



## Chapter 1: Buying, having and being

1) A marketer who segments a population by age and gender is using \_\_\_\_\_ to categorise consumers.

- A) demographics
- B) psychographics
- C) roles
- D) lifestyle

Answer: A

Diff: 1

Learning Outcome: Explain how membership in ethnic, religious and racial subcultures influences consumer behaviour.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

2) A consumer researcher who examines consumers' lifestyles and personalities is studying \_\_\_\_\_.

- A) demographics
- B) psychographics
- C) social class
- D) usage rates

Answer: B

Diff: 1

Learning Outcome: Explain how membership in ethnic, religious and racial subcultures influences consumer behaviour.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

3) In an online \_\_\_\_\_, members share opinions and recommendations about products.

- A) market segment
- B) consumption community
- C) marketing database
- D) culture jam

Answer: B

Diff: 1

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept

Objective: 1-4

AACSB: Use of information technology

4) A marketer uses \_\_\_\_\_ to target a brand only to specific groups of consumers who are most likely to be heavy users of the marketer's brand.

- A) asynchronous interactions
- B) market segmentation strategies
- C) the 80/20 strategy
- D) economies of information

Answer: B

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

5) Which of the following is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires?

- A) Lifestyle marketing
- B) Role theory
- C) Consumer behaviour
- D) Marketing research

Answer: C

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-1

AACSB: Communication abilities

6) A(n) \_\_\_\_\_ is a person who identifies a need or desire, makes a purchase, and then disposes of a product.

- A) marketer
- B) consumer
- C) influencer
- D) content generator

Answer: B

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-1

AACSB: Communication abilities

7) According to the basic marketing concept, a firm exists to \_\_\_\_\_.

- A) influence culture
- B) dominate market share
- C) nurture relationships

D) satisfy needs

Answer: D

Diff: 1

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

8) People who belong to the same social class are most likely to have which of the following in common?

A) Income level

B) Personality

C) Ethnicity

D) Family structure

Answer: A

Diff: 1

Learning Outcome: Describe the influence of social class and economic class on consumer behaviour.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

9) Which of the following marketing philosophies emphasises interacting with customers on a regular basis and giving them reasons to maintain a bond with a company's brands over time?

A) Differentiated marketing

B) Global marketing

C) Social marketing

D) Relationship marketing

Answer: D

Diff: 1

Learning Outcome: Discuss the techniques marketers use to change consumers' attitudes.

Skill: Concept

Objective: 1-3

AACSB: Communication abilities

10) The sociological perspective of \_\_\_\_\_ takes the view that much of consumer behaviour resembles actions in a play.

A) role theory

B) pastiche

C) interpretivism

D) psychographics

Answer: A

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept  
Objective: 1-3  
AACSB: Communication abilities

11) A consumer with a(n) \_\_\_\_\_ attachment to a product uses the product as part of his or her daily routine.

- A) nostalgic
- B) interdependent
- C) psychographic
- D) positivist

Answer: B

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-2

AACSB: Communication abilities

12) Which of the following is an example of C2C e-commerce?

- A) RFID tags
- B) Virtual brand communities
- C) Database marketing
- D) Green marketing

Answer: B

Diff: 2

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept

Objective: 1-4

AACSB: Use of information technology

13) A digital native is someone who \_\_\_\_\_.

- A) grew up in a 'wired' and highly networked world
- B) is a heavy user of alternate reality games (ARGs)
- C) participates in database marketing
- D) belongs to a consumption community

Answer: A

Diff: 1

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept

Objective: 1-4

AACSB: Use of information technology

14) Which of the following terms refers to the online means of communication, conveyance and collaboration among interdependent and interconnected networks of people, communities and organisations?

- A) Open data partnership
- B) Social media
- C) Synchronous interaction
- D) Asynchronous interaction

Answer: B

Diff: 1

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept

Objective: 1-4

AACSB: Use of information technology

15) Rules of conduct based on universal values such as honesty, trustworthiness and fairness that guide actions in the marketplace are referred to as \_\_\_\_\_.

