

Chapter 1—The Role of Marketing Research

TRUE/FALSE

1. Marketing research is basically about conducting surveys.

ANS: F

Marketing research is more than conducting surveys. This process includes idea and theory development, problem definition, gathering information, analyzing data, and communicating the findings including potential implications.

PTS: 1 DIF: Moderate REF: p. 6 OBJ: 01-1
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

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

ANS: T PTS: 1 DIF: Moderate REF: p. 6
OBJ: 01-1
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

3. A marketing researcher needs to be subjective in order to provide accurate information.

ANS: F

The researcher should be personally detached and free of bias attempting to find truth, so he or she must be objective, not subjective.

PTS: 1 DIF: Moderate REF: p. 6 OBJ: 01-1
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

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

ANS: F

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

PTS: 1 DIF: Moderate REF: p. 6 OBJ: 01-1
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

5. Marketing research is relevant to and used by non-profit organizations.

ANS: T PTS: 1 DIF: Moderate REF: p. 6
OBJ: 01-1
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

6. Conducting research to determine why consumers visit Starbucks is an example of basic marketing research.

ANS: F

This is an example of applied marketing research, which is conducted to address a specific marketing decision for a specific firm or organization, such as understanding why consumers visit Starbucks.

PTS: 1 DIF: Hard REF: p. 7 OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

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

ANS: F

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

PTS: 1

DIF: Moderate

REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

8. The scientific method used by researchers is essentially the same process in marketing as it is in “hard” sciences, such as biology or physics.

ANS: T

PTS: 1

DIF: Moderate

REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

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

ANS: T

PTS: 1

DIF: Easy

REF: p. 9

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

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

ANS: F

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

PTS: 1

DIF: Moderate

REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Comprehension

11. A customer orientation means that all firm decisions are made with a conscious awareness of their effect on the bottom line (that is, profits).

ANS: F

A customer orientation means that all firm decisions are made with a conscious awareness of their effect on the consumer.

PTS: 1

DIF: Moderate

REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Comprehension

12. A stakeholder orientation recognizes that multiple parties are affected by firm decisions.

ANS: T

PTS: 1

DIF: Moderate

REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

13. Keeping customers is less important than getting customers.

ANS: F

Keeping customers is equally important as getting customers.

PTS: 1 DIF: Moderate REF: p. 12 OBJ: 01-3
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Comprehension

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

ANS: F
It involves four stages.

PTS: 1 DIF: Moderate REF: p. 14 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

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

ANS: T PTS: 1 DIF: Hard REF: p. 15
OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

16. Concept testing is a form of product research.

ANS: T PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4 NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Knowledge

17. Distribution research focuses on the network of interdependent institutions that perform the logistics necessary for consumption to occur.

ANS: T PTS: 1 DIF: Easy REF: p. 17
OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Knowledge

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

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

PTS: 1 DIF: Moderate REF: p. 19 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

19. Marketing research should be conducted regardless of how long it will take to perform.

ANS: F
In many instances management believes that a decision must be made immediately, allowing no time for research.

PTS: 1 DIF: Easy REF: p. 20 OBJ: 01-5
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

20. Communication technologies have impacted marketing research greatly.

ANS: T PTS: 1 DIF: Easy REF: p. 21
OBJ: 01-6
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

MULTIPLE CHOICE

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

ANS: C PTS: 1 DIF: Moderate REF: p. 6

OBJ: 01-1

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

2. Pamela is testing the hypothesis that states consumers will think a laundry detergent packaged in a pastel-colored container will perceive the detergent to be more mild than one packaged in a neon-orange container. Pamela is conducting _____.
- qualitative research
 - essential research
 - scientific deduction
 - marketing research

ANS: D PTS: 1 DIF: Hard REF: p. 6

OBJ: 01-1

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

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

ANS: D PTS: 1 DIF: Moderate REF: p. 6

OBJ: 01-1

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

4. Which of the following are the two types of marketing research based on the specificity of its purpose?
- basic and applied
 - scientific and non-scientific
 - cross-sectional and qualitative
 - quantitative and secondary

