

Test Bank

Chapter 1: The Role of Marketing Research in Management Decision Making

Multiple Choice:

Nature of Marketing:

1. Which of the following is NOT part of the definition of marketing?
 - A. planning and execution the conception, pricing, promotion, and distribution
 - B. creating exchange
 - C. gauging production efficiency
 - D. satisfying consumer needs as well as organizational objectives

Ans: C

Section: Nature of Marketing

Difficulty: Medium

2. The fact that cell phones now come in a vast array of designs and colours relates to which specific component of the marketing concept?
 - A. production orientation
 - B. systems orientation
 - C. goal orientation
 - D. consumer orientation

Ans: D

Section: The Marketing Concept

Difficulty: Medium

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3. Target marketing most closely identifies with which of the following orientations?
- A. systems orientation
 - B. goal orientation
 - C. consumer orientation
 - D. Both A & C
 - E. A, B & C

Ans: D

Section: The Marketing Concept

Difficulty: Difficult

4. Achieving a 25% increase in unit sales of a relaunched brand would identify which of the following orientations?
- A. production orientation
 - B. systems orientation
 - C. goal orientation
 - D. consumer orientation

Ans: C

Section: The Marketing Concept

Difficulty: Easy

5. The _____ orientation monitors the external environment in order to deliver the marketing mix to the target market.

- A. systems
- B. goal
- C. diagnostic
- D. proactive

Ans: A

Section: The Marketing Concept

Difficulty: Easy

6. McDonald's offering of fast food at reasonable prices in many locations is communicated by numerous billboards, television advertisements, and sales promotions. These offerings are known as McDonald's:

- A. systems orientation
- B. marketing mix
- C. descriptive function
- D. marketing concept

Ans: B

Section: Insightful Nature of Marketing Research

Difficulty: Medium

7. Based on marketing research, which of the following can a marketing manager control and change?

- A. the promotional efforts of the firm
- B. the desires of the target audience
- C. the competition
- D. the economy

Ans: A

Section: External Marketing Environment

Difficulty: Easy

8. An advertiser recently learned that over 50% of its target market regularly uses text messaging. This is an example of monitoring the _____ environment.

- A. marketing
- B. internal
- C. predictive
- D. external

Ans: D

Section: External Marketing Environment

Difficulty: Easy

9. People posting their opinions about brands online through social media, blogs, and online communities are examples of:

- A. Unsolicited feedback
- B. User-generated contents
- C. Interactive data

D. Real-time consumer reactions

Ans: B

Section: External Marketing Environment

Difficulty: Easy

Marketing Research and Decision Making:

10. Which of the following is NOT done by marketing research?

- A. specifying information to address a marketing issue
- B. managing the data collection process
- C. analyzing data from the collection process
- D. terminating a product that is not meeting organizational goals

Ans: D

Section: Marketing Research Defined

Difficulty: Medium

11. Determining what consumer attitudes are with regard to a particular product and its advertising would be part of the _____ function in marketing research.

- A. descriptive
- B. diagnostic
- C. predictive
- D. forecasting

Ans: A

Section: Importance of Marketing Research to Management

Difficulty: Easy

12. When a dog food company changed their product packaging, and then measured the resulting sales change, this was an example of which function of marketing research?

- A. descriptive
- B. diagnostic
- C. predictive
- D. qualitative

Ans: B

Section: Importance of Marketing Research to Management

Difficulty: Medium

13. The recent emphasis on customer satisfaction research by many companies relies on the notion that customer satisfaction is closely linked with _____.

- A. customer spending
- B. customer complaints
- C. customer loyalty
- D. value consciousness

Ans: C

Section: The Paramount Importance of Keeping Existing Customers

Difficulty: Medium

14. A recent university study suggests that spectators of sporting events have higher levels of involvement with the products being advertised when the home team is winning. What type of research is this?

- A. basic research
- B. problem-based research
- C. applied research
- D. pure analytical research

Ans: A

Section: Applied Research versus Basic Research

Difficulty: Difficult

15. Which of the following would NOT be characteristic of basic research?

- A. determining the most attractive price for a new product
- B. validating an existing theory
- C. learning more about a concept
- D. conducted by professors at larger “flagship-type” universities

Ans: A

Section: Applied Research versus Basic Research

Difficulty: Medium

16. Most marketing research studies which aim to assist a company with its marketing function are categorized as _____ research.

- A. pure
- B. applied
- C. basic
- D. evaluative

Ans: B

Section: Applied Research versus Basic Research

Difficulty: Easy

17. A researcher wants to determine whether a current teen idol would be a better celebrity spokesperson in the upcoming promotional campaign than the current aging basketball player. This type of research is:

- A. basic
- B. applied
- C. pure
- D. theoretical

Ans: B

Section: Applied Research versus Basic Research

Difficulty: Medium

18. Which of the following would characterize an applied research effort?

- A. determining the best package design for a Hispanic market
- B. creating a theory
- C. learning more about a broad concept

- D. expanding the frontiers of knowledge

Ans: A

Section: Applied Research versus Basic Research

Difficulty: Medium

19. When a company collects customer satisfaction measures each quarter to determine improvement strategies in their marketing offering, they are using which type of applied research?

