides information on customer transactions, demographics, and buying behavior. Internal data are cheaper sources that are easy to access. Marketing intelligence is a collection and analysis of publicly available data about consumers, competitors, and developments in the industry. It can come from quizzing employees, studying competitors' ads and annual reports, analyzing competitors' products, monitoring Internet buzz, and researching the Internet. In addition to internal data and marketing intelligence, marketers often need formal studies of specific situations. To address this need, they conduct marketing research to collect, analyze, and report secondary and primary data to better form decisions.

Diff: 2

LO: 4-2: Define the marketing information system and discuss its parts.

AACSB: Analytical thinking; Information technology

19) _____ is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization.

- A) Test marketing
- B) Marketing research
- C) Commercialization
- D) Integrated marketing
- E) Exclusive distribution

Answer: B

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

20) _____ is often the most difficult but most critical step in the research process.

- A) Developing the research plan
- B) Collecting and analyzing the data
- C) Defining the problem and research objectives
- D) Interpreting the findings
- E) Gathering secondary data

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

21) The marketing manager of Appeal Inc. has noticed a sharp decrease in sales over the last two months. The manager decides to conduct marketing research to identify potential causes for the drop in sales. Which of the following should the manager do first?

- A) develop a research plan
- B) determine a research approach
- C) define the problem and objectives
- D) select a research agency to collect data
- E) conduct exploratory and descriptive research

Answer: C

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

22) _____ is the final step in the marketing research process.

- A) Developing the research plan
- B) Determining a research approach
- C) Interpreting and reporting the findings
- D) Engaging in secondary research
- E) Collecting and analyzing the data

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

23) The objective of _____ research is to gather preliminary information that will help define the problem and suggest hypotheses.

- A) descriptive
- B) exploratory
- C) causal
- D) corrective
- E) experimental

Answer: B

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

24) Causal research is used to _____.

- A) test hypotheses about cause-and-effect relationships
- B) gather preliminary data to define problems and their underlying causes
- C) collect information on the demographics of customers
- D) collect information on the attitudes of consumers
- E) generate hypotheses about the causes of a marketing problem

Answer: A

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

25) Vernon Inc. would like to set the best price for a new product. The firm conducts an experimental study by selling the new product at two different prices in two different locations keeping other factors constant to see if a lower price results in better sales. This is most likely an example of _____ research.

- A) exploratory
- B) descriptive
- C) causal
- D) focus group
- E) ethnographic

Answer: C

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

26) Coolers Inc. has decided to launch a new energy drink that will have the fewest calories among its competitors. To understand the market potential for the new drink and the demographics and attitudes of consumers who are likely to buy the product, Coolers should most likely use _____.

- A) exploratory research
- B) archival research
- C) causal research
- D) experimental research
- E) descriptive research

Answer: E

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

27) In most marketing research projects, what type of research is conducted first?

- A) causal
- B) descriptive
- C) remedial
- D) corrective
- E) exploratory

Answer: E

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

28) Brooke's Boutique plans to launch a new clothing line. For this purpose, the firm first conducts a survey to understand its target audience and identify the demographics of potential buyers. It then conducts experimental research to test whether customers associate discounted prices with lower product quality. Which types of research has the boutique employed in this case?

- A) exploratory followed by causal
- B) exploratory followed by descriptive
- C) descriptive followed by exploratory
- D) descriptive followed by causal
- E) causal followed by descriptive

Answer: D

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

29) _____ outlines sources of existing data as well as specific research approaches, sampling plans, and measurement instruments.

- A) The research plan
- B) The data collection plan
- C) The main research objective
- D) The problem definition
- E) The research findings

Answer: A

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

30) _____ data consist of information collected for the specific purpose at hand.

- A) Primary
- B) Secondary
- C) Derived
- D) Archival
- E) Historical

Answer: A

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

31) Which of the following is an advantage of primary data?

- A) They are less expensive to obtain than secondary data.
- B) They can be obtained more quickly than secondary data.
- C) They can be accessed from existing information.
- D) They are more relevant than secondary data.
- E) They are more reflective of past problems.

Answer: D

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

32) Information collected from commercial online databases or through Internet search engines are examples of _____ data.