- A) social marketing policies
- B) consumer activism policies
- C) business norms
- D) business ethics

Answer: D

Diff: 1

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Concept

Objective: 1-6

AACSB: Ethical understanding and reasoning abilities

16) The term \_\_\_\_\_ refers to an environment in which an individual can dictate to a company the type of products he or she wants and how, when and where he or she wants to learn about them.

- A) database market
- B) consumerspace
- C) social market
- D) consumption community

Answer: B

Diff: 1

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Concept

Objective: 1-5

AACSB: Use of information technology

17) A basic biological motive is called a \_\_\_\_\_.

- A) want
- B) demand
- C) need
- D) response

Answer: C

Diff: 1

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Concept

Objective: 1-1

AACSB: Communication abilities

18) According to the \_\_\_\_\_ perspective, advertising is an important source of consumer information.

A) consumerist

B) database marketing

C) transformative consumer

D) economics of information

Answer: D

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-5

AACSB: Communication abilities

19) Which of the following is NOT an Australian Government Agency established to oversee consumer-related activities and to promote competition and fair trade in the marketplace?

A) The Food and Drug Administration

B) Consumers Online

C) The Australian Competition and Consumer Commission (ACCC)

D) The Australian Securities and Investments Commission (ASIC)

Answer: A

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

20) Buy Nothing Day and TV Turnoff Week, events designed to discourage rampant commercialism, are examples of \_\_\_\_\_.

A) synchronous interactions

B) economics of information

C) green marketing

D) culture jamming

Answer: D

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-5

AACSB: Communication abilities

21) The goals of helping people and bringing about social change are the focus of \_\_\_\_\_.

- A) relationship marketing
- B) social media
- C) transformative consumer research
- D) open data partnerships

Answer: C

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

22) Many firms choose to protect or enhance the natural environment as they go about their business activities. This practice is known as \_\_\_\_\_.

- A) consumer marketing
- B) social marketing
- C) natural marketing
- D) green marketing

Answer: D

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

23) Researchers who argue that the field of consumer behaviour should not be a 'handmaiden to business' believe that consumer behaviour research should \_\_\_\_\_.

- A) have a market-oriented focus
- B) aim to apply knowledge to increasing profits
- C) focus on understanding consumption for its own sake
- D) be judged in terms of its ability to improve marketing practices

Answer: C

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-6

AACSB: Ethical understanding and reasoning abilities

24) Which of the following social science fields would *most likely* be associated with macro consumer behaviour?

- A) Experimental psychology
- B) Clinical psychology
- C) Human ecology
- D) Cultural anthropology

Answer: D

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-6

AACSB: Multicultural and diversity understanding

25) Which of the following social science fields would *most likely* be associated with micro consumer behaviour?

A) Experimental psychology

B) Social psychology

C) Demographics

D) Cultural anthropology

Answer: A

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-6

AACSB: Multicultural and diversity understanding

26) Another term for positivism is \_\_\_\_\_.

A) interpretivism

B) pluralism

C) modernism

D) postmodernism

Answer: C

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-8

AACSB: Communication abilities

27) Of the following, a proponent of \_\_\_\_\_ would be most likely to argue that our society emphasises science and technology too much.

A) consumerism

B) positivism

C) modernism

D) interpretivism

Answer: D

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-8

AACSB: Communication abilities



28) A consumer researcher who believes in the paradigm of \_\_\_\_\_ believes that human reason is supreme and that there is a single, objective truth that can be discovered by science.

- A) fundamentalism
- B) interpretivism
- C) positivism
- D) postmodernism

Answer: C

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-8

AACSB: Communication abilities

29) The belief that meaning is not fixed but is instead constructed by each individual is part of the \_\_\_\_\_ paradigm.

- A) positivist
- B) pragmatic
- C) interpretivist
- D) consumerist

Answer: C

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-8

AACSB: Communication abilities

30) A student of postmodernism is most likely to believe that the world in which we live is a(n) \_\_\_\_\_, or a mixture of images.

- A) alternate reality
- B) paradigm
- C) consumerspace
- D) pastiche

Answer: D

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-7

AACSB: Communication abilities

31) Jenny Rowllins is absolutely exhausted after her shopping trip to pick out a dress for her school formal. The stores were crowded, and none of her favourite shops carried a dress that she liked in her size. After spending hours at the shopping centre, Jenny gave up and decided to order her dress online and just return it if it wasn't exactly right. This

decision took place in the \_\_\_\_\_ stage of Jenny's consumption process.

