

**Basic Marketing Research, 3e (Burns)**  
**Chapter 2 The Marketing Research Industry**

- 1) The Marketing Research Association is an organization that \_\_\_\_\_.
- A) supports the interests and development of customers needing research
  - B) oversees the Professional Researcher Certification
  - C) monitors the Internet for organizations that spam
  - D) audits research firms for the purpose of improving data collection procedures
  - E) is a lobbying organization representing multinational firms

Answer: B

Diff: 2 Page Ref: 20

AACSB: Analytic Skills

Objective: LO 2

- 2) The first continuous and organized research is believed to have been conducted in 1911 for \_\_\_\_\_ to be used \_\_\_\_\_.
- A) MRA; to sell its publications
  - B) MRA; to locate outdoor billboards in the best locations
  - C) Curtis Publishing Company; to better sell advertising space
  - D) Curtis Publishing Company; to determine the optimal mix of cable TV channels on which to advertise
  - E) Charles Coolidge Parlin; to determine pay scales for employees

Answer: C

Diff: 3 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 1

- 3) Who is the "Father of Marketing Research"?
- A) Charles Coolidge Parlin
  - B) Robert Bartels
  - C) A.C. Nielsen
  - D) Alfred Politz
  - E) J.C. Snead

Answer: A

Diff: 3 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 1

- 4) Why did the Industrial Revolution lead to a growth in marketing research?
- A) Manufacturers were producing goods for distant markets and consumers.
  - B) Colleges were teaching courses in marketing research.
  - C) Craftsmen and artisans of the day knew their customers.
  - D) Alfred Politz introduced statistical theory for sampling.
  - E) Growth was limited to the spread of government agencies and so most marketing research was performed for the government.

Answer: A

Diff: 3 Page Ref: 22

AACSB: Reflective Thinking Skills

Objective: LO 1

- 5) An annual publication that lists the top 25 marketing research firms in the WORLD is known as:

- A) World's Top 25
- B) The Honomichl Global Top 25
- C) Research World's 25
- D) The J.C. Snead Top 25
- E) none; there is no such report available

Answer: B

Diff: 3 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 2

- 6) Which of the following statements best describes the state of the marketing research industry in the 1950s?

- A) There was "no sense of industry."
- B) Marketing research was needed for survival.
- C) There were quite large "behemoths" that operated around the globe with revenues in excess of \$1 billion.
- D) The industry was composed of many small, privately owned firms that didn't report their revenues.
- E) both A and D

Answer: E

Diff: 2 Page Ref: 22

AACSB: Reflective Thinking Skills

Objective: LO 1

7) An annual publication that lists the top 50 marketing research firms BASED in the U.S. is known as:

- A) World's Top 50
- B) Research World's 50
- C) The Honomichl Top 50
- D) The J.C. Snead Global Top 50
- E) none; there is no such report available

Answer: C

Diff: 3 Page Ref: 23

AACSB: Analytic Skills

Objective: LO 2

8) Which of the following is true regarding worldwide spending on marketing research?

- A) From 2007 to 2008, when the recession began, only North America experienced a net increase in spending.
- B) Latin America had the lowest growth rate from 2007 to 2008.
- C) Total global spending for the industry was about \$1 billion in 2008 according to the European Society of Opinion and Marketing Research (ESOMAR).
- D) The 2009 estimates indicate that total global spending for the industry will be greater than in 2008 despite the worldwide recession.
- E) It is safe to say that, as of 2010, the marketing research industry is about a \$30 billion industry.

Answer: E

Diff: 3 Page Ref: 23

AACSB: Reflective Thinking Skills

Objective: LO 1

9) Over the years, the Top 50 firms have powered their growth largely by:

- A) good contracts
- B) commodities sharing
- C) merger and acquisition
- D) alliance sharing
- E) excellent customer service

Answer: C

Diff: 2 Page Ref: 23

AACSB: Reflective Thinking Skills

Objective: LO 2

10) In discussing the structure of the marketing research industry, your authors define an internal supplier firm as one which:

- A) makes research decisions based primarily upon information supplied by the internal reports system
- B) has its marketing research provided by an entity, such as a marketing research department, within the firm
- C) is organized in a staff relationship to other internal departments
- D) provides syndicated services but only to members of the syndicate
- E) provides marketing research obtained from records of the Internal Revenue Service

Answer: B

Diff: 1 Page Ref: 26

AACSB: Analytic Skills

Objective: LO 3

11) Internal suppliers organize the research function:

- A) by type of research application and by budget category
- B) by a series of vice presidents and subordinates handling each marketing research project
- C) in formal departments, single individuals or a committee, or by assigning no one responsibility
- D) in informal departments organized around budget categories
- E) by internal suppliers, because they are internal and do not need to organize

Answer: C

Diff: 2 Page Ref: 26

AACSB: Analytic Skills

Objective: LO 3

12) Which of the following represents a possible organization of a marketing research department?