- A) primary
- B) secondary
- C) first-hand
- D) experimental
- E) ethnographic

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

33) Annie Carson, the owner of Annie's Dairy Bar, is considering opening a second location. She evaluates several potential sites by assessing traffic patterns, neighborhood conditions, and the locations of competitors. Annie is engaging in _____.

- A) observational research
- B) focus groups
- C) personal interviews
- D) Internet-based surveys
- E) experimental research

Answer: A

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

34) Which of the following is a quantitative approach to research?

- A) observational research
- B) online focus groups
- C) ethnographic research
- D) in-depth interviews
- E) marketing surveys

Answer: E

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

35) Ethnographic research is _____.

- A) a standard analysis of publicly available information
- B) conducted in settings where people live and work
- C) an approach that provides only secondary data
- D) most feasible when customers live in distant locations
- E) used by marketers seeking quantitative data

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

36) A company that sells personal care products sends a trained observer to watch potential buyers in their natural environments. This is an example of _____ research.

- A) quantitative
- B) online
- C) ethnographic
- D) experimental
- E) archival

Answer: C

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

37) A category of ethnographic research used to observe consumers in a natural context in virtual and mobile spaces is referred to as _____.

- A) interethnography
- B) netnography
- C) microethnography
- D) macroethnography
- E) demography

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

38) _____ is a method of gathering primary data that involves asking people questions about their knowledge, attitudes, preferences, and buying behavior.

- A) Observational research
- B) Archival research
- C) Survey research
- D) Experimental research
- E) Causal research

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

39) Which of the following is true of survey research?

- A) It is the most widely used method for gathering primary data.
- B) It is the most suitable method for establishing causal relationships.
- C) It is the best method to use when people are unwilling to answer questions.
- D) It is not suitable for collecting data for descriptive research.
- E) It is inflexible and cannot be used in many different situations.

Answer: A

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

40) A major advantage of a mail survey is that it _____.

- A) provides significant flexibility
- B) offers strong sample control
- C) generates high response rates
- D) eliminates interviewer bias
- E) can be completed quickly

Answer: D

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

41) Mail surveys have many disadvantages so many marketers have switched to _____.

- A) telephone surveys
- B) Internet-based surveys
- C) group interviews
- D) personal surveys
- E) individual interviews

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

42) Experimental research is best suited for gathering _____ information.

- A) exploratory
- B) causal
- C) ethnographic
- D) interactive
- E) descriptive

Answer: B

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

43) A(n) _____ is best suited for exploratory research.

- A) mail survey
- B) questionnaire
- C) observation
- D) online survey
- E) focus group

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

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44) _____ is best suited for descriptive research.

- A) An online discussion
- B) Ethnographic research
- C) Netnography research
- D) A survey
- E) A focus group

Answer: D

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

45) A market researcher wants to find the cause-and-effect relationship between using organic ingredients in food and the subsequent consumption by customers. He invites ten respondents to his research firm and asks them to taste two identical dishes. The dishes were prepared in a similar manner, but one has natural herbs for flavoring, and the other has artificial flavors. This is an example of _____.

- A) descriptive research
- B) ethnographic research
- C) experimental research
- D) online research
- E) exploratory research

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

46) Burger Town introduced a new hamburger and released it in two different cities at two different prices. Marketers of Burger Town then analyzed the sales records of their outlets at the two cities, determined the price that resulted in better profits, and used the information to set a nationwide price for their new offering. This is an example of _____.

- A) exploratory research
- B) survey research
- C) netnography research
- D) experimental research
- E) descriptive research

Answer: D

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

47) Kathy Jenkins is planning to conduct research on consumers' personal care routines. Since the questions are likely to be personal and sensitive, Kathy wants to select a contact method that will encourage respondents to answer honestly. Which of the following contact methods is most likely to best serve Kathy's purpose?

- A) mail questionnaires
- B) telephone interviews
- C) individual interviews
- D) focus group interviews
- E) online discussions

Answer: A

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

48) _____ are flexible and allow for explanation of difficult questions as well as demonstrating products.

- A) Mail questionnaires
- B) Telephone interviews
- C) Individual interviews
- D) Online questionnaires
- E) E-mail interviews

Answer: C

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

49) Which of the following is true of focus group discussions?

- A) They usually employ large samples.
- B) Consumers' facial expressions are hidden.
- C) Results can be easily generalized to an entire population.
- D) The quantitative data can be evaluated quickly and economically.
- E) Consumers are not always honest and open about their opinions.