- A) prepurchase
- B) purchase
- C) postpurchase
- D) influence

Answer: B

Diff: 2

Learning Outcome: Describe the stages of consumer decision making.

Skill: Application

Objective: 1-1

AACSB: Analytic skills

32) A soft drink company decided to produce a cola drink with more caffeine than usual in the hope of preventing current teen and early-twenties customers from shifting to coffee and tea drinks after graduating from university. The company test-marketed this new product at a Melbourne university. The company has segmented the market based on \_\_\_\_\_.

- A) psychographics
- B) lifestyle
- C) demographics
- D) usage rates

Answer: C

Diff: 2

Learning Outcome: Explain how marketers can best appeal to members of different age subcultures.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

33) Professor Franklin had a time machine and travelled back to 1975. He told a 1975 marketing class that in the future it would become popular among high school and university students to put holes through various parts of their anatomy and to attach metal plugs and ornaments through those holes. The students laughed at Professor Franklin and said they couldn't imagine that anyone would do that to his or her own body. What aspect of consumer behaviour did the students not understand?

- A) They didn't understand the impact of popular culture in influencing consumers.
- B) They didn't understand that lifestyle issues are more important than social class issues.
- C) They didn't understand the meaning of consumption.
- D) They didn't understand the importance of culture jamming.

Answer: A

Diff: 2

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

34) Lucy Chang recently purchased a lovely ceramic bowl that featured a red dragon design. When she thought about her purchase, she found that she really had no justification for buying the bowl other than it reminded her of the bowls her mother used during evening meals when she was a young child in Hong Kong. Which of the following types of relationships with a product best explains the reason for Lucy's purchase of the dragon bowl?

- A) Self-concept attachment
- B) Nostalgic attachment
- C) Interdependence
- D) Cohort attachment

Answer: B

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

35) Evan does business in South America. He has mastered Spanish and many cultural norms, but he still has problems with cultural differences in ethics. Many of the regulatory officials Evan must deal with expect bribes. Evan solves this problem by bringing with him a number of moderately priced watches. When an official admires his watch, Evan offers it to him or her as a gift. Later he puts a new watch on his wrist. Evan's situation demonstrates that \_\_\_\_\_.

- A) different cultures define ethical business behaviours differently
- B) laws regulating business have become uniform because of the demands of a global economy
- C) a small lapse of ethics is acceptable
- D) universal values are the basis of business ethics

Answer: A

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

36) An advertisement for a national shampoo shows a plain woman using the product, then transforming into a gorgeous woman with a new hairstyle, dressed in elegant clothes, waiting for the 'man of her dreams' to appear on her doorstep. This advertisement best illustrates which of the following criticisms of the marketing system?

- A) Marketing makes society overly materialistic.
- B) Marketers promise miracles.
- C) Marketers create needs.
- D) Marketers control popular culture.

Answer: B

Diff: 2

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Application

Objective: 1-5

AACSB: Analytic skills

37) Morris Davis believes that advertising and marketing have too much impact on a consumer's daily life. To fight this problem, Mr. Davis recently launched a Web site called 'Junk It!'. His Web site invites disgruntled consumers to communicate with him about marketing invasions of their privacy and individual space. Mr. Davis believes that change comes slowly but that consumers must fight to preserve their culture and freedom from marketers and advertisers. Which of the following terms best expresses the actions being taken by Mr. Davis to disrupt what he perceives as inappropriate marketing and advertising actions?

- A) Marketing myopia
- B) Cultural symbolism
- C) Culture jamming
- D) Transformative consumer research

Answer: C

Diff: 2

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Application

Objective: 1-5

AACSB: Analytic skills

38) George says that he sees everything as "black or white—no in between". George would most accurately be characterised as a(n) \_\_\_\_\_.

- A) positivist
- B) collectivist
- C) interpretivist
- D) consumerist

Answer: A

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-8

AACSB: Communication abilities

39) Which of the following best characterises social critic Vance Packard's position on the possibility of marketing efforts manipulating consumers' thoughts?

