

Testbank
to accompany
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by
Elliott et al

Prepared by
Sandra Smith
The University of Auckland



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Chapter 3: Market research

Multiple Choice Questions

1. Market research is best described as:

- a. the use of surveys to find out about customers.
- *b. a business activity that discovers information for use in making marketing decisions.
- c. a business activity that creates a marketing information system.
- d. a set of data collection methodologies.
- e. information that helps marketers.

General Feedback:

Chapter 3 page 79, Learning Objective 1, Factual. Formally defined, market research is a process that 'links the consumer, customer, clients, partners and public to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.' In essence, market research is a business activity that discovers information of use in making marketing decisions.

2. A business activity that discovers information of use in making marketing decisions is:

- *a. market research.
- b. market segmentation.
- c. sales performance.
- d. product distribution.

General Feedback:

Chapter 3 page 75, Learning Objective 1, Factual. Market research is a business activity that discovers information of use in making marketing decisions.

3. Myer, a leading Australian department store, knows that for every \$50 voucher given, \$125 of sales result. As such Myer heavily promotes its gift vouchers in the expectation that gift recipients will be drawn into the store and make a substantial purchase. Myer gathers this kind of information through its:

- a. Myer One loyalty scheme
- b. point-of-sale.
- *c. marketing information system.

- d. sales force.
- e. primary data.

General Feedback:

Chapter 3 page 81-82, Learning objective 1, Applied. The marketing information system is the structure put in place to manage information gathered during the usual operations of the organisation. In large organisations it can comprise considerable infrastructure and dedicated staff.

4. Major telecommunications companies such as Telstra gather an amazing amount of information regarding customer mobile phone transactions. Managing this information is an example of a:

- a. systematic data collection system.
- *b. marketing information system.
- c. market surveillance system.
- d. market research tool.

General Feedback:

Chapter 3 page 77, Learning Objective 1, Applied. The marketing information system (MIS) is the structure put in place to manage information gathered during the usual operations of the organisation.

5. Ethical market research:

- a. must only draw conclusions supported by the findings.
- b. requires the consent of participants.
- c. informs participants of the purpose of the research.
- *d. all of the options listed.
- e. none of the options listed.

General Feedback:

Chapter 3 page 84, Learning Objective 1, Factual. The main principles of ethical market research include: (1) research must be objective, based on scientific methods, and conducted in compliance with the law; (2) respondents must be free to refuse to participate and must be fully informed of the purpose of the research; (3) market researchers must act 'professionally' and must accurately represent their skills and abilities, design research cost-effectively, obtain the desired information as efficiently as possible, and only allow conclusions to be communicated when they are supported by the findings; and (4) researchers and clients should establish a contract specifying their rights and responsibilities in respect of each other.

6. Market research involves:

- a. defining the research problem, collecting data and presenting the results.
- b. defining the research problem, designing the research method and analysing the data.
- c. collecting data, drawing conclusions and presenting the results.
- *d. defining the problem, designing the methodology, collecting data, analysing the data, drawing conclusions and then presenting the results and making recommendations.

General Feedback:

Chapter 3 page 78, Learning Objective 1, Factual. Market research involves five major components: 1. defining the research problem, 2. designing the research methodology, 3. collecting data in accordance with the research design 4. analysing data and drawing conclusions 5. presenting the results and making recommendations.

7. The main steps in market research are:

- a. problem definition, research design, survey design, data analysis, presentation of results.
- b. problem reduction, research design, sampling, data analysis, presentation of results.
- c. problem reduction, research design, data collection, drawing conclusions, making recommendations.
- d. problem definition, sampling, data collection, data analysis, drawing conclusions.
- *e. problem definition, research design, data collection, data analysis and drawing conclusions, presentation of results and recommendations.

General Feedback:

Chapter 3 page 82-83, Learning Objective 1, Factual. Market research involves five major components: 1. defining the research problem; 2. designing the research methodology; 3. collecting data in accordance with the research design; 4. analysing data and drawing conclusions, and; 5. presenting the results and making recommendations.

8. According to the code of practice, market researchers have a responsibility to respondents, including:

- a. respondents' identities must not, without their consent, be revealed.
- b. respondents' identities must not be used for any non-research purpose.
- c. no child under 14 years shall be interviewed without parental consent.
- *d. all of the options listed.

