

## Chapter 1:

# Introduction to Consumer Behavior and Marketing Strategy

### Multiple Choice Questions

1. Online Business-to-Consumer (B2C) marketing is MOST similar to traditional marketing in the way that:
- A) it allows products to be offered all through the year.
  - B) it is cost efficient.
  - C) it provides a means for developing a one-on-one relationship with the consumer.
  - D) it requires marketers to understand consumers and deliver products and services that consumers need.
  - E) it helps establish consumer databases.

**Answer:** D

**Page:** 1

**Difficulty:** Easy

2. The marketing concept is BEST described as:
- A) a profitable philosophy adopted for conducting business.
  - B) a legally accepted practice for conducting business.
  - C) a profit maximization practice for conducting business.
  - D) an economic method for conducting business.
  - E) an appropriate philosophy for conducting business.

**Answer:** E

**Page:** 3

**Difficulty:** Medium

3. The MOST important factor driving acceptance of the marketing concept was:
- A) enthusiastic academic support.
  - B) improved production equipment.
  - C) intense foreign competition.
  - D) the advent of CAD/CAM systems.
  - E) the elevation of marketers to CEO positions.

**Answer:** C

**Page:** 3

**Difficulty:** Easy

4. All of the following statements about Internet marketing are true EXCEPT:
- A) it can change the way consumers shop and purchase.
  - B) it could be a threat to traditional manufacturers and retailers.
  - C) it does not present smaller firms with an opportunity to compete effectively.
  - D) has made the global market more accessible.
  - E) it can be used to communicate a vast amount of information to potential consumers.

**Answer:** C

**Page:** 4

**Difficulty:** Medium

5. According to the American Marketing Association, consumer behavior is all of the following EXCEPT:
- A) it is dynamic.
  - B) it is the product of the interaction of affect, cognition, and behavior.
  - C) it affects, and is affected by, its environment.
  - D) it is focused upon the individual's exchange activities.
  - E) it is focused upon the buying and selling patterns.

**Answer:** E

**Page:** 4

**Difficulty:** Easy

6. Which of the following aspects of consumer behavior presents the marketer the MOST difficult continuing challenge?
- A) The overt nature of consumer behavior
  - B) The attempt to understand the consumer
  - C) The attempt to understand consumer feelings
  - D) The dynamic nature of consumer behavior
  - E) The environmental aspects

**Answer:** D

**Page:** 5

**Difficulty:** Hard

7. All of the following statements are true EXCEPT:
- A) Product life cycles are becoming longer.
  - B) Consumer behavior is constantly changing.
  - C) Needs/wants change at different times for different consumer groups.
  - D) The consumer often does not understand their own behavior completely.
  - E) Constant innovation is necessary to ensure profitability.

**Answer:** A

**Page:** 5-6

**Difficulty:** Hard

8. The interpretive approach is rooted in the theories/methods of:
- A) economics.
  - B) statistical modeling.
  - C) cultural anthropology.
  - D) sociology.
  - E) psychology.

**Answer:** C

**Page:** 8

**Difficulty:** Medium

9. Though a primary tool of research for retailers, \_\_\_\_\_ is being used by consumer product companies as well.
- A) the traditional approach

- B) the interpretive approach
- C) the traffic analysis approach
- D) the anthropological approach
- E) the marketing science approach

**Answer:** C

**Page:** 8

**Difficulty:** Medium

10. All of the following are characteristics of consumer research EXCEPT that it:

- A) utilizes a variety of techniques.
- B) poses complex ethical issues.
- C) is essential in highly competitive markets.
- D) must be ongoing in a dynamic marketplace.
- E) it is based on a small representative set of the population

**Answer:** E

**Page:** 8-9

**Difficulty:** Medium

11. As an approach to study consumer behavior, understanding consumption and its meanings is the primary objective of:

- A) cultural anthropology.
- B) psychology.
- C) economics.
- D) statistics.
- E) sociology.

**Answer:** A

**Page:** 9

**Difficulty:** Medium

12. Which of the following tools are best used to discover the meanings associated with the purchase/use of products/services?

- A) Statistical modeling
- B) Focus groups
- C) Observation
- D) Surveys
- E) Traffic analysis

**Answer:** B

**Page:** 9

**Difficulty:** Easy

13. Which of the following consumer research approaches seeks to develop theories/methods to explain consumer decision making and behavior?