- A. programmatic
- B. selective
- C. evaluative
- D. diagnostic

Ans: A

Section: Nature of Applied Research

Difficulty: Medium

20. When a research firm conducts focus groups to test 3 potential ad concepts for its client, it is using which type of applied research?

- A. programmatic
- B. selective
- C. evaluative
- D. diagnostic

Ans: B

Section: Nature of Applied Research

Difficulty: Medium

21. A researcher will be tracking how many viewers remember a particular television commercial played during the latest federal election campaign. This type of applied research is:

- A. basic
- B. evaluative
- C. programmatic
- D. selective

Ans: B

Section: Nature of Applied Research

Difficulty: Medium

22. Which of the following is NOT a reason to conduct marketing research concerning a particular project?

- A. management has decided to launch a new product and needs some numbers to support their position
- B. a loyal distribution channel member indicates the possibility of a large market share for a product with certain features
- C. the market for a new type of camera is in the introductory stage of the product life cycle
- D. a new competitor is about to enter the marketplace

Ans: A

Section: Decision to Conduct Marketing Research

Difficulty: Difficult

23. Why would a bank not be interested in a study that would tell them which of their male customers have a poor self-concept and tend to be introverted?

- A. resources for the study are lacking
- B. the research results would not be useful
- C. the managerial decision has already been made
- D. decision-making information already exists

Ans: B

Section: Decision to Conduct Marketing Research

Difficulty: Medium

24. A client has requested a research report to present to upper management to support the introduction of a new product. The client plans to only present the findings if they support the product introduction. The research should not be conducted because:

- A. resources for the study are lacking
- B. the research results would not be useful
- C. the managerial decision has already been made
- D. decision-making information already exists

Ans: C

Section: Decision to Conduct Marketing Research

Difficulty: Medium

25. A marketing research firm is discussing the possibility of a major project for a real estate company. The research firm has already conducted extensive exploratory research for the project and has been compensated. For the subsequent survey, the top managers in the real estate firm cannot agree on exactly what the specific research objectives should be. What should the marketing research firm do?

- A. decline the project
- B. conduct more exploratory research
- C. tell the top managers what the research objectives should be and do the project
- D. agree to do the subsequent project for a lower cost

Ans: A

Section: Decision to Conduct Marketing Research

Difficulty: Difficult

26. A producer of toys for small children asks a marketing research firm to conduct a survey to determine what percentage of the households in a region have children under 6 years of age. The marketing research firm should probably decline the project because of which of the following?

- A. toy managers are confused about what information is needed
- B. the costs of the research outweigh the benefits
- C. the decision has already been made
- D. decision-making information already exists

Ans: D

Section: Decision to Conduct Marketing Research

Difficulty: Difficult

27. Which of the following would be the strongest reason for not conducting marketing research?

- A. small market yielding a small profit
- B. small market yielding a large profit
- C. large market yielding a small profit
- D. large market yielding a large profit

Ans: A

Section: Decision to Conduct Marketing Research

Difficulty: Easy

28. Suppose two potential markets have the same sales potential. If all other conditions are also the same for each market, which of the two markets warrants the most consideration for a marketing research study?

- A. the one with the highest income levels
- B. neither; studies should be conducted for both markets
- C. select the market that offers the highest profit margin potential
- D. choose the market that has the largest number of affluent single households

Ans: C

Section: Decision to Conduct Marketing Research

Difficulty: Difficult

29. A manager has a \$200,000 make-or-buy decision. The research needed to select the better of the two decisions would cost \$800,000. The manager should:

- A. flip a coin to decide on the make or the buy
- B. research only the “buy” option
- C. research only the “make” option
- D. insist on research that only costs \$50,000

Ans: A

Section: Decision to Conduct Marketing Research

Difficulty: Medium

True/False:

Nature of Marketing:

30. The definition of marketing includes a statement about production efficiency.

Ans: False

Section: Nature of Marketing

Difficulty: Medium

31. The marketing concept is not solely focused on customer needs.

Ans: True

Section: The Marketing Concept

Difficulty: Easy

32. A systems orientation deals with finding out what consumers want and identifying market opportunities.

Ans: True

Section: The Marketing Concept

Difficulty: Difficult

33. A marketing mix is the unique blend of product/service, pricing, promotion, and distribution strategies designed to reach a specific target market.