General Feedback:

Chapter 3 page 80, Learning Objective 1, Factual. Respondents' identities must not, without their consent, be revealed to anyone not directly involved in the market research project, or used for any non-research purpose. No child under 14 years shall be interviewed without parental consent.

9. Which of the following issues should be considered in deciding whether to undertake a market research project?

- a. The likelihood the research will confirm the hypothesis.
- b. The likelihood the research will solve or help solve the research problem.
- c. The ability of the research to justify the desired course of action to senior management.
- d. Cost-benefit analysis.
- *e. Both b and d.

General Feedback:

3 page 83, Learning Objective 1, Factual. Before undertaking a market research project the following factors should be considered: (1) relevance, (2) timing, (3) availability of resources, (4) need for new information, and (5) cost-benefit analysis.

10. The research problem is:

- a. the precise purpose of the research.
- b. the thing the market research is intended to address.
- *c. both a and b.
- d. a trigger that prompts a market research project.

General Feedback:

Chapter 3 page 81, Learning Objective 2, Factual. The research problem is the question that the market research project is intended to answer.

11. The Australian market research company AC Neilson has been commissioned to conduct research into Australian perceptions of 'fast food'. Whilst conducting this research, it is expected that ethical considerations exist for:

- a. the client.
- b. the supplier.
- c. participants.
- *d. all of the options listed.
- e. none of the options listed.

General Feedback:

Chapter 3 page 84, Learning Objective 1, Applied. Customers, clients, partners and society expect marketers to act ethically. Market researchers have an ethical responsibility to their clients or employers and to those who participate in the research (just as clients, employers and participants have an ethical responsibility to researchers).

12. A set of instructions and requirements that generally states the research problem and the information required, and specifies the timeframe, budget and other conditions of the project, is known as the:

- a. organisational goals.
- *b. market research brief.
- c. executive summary.
- d. mission statement.

General Feedback:

Chapter 3 page 82, Learning Objective 2, Factual. The market research brief is a set of instructions and requirements that generally states the research problem and the information required, and specifies the timeframe, budget and other conditions of the project.

13. The ethical responsibilities of market researchers do NOT include:

- a. accurately representing their skills and abilities.
- b. designing research to obtain the desired information as efficiently as possible.
- c. only allowing conclusions that are supported by the findings.
- d. designing research cost-effectively.
- *e. generating profits for stakeholders.

General Feedback:

Chapter 3 page 84, Learning Objective 1, Factual. Market researchers have a duty to the profession: they must act 'professionally'. Researchers must accurately represent their skills and abilities, design research cost-effectively, obtain the desired information as efficiently as possible, and only allow conclusions to be communicated when they are supported by the findings.

14. The section of the market research brief that details the marketing problem, providing all known facts and related research projects, is called the:

- a. introduction.
- *b. background.
- c. problem definition.
- d. executive summary.

General Feedback:

Chapter 3 page 82, Learning Objective 2, Factual. The background details the marketing problem that is currently faced, providing all known facts and referencing related research projects that are known to the organisation.

15. As manager of your companies market research department, you often get requests for research from the company's other departments. You require all requests to be justified; which of the following is not a valid use of the findings from market research?

- a. Identify market opportunities.
- b. Improve understanding of the marketing process.
- *c. Defend marketing decisions.
- d. Respond to competitors.
- e. Evaluate marketing activities.

General Feedback:

Chapter 3 page 79-80, Learning Objective 1, Applied. Market research is an essential component of understanding the market and the marketing process. It can be used for many things, including solving problems and responding to competitors, identifying future market opportunities and threats, generating ideas about how greater value can be offered to customers, determining how to create offerings, understanding how to communicate the offering, and evaluating the effectiveness of marketing initiatives.

16. A typical market research brief will contain the following sections: executive summary, _____, background, problem definition, time and budget, reporting schedule, and _____.

- a. recommendations, conclusions
- b. introduction, conclusions
- *c. introduction, appendices
- d. recommendations, appendices

General Feedback:

Chapter 3 page 82 - 83, Learning Objective 2, Factual. A typical market research brief will contain the following sections: executive summary, introduction, background, problem definition, time and budget, reporting schedule, and appendices.