- A) The traditional approach
- B) The statistical modeling approach
- C) The interpretive approach
- D) The marketing science approach

E) The didactic approach

**Answer:** A

**Page:** 9

**Difficulty:** Easy

14. The traditional approach to studying consumer behavior primarily relies upon:

A) statistical modeling.

B) focus groups.

C) lengthy interviews.

D) experiments/surveys.

E) observation.

**Answer:** D

**Page:** 9

**Difficulty:** Medium

15. The marketing science approach to consumer research is based on theories/methods borrowed from:

A) sociology.

B) economics and statistics.

C) psychology.

D) anthropology.

E) traffic analysis.

**Answer:** B

**Page:** 9

**Difficulty:** Easy

16. Which of the following methods is MOST likely to be used by firms in the consumer packaged goods industry?

A) The traditional approach

B) The interpretive approach

C) The marketing science approach

D) The anthropological approach

E) The traffic analysis approach

**Answer:** C

**Page:** 9

**Difficulty:** Easy

17. The design, implementation, and control of a plan to influence exchanges to achieve organizational objectives is at the heart of:

A) marketing research.

B) consumer research.

C) marketing science.

D) marketing strategy.

E) statistical modeling.

**Answer:** D

**Page:** 11

**Difficulty:** Easy

18. Marketing strategy questions may be addressed in all of the following ways EXCEPT through:
- A) formal consumer research.
  - B) informal discussions with consumers.
  - C) predicting future markets.
  - D) logic founded in knowledge.
  - E) intuition founded in knowledge.

**Answer:** C

**Page:** 13

**Difficulty:** Easy

19. Which of the following is NOT true of marketing strategies?
- A) Understanding consumers is a critical element in developing successful marketing strategies.
  - B) The essence of a marketing strategy is to understand markets, develop and implement superior strategies to attract and hold them profitably.
  - C) Marketing strategies cannot change what consumers think and feel about themselves.
  - D) Marketing strategies have a powerful force on consumers and society at large.
  - E) Marketing strategies are not unethical or inappropriate activities.

**Answer:** C

**Page:** 13-14

**Difficulty:** Easy

20. Although consumer behavior research is useful for all levels of strategic analysis, it is most commonly studied and applied at the \_\_\_\_\_ level(s).
- A) organizational
  - B) supervisory
  - C) brand and store
  - D) community
  - E) individual consumer and consumer segment

**Answer:** C

**Page:** 13

**Difficulty:** Medium

## **True/False Questions**

21. A major criticism of B2C marketing was that consumers used the Web to collect information but continued to shop in person at stores.

**Answer:** True

**Page:** 1-2

**Difficulty:** Easy

22. The marketing concept was developed in the United States, but not fully implemented by American firms until forced to do so by foreign competitors.  
**Answer:** True  
**Page:** 3  
**Difficulty:** Medium
23. Consumer feelings is the component of consumer behavior that is most difficult to research.  
**Answer:** True  
**Page:** 4  
**Difficulty:** Medium
24. For many years, the marketing concept was not fully understood or implemented properly by U.S. firms.  
**Answer:** True  
**Page:** 4  
**Difficulty:** Easy
25. In the past, companies conducted research to investigate new product concepts and to try to understand consumers; this research was continuous and aided in identifying the firm's actual customers.  
**Answer:** False  
**Page:** 4  
**Difficulty:** Easy
26. In the past, consumers received most of their information about products and services from traditional print and media advertising.  
**Answer:** True  
**Page:** 5  
**Difficulty:** Easy
27. Consumer behavior does not include the things in the environment that influence these thoughts, feelings people experience and the actions they perform in consumption processes.  
**Answer:** False  
**Page:** 5  
**Difficulty:** Medium
28. The dynamic nature of consumer behavior makes development of marketing strategies an exciting and easy task.  
**Answer:** False  
**Page:** 6  
**Difficulty:** Medium
29. Because product life cycles are longer than ever before, many companies have to innovate constantly to create superior value for customers and stay profitable.

**Answer:** False

**Page:** 6

**Difficulty:** Medium

30. The interpretive approach is based on theories and methods from cognitive, social, and behavioral psychology, as well as sociology.