ANS: A PTS: 1 DIF: Moderate REF: p. 7

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

5. _____ is conducted to address a specific marketing decision for a specific firm or organization.
- Basic marketing research
 - Qualitative marketing research
 - Quantitative marketing research
 - Applied marketing research

ANS: D PTS: 1 DIF: Moderate REF: p. 7

OBJ: 01-1

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

6. Campbell's Soup is considering launching a new gumbo product and is testing different recipes with consumers before full commercialization. What type of research is Campbell's using to determine which soup consumers will like the best?
- a. secondary marketing research
 - b. basic marketing research
 - c. applied marketing research
 - d. test marketing research

ANS: C PTS: 1 DIF: Hard REF: p. 7

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

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

ANS: B PTS: 1 DIF: Moderate REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

8. A marketing professor is examining the relationship between age and shoplifting behavior. The research is not being conducted for any specific retailer, but rather it is intended to better understand and predict this behavior. This professor is conducting which type of marketing research?
- a. basic marketing research
 - b. formal marketing research
 - c. applied marketing research
 - d. abstract marketing research

ANS: A PTS: 1 DIF: Hard REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

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

ANS: C PTS: 1 DIF: Moderate REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: A PTS: 1 DIF: Moderate REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

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

ANS: D

PTS: 1

DIF: Easy

REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Comprehension

12. Marketers of snack foods who consider the nutritional value that parents desire as well as the fun and experience that children want are demonstrating a(n) ____.
- emphasis on short-term profits
 - cross-functional perspective
 - customer orientation
 - product orientation

ANS: C

PTS: 1

DIF: Hard

REF: p. 9

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Application

13. According to the concept of cross-functional activities, which of the following can affect the organization's marketing efforts?
- the research & development department
 - the accounting department
 - the production department
 - all of these choices

ANS: D

PTS: 1

DIF: Easy

REF: p. 11

OBJ: 01-3

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Comprehension

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

ANS: B

PTS: 1

DIF: Moderate

REF: p. 14

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

15. What type of information describes the demographic profile of consumers in a particular geographic region?
- geo-demographics
 - psychographics
 - economic indicators
 - place-based demographics

ANS: A

PTS: 1

DIF: Moderate

REF: p. 15

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: C PTS: 1 DIF: Hard REF: p. 15
OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

17. All of the following are a type of product research EXCEPT ____.
- concept testing
 - product testing
 - brand-name evaluation
 - pricing analysis

ANS: D PTS: 1 DIF: Hard REF: p. 16
OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Comprehension

18. Asking consumers what they think about possible brand names for a new product is an example of which type of research?
- product research
 - promotion research
 - product testing
 - concept testing

ANS: A PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Comprehension

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

ANS: C PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Application

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

ANS: D PTS: 1 DIF: Moderate REF: p. 16
OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Comprehension

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

ANS: C

PTS: 1

DIF: Easy

REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Pricing| Blooms Knowledge

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

ANS: D

PTS: 1

DIF: Moderate

REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Pricing| Blooms Comprehension

23. A network of interdependent institutions that perform the logistics necessary for consumption to occur is called a _____.
- a. marketing channel
 - b. distribution network
 - c. supply channel
 - d. distribution linkage

ANS: A

PTS: 1

DIF: Moderate

REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Knowledge

24. When Pottery Barn conducted research to determine which products it should offer to customers over the Internet, this was an example of which type of research?
- a. distribution research
 - b. promotion research
 - c. pricing research
 - d. product research

ANS: A

PTS: 1

DIF: Hard

REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Application

25. When an organization is attempting to decide whether to use a company such as UPS or FedEx to deliver its products or to establish its own means to deliver the product to its customers, this is an example of which type of research?
- a. promotion research
 - b. pricing research
 - c. distribution research
 - d. product research