Answer: E

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

50) _____ are small groups of consumers who interact directly and informally with product designers without a moderator.

- A) Cross-functional groups
- B) Ethnographic groups
- C) Observational groups
- D) Immersion groups
- E) Traditional focus groups

Answer: D

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

51) Sample size and location have little impact on costs for _____.

- A) focus group interviews
- B) personal interviews
- C) mail surveys
- D) Internet-based surveys
- E) telephone surveys

Answer: D

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

52) Erica Jenson has a limited budget to conduct market research. Which of the following research approaches would provide Erica with the most cost-effective way to reach a large number of respondents in a short period?

- A) telephone surveys
- B) personal interviews
- C) Internet-based surveys
- D) mail surveys
- E) focus group interviews

Answer: C

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

53) _____ have enabled researchers to gain greater control over who participates in the online sample.

- A) Social media tracking methods
- B) Network respondent panels
- C) Behavioral sampling methods
- D) Online behavioral targeting
- E) Online listening methods

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

54) Which of the following is a structured method of online research where marketers require direct responses from customers?

- A) online behavioral targeting
- B) social media tracking
- C) online listening
- D) online surveys
- E) blog analysis

Answer: D

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

55) A practice called _____ allows marketers to use online data to target ads and offers to specific customers.

- A) online listening
- B) behavioral targeting
- C) social media tracking
- D) data analytics
- E) online targeting

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

56) Harmon, a nationwide department store, uses checkout scanners to record shoppers' purchases. Which term best describes Harmon's checkout scanners?

- A) nonprobability sampling tool
- B) mechanical instrument
- C) neuromarketing tool
- D) touch point device
- E) CRM system

Answer: B

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

57) What are the two main types of research instruments used to collect primary data?

- A) observation scales and personal interviews
- B) questionnaires and mechanical devices
- C) focus groups and mechanical devices
- D) focus groups and questionnaires
- E) personal interviews and online focus groups

Answer: B

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

58) The most common research instrument, whether administered in person, by phone, by e-mail, or online, is the _____.

- A) mechanical device
- B) personal interview
- C) questionnaire
- D) telephone interview
- E) focus group

Answer: C

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

- 59) Which of the following is true of question formats in questionnaires?
- A) Closed-ended questions allow respondents to answer in their own words.
 - B) A scale question is an example of an open-ended question.
 - C) Open-ended questions allow respondents to choose among the best answer options available.
 - D) Closed-ended questions are difficult to evaluate when compared to open-end questions.
 - E) Open-ended questions are useful in exploratory research to find out what people think.

Answer: E

Diff: 3

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Analytical thinking

- 60) Data collection, processing, and analysis are undertaken during which stage of the marketing research process?

- A) selecting a sampling method
- B) interpreting the findings
- C) implementing the research plan
- D) drawing conclusions from the findings
- E) selecting a research approach

Answer: C

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

- 61) Marketing research is the systematic design, collection, analysis, and reporting of data directly relevant to a specific marketing situation facing an organization.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

- 62) Once the research problems and objectives have been defined, researchers must determine the exact information needed.

Answer: TRUE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

- 63) The objective of descriptive research is to gather preliminary information that will help define the problem and form hypotheses.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

- 64) The primary objective of causal research is to describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

65) Marketing researchers can conduct their own searches of secondary data sources by using commercial online databases.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

66) Primary data can usually be obtained more quickly and at a lower cost than secondary data.

Answer: FALSE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

67) Exploratory research would be used to gather data about the market potential for a new product.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

68) Observational research is the most widely used method of primary data collection.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

69) The major advantage of survey research is its flexibility.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

70) The response rate in mail surveys is often very low.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

71) Individual interviews cost three to four times as much as telephone interviews.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

72) The most important issue facing online researchers in the United States is the lack of a broad cross section of consumers who have access to the Internet.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

73) Ideally, a sample should be representative so that a researcher can make accurate estimates of the thoughts and behaviors of the larger population.

Answer: TRUE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

74) Each population member has a known chance of being included when a probability sampling procedure is used.

Answer: TRUE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

75) The questionnaire is the most common research instrument.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

76) In a convenience sample, a researcher selects the easiest population members from whom to obtain information.