**Answer:** False

**Page:** 10

**Difficulty:** Medium

31. Much of consumer behavior involves exchanges between buyers (consumers) and sellers (marketers).

**Answer:** True

**Page:** 8

**Difficulty:** Medium

32. Government agencies such as the FDA are primarily interested in consumer behavior research in order to influence consumers to behave in certain ways.

**Answer:** True

**Page:** 10

**Difficulty:** Easy

33. Historically, the traditional approach to study consumer behavior has had the greatest impact.

**Answer:** True

**Page:** 10

**Difficulty:** Medium

34. The marketing science approach has become a mainstay in the consumer packaged goods industry because it can handle large scanner data sets in an efficient manner to help solve marketing problems.

**Answer:** True

**Page:** 10

**Difficulty:** Medium

35. Math modeling and simulation are the primary methods used in the interpretive approach to study consumer behavior.

**Answer:** False

**Page:** 10

**Difficulty:** Medium

36. The marketing science approach is based on theories and methods from economics and statistics.

**Answer:** Easy

**Page:** 10

**Difficulty:** Medium

37. The first group to use knowledge about consumer behavior is marketing organizations, which include businesses attempting to sell products but not hospitals, museums, parks, law firms, universities, and other organizations that seek exchanges with consumers.

**Answer:** False

**Page:** 10

**Difficulty:** Medium

38. The third group interested in consumer behavior includes both consumers and organizational buyers who exchange resources for various goods and services. Their interest is in making exchanges that help them achieve their goals and in understanding their own behavior.

**Answer:** True

**Page:** 12

**Difficulty:** Medium

39. The marketing science approach is used to predict the impact of marketing strategies on consumer choice and behavior.

**Answer:** False

**Page:** 12

**Difficulty:** Medium

40. Marketing strategies are developed at the management level.

**Answer:** False

**Page:** 13

**Difficulty:** Medium

## Fill in the Blank Questions

41. To implement \_\_\_\_\_, organizations must understand their customers and stay close to them to provide products and services that consumers will purchase and use appropriately.

**Answer:** marketing concept

**Page:** 4

**Difficulty:** Medium

42. \_\_\_\_\_ involves the thoughts and feelings people experience and the actions they perform in consumption processes.

**Answer:** Consumer behavior

**Page:** 5

**Difficulty:** Easy

43. Because \_\_\_\_\_ are shorter than ever before, many companies have to innovate constantly

to create superior value for customers and stay profitable.

**Answer:** Product life cycles

**Page:** 6

**Difficulty:** Easy

44. When people give up something of value to others and receive something in return it is referred to as a(n) \_\_\_\_\_.

**Answer:** Exchange

**Page:** 8

**Difficulty:** Medium

45. The \_\_\_\_\_ approach seeks to develop a deep understanding of consumption and its meanings.

**Answer:** interpretive

**Page:** 9

**Difficulty:** Medium

46. The \_\_\_\_\_ approach seeks to develop theories and methods to explain consumer decision making and behavior.

**Answer:** traditional

**Page:** 10

**Difficulty:** Medium

47. The \_\_\_\_\_ approach commonly involves developing and testing mathematical models to predict the impact of marketing strategies on consumer choice and behavior.

**Answer:** marketing science

**Page:** 10

**Difficulty:** Medium

48. Long interviews and focus groups are the primary methods used in the \_\_\_\_\_ approach.

**Answer:** interpretive

**Page:** 10

**Difficulty:** Medium

49. Predicting consumer choice and behavior is the primary objective of the \_\_\_\_\_ approach.

**Answer:** marketing science

**Page:** 10

**Difficulty:** Medium

50. In consumer markets, \_\_\_\_\_ are typically designed to increase the chances that consumers will have favorable thoughts and feelings about particular products, services, and brands.

**Answer:** marketing strategies

**Page:** 13

**Difficulty:** Medium

## Essay Questions

51. How has the marketing concept influenced companies that are successful today?

**Answer:**

Today many of the most successful companies in the world have become so by designing the entire organization to serve consumers and stay close to them. In these companies, the marketing department, as well as design, engineering, production, human resources, finance, and other departments, focus on doing their jobs in ways that enhance the value of products to consumers. Some firms have found they can actually increase product quality and reduce costs at the same time. Other firms first determine what consumers want and how much they are willing to pay for a product and then design, produce, and market the best-quality product they can for the price consumers are willing to pay.