- A) according to area of application
- B) according to marketing function
- C) according to research process and area of application
- D) according to area of application and marketing function
- E) all of the above

Answer: E

Diff: 3 Page Ref: 26

AACSB: Reflective Thinking Skills

Objective: LO 3

13) External supplier firms are classified as either:

- A) vertically or horizontally integrated firms
- B) syndicated or internal supplier firms
- C) PRC's or non-certified firms
- D) full-service or limited-service firms
- E) limited-service or limitless-service firms

Answer: D

Diff: 2 Page Ref: 27

AACSB: Analytic Skills

Objective: LO 3

14) In discussing the structure of the marketing research industry, your authors define an external supplier firm as one which:

- A) makes research decisions based primarily upon information supplied by the internal reports system
- B) is an outside firm hired to fulfill a firm's marketing research needs
- C) provides syndicated services but only to members of the syndicate
- D) provides marketing research obtained from records of the Internal Revenue Service
- E) provides marketing services to companies outside the firm's home country

Answer: B

Diff: 1 Page Ref: 27

AACSB: Analytic Skills

Objective: LO 3

15) Collecting information that is made available to multiple subscribers in standardized form would be characteristic of:

- A) a syndicated data service firm
- B) an internal supplier firm
- C) customized process firms
- D) syndicated services firms
- E) a standardized service firm

Answer: A

Diff: 3 Page Ref: 28

AACSB: Reflective Thinking Skills

Objective: LO 3

16) A standardized service firm is one that:

- A) collects information that is made available to multiple subscribers
- B) specializes in collecting data
- C) offers a variety of research services tailored to meet the client's need
- D) specializes in providing services online
- E) provides syndicated marketing research services

Answer: E

Diff: 2 Page Ref: 28

AACSB: Analytic Skills

Objective: LO 3

17) Firms that specialize in collecting data are called:

- A) data storage firms
- B) lab service firms
- C) market segment data specialists
- D) field service firms
- E) collection agents

Answer: D

Diff: 2 Page Ref: 29

AACSB: Analytic Skills

Objective: LO 3

18) What kind of research firm would provide the technical assistance necessary to analyze and interpret data using the more sophisticated data analysis techniques such as conjoint analysis?

- A) a limitless service supplier firm
- B) a full service supplier firm
- C) a syndicated data service firm
- D) a data analysis firm
- E) specialized research technique firm

Answer: E

Diff: 3 Page Ref: 30

AACSB: Analytic Skills

Objective: LO 3

19) Which of the following is true of studies evaluating the marketing research industry?

- A) They show that the industry gets an "F" and only major reform will save the industry in the future.
- B) The reviews are mixed.
- C) Earlier reviews indicate that the industry has performed reasonably well but there is room for improvement.
- D) both A and B
- E) both B and C

Answer: E

Diff: 2 Page Ref: 30

AACSB: Reflective Thinking Skills

Objective: LO 4

20) If you were to ask a sample of marketing researchers today what their biggest concern is, it would no doubt be:

- A) the lack of a certification program leading to a CPA-MR
- B) the future economy
- C) the lack of graduates with Marketing Research degrees
- D) the questionable legitimacy of the industry
- E) the image of the industry

Answer: B

Diff: 2 Page Ref: 30

AACSB: Reflective Thinking Skills

Objective: LO 4

21) Your book mentions the 2007 *Confirmit* industry survey of firms in several countries in the world. What did it report as the number-one mentioned "challenge" facing the marketing research industry?

- A) falling response rates
- B) costs of online surveys
- C) certification of marketing researchers
- D) a need for more skilled telemarketers
- E) the lack of students entering Marketing Research programs

Answer: A

Diff: 3 Page Ref: 31

AACSB: Reflective Thinking Skills

Objective: LO 4

22) Which of the following is a challenge facing the marketing research industry?