ANS: C

PTS: 1

DIF: Hard

REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Application

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

ANS: B PTS: 1 DIF: Hard REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Application

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

ANS: C PTS: 1 DIF: Hard REF: p. 17

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Application

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

ANS: D PTS: 1 DIF: Moderate REF: p. 18

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Promotion| Blooms Knowledge

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

ANS: C PTS: 1 DIF: Hard REF: p. 18

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Promotion| Blooms Application

30. When Nike discovered an 80 percent recognition of its logo with consumers who typically spend at least \$100 on athletic shoes, this was an example of which type of research?
- a. distribution research
 - b. promotion research
 - c. pricing research
 - d. product research

ANS: B PTS: 1 DIF: Hard REF: p. 18

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Promotion| Blooms Application

31. Ensuring that all promotional efforts, such as advertising, public relations, personal selling, and so forth, are coordinated to communicate a consistent image is the basic tenet underlying ____.
- a. synergistic marketing communications
 - b. integrated marketing mix
 - c. integrated marketing communications
 - d. promotion research

ANS: C PTS: 1 DIF: Moderate REF: p. 18

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Promotion| Blooms Knowledge

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

ANS: D PTS: 1 DIF: Moderate REF: p. 19

OBJ: 01-4

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Application

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

ANS: B PTS: 1 DIF: Moderate REF: p. 20

OBJ: 01-5

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

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

ANS: D PTS: 1 DIF: Moderate REF: p. 20

OBJ: 01-5

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Comprehension

35. Consumer research conducted in the United States indicates that many consumers consider the country of origin when purchasing products, and consumers tend to prefer products that are made in the U.S.A. To determine if consumers in other countries are partial to their own country's products, what must be done before the empirical findings from the research conducted among U.S. consumers also exist and behave similarly in another culture?
- a. reliability assessment
 - b. cultural cross-validation

- c. benefit/cost analysis
- d. cultural-monitoring research

ANS: B

PTS: 1

DIF: Hard

REF: p. 23

OBJ: 01-6

NAT: AACSB Diversity| CB&E Model International Perspective| Blooms Application

COMPLETION

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

ANS: marketing research

PTS: 1

DIF: Moderate

REF: p. 6

OBJ: 01-1

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: applied

PTS: 1

DIF: Moderate

REF: p. 7

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

3. Organizations conducting research in order to make a decision about a real situation faced in the marketplace are conducting _____ research.

ANS: applied

PTS: 1

DIF: Moderate

REF: p. 7

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: basic

PTS: 1

DIF: Moderate

REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: scientific

PTS: 1

DIF: Moderate

REF: p. 8

OBJ: 01-2

NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: product

PTS: 1 DIF: Moderate REF: p. 9 OBJ: 01-3
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

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

ANS: marketing

PTS: 1 DIF: Moderate REF: p. 9 OBJ: 01-3
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

8. The _____ orientation recognizes that multiple parties are affected by firm decisions.

ANS: stakeholder

PTS: 1 DIF: Moderate REF: p. 9 OBJ: 01-3
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

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

ANS: relationship marketing

PTS: 1 DIF: Moderate REF: p. 12 OBJ: 01-3
NAT: AACSB Reflective Thinking| CB&E Model Strategy| Blooms Knowledge

10. Information describing the demographic profile of consumers in a particular geographic region is called _____.

ANS: geo-demographics

PTS: 1 DIF: Moderate REF: p. 15 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

11. _____ testing exposes potential customers to a new product idea to judge the acceptance and feasibility of the concept.

ANS: Concept

PTS: 1 DIF: Moderate REF: p. 16 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Product| Blooms Knowledge

12. The term _____ is sometimes used to refer to a channel of distribution.

ANS: supply chain

PTS: 1 DIF: Moderate REF: p. 17 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Distribution| Blooms Knowledge

13. _____ research investigates the effectiveness of advertising, premiums, coupons, sampling, discounts, public relations, and so forth.