- A) Marketers don't have enough knowledge to manipulate consumers.
- B) Marketers have been successful in manipulating consumers' emotions, but not thought processes.
- C) Marketers have used knowledge of the social sciences to channel consumer habits, decisions and thoughts.
- D) The public has been unnecessarily frightened by allegations of marketing

manipulation that are blatantly false.

Answer: C

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Critical Thinking

Objective: 1-5

AACSB: Reflective thinking skills

40) Social critics have maintained that marketing leads people to buy products that they neither want or need. However, the failure rate of new products is reportedly as high as 80 per cent. Which of the following best reconciles these two seemingly opposite views of marketing?

A) The social critics are simply wrong. People are not influenced by marketing.

B) Though consumers are highly influenced by marketing, most failed products have technical flaws.

C) Marketing does have an influence on consumers, but marketers simply do not know enough about people to manipulate them any way they please.

D) Purchase is a function of marketing, but business failure is unrelated to marketing.

Answer: C

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Synthesis

Objective: 1-5

AACSB: Reflective thinking skills

41) Which of the following is the best tool for consumer activists to use in efforts to make the public aware of unethical or questionable marketing behaviour?

A) Web 2.0

B) B2C e-commerce

C) Economics of information

D) Compulsive consumption

Answer: A

Diff: 2

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Synthesis

Objective: 1-4

AACSB: Reflective thinking skills

42) Which of the following consumer behaviour issues discussed in the chapter would be most accurately classified as a micro consumer behaviour topic?

A) How marketing campaigns have influenced popular culture

B) How individual consumers perceive advertisements

C) How consumers in different geographic regions respond differently to marketing campaigns

D) How the growth of C2C e-commerce has affected marketing strategies

Answer: B

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Synthesis

Objective: 1-7

AACSB: Reflective thinking skills

TRUE or FALSE

43) According to the definition of consumer behaviour, how a consumer disposes of an idea and accepts another is NOT part of consumer behaviour.

Answer: FALSE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-1

AACSB: Communication abilities

44) When a transaction occurs between two or more organisations or people who give and receive something of value, an exchange has taken place.

Answer: TRUE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-2

AACSB: Communication abilities

45) Because consumer behaviour is now examined as an entire consumption process that includes prepurchase and postpurchase issues, exchange theory is no longer relevant to the study of consumer behaviour.

Answer: FALSE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-2

AACSB: Communication abilities

46) Australian society is shifting from a mass culture in which many consumers share the same preferences to a diverse culture in which consumers have an almost infinite number of choices.

Answer: TRUE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

47) A common way to segment consumers is to identify which consumers are heavy users of a given product.

Answer: TRUE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Communication abilities

48) Demographics refer to aspects of a person's lifestyle and personality.

Answer: FALSE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

49) Demographics are statistics that measure observable aspects of a population.

Answer: TRUE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

50) A market researcher who analyses a population of consumers using the variable of marital status is segmenting the population by the demographic category of family structure.

Answer: TRUE

Diff: 1

Learning Outcome: Describe the effects of changing family structures on family decision making.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

51) Consumers who share demographic characteristics such as ethnicity and age can have very different lifestyles.

Answer: TRUE

Diff: 2

Learning Outcome: Explain how membership in ethnic, religious and racial subcultures influences consumer behaviour.

Skill: Concept  
Objective: 1-3  
AACSB: Multicultural and diversity understanding

52) Popular culture is both a product of marketing and an inspiration for marketing.

Answer: TRUE

Diff: 2

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Concept

Objective: 1-2

AACSB: Multicultural and diversity understanding

53) The fact that people often buy products not for what the products do but for what they mean implies that a product's basic function is unimportant.

Answer: FALSE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Communication abilities

54) According to the different categories of relationships that people may have with products, nostalgic attachment occurs if the product is part of the user's daily routine.

Answer: FALSE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Communication abilities

55) Global consumer culture and popular culture are interchangeable terms.

Answer: FALSE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-3

AACSB: Multicultural and diversity understanding

56) Consumer-generated content is one of the trends that help to define the era of Web 2.0.