17. A marketing information system will NOT provide marketing decision makers with:

- a. market intelligence from sales representatives.
- b. market research findings.
- c. financial reports.
- *d. decisions.
- e. information on competitors.

General Feedback:

Chapter 3 page 81, Learning Objective 1, Factual. The marketing information system (MIS) is the structure put in place to manage information gathered during the usual operations of the organisation. Well-organised marketing organisations systematically collect and organise this information so that it can be used for future marketing decisions.

18. A market research brief will not necessarily propose a _____ or _____ for the market research. This allows the market researcher to use their expertise.

- *a. methodology, approach
- b. approach, budget
- c. schedule, methodology
- d. methodology, budget

General Feedback:

Chapter 3 page 84, Learning Objective 2, Factual. A market research brief will not necessarily propose a methodology or approach for the market research. This allows the market researcher to use their expertise as to how to best obtain the information needed by the marketer.

19. Which of the following is a clearly defined research problem?

- a. How can we increase sales?
- b. Will increasing advertising expenditure work?
- c. What will happen if we do not match competitors' pricing?
- d. Is it worth the expense of changing the colour of our product packaging?
- *e. None of the options listed.

General Feedback:

Chapter 3 page 86, Learning Objective 2, Factual. A clearly specified research problem will ensure that the research will actually answer the question asked of it. In contrast, a poorly defined research problem will lead to research that does not generate the information required to enable the marketing organisation to make marketing decisions.

20. Used for sharply defined problems, research which assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome, is known as:

- *a. causal research.
- b. market research.
- c. descriptive research.
- d. exploratory research.

General Feedback:

Chapter 3 page 86, Learning Objective 3, Factual. Causal research assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome.

21. Which of the following is a clearly defined research problem that might be asked by a McDonald's manager?

- a. How can we increase sales?
- *b. Will emailing discount coupons to existing customers lead them to make more purchases in the month after the coupons are emailed out?
- c. Should we match our competitors' prices?
- d. Should we increase our advertising budget by 15 per cent in the lead-up to the school holidays?
- e. Will increasing advertising expenditure work?

General Feedback:

Chapter 3 page 86, Learning Objective 2, Applied. A clearly specified research problem will ensure that the research will actually answer the question asked of it. In contrast, a poorly defined research problem will lead to research that does not generate the information required to enable the marketing organisation to make marketing decisions.

22. Descriptive research, by definition, is:

- a. a tentative explanation that can be tested.
- *b. used to solve a particular and well-defined problem by clarifying the characteristics of certain phenomena.
- c. research that assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed effect that outcome.
- d. research intended to gather more information about a loosely defined problem.

General Feedback:

Chapter 3 page 86, Learning Objective 3, Factual. Descriptive research is used to solve a particular and well-defined problem by clarifying the characteristics of certain phenomena.

23. A market research brief:

- a. states the research problem.
- b. specifies the information required to answer the research problem.
- c. details the time frame for the research project.
- d. specifies the budget for the research project.
- *e. All of the options listed.

General Feedback:

Chapter 3 page 86-88, Learning Objective 2, Factual. A market research brief outlines the research problem and describes the specific information required from the market research project. A market research brief generally states the research problem and the information required, and specifies the timeframe, budget and other conditions of the project.

24. The Australian Bureau of Statistics (ABS) provides data to a marketing company as part of their market research project. This data is an example of:

- a. information data.
- b. tertiary data.
- *c. secondary data.
- d. primary data.

General Feedback:

Chapter 3 page 87, Learning Objective 3, Applied. Secondary data are data that already exist. Secondary data comprise information originally gathered or recorded for some purpose other than to address the current market research problem.

25. Which of the following is/are false?

- a. A market research brief must clearly describe the research methodology.
- b. The complexity of international market research means it should always be performed in-house.
- c. The research problem must never be redefined once the market research project is underway.
- d. b and c are false.

*e. All of the options listed.

General Feedback:

Chapter 3 page 86-88, Learning Objective 2, Factual. The market research brief will not necessarily propose a methodology or approach for the market research. Rather it can communicate the marketer's needs to the market researcher, leaving the market researcher to bring their own expertise as to how to best obtain the information needed by the marketer (for example, international market research is often too complex and expensive to conduct in-house). The project must also be able to accommodate revisions as it proceeds. For example, the research problem may need to be reassessed once the project is underway.