ANS: Promotion

PTS: 1 DIF: Easy REF: p. 18 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Promotion| Blooms Knowledge

14. Marketing _____ refer to quantitative ways of monitoring and measuring marketing performance.

ANS: metrics

PTS: 1 DIF: Moderate REF: p. 19 OBJ: 01-4
NAT: AACSB Reflective Thinking| CB&E Model Research| Blooms Knowledge

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

ANS: cross-validates

PTS: 1 DIF: Moderate REF: p. 23 OBJ: 01-6
NAT: AACSB Diversity| CB&E Model International Perspective| Blooms Knowledge

ESSAY

1. Describe basic and applied marketing research and design an example of each.

ANS:

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

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

PTS: 1 DIF: Moderate REF: p. 7 OBJ: 01-2
NAT: AACSB Communication| CB&E Model Research| Blooms Application

2. Discuss how marketing researchers apply the scientific method when conducting marketing research.

ANS:

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

PTS: 1 DIF: Moderate REF: p. 8 OBJ: 01-2
NAT: AACSB Communication| CB&E Model Research| Blooms Comprehension

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

ANS:

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

PTS: 1

DIF: Moderate

REF: p. 9

OBJ: 01-3

NAT: AACSB Communication| CB&E Model Strategy| Blooms Comprehension

4. You've just been hired as a research assistant in the brand management unit of a major consumer packaged-goods manufacturer. Describe two types of product research you may be involved in conducting.

ANS:

Product research takes many forms and includes studies designed to evaluate and develop new products and to learn how to adapt existing product lines, and students can discuss any two to answer this question. *Concept testing* exposes potential customers to a new product idea to judge the acceptance and feasibility of the concept. *Product testing* reveals a product prototype's strengths and weaknesses or determines whether a finished product performs better than competing brands or according to expectations. *Brand-name evaluation* studies investigate whether a name is appropriate for a product. Finally, *package-testing* assesses size, color, shape, ease of use, and other attributes of a package.

PTS: 1

DIF: Hard

REF: p. 16

OBJ: 01-4

NAT: AACSB Communication| CB&E Model Product| Blooms Application

5. Discuss how businesses analyze marketing performance and the role performance-monitoring research performs in this function.

ANS:

Performance-monitoring research refers to research that regularly, sometimes routinely, provides feedback for evaluation and control of marketing activities. Market-share analysis and sales analysis are the most common forms of performance monitoring research. Almost every organization compares its current sales with previous sales and with competitors' sales. However, analyzing marketing performance is not limited to the investigation of sales figures. Other marketing metrics, such as return on investment, are used as well.

PTS: 1

DIF: Hard

REF: p. 19

OBJ: 01-4

NAT: AACSB Communication| CB&E Model Research| Blooms Application

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

ANS:

The determination of the need for marketing research centers on:

- (1) **Time constraints** - systematic research takes time, and sometimes the urgency of a situation precludes the use of research.
- (2) **Availability of data** - when managers lack adequate information, data need to be collected from an appropriate source in a timely fashion.
- (3) **Nature of the decision** - in general, the more strategically or tactically important the decision, the more likely it is that research will be conducted.
- (4) **Benefits versus costs** - when deciding whether to make a decision without research

or to postpone the decision in order to conduct research requires examining whether the payoff or rate of return will be worth the investment, whether the information gained by marketing research will improve the quality of the marketing decision enough to warrant the expenditure, and whether the proposed research expenditure is the best use of the available funds.

PTS: 1 DIF: Moderate REF: p. 19 OBJ: 01-5
NAT: AACSB Communication| CB&E Model Research| Blooms Knowledge

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

ANS:

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

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NAT: AACSB Communication| CB&E Model Research| Blooms Comprehension