- A) Marketing research is too inclusive.
- B) Marketing research no longer represents the voice of the consumer.
- C) There is too much interaction among functions in a firm.
- D) Marketing researchers try too hard to diagnose the market.
- E) The industry is too concerned with nonresponse error.

Answer: B

Diff: 3 Page Ref: 31 - 33

AACSB: Analytic Skills

Objective: LO 4

23) Certification of marketing researchers, as discussed in your text, means:

- A) marketing researchers have to register and pay a fee that would increase the budget of the American Certified Marketing Researchers
- B) marketing researchers have to pass a test or other certification criteria to become certified much like accountants earn CPAs
- C) marketing researchers "certify" that every project they completed would have been conducted using standard marketing research procedures
- D) marketing researchers would NOT have to pass a test but would have to meet other certification criteria to become certified much like accountants earn CPAs
- E) certified marketing researchers would be required to audit the books of competitive marketing research firms

Answer: B

Diff: 3 Page Ref: 33 - 34

AACSB: Ethics

Objective: LO 5

24) What are the two primary philosophies regarding ethical behavior?

- A) demonology and theology
- B) deontology and theology
- C) deontology and teleology
- D) demonology and teleology
- E) deaconology and wakeology

Answer: C

Diff: 1 Page Ref: 34

AACSB: Ethics

Objective: LO 5

25) Researchers, hidden from view, recording the behavior of unsuspecting shoppers as they walk through the supermarket would be a form of research considered unethical by a:

- A) deontologist
- B) sociologist
- C) teleologist
- D) criminologist
- E) deaconologist

Answer: A

Diff: 2 Page Ref: 35

AACSB: Ethics

Objective: LO 5



26) Consider the following scenario. A researcher believes that although there is a violation of the right to privacy among shoppers who are observed without their knowledge (the cost), there is a benefit if the company learns how to market goods more efficiently, thus reducing long-term marketing costs. This researcher is most likely a:

- A) teleologist
- B) deontologist
- C) sociologist
- D) demonologist
- E) deaconologist

Answer: A

Diff: 3 Page Ref: 35

AACSB: Ethics

Objective: LO 5

27) Professional organizations try to prescribe ethical behavior for members by creating:

- A) ethics violations fines
- B) rules to cast out members who violate such rules
- C) examples of poor ethical behavior in other professions
- D) codes of ethical behavior
- E) examinations on ethics on which professionals must earn a grade of "C" or higher

Answer: D

Diff: 1 Page Ref: 35

AACSB: Ethics

Objective: LO 6

28) Sugging:

- A) occurs when a "researcher" gains a respondent's cooperation to participate in a research study and then uses the opportunity to attempt to sell the respondent a good or service
- B) refers to selling under the guise of a survey
- C) is unethical, but not illegal
- D) deals with fund raising while pretending to administer a survey
- E) both A and B

Answer: E

Diff: 2 Page Ref: 35

AACSB: Analytic Skills

Objective: LO 7

- 29) What does "frugging" refer to?
- A) selling under the guise of a survey
  - B) collecting data through telephone interviews
  - C) fund raising under the guise of a survey
  - D) falsifying data
  - E) funding under gross margin

Answer: C

Diff: 2 Page Ref: 37

AACSB: Analytic Skills

Objective: LO 7

- 30) According to the definition given in your textbook, which of the following does NOT represent a loss of research integrity?

- A) withholding information
- B) falsifying data
- C) altering research results
- D) thinking strategically
- E) misinterpreting the data to make them consistent with predetermined points of view

Answer: D

Diff: 3 Page Ref: 37

AACSB: Analytic Skills

Objective: LO 7

- 31) In your textbook, which industry was used as an example of violating the integrity of research?

- A) the cereal industry
- B) the athletic shoe industry
- C) the automobile industry
- D) the alcoholic beverage industry
- E) the home furnishings industry

Answer: C

Diff: 2 Page Ref: 37

AACSB: Reflective Thinking Skills

Objective: LO 7

- 32) Deception is a serious ethical issue in marketing research and occurs in research studies when potential respondents:

- A) are not told the true identity of the sponsor of the research
- B) are viewed during a study without their permission
- C) are told they will remain anonymous when they are not
- D) all of the above
- E) none of the above

Answer: D

Diff: 3 Page Ref: 39 - 40

AACSB: Ethics

Objective: LO 7

33) Which of the following describes the situation in which the researcher knows who the respondent is but does not identify the respondent with any information gathered from that respondent to a client?