26. A technique known as '_____ ' involves processing large data sets to identify patterns and trends that would not be obvious or even discernible upon observation.

- *a. data mining
- b. market research
- c. data processing
- d. information processing

General Feedback:

Chapter 3 page 88, Learning Objective 3, Factual. A technique known as 'data mining' involves processing large data sets to identify patterns and trends that would not be obvious or even discernible upon observation.

27. At which stage of the market research process is data collection described?

- a. Defining the research problem.
- *b. Designing the research methodology.
- c. Collecting data in accordance with the research design.
- d. Analysing data and drawing conclusions.
- e. None of the options listed.

General Feedback:

Chapter 3 page 90, Learning Objective 3, Factual. Data must be collected according to the methods specified in the research design.

28. As a brand manager, you are asked to conduct a survey to assess the size of the market for your brand. This survey-based research is an example of:

- a. qualitative research.
- *b. quantitative research.
- c. ethnographic research.
- d. market research.

General Feedback:

Chapter 3 page 88 Learning Objective 3, Applied. Quantitative research focuses on collecting data that can be represented numerically and analysed statistically. It often collects data by asking questions about 'how much', 'how many' and 'how often', usually via online, telephone, mail or in-person surveys.

Generally, if you respond to the researcher by providing a number, ticking a box, or circling an option in a list or scale, you are participating in quantitative research.

29. Smith's Chips wants to know the price elasticity of demand of its 90 gram chip range. The most appropriate research design to discover the effect of price changes on the sales levels of the 90 gram range would be:

- a. exploratory research.
- *b. causal research.
- c. desk research.
- d. descriptive research.
- e. none of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Causal research assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome. Causal research is used for sharply defined problems. In causal research, a hypothesis is generated for testing.

30. Rich, deep and detailed information through techniques such as interviews and focus groups is obtained through which type of research?

- *a. Qualitative research.
- b. Quantitative research.
- c. Ethnographic research.
- d. Market research.

General Feedback:

Chapter 3 page 90, Learning Objective 3, Factual. Qualitative research focuses on obtaining rich, deep and detailed information through techniques such as interviews and focus groups. Rather than identifying numerical patterns, qualitative research aims to get to the reasons behind behaviour. It looks to identify the attitudes and emotions that underlie the behaviours that quantitative research identifies.

31. Samsung realises that consumers buy tablet computers for a variety of reasons, many of which they could be unaware of. Samsung might therefore use exploratory research for the following reason(s):

- a. there is little prior knowledge to work from.
- b. more insight into the general nature of the problem is required.
- c. relevant variables and possible decision alternatives need to be identified.

- *d. all of the options listed.
- e. both a and b.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Exploratory research, as its name suggests, is research intended to gather more information about a the problem is loosely defined.

32. A market researcher spends time observing the behaviour of shoppers in a large shopping mall. This market researcher is collecting:

- *a. primary data.
- b. valid data.
- c. secondary data.
- d. shopping data.

General Feedback:

Chapter 3 page 87, Learning Objective 3, Applied. Primary data are data observed or collected directly from respondents as part of the current research project.

33. In order to justify using secondary data over primary data for your market research project, you point out to your management team that the key difference between primary data and secondary data centres on:

- a. who collected the data.
- b. the variables the data describes.
- *c. availability.
- d. the richness of the data.
- e. the sampling technique used.

General Feedback:

Chapter 3 page 91-92, Learning Objective 3, Applied. Secondary data comprise information originally gathered or recorded for some purpose other than to address the current market research problem, whereas primary data are data observed or collected directly from respondents as part of the current market research project. Because secondary data already exists and primary data only comes about through a dedicated market research effort, the key difference between the types of data is availability.

34. Which type of research data is typically fed into software designed specifically for statistical analysis, such as SPSS or Excel?

- a. Qualitative data.
- *b. Quantitative data.
- c. Market data.
- d. Segmentation data.

General Feedback:

Chapter 3 page 97, Learning Objective 4, Factual. Quantitative data is typically fed into software designed specifically for statistical analysis, such as SPSS, or into more general purpose software that has at least some statistical analysis features, such as Microsoft Excel.