**Page:** 4

**Difficulty:** Medium

52. What are the three major reasons that have resulted in companies making changes to serve customers better?

**Answer:**

First, the dramatic success of Japanese companies that focus on providing customers with value-laden products spurred other companies to follow suit. The second major reason has been the dramatic increase in the quality of consumer and marketing research. A third reason for the increased emphasis on consumers is the development of the Internet as a marketing tool.

**Page:** 4

**Difficulty:** Easy

53. What are the MOST important precursors/determinants of consumer behavior? What problems flow from this reality?

**Answer:**

The consumer's behavior is preceded/ determined by their cognitive/ emotional identification/evaluation of "problems" and the available potential solutions to them. While the final actions are observable, the reasons for them are not.

**Page:** 4-5

**Difficulty:** Medium

54. What is the impact of the emergence of the Internet as a marketing tool?

**Answer:**

This change is an opportunity for small companies and entrepreneurs, since the startup costs of marketing products and services are greatly reduced compared with traditional marketing methods. Savvy marketers know that the Internet can be used to communicate vast amounts of information about products and product lines to consumers, to actually sell products and services directly to consumers, and to market to global consumers who could not be reached cost-effectively by traditional marketing methods. They have also recognized that the Internet can be used to conduct marketing research studies and collect other useful information about consumers that can be used to develop effective marketing

strategies.

**Page:** 5

**Difficulty:** Easy

55. Why is the consumer more difficult to understand/predict than anything in the physical universe?

**Answer:**

The consumer is increasingly complex. Often, they do not fully understand themselves—and, if they do, they may not be willing to reveal the real reasons behind their actions to another. Further, the consumer, unlike a physical object, can change—at any time, for any reason, or for no reason. In fact, the attempt to study the consumer may, itself, cause them to focus upon their behavior—causing change. Finally, consumer actions/responses must typically be interpreted by the researcher—who is, obviously, different from his subject.

**Page:** 7-9

**Difficulty:** Medium

56. Briefly describe the three basic approaches to the study of consumer behavior. Which is best?

**Answer:**

The oldest, or traditional, approach was derived from psychology and sociology and employs interviews and/or focus groups to explore the thoughts and feelings of individuals/groups. The interpretive approach draws from cultural anthropology in its attempt to explain the meanings associated with market offerings and consumption behaviors. The marketing science approach applies economic and statistical methods/models in its attempt to predict responses to proposed strategies. No one theory is best, perfect, or provides all the answers. In fact, all three may be used in the same project. It may make sense to employ the interpretive approach to explore the context of a problem and define a broad strategic approach, the traditional approach to refine the strategy, and the marketing science approach to predict results.

**Page:** 8-9

**Difficulty:** Medium

57. Which are the groups interested in knowledge about consumer behavior?

**Answer:**

Three groups—marketing organizations, government and political organizations, and consumers—use knowledge about consumer behavior and consumer behavior research.

**Page:** 10

**Difficulty:** Medium

58. How does the second group (government and political organizations) impact consumer behavior?

**Answer:**

The second group include government agencies such as the Federal Trade Commission and the Food and Drug Administration. The major concern of these organizations is monitoring and regulating exchanges between marketing organizations and consumers.

This is accomplished through the development of public policies that affect marketing organizations and consumers. Political organizations include consumer activists such as Students Against Drunk Driving and various industry and trade organizations such as the American Marketing Association. These groups exert pressure on marketing organizations and consumers to behave in certain ways.

**Page:** 11

**Difficulty:** Medium

59. Briefly describe consumer behavior's role in marketing strategy.

**Answer:**

In consumer markets, marketing strategies are typically designed to increase the chances that consumers will have favorable thoughts and feelings about particular products, services and brands and will try them and repeatedly purchase them. Marketing strategies are also developed to increase the chances that consumers will have favorable thoughts and feelings about purchasing from them and will actually do so. Marketing strategies involve developing and presenting marketing stimuli directed at selected target markets to influence what they think, how they feel and what they do.

**Page:** 11-12

**Difficulty:** Easy

60. What is the function of a marketing strategy?

**Answer:**

Marketing strategies involve developing and presenting marketing stimuli directed at selected target markets to influence what they think, how they feel, and what they do. Marketing strategies are typically designed to increase the chances that consumers will have favorable thoughts and feelings about particular products, services, and brands, and will try them and repeatedly purchase them.

**Page:** 13

**Difficulty:** Easy