Answer: TRUE

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

77) The wording and ordering of questions is not an important consideration in survey design.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

78) Neuromarketing techniques provide easy-to-interpret data that allow researchers to analyze consumer involvement with products.

Answer: FALSE

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

79) Explain the steps involved in the marketing research process.

Answer: The marketing research process involves four steps: defining the problem and research objectives, developing the plan, implementing the plan, and interpreting and reporting the findings. Managers must know what is wrong in order to define the problem. Research objectives may be reached through exploratory, descriptive, or causal research. Once researchers have defined the research problem and objectives, they must determine the exact information needed and develop a plan for gathering it efficiently. The research plan should be presented in a written proposal and must include the cost for the research. Once this is done, secondary and primary data is collected and compiled. Then, the data is interpreted to draw conclusions, and finally reported to management.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

80) Differentiate between the three types of marketing research objectives: exploratory research, descriptive research, and causal research.

Answer: A marketing research project might have one of three types of objectives. The objective of exploratory research is to gather preliminary information that will help define the problem and suggest hypotheses. The objective of descriptive research is to describe things, such as the market potential for a product or the demographics and attitudes of consumers who buy the product. The objective of causal research is to test hypotheses about cause-and-effect relationships. For example, a causal research study might probe whether a 10 percent decrease in tuition at a private college would result in an enrollment increase sufficient to offset the reduced tuition. Managers often start with exploratory research and later follow with descriptive or causal research.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

81) Discuss the methods used by marketing researchers to gather secondary data.

Answer: A company's internal database provides a good starting point to gather secondary data. However, the company can also tap into a wide assortment of external information sources. Companies can buy secondary data from outside suppliers. For example, Nielsen sells shopper insight data from a consumer panel of more than 250,000 households in 25 countries worldwide, with measures of trial and repeat purchasing, brand loyalty, and buyer demographics. Using commercial online databases, marketing researchers can conduct their own searches of secondary data sources. General database services such as Dialog, ProQuest, and LexisNexis put an incredible wealth of information at the keyboards of marketing decision makers. Beyond commercial Web sites offering information for a fee, almost every industry association, government agency, business publication, and news medium offers free information to those tenacious enough to find their Web sites. Internet search engines can also be a big help in locating relevant secondary information sources.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

AACSB: Information technology

82) Briefly compare the three different types of research approaches used for gathering primary data.

Answer: The three research approaches for gathering primary data are observations, surveys, and experiments. Observational research involves watching relevant people, actions, and situations, usually to glean customer insights that can't be obtained through direct questions and answers. Observations can reveal information that people are unwilling or unable to provide in surveys or experiments. Survey research is very flexible; it can be used to obtain many different kinds of information in many different situations. Mail, telephone, and online surveys have relatively low costs in comparison to observational research. Surveys are also better suited than observations for identifying people's attitudes and feelings; surveys are best suited for gathering descriptive information. Experimental research is best suited for gathering causal information. This type of research is most appropriate for determining cause-and-effect relationships.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

83) Marketing research can be collected by mail, telephone, personal interview, or online. Discuss the advantages of each contact method.

Answer: Mail questionnaires can be used to collect large amounts of information at a low cost per respondent. Respondents give more honest answers to more personal questions on a mail questionnaire, and there is no interviewer involved to potentially bias respondents' answers.

Telephone interviewing helps gather information quickly and provides greater flexibility. Interviewers can explain difficult questions, as well as skip some questions or probe on others.

Personal interviewing takes two forms: individual interviewing and group interviewing. Individual interviewing is flexible. Trained interviewers can guide interviews, show subjects actual products, and observe reactions and behavior. Group interactions help bring out actual feelings and thoughts.

Researchers can quickly and easily distribute Internet surveys to thousands of respondents simultaneously via e-mail or by posting them on selected online sites. Responses can be almost instantaneous, and researchers can tabulate, review, and share research data as the information arrives.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

84) Marketing research can be collected by mail, telephone, personal interview, or online. Discuss the disadvantages of each contact method.

Answer: Mail questionnaires are not very flexible; all respondents answer the same questions in a fixed order. Mail surveys usually take longer to complete, and the response rate is often very low. The researcher often has little control over the mail questionnaire sample.

With telephone interviewing, the cost per respondent is higher than with mail or online questionnaires. Also, people may not want to discuss personal questions with an interviewer. The method introduces interviewer bias.