35. Which of the following statements is/are false?

- *a. Primary data is always more useful than secondary data.
- b. A hypothesis is a tentative explanation that can be tested using market research.
- c. A study using random sampling is more likely to be representative of the general population than a study using quota sampling.
- d. A research design must include a research question or hypothesis.
- e. A and c are false.

General Feedback:

Chapter 3 page 91-92, Learning Objective 3, Factual. Since it already exists, secondary data is cheaper and more quickly available/readily accessible than primary data, and is often all that is required. Primary data only comes about through a dedicated market research effort. Marketers should always assess whether their research questions can use secondary data before embarking on primary data collection.

36. Which step in the market research process allows conclusions to be drawn and recommendations to be formulated?

- a. Data collection.
- *b. Data analysis.
- c. Qualitative analysis.
- d. Quantitative analysis.

General Feedback:

Chapter 3 page 98, Learning Objective 4, Factual. Once the data has been analysed and patterns or trends identified, conclusions must be drawn and recommendations made. The conclusions should state what the data has shown in terms of the original research question.

37. The most appropriate research design to discover the effect of price on sales of a particular brand would be:

- a. exploratory research.
- *b. causal research.
- c. desk research.
- d. descriptive research.
- e. None of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Factual. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Causal research assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome. Causal research is used for sharply defined problems. In causal research, a hypothesis is generated for testing.

38. As part of your market research, you use procedures such as coding and reduction. Your research is using:

- *a. qualitative data.
- b. quantitative data.
- c. market data.
- d. segmentation data.

General Feedback:

Chapter 3 page 97-98, Learning Objective 4, Applied. Qualitative data is not usually represented numerically. Procedures such as reduction and coding are available to interpret and organise qualitative data to allow meaningful conclusions to be drawn.

39. To find out if a brand of car purchased is related to the buyer's income, a market researcher would use:

- a. exploratory research.
- b. causal research.
- c. desk research.
- *d. descriptive research
- e. None of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Descriptive research is used to solve a particular and well-defined problem by clarifying the characteristics of certain phenomena. When management is aware of the problem but lacks some important piece of knowledge, descriptive research is undertaken.

40. Which part of the written research report includes the rationale for the research approach taken?

- a. Executive summary.
- b. Introduction or background.
- c. Appendix.
- *d. Methodology.

General Feedback:

Chapter 3 page 99, Learning Objective 4, Factual. The methodology section summarises the research plan and the rationale for the approach taken.

41. Descriptive research is best described as market research that:

- a. attempts to identify a poorly understood problem.
- b. determines cause-and-effect relationships.
- *c. provides more information about specific aspects of a problem.
- d. is used to test a hypothesis.
- e. All of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Factual. Descriptive research is used to solve a particular and well-defined problem by clarifying the characteristics of certain phenomena.

42. A causal research approach should be used when:

- a. limited knowledge exists of the research problem, the decision alternatives, and the relevant variables.
- b. only speculative hypotheses exist.
- c. the research methods can be highly flexible.
- *d. the researcher must show that one variable determines the values of another variable.
- e. both a and d.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Factual. Causal research assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome.

43. Bluesky Airlines has experienced an ongoing decline in ticket sales and suspects it is due to the lingering effects of the global financial crisis. It plans to undertake research to test this hypothesis via market research. How would you categorise this research?

- a. Descriptive research.
- b. Exploratory research.
- *c. Causal research.
- d. Qualitative research.
- e. None of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. Causal research attempts to determine whether a specific variable causes a specific outcome.

44. You are approached by a market researcher who asks you a series of questions about your favourite lunch options. To answer the questions you circle an option in a list or scale from one to five. What kind of research method are you participating in?

- a. Qualitative.
- *b. Quantitative.
- c. Neuroscience.
- d. Observation.
- e. Focus group.

General Feedback:

3 page 93-96, Learning Objective 3, Applied. If you respond to the researcher by providing a number, ticking a box, or circling an option in a list of scale, you are participating in quantitative research method.

45. Which of the following are not types of qualitative research?

- a. Projective techniques.
- b. Depth interviews.
- c. Focus groups.
- *d. Mail questionnaires from members of a consumer panel.
- e. All of the options listed are qualitative research techniques.

General Feedback:

Chapter 3 page 96-98, Learning Objective 3, Factual. Qualitative research focuses on obtaining rich, deep and detailed information through techniques such as interviews and focus groups. Qualitative research methods include depth interviews, focus groups, observation, critical incident techniques, thematic apperception/cartoon tests and collages.