- A) anonymity
- B) secrecy
- C) confidentiality
- D) obscurity
- E) ambiguity

Answer: C

Diff: 2 Page Ref: 40

AACSB: Ethics

Objective: LO 7

34) Unwanted email is:

- A) called UWM and was used by some online survey research companies a few years ago
- B) called SPAM and was never used by online survey research companies because it is unethical
- C) called SPAM and was used by some online survey research companies a few years ago
- D) called UWM and was never used by online survey research companies because it is illegal
- E) may now be avoided by the "Do Not Call" legislation

Answer: C

Diff: 2 Page Ref: 40

AACSB: Analytic Skills

Objective: LO 7

35) Which of the following is defined as the value of readily available access to willing respondents?

- A) respondent availability
- B) panel equity
- C) respondent value
- D) respondent accessibility
- E) panel value

Answer: B

Diff: 2 Page Ref: 40

AACSB: Analytic Skills

Objective: LO 7

36) The Marketing Research Association started a Certification program for marketing researchers in 1960.

Answer: FALSE

Diff: 3 Page Ref: 20

AACSB: Analytic Skills

Objective: LO 1

37) A marketing historian wrote the first questionnaire surveys.

Answer: TRUE

Diff: 1 Page Ref: 21

AACSB: Analytic Skills

Objective: LO 1

38) The "Father of Marketing Research" is Charles Coolidge Parlin who did continuous, organized research for the Curtis Publishing Company.

Answer: TRUE

Diff: 2 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 1

39) The Industrial Revolution marked the beginning of the growth of marketing research.

Answer: TRUE

Diff: 2 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 1

40) There was "no sense of industry" for the Marketing Research industry in the 1950s.

Answer: TRUE

Diff: 2 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 1

41) The current Marketing Research industry has quite large "behemoths" that operate around the globe with revenues in excess of \$1 billion.

Answer: TRUE

Diff: 3 Page Ref: 22

AACSB: Analytic Skills

Objective: LO 2

42) The Honomichl Top 50 reports the top 50 *international* firms based on revenues.

Answer: FALSE

Diff: 3 Page Ref: 23

AACSB: Analytic Skills

Objective: LO 2

43) From 2007 to 2008, when the recession began, only North America experienced a net decrease in spending for the Marketing Research industry.

Answer: TRUE

Diff: 2 Page Ref: 23

AACSB: Analytic Skills

Objective: LO 2

44) It has been estimated that firms spend over 10% of sales on marketing research, whether it is supplied internally or externally.

Answer: FALSE

Diff: 3 Page Ref: 26

AACSB: Reflective Thinking Skills

Objective: LO 3

45) Very few of the largest firms have their own marketing research departments but they usually have at least one person responsible for conducting marketing research.

Answer: FALSE

Diff: 1 Page Ref: 26

AACSB: Reflective Thinking Skills

Objective: LO 3

46) Marketing research departments are usually organized according to only one of the following functions: area of application, marketing function, or the research process.

Answer: FALSE

Diff: 3 Page Ref: 26

AACSB: Analytic Skills

Objective: LO 3

47) Research suppliers may be thought of as consisting of two groups: internal suppliers and external suppliers.

Answer: TRUE

Diff: 1 Page Ref: 29

AACSB: Analytic Skills

Objective: LO 3

48) Some firms serve both ultimate consumers and industrial consumers.

Answer: TRUE

Diff: 1 Page Ref: 26 & 27

AACSB: Reflective Thinking Skills

Objective: LO 3

49) The *Greenbook* is a directory of marketing research firms.

Answer: TRUE

Diff: 2 Page Ref: 27

AACSB: Reflective Thinking Skills

Objective: LO 3

50) Most of the research firms found in the Honomichl Global Top 25 and Honomichl Top 50 would qualify as full-service firms.

Answer: TRUE

Diff: 1 Page Ref: 28

AACSB: Analytic Skills

Objective: LO 3

51) External supplier firms may be classified into the two categories of full service and field data service firms.

Answer: FALSE

Diff: 1 Page Ref: 27

AACSB: Analytic Skills

Objective: LO 3

52) Standardized service firms provide syndicated marketing research services, as opposed to syndicated data, to clients.