Answer: TRUE

Diff: 2

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept



Objective: 1-4  
AACSB: Use of information technology

57) Texting back-and-forth with a friend is an example of asynchronous interaction.

Answer: FALSE

Diff: 2

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Concept

Objective: 1-4

AACSB: Use of information technology

58) Ethics are universal in that ethical business practices in one country are the same as in other countries.

Answer: FALSE

Diff: 2

Learning Outcome: Explain why and how marketers must adapt marketing strategies to the global marketplace.

Skill: Concept

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

59) In Australia, laws have been proposed to allow criminal charges to be laid on any Australian citizens engaged in bribery, irrespective of its acceptability in the country where they are doing business.

Answer: TRUE

Diff: 2

Learning Outcome: Explain why and how marketers must adapt marketing strategies to the global marketplace.

Skill: Concept

Objective: 1-5

AACSB: Ethical understanding and reasoning abilities

60) A paradigm is a belief that guides an understanding of the world.

Answer: TRUE

Diff: 1

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Concept

Objective: 1-7

AACSB: Communication abilities

61) Wal-Mart began a new campaign to sell outdoor furniture. In emphasising how outdoor furniture has been used over the decades in movies and books, by celebrities, and as essential ingredients for home entertainment, the campaign is drawing upon popular culture.

Answer: TRUE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-5

AACSB: Analytic skills

62) The sociological perspective of role theory can be used to explain why people who engage in certain activities seem to have a 'uniform.' For example, cyclists have spandex and helmets, while fly fishermen have vests and floppy hats.

Answer: TRUE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

63) Arthur was a good mechanic and finally opened his own repair shop. He wanted to be seen as a responsible merchant, so he installed the latest recycling and safe disposal systems for oil and anti-freeze. Arthur was engaging in green marketing.

Answer: TRUE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-5

AACSB: Analytic skills

64) Psychographic information is not considered to be demographic data because this type of information is not directly observable.

Answer: TRUE

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Synthesis

Objective: 1-3

AACSB: Reflective thinking skills

65) In the era of Web 2.0, the focus of electronic marketing has shifted from C2C e-commerce to B2C e-commerce.

Answer: FALSE

Diff: 3

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Synthesis

Objective: 1-4

AACSB: Use of information technology

66) Some critics of marketing have said that consumers are manipulated into buying products they really don't need and wouldn't even consider buying without the false wants created by the marketing system. A strong counterargument to this criticism is that wants are basic biologically-based motives that cannot be created by marketers.

Answer: FALSE

Diff: 2

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Critical Thinking

Objective: 1-5

AACSB: Reflective thinking skills

67) A person who believes that science can fix or find a cure for anything most likely follows the philosophy of interpretivism.

Answer: FALSE

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Critical Thinking

Objective: 1-8

AACSB: Reflective thinking skills

#### SHORT ANSWER

68) Consumers and the items they consume can take many forms. Give examples of three different types of consumer and examples of three different types of items they could consume, including products, services and ideas.

Answer: Examples will vary. Consumers can include individuals of any age, groups and organisations. Items consumed can include products such as toys, cars and food; services such as dentist appointments, haircuts and massages; and ideas such as democracy and the green movement.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-1

AACSB: Analytic skills

69) Different issues for marketers and consumers arise in the consumption process. Identify questions that might be asked from the consumer's perspective and from the marketer's perspective in the prepurchase and purchase stages of the consumption process.

Answer: Prepurchase phase:

i. *Consumer's perspective*—How does a consumer decide that he or she needs a product? What are the best sources of information to learn more about alternative choices?

ii. *Marketer's perspectives*—How are attitudes toward products formed and/or changed? What cues do consumers use to infer which products are superior to others?

Purchase phase:

iii. *Consumer's perspective*—Is acquiring a product a stressful or pleasant experience? What does the purchase say about the consumer?

iv. *Marketer's perspectives*—How do situational factors, such as time pressure or store displays, affect the consumer's purchase decision?

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-1

AACSB: Analytic skills

70) Explain the concept of the 80/20 rule and why it is important to marketers.

Answer: According to the 80/20 rule, 20 per cent of a product's users account for 80 per cent of sales of that product. These heavy users are the product's most faithful customers. A company that can identify, build relationships with, and create value for heavy users is likely to have a successful marketing strategy.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

71) What is relationship marketing? Why is it so widely practiced by today's marketers?