46. Heineken has conducted a number of qualitative research projects in order to discover how its products are perceived by consumers. Which of the following are not types of qualitative research?

- a. Projective techniques.
- b. Depth interviews.
- c. Focus groups.
- *d. Mail questionnaires from members of a consumer panel.
- e. All of the options listed are qualitative research techniques.

General Feedback:

Chapter 3 page 96-98, Learning Objective 3, Applied. Qualitative research focuses on obtaining rich, deep and detailed information through techniques such as interviews and focus groups. Qualitative research methods include depth interviews, focus groups, observation, critical incident techniques, thematic apperception/cartoon tests and collages.

47. Sampling error is:

- *a. the difference between a true measure obtained from the population and a measure obtained from a sample representing the population.
- b. the difference between the expected measure of the population and a true measure obtained from the population.
- c. the difference between the expected measure of the sample and a true measure obtained from the sample in a previous study.
- d. an error introduced by a researcher.
- e. error caused by the research participant trying to provide the responses they think the researcher expects.

General Feedback:

Chapter 3 page 98-99, Learning Objective 3, Factual. A sampling error is a measure of the extent to which the results from the sample differ from the results that would be obtained from the entire population.

48. If a market researcher wanted to determine which of two television advertisements best increased awareness of their product, they would most likely use:

- a. descriptive research.
- *b. causal research.
- c. exploratory research.
- d. secondary data.
- e. none of the options listed.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Causal research assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether the variable does indeed affect that outcome.

49. If a researcher wished to determine the proportion of the adult population that supports the Red Cross, they would most likely use:

- *a. descriptive research.
- b. causal research.
- c. exploratory research.
- d. focus groups.
- e. experimentation.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Descriptive research is used to solve a particular and well-defined problem by clarifying the characteristics of certain phenomena.

50. If a researcher wanted to gain a greater understanding of a particular research problem, they would most likely use:

- a. problem development.
- b. descriptive research.
- c. causal research.
- *d. exploratory research.
- e. primary data.

General Feedback:

Chapter 3 page 90-91, Learning Objective 3, Applied. The degree of knowledge about the research problem at hand affects the type and the amount of research that is required. Exploratory research, as its name suggests, is research intended to gather more information about a loosely defined problem.

51. Information obtained from a government body would be:

- a. standardised data.
- *b. secondary data.
- c. primary data.
- d. experimental data.
- e. All of the options listed.

General Feedback:

Chapter 3 page 91-92, Learning Objective 3, Factual. Secondary data comprises information originally gathered or recorded for some purpose other than to address the current market research problem. The information may be held by the organisation (e.g. sales records or customer profiles generated from business documents) as part of its marketing information system, or by some external organisation (e.g. a government body).

52. Your marketing manager wants to know some basic characteristics of the people who live in the suburbs surrounding your business' headquarters. They want information on factors such as income, age and gender. You should first:

- a. conduct a survey.
- b. run some focus groups in the local market.
- *c. obtain relevant secondary data.
- d. design some projective techniques.
- e. None of the options listed.

General Feedback:

Chapter 3 page 91-92, Applied. Since it already exists, secondary data is cheaper, more quickly available/readily accessible, and is often all that is required as part of the research process. Marketers will need to turn to primary data when information is not already available or is not up to date.

53. A study into sensitive issues such as sexual behaviour would be best administered using which one of the following options?

- a. A focus group.
- *b. A mail survey.
- c. A shopping centre intercept.
- d. Observation.
- e. An expert consumer panel.

General Feedback:

Chapter 3 page 96, Learning Objective 3, Applied. The absence of an interviewer in the mail survey method makes it more likely that honest responses will be received about sensitive topics such as sex.

54. Which of the following statements is false?

- *a. No data should be analysed until the data collection process is complete
- b. Qualitative data must be reduced and coded if it is to be statistically analysed
- c. Data collection, analysis and reporting aims to ensure the research design is properly followed, responses are recorded correctly and errors are not introduced
- d. A perceptual map requires qualitative data
- e. Marketers should evaluate the effectiveness of each market research project they undertake

General Feedback:

3 page 101, Learning Objective 4, Factual. The marketing research project must be able to accommodate revisions as it proceeds. The market research process is not always a straightforward, linear path from start to finish. An initial survey of secondary data may prompt the marketing organisation to reassess the research problem definition, a focus group might prompt a reassessment of the problem or suggest some other piece of data to analyse that was not included in the original brief, and initial data analysis might suggest some revision to the methodology for data collection requiring that part of the process to be reviewed.