Answer: TRUE

Diff: 2 Page Ref: 28

AACSB: Analytic Skills

Objective: LO 3

53) Field service firms specialize in one or, at most, a few marketing research activities.

Answer: FALSE

Diff: 2 Page Ref: 29

AACSB: Reflective Thinking Skills

Objective: LO 3

54) Standardized service firms provide unique data to clients through a standardized service process.

Answer: TRUE

Diff: 3 Page Ref: 28

AACSB: Analytic Skills

Objective: LO 3

55) Customized service firms tailor research services to each client's specific needs.

Answer: TRUE

Diff: 1 Page Ref: 29

AACSB: Analytic Skills

Objective: LO 3

56) Eye Tracking Inc., which specializes in eye movement research, would be considered a specialized research technique firm.

Answer: TRUE

Diff: 2 Page Ref: 30

AACSB: Analytic Skills

Objective: LO 3

57) If you were to ask a sample of marketing researchers today what their biggest concern is, it would no doubt be "the future economy."

Answer: TRUE

Diff: 1 Page Ref: 30

AACSB: Analytic Skills

Objective: LO 4

58) Marketing researchers have struggled with growing consumer resentment to their invasion of privacy.

Answer: TRUE

Diff: 1 Page Ref: 31

AACSB: Analytic Skills

Objective: LO 4

59) In evaluations conducted on the performance of the marketing research industry, the conclusions have been consistent in saying that the industry is plagued with so many problems that it has not been able to operate at any level other than "unsatisfactorily."

Answer: FALSE

Diff: 2 Page Ref: 30

AACSB: Analytic Skills

Objective: LO 4

60) The FTC's "do not call" registry has not been successful at all.

Answer: FALSE

Diff: 1 Page Ref: 31

AACSB: Reflective Thinking Skills

Objective: LO 4

61) One of the criticisms of marketing research is that there is a lack of creativity.

Answer: TRUE

Diff: 1 Page Ref: 33

AACSB: Reflective Thinking Skills

Objective: LO 4

62) Ethics may be defined as a field of inquiry into determining what behaviors are deemed appropriate under certain circumstances as prescribed by codes of behavior that are set by the *government*.

Answer: FALSE

Diff: 1 Page Ref: 34

AACSB: Ethics

Objective: LO 5

63) Deontologists analyze a given behavior in terms of its benefits and costs to society.

Answer: FALSE

Diff: 2 Page Ref: 35

AACSB: Ethics

Objective: LO 5

64) In teleology, if there are individual costs but group benefits, then there are net gains, and the behavior is judged to be ethical.

Answer: TRUE

Diff: 2 Page Ref: 35

AACSB: Ethics

Objective: LO 5

65) Although they abound in other areas, codes of ethical behavior have yet to be proposed in the marketing research industry.

Answer: FALSE

Diff: 1 Page Ref: 35

AACSB: Ethics

Objective: LO 6

66) "Sugging" is considered unethical and illegal.

Answer: TRUE

Diff: 3 Page Ref: 35 & 37

AACSB: Ethics

Objective: LO 7

67) "Frugging" is considered unethical and illegal.

Answer: FALSE

Diff: 3 Page Ref: 35 & 37

AACSB: Ethics

Objective: LO 7

68) Since marketing research information is often used in making significant decisions, the opportunity exists for a lack of total objectivity in the research process.

Answer: TRUE

Diff: 2 Page Ref: 37

AACSB: Ethics

Objective: LO 7

69) Respondents may be deceived during the research process.

Answer: TRUE

Diff: 2 Page Ref: 39

AACSB: Ethics

Objective: LO 7

70) Issuing phony RFPs is considered unethical behavior.

Answer: TRUE

Diff: 2 Page Ref: 39

AACSB: Ethics

Objective: LO 7

71) Anonymity means that the researcher knows who the respondent is but does not identify the respondent with any information gathered from that respondent to a client.

Answer: FALSE

Diff: 2 Page Ref: 40

AACSB: Reflective Thinking Skills

Objective: LO 7



72) Since recruiting and maintaining a panel of willing respondents is expensive and time consuming, "panel equity," or the value represented by the panel will likely become more important in the future.

Answer: TRUE

Diff: 2 Page Ref: 40

AACSB: Reflective Thinking Skills

Objective: LO 7