Ans: True

Section: Insightful Nature of Marketing Research

Difficulty: Easy

34. Marketing research can potentially address all four elements of the marketing mix.

Ans: True

Section: Insightful Nature of Marketing Research

Difficulty: Easy

35. Companies that engage in marketing research can control elements of the external environment.

Ans: False

Section: External Marketing Environment

Difficulty: Medium

36. Knowledge of the external marketing environment has more to do with identifying new opportunities than it does with altering the present marketing mix.

Ans: False

Section: External Marketing Environment

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Difficulty: Medium

Marketing Research and Decision Making:

37. Marketing research makes a direct contribution to managerial decision making.

Ans: True

Section: Marketing Research and Decision-Making

Difficulty: Medium

38. Communication of the results generated by marketing research is not the responsibility of marketing research, but rather of the management team.

Ans: False

Section: Marketing Research Defined

Difficulty: Easy

39. Analyzing trends in Internet broadband access by a potential Internet advertiser would be an example of descriptive research.

Ans: True

Section: Importance of Marketing Research to Management

Difficulty: Easy

40. A researcher is trying to determine if a new watch with a built-in GPS locator would be accepted by a young market of mountain climbers. This type of research is diagnostic.

Ans: False

Section: Importance of Marketing Research to Management

Difficulty: Medium

41. According to the concept of return on quality, product quality is separate from a firm's profitability.

Ans: False

Section: Unrelenting Drive for Quality and Customer Satisfaction

Difficulty: Difficult

42. The retention of customers by an organization is not nearly as important to the firm as being able to find new customers.

Ans: False

Section: Paramount Importance of Keeping Existing Customers

Difficulty: Medium

43. A proactive manager would use marketing research as a foundation for the firm's strategic marketing plan.

Ans: True

Section: Proactive Role of Marketing Research

Difficulty: Easy

44. A manager needs to find out whether the fruit or the chocolate flavor would be best accepted by consumers for a new mouthwash. This research would be applied.

Ans: True

Section: Applied Research versus Basic Research

Difficulty: Medium

45. Applied research focuses on abstract theory to expand the frontiers of marketing research.

Ans: False

Section: Applied Research versus Basic Research

Difficulty: Easy

46. Recently, an article about changing consumer predispositions toward low-involvement purchases appeared in the *Journal of Marketing*. Chances are this article would be classified as applied research.

Ans: False

Section: Applied Research versus Basic Research

Difficulty: Medium

47. Managers are typically more interested in basic research than in applied research.

Ans: False

Section: Applied Research versus Basic Research

Difficulty: Easy

48. A researcher is testing out three different slogans, one of which will be used in an upcoming advertising campaign. This type of applied research is evaluative.

Ans: False

Section: Nature of Applied Research

Difficulty: Medium

49. A university has a 5-year capital plan that involves construction of new parking garages on campus, given a shortage of parking spaces relative to student cars on campus. The university should also engage in research to see how dissatisfied students are with their present parking situation.

Ans: False

Section: Decision to Conduct Marketing Research

Difficulty: Difficult

50. Two of the more important determinants of the potential benefits from a marketing research study are profit margins and market size.

Ans: True

Section: Decision to Conduct Marketing Research

Difficulty: Medium

Essay:

Nature of Marketing:

51. Traditionally, consumer goods firms were the primary clients of marketing research firms. However, many nontraditional types of institutions, such as universities, charities, hospitals, libraries, museums, and so on, are now regular customers of marketing research suppliers. Comment on this trend, especially with regard to marketing concept orientations.

Ans: Non-traditional institutions are now competing with each other for the consumers' or donors' dollar. Therefore, these institutions have to develop consumer, goal, and systems orientations to survive.

Section: The Marketing Concept

Difficulty: Medium

Marketing Research and Decision Making

52. Describe a project that will help a firm assess who are its best customers. Be sure to mention which marketing research functional role is operational in this project.

Ans: Marketing research would be meeting its descriptive functional role, in determining who a firm's best customers are. Marketing research would establish a database system of classifying the customers purchasing its clients' products or services. It would also collect information and classify its clients customers in some meaningful way (i.e. size, demographics, etc).

Section: Importance of Marketing Research to Management

Difficulty: Difficult

53. Explain how marketing research can help a company retain its customers and turn them into brand loyal customers.

Ans: A discussion of customer satisfaction research and the marketing concept would be expected for this question. Additionally, a discussion of quality, customer retention, and understanding the marketing environment should be addressed.

Sections: The Marketing Concept, Importance of Marketing Research to Management

Difficulty: Difficult

54. Define and illustrate the predictive function of marketing research.

Ans: The predictive function of marketing research specifies how to use diagnostic and descriptive information to predict the results of a planned marketing decision. An example would be a descriptive study that says females are the primary users of a particular service, which would be the descriptive function. Further, the diagnostic function indicates that females prefer certain service features and are not concerned with the other features. Given that information, marketing research can forecast the demand for a product that will more specifically meet the demands of its most important constituency, females.

Section: Importance of Marketing Research to Management

Difficulty: Medium

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