Answer: Marketers who practice relationship marketing have realised that a key to success is building relationships between brands and customers that will last a lifetime.

In this type of marketing, companies make an effort to interact with customers on a regular basis and give them reasons to maintain a bond with the company over time.

Relationship marketing is even more important during an economic downturn.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

72) What is database marketing? Why is it so widely used by today's marketers?

Answer: Database marketing involves tracking consumers' buying habits very closely and crafting products and messages tailored precisely to people's wants and needs based on this information. As consumer markets are more and more segmented, marketers can use technology such as database marketing to determine exactly what each consumer wants and determine how to meet those wants.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Use of information technology

73) Briefly explain how marketers play a significant role in our view of the world and how we live in it. Give a specific example.

Answer: We are surrounded by marketing stimuli, from television and radio commercials to online and print advertisements. In addition to promoting a product, these advertisements depict models of how people should interact in social situations, how people should dress, what people should eat, and what people should believe. For example, the marketing of cigarettes in the 1950s led many people to think of smoking as social and relaxing. Today, however, health campaigns have helped people to recognise the health risks of smoking.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

74) List and briefly characterise four types of relationships a person might have with a product. Be specific.

Answer: Four types of relationships are: 1) self-concept attachment—the product helps to establish the user's identity; 2) nostalgic attachment—the product serves as a link with a past self; 3) interdependence—the product is a part of the user's daily routine; and 4) love—the product elicits emotional bonds of warmth, passion or another strong emotion.

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Application

Objective: 1-3

AACSB: Analytic skills

75) Explain the difference between a need and a want, giving an example of each.

Answer: A need is a basic biological motive that cannot be created by marketing. A want represents one way that individuals are taught by society and culture to satisfy a biological need. For example, thirst in general is a need, but thirst for a Pepsi or Coke is a want.

Diff: 1

Learning Outcome: Explain the influence of the needs and cultural values of consumers.

Skill: Application

Objective: 1-1

AACSB: Analytic skills

76) In the early stages of development, consumer behaviour was known as *buyer behaviour*. What important aspect of the exchange process does this change in name reflect?

Answer: Buyer behaviour reflects an emphasis on the act of purchasing, but this

exchange is dependent upon a number of prepurchase and postpurchase perspectives and behaviours. To fully understand why an exchange is made, researchers must look at the decisions and influences before the exchange, as well as the expectations of what happens after the exchange. The study of consumer behaviour, rather than simply buyer behaviour, accounts for prepurchase and postpurchase issues along with purchase issues.

Diff: 2

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Critical Thinking

Objective: 1-1

AACSB: Reflective thinking skills

77) One beer distributor identified a marketing segment as the ‘campus guzzlers.’ Explain what could be used to identify this segment and why.

Answer:

- a. *Age*—The potential customer would have to be old enough to drink legally yet still be young enough to attend university. By identifying the interests and lifestyles of this age group, promotions and products could be developed.
- b. *Gender*—Promotions to males might emphasise sports and physical activities, while promotions to women students might highlight relationships and good times.
- c. *Lifestyle*—Consumers in this age and gender bracket might reflect a wide variety of lifestyles including physical activity, sexual attraction and social interactions.

Family structure, social class, income, and race and/or ethnicity might play roles in segmenting ‘campus guzzlers,’ but age, gender and lifestyle, combined with the selection process inherent in attending colleges or universities, would make these relatively unimportant because of the unifying power of the first three characteristics.

Diff: 3

Learning Outcome: Explain how marketers can best appeal to members of different age subcultures.

Skill: Critical Thinking

Objective: 1-3

AACSB: Multicultural and diversity understanding

78) Discuss the positive and negative consequences of today's culture of participation as enabled by social media platforms.

Answer: In today's culture of participation, individuals can communicate with huge numbers of people with a click of a mouse. Information is no longer disseminated from a few sources; rather, it is generated by people and flows across people. People are free to interact with each other and build upon each other's ideas. People have far greater access to information than ever before. However, social media is not all positive. The hours people spend on facebook or in virtual worlds often come at the expense of time spent working, studying or being with family and friends. For many, it is difficult to balance the real and virtual worlds.