Individual personal interviews may cost three to four times as much as telephone interviews. Group interviews usually employ small samples to keep time and costs down, and it may be hard to generalize from the results. Moreover, consumers in focus groups are not always open and honest about their real feelings, behavior, and intentions in front of other people.

One major problem with internet surveys is controlling who's in the online sample. Without seeing respondents, it's difficult to know who they really are.

Diff: 2

LO: 4-3: Outline the steps in the marketing research process.

85) Compare and contrast closed-ended questions and open-ended questions for gathering data.

Answer: Closed-ended questions, which include all the possible answers, make it easier for respondents to choose among relevant answers. They are also easier for the researcher to interpret and tabulate. Open-ended questions, on the other hand, allow respondents to answer in their own words and do not limit their choices. Open-ended questions are more difficult to interpret and tabulate, but they are particularly useful in exploratory research.

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

86) What is neuromarketing? How is neuromarketing used by marketers?

Answer: Neuromarketing involves measuring brain activity to learn how consumers feel and respond. Marketing scientists using MRI scans and EEG devices have learned that tracking brain electrical activity and blood flow can provide companies with insights into what turns consumers on and off regarding their brands and marketing. Companies ranging from PepsiCo and Disney to Google and Microsoft now hire neuromarketing research companies to help figure out what people are really thinking. Although neuromarketing techniques can measure consumer involvement and emotional responses second by second, such brain responses can be difficult to interpret. Thus, neuromarketing is usually used in combination with other research approaches to gain a more complete picture of what goes on inside consumers' heads.

Diff: 1

LO: 4-3: Outline the steps in the marketing research process.

87) A firm has a huge amount of individual customer data saved in different databases. Which of the following can be used to integrate, analyze, and apply the available information effectively?

- A) online market research tools
- B) integrated marketing systems
- C) CRM systems
- D) internal survey methods
- E) quality assurance tools

Answer: C

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

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88) Which of the following is true about customer relationship management (CRM)?

- A) It eliminates the need for primary research.
- B) It minimizes the need for costly marketing analytics.
- C) It relies on the use of exploratory and causal research.
- D) It consists of sophisticated software and analytical tools.
- E) It excludes data on existing customers to focus on potential customers.

Answer: D

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

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89) Marketers apply _____ to the large and complex sets of data they collect to gain customer insights and gauge performance.

- A) CRM software
- B) predictive analysis software
- C) marketing analytics
- D) CRM systems
- E) intranet capabilities

Answer: C

Diff: 1

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

90) Suppliers and resellers can update their accounts, arrange purchases, and check orders against inventories through _____.

- A) a company's extranet
- B) a company's intranet
- C) marketing intelligence
- D) electronic mail
- E) search engines

Answer: A

Diff: 1

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

91) CRM analysts use big data and marketing analytics to unearth patterns in customer data.

Answer: TRUE

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

92) What is customer relationship management (CRM)? What are the functions of CRM? How do firms benefit from CRM systems?

Answer: Most companies are awash in information about their customers. This information is usually scattered widely across the organization. It is buried deep in the separate databases and records of different company departments. To overcome such problems, many companies are now turning to customer relationship management. CRM systems integrate, analyze, and apply the mountains of individual customer data contained in their databases. CRM consists of sophisticated software and analytical tools from companies such as Salesforce.com, Oracle, Microsoft, and SAS that integrate customer information from all sources, analyze it in depth, and apply the results to build stronger customer relationships. CRM integrates everything that a company's sales, service, and marketing teams know about individual customers, providing a 360-degree view of the customer relationship. Marketing information has no value until it is used to make better marketing decisions.

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

93) Differentiate between intranets and extranets. How are such systems beneficial to marketing managers?

Answer: Information distribution involves entering information into databases and making it available in a timely, user-friendly way. Many firms use company intranet and internal CRM systems to facilitate this process. These systems provide ready access to research and intelligence information, customer contact information, reports, shared work documents, and more. In addition, companies are increasingly allowing key customers and value-network members to access account, product, and other data on demand through extranets. Suppliers, customers, resellers, and select other network members may access a company's extranet to update their accounts, arrange purchases, and check orders against inventories to improve customer service.