55. After collecting data for your company's market research project, you analyse the data using the software program SPSS, which has statistical analysis features similar to (but more advanced than) Microsoft Excel. What type of data have you collected, as suggested by your choice of software package?

- a. Secondary.
- b. Qualitative.
- *c. Quantitative.
- d. Exploratory.
- e. Descriptive.

General Feedback:

Chapter 3 page 102, Learning Objective 4, Applied. Qualitative data is typically fed into software designed specifically for statistical analysis, such as SPSS, or into more general purpose software that has at least some statistical analysis features such as Microsoft Excel.

56. Reduction and coding are procedures that market researchers use to interpret and organise which type of data?

- a. Secondary.
- b. Quantitative.
- *c. Qualitative.
- d. Numerical.
- e. Statistical.

General Feedback:

Chapter 3 page 103, Learning Objective 4, Factual. Procedures such as reduction and coding are available to interpret and organise qualitative data to allow meaningful conclusions to be drawn.

57. When presenting the results of a study, the researcher should ensure the presentation:

- a. is focused on the purpose the research was conducted.
- b. includes some assessment of the validity of the study.
- c. points out those aspects of the results that are important or interesting.
- d. merely states the statistical results.
- *e. a, b and c.

General Feedback:

Chapter 3 page 104-105, Learning Objective 4, Factual. Once data is analysed and conclusions drawn, the findings must be presented in a format that will enable the marketing decision makers to use the information. In practice this involves a written report and/or a presentation to the decision makers. Reporting should be concise and to the point. A written report should include the detail of how the study was conducted and how the analysis was performed.

58. Which of the following statements is false?

- a. Gantt charts and the critical path method are useful project management tools.
- b. Budgets can be determined by estimating the likely actual cost of each phase of the project.
- c. Budgets can be determined by estimating the amount of time that each phase is likely to take and then applying a standard cost estimate to the hours.
- *d. Project management is less important when market research is outsourced.
- e. A research project that does not take the opportunity to refine itself when it is in progress is almost certain to result in less than optimal value.

General Feedback:

Chapter 3 page 100-101, Learning Objective 4, Factual. Project management assigns accountabilities for the various aspects of the market research project: who is responsible for what. If the market research project or part of it is outsourced, this aspect takes on extra importance and should be included in the contract.

59. The best measure of the effectiveness of a market research project is:

- a. whether the research answers the research problem.
- *b. whether the research findings lead to decisions that contribute to achieving marketing goals.
- c. whether it validates the decisions made by senior management.
- d. whether it is delivered on time and on budget.
- e. whether the results are as expected.

General Feedback:

Chapter 3 page 106, Learning Objective 4, Factual. It is essential that marketers evaluate the effectiveness of each and every market research project that is undertaken. As with all aspects of marketing, those marketers engaged in market research need to be able to assess and demonstrate the effectiveness of their work in order to prove a return on the investment. The ultimate test is whether the research answers the research problem and leads to decisions that contribute towards achieving the organisation's marketing goals. This will be captured by marketing metrics such as brand awareness, customer satisfaction and sales.

60. Valid metrics for market research effectiveness include:

- a. adherence to budget.
- b. adherence to deadlines.
- c. whether senior managers felt they could use the information generated to make a decision.
- d. the depth of analysis of the data.
- *e. all of the options listed.

General Feedback:

3 page 106, Learning Objective 4, Factual. Suitable measures of the effectiveness of the market research process itself include whether the project was completed within the specified budgets and timelines, the quality of the information generated, the depth of the analysis, and whether senior management feel they can confidently make a decision based on the research findings.

61. A market researcher conducting a focus group finds that many of the participants raise issues that were not considered in the original definition of the research problem being investigated. The market researcher should:

- a. try to steer the focus group discussion back to the issues identified in the research problem.
- b. end the focus group discussion.
- c. explore any relevant issues raised by the focus group participants.
- d. consider revising the original definition of the research problem.