Diff: 3

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Critical Thinking

Objective: 1-4

AACSB: Use of information technology

79) Describe a virtual brand community. Create an example that demonstrates the concept.

Answer: A virtual brand community is an online group of people from anywhere around the world who share information about their experiences with a specific brand. One of the examples used in the text is The Hollywood Stock Exchange, a simulated entertainment stock market. Traders try to predict the four-week box office take from films. Student examples should reveal how their proposed virtual brand community interacts, who the members might be, and what makes the interaction among customers special. This extension of the chat room is a special research opportunity for the marketer and consumer behaviour specialist.

Diff: 2

Learning Outcome: Discuss the influence of groups and word-of-mouth (WOM) communication.

Skill: Synthesis

Objective: 1-4

AACSB: Use of information technology

80) Compare and contrast the paradigms of positivism and interpretivism. Be specific in your comments and explanations.

Answer:

i. *Positivism (sometimes called modernism)*—Dominant at this point in time, it is a view that has significantly influenced Western art and science since the late 16th century. It emphasises that human reason is supreme and there is a single, objective truth that can be discovered by science. Positivism encourages us to stress the function of objects, to celebrate technology, and to regard the world as a rational, ordered place with a clearly defined past, present and future. Some critics feel that positivism overemphasises material wellbeing and that its logical outlook is dominated by an ideology that stresses the homogeneous views of a culture dominated by white males.

ii. *Interpretivism (sometimes referred to as postmodernism)*—Proponents of this view argue that there is an overemphasis on science and technology in our society and that this ordered, rational view of consumers denies the complex social and cultural world in which we live. Interpretivists stress the importance of symbolic, subjective experience and the idea that meaning is in the mind of the person. That is, we each construct our own meanings based on our unique and shared cultural experiences; there are no unique right or wrong answers. The value placed on products because they help us to create order in our lives is replaced by an appreciation of consumption as a set of diverse experiences. Interpretivists want to understand consumers and consumer behaviour rather than try to make predictions about consumers.

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Critical Thinking

Objective: 1-8

AACSB: Reflective thinking skills

81) Considering the information presented in the text, take a position on the question of whether marketers manipulate consumers. Support your position by addressing whether marketers create artificial needs, whether advertising and marketing are necessary, and whether marketers promise miracles.

Answer: The text deals with this issue by addressing three question areas. Students should take a position on whether marketing manipulates consumers and then explore each of these questions (and the associated text responses) to support their positions.

i. Do marketers create artificial needs? Notice the text response addresses exactly what needs are. The role of the marketer is to address awareness that needs exist and not to create them.

ii. Are advertising and marketing necessary? Evidence is presented that social critics doubt the necessity of the advertising and marketing function. The text response indicates that, according to the economics of information, advertising plays a vital role in commerce. In fact, most consumers are willing to admit that advertising provides useful information and saves them time and energy in purchasing.

iii. Do marketers promise miracles? Many consumers believe they do. However, the text indicates that advertising and marketing offer solutions to problems. Promising miracles only agitates and disappoints consumers and is not a long-term strategy that has any merit.

Diff: 3

Learning Outcome: Discuss the techniques marketers use to change consumers' attitudes.

Skill: Critical Thinking

Objective: 1-5

AACSB: Reflective thinking skills

82) A critic says that marketing encourages women to hate their own bodies by showing them models who are impossibly thin. Compare how a typical consumer behaviour researcher and a transformative consumer researcher might differ in their approaches to investigating this criticism. Be specific in your statements.

Answer: A typical consumer behaviour researcher would likely be interested in investigating how the purchasing behaviour of different groups of people is influenced by advertisements showing such impossibly thin models. Such a researcher may have a strategic focus, hoping to gain insights that would lead to more effective marketing. A transformative consumer researcher, on the other hand, would see subjects of the research as collaborators in identifying ways to improve consumer wellbeing. A transformative consumer researcher would be interested in social change.

Diff: 3

Learning Outcome: Define consumer behaviour and describe its influence on marketing practices.

Skill: Synthesis

Objective: 1-7

AACSB: Reflective thinking skills