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

94) What is marketing analytics? Why has it become so central to gathering data about customers and performance?

Answer: Marketing analytics consists of the analysis tools, technologies, and processes by which marketers dig out meaningful patterns in big data to gain customer insights and gauge marketing performance. Marketers apply marketing analytics to the large and complex sets of data they collect from Web, mobile, and social media tracking; customer transactions and engagements; and other big data sources. For example, Netflix maintains a bulging customer database and uses sophisticated marketing analytics to gain insights, which it then uses to fuel recommendations to subscribers, decide what programming to offer, and even develop its own exclusive content in the quest to serve its customers better. Marketing analytics is necessary to convert the wealth of data into information that is both usable and valuable for marketers. Gathering and sifting through the big data is essential for uncovering insights about customers and performance that are actionable.

Diff: 2

LO: 4-4: Explain how companies analyze and use marketing information.

AACSB: Information technology

95) A not-for-profit firm uses a small convenience sample to gather data on customer reactions. It invites a small group of customers for lunch and asks them to share what they think about the products they have purchased from the firm. This is an example of _____.

A) informal surveys

B) experimental research

C) neuromarketing

D) direct marketing

E) formal surveys

Answer: A

Diff: 2

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

96) Which of the following would most likely use informal research methods to obtain marketing insights?

A) multinational firms

B) pharmaceutical firms

C) brick-and-mortar companies

D) not-for-profit organizations

E) family-owned businesses

Answer: D

Diff: 2

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

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- 97) Which of the following statements about international marketing research is true?
- A) International marketing research has declined over the past decade due to global economic decline.
 - B) Conducting personal interviews in developing countries is generally less difficult and less expensive than doing so in developed nations.
 - C) International researchers follow a different set of steps in marketing research than domestic researchers.
 - D) Language translation in international marketing research typically increases costs and raises the risk of errors.
 - E) International researchers benefit from useful secondary data that is available online, so primary data is typically unnecessary.

Answer: D

Diff: 2

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

AACSB: Analytical thinking

- 98) Vincent Cosmetics decides to launch a cream with a claim that it makes skin "nine times smoother." The claim is based on a study of 30 respondents who used products of other brands as well. However, a second study on a larger sample reveals only a mild correlation between the use of the cream and smoother skin. In these circumstances, which of the following is the most ethical approach that Vincent Cosmetics can follow?

- A) It should market the product as planned with the promotional line of "nine times smoother."
- B) It should modify the results of the study to depict a strong correlation.
- C) It should report the result as it is, or improve the product to match its claim.
- D) It can continue to claim a high correlation and add a tag line saying "results may vary."
- E) It should feature a testimonial from a satisfied user in an advertisement to support its claim.

Answer: C

Diff: 3

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

AACSB: Ethical understanding and reasoning

99) Discuss several ways in which small organizations can conduct marketing research at little or no expense.

Answer: Small organizations can use the same marketing research processes used by larger firms, as well as many of the same methods, such as secondary data collection, observation, surveys, and experiments. There are many sources of free secondary data on the Web, and small firms also have access to special help collecting data from chambers of commerce, government agencies, and other organizations. Managers of small organizations can use observation to collect data. For example, they can monitor competitors' advertisements, evaluate their own customer mix, and regularly visit their competitors' places of business. Informal surveys with small convenience samples are another tool that smaller organizations can use. Finally, managers of smaller organizations can conduct simple experiments by altering one aspect of a marketing strategy and analyzing the results. As with larger firms, smaller organizations must conduct research systematically for the results to be valid and useful.

Diff: 2

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

100) How has the marketing research industry responded to the intrusion and privacy issues concerning consumer data?

Answer: The marketing research industry is considering several options for responding to intrusion and privacy issues. One example is the Marketing Research Association's "Your Opinion Counts" and "Respondent Bill of Rights" initiatives to educate consumers about the benefits of marketing research and distinguish it from telephone selling and database building. The industry also has considered adopting broad standards, perhaps based on the International Chamber of Commerce's International Code of Marketing and Social Research Practice. This code outlines researchers' responsibilities to respondents and the general public. For example, it urges that researchers make their names and addresses available to participants and be open about the data they are collecting.

Diff: 2

LO: 4-5: Discuss the special issues some marketing researchers face, including public policy and ethics issues.

AACSB: Ethical understanding and reasoning