*e. both c and d.

General Feedback:

Chapter 3 page 101, Learning Objective 4, Factual. The marketing research project must be able to accommodate revisions as it proceeds. The market research process is not always a straightforward, linear path from start to finish. An initial survey of secondary data may prompt the marketing organisation to reassess the research problem definition, a focus group might prompt a reassessment of the problem or suggest some other piece of data to analyse that was not included in the original brief, and initial data analysis might suggest some revision to the methodology for data collection requiring that part of the process to be reviewed.

Short Answer/Essay Questions

62. Discuss the importance of market research as a basis for marketing decision making.

Correct Answer:

Chapter 3 page 79-84, Learning Objective 1, Factual. Market research links customers, clients, partners and society at large with the marketer through information. Information obtained from market research - along with information from other sources - is used to inform marketing decisions on a wide range of issues, including those that are fundamental to the organisation's marketing mix. The results of market research are fed into a marketing information system, which holds and organises all of the organisation's marketing information. In deciding to undertake a market research project, the organisation should consider whether the market research will be relevant, timely, feasible given available resources, necessary, and result in sufficient benefits to justify the costs. Market research must be conducted ethically, respecting the rights of clients, employers and research participants.

63. What is the process for defining a research problem to guide a market research project, and for preparing a research brief?

Correct Answer:

Chapter 3 page 86-88, Learning Objective 2, Factual. Before beginning a market research project, it is crucial to know precisely what the research is intended to achieve. The question that the research is intended to answer is known as the 'research problem'. As the research project proceeds and more information is gathered, the research problem may need to be redefined.

Whether the market research project is undertaken in-house or outsourced to a specialist provider, a market research brief should be prepared to guide the project. A market research brief specifies the research problem, the information required, the timeframe, the budget, and any other conditions relevant to the project.

64. Outline the issues in research design, including the role of primary and secondary data, and the uses of quantitative and qualitative research

Correct Answer:

Chapter 3: Market research

Chapter 3 page 90-99, Learning Objective 3, Factual. The research problem needs to be analysed in order to create a methodology that will provide an answer to the problem. This detailed methodology planned to answer the research problem is known as the 'research design'.

Depending on the nature of the research problem, market research usually takes the form of exploratory research, descriptive research or causal research. Exploratory research is intended to gather more information about a loosely defined problem.

Descriptive research is used to solve well-defined problem by discovering more about certain phenomena. Causal research tests whether a particular variable affects a specific outcome.

Market research can draw on two types of data. Secondary data is data that already exists. Primary data is collected specifically for the purposes of the current research project.

Research methods can be broadly classified as quantitative research or qualitative research. Quantitative research collects data that can be represented numerically and analysed using statistical techniques.

Experimentation, observation and neuroscience are among the quantitative research methods. The most commonly used quantitative research tool is the survey, which may be led by an interviewer or self-administered by the survey respondent.

Qualitative research obtains rich, deep and detailed information and is often used when the market researcher needs to know about the beliefs and attitudes that underlie observable behaviour. Interviews and focus groups are among the most commonly used qualitative research methods, but they are time-consuming and expensive.

Market research tries to find out about the population by studying a small part of it and then generalising the results. The smaller part is known as a 'sample'. Probability sampling ensures every member of a population has a known chance of being selected in the sample that will be studied. Non-probability sampling provides no way of knowing the chance of a particular member of the population being chosen as part of the sample.

65. What are the key principles of data collection and analysis, and the subsequent reporting of market research findings to inform marketing decisions?

Correct Answer:

Chapter 3 page 100-106, Learning Objective 4, Factual. Once a research project has been designed, it must be implemented in compliance with the design. This requires careful project management. Data must be collected, filtered and organised so that it can be efficiently analysed. Quantitative data can be statistically manipulated to identify trends and patterns in the data. Qualitative data can be reduced to allow statistical analysis, but much of the rich detail can be lost. Often qualitative data analysis leads to further research in the form of quantitative research.

Data analysis allows conclusions to be drawn and recommendations formulated. The findings and recommendations of the market research project should be presented in a concise and clear manner. The underlying detail should also be provided to support the recommendations.

The recommendations ultimately lead to a marketing decision, which in turn will lead to marketing outcomes. Ideally, the outcomes are a successful response to the research problem that triggered the market research process.