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Chapter 02

Marketing Research: Process and Systems for Decision Making

Multiple Choice Questions

1. Which of the following statements about marketing research is true?

   A. Marketing research that is executed carefully is free from errors.
   B. Marketing research is an aid to decision making.
   C. Marketing research is a substitute for decision making.
   D. Marketing research forecasts with certainty what will happen in the future.

2. Charles and Steve are business partners who want to start a publishing house. Both partners thoroughly research the market before proceeding with the planning. They believe that the research results guarantee that the new business will be successful. Which of the following will help Charles and Steve interpret their research results accurately?

   A. Considering the results of the research as a final answer to all doubts about setting up the new business
   B. Using the research results as a substitute for decision making
   C. Knowing that even the most carefully executed research can be fraught with errors
   D. Understanding that marketing research studies all of the factors that contribute to the success of a business

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3. Managers should make marketing decisions in the light of their own knowledge and experience instead of viewing research reports as the final answer to their problems because:

A. the number of factors included in a marketing research study are not exhaustive.
B. decisions based on marketing research reports are highly risky.
C. there is no possibility that marketing research will be affected by researcher bias.
D. marketing research is not a systematic process for obtaining information.

4. Which of the following statements best describes a benefit of marketing research?

A. It forecasts the future with certainty and accuracy.
B. Its results can and should be taken as the appropriate course of action.
C. It is vital for investigating the effects of various marketing strategies after they have been implemented.
D. It negates the need for researchers to use their own knowledge and experience because each research study includes all of the factors that could influence the success of a strategy.

5. In the past, marketing researchers were not extensively involved in:

A. engaging in the technical aspects of the research.
B. designing their research studies.
C. making strategic recommendations based on research.
D. collecting data.

6. Which of the following is NOT a step in the marketing research process?

A. Preview of the research
B. Plan of the research
C. Performance of the research
D. Preparation of the research report

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7. The first step in the research process is:

A. to collect data and label data sets.
B. to determine the appropriate marketing strategy based on findings.
C. to prepare a research report.
D. to determine why the research is needed and what it is to accomplish.

8. Which of the following steps in the research process determines why a particular research study is undertaken?

A. Plan of the research
B. Processing of research data
C. Purpose of the research
D. Preparation of the research report

9. Quite often a situation or problem is recognized as needing research, yet the nature of the problem is not clear or well defined, nor is the appropriate type of research evident. In the context of the steps of the marketing research process, this problem immediately lends itself to _____.

A. identifying the purpose of the research
B. conducting the research
C. preparing the research report
D. processing the research data

10. If a market researcher is analyzing the current situation involving the problem to be researched, he or she is most likely working on the _____.

A. performance of the research
B. purpose of the research
C. preparation of the research report
D. processing of research data

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11. Haley Joe Inc., a cosmetics company, plans to launch a range of organic beauty products. Before initiating the launch, the company's marketing team will conduct research to evaluate the current market for organic products. Presently, it is formulating a question for the researchers to determine what the research is meant to accomplish. Haley Joe Inc.'s marketing team is currently in the middle of _____.

A. processing the research data
B. preparing the research report
C. identifying the purpose of the research
D. developing the plan of the research

12. At the end of the first stage of the marketing research process, managers and researchers should agree on:

A. whether or not the company will undertake a test marketing exercise based on the results.
B. who will be responsible for designing observational forms and questionnaires.
C. the specific question or questions the research is designed to investigate.
D. the type of quantitative research to be used in the current study.

13. Which of the following steps of the marketing research process is crucial because it influences the type of research to be conducted and the research design?

A. Performance of the research
B. Plan of the research
C. Purpose of the research
D. Processing of the research data

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14. A research plan can be developed once:

A. the research data has been evaluated.
B. the research data has been collected.
C. the research team identifies the data source that should be used.
D. the specific research question or questions have been agreed on.

15. Which of the following statements is true of a research plan?

A. It determines explicitly why the research is needed and what it is to accomplish.
B. It influences the type of research to be conducted and the research design.
C. It includes an explanation of such things as the analysis techniques to be used.
D. It involves preparing for data collection and actually collecting them.

16. During which stage of the research process does a market researcher decide whether primary or secondary data are needed for the research process?

A. Processing of research data
B. Plan of the research
C. Preparation of research report
D. Performance of the research

17. During the _____ stage of the research process, it should be decided whether the company will do its own research or contract with a marketing research specialist.

A. report preparation
B. data processing
C. performance
D. planning

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18. Which of the following statements best describes primary data?

A. Data collected by an organization specifically for the research problem under investigation
B. Data that have previously been collected for other purposes but can be used for the problem at hand
C. Data provided by the government, such as U.S. census data
D. Data collected through government reports or syndicated data providers

19. Which of the following statements best describes the term "secondary data?"

A. They are more expensive to gather than primary data.
B. They are data that have previously been collected for other purposes.
C. They are always available for strategy-specific research questions.
D. They are gathered from a limited number of sources.

20. Isabel wants to open an art gallery in a neighborhood known for its large Hispanic population. However, she is apprehensive about whether or not the people in the neighborhood will be responsive to the unconventional art she sells. To make a decision, she obtains data from the National Statistics Institute which shows the career interests of the people of the neighborhood, most of them being in creative, unconventional fields. Which of the following types of data is she using to aid her decision making?

A. Primary data
B. Secondary data
C. A combination of primary and secondary data
D. Raw data

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21. Which of the following is an advantage of secondary data over primary data?

A. Secondary data are always available for strategy-specific research questions.
B. Secondary data sources are limited, making the information more valuable.
C. Secondary data are cheaper to obtain and utilize.
D. Secondary data are collected specifically for the research problem under investigation.

22. Which of the following is a disadvantage of secondary data?

A. Secondary data are not always available for strategy-specific research questions.
B. Secondary data sources are more limited than sources of primary data.
C. Secondary data are more expensive to obtain and utilize than primary data.
D. Secondary data are collected specifically for the research problem under investigation.

23. Nutricare Inc. is a leading distributor of health and beauty products in the United States. It wants to expand into the health drinks market segment. It collects data provided by the United States Department of Agriculture (USDA) to find the size of the target population. Identify the type of data Nutricare Inc. has collected in this scenario.

A. Secondary data
B. Primary data
C. A combination of primary and secondary data
D. Big Data

24. In the context of market research, which of the following is an advantage of using primary data for data collection?

A. They pertain only to a firm's research.
B. They are less expensive than other forms of data and are often free.
C. They are used to gain insight into international cultures and markets.
D. They are used to gather macroeconomic data.

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25. In the context of market research, identify a disadvantage of using primary data for data collection.

A. They may not be accurate and relevant.
B. They may take excessive amount of time to collect.
C. They may have been altered.
D. They may contain bias.

26. Which of the following is an example of qualitative research?

A. Mathematical modeling
B. Long interviews
C. Experimental research
D. Observational research

27. Identify a true statement about qualitative research.

A. It includes all of the factors that could influence the success of a strategy.
B. It includes inventory data that can indicate how rapidly various products are selling and expenditure data on such things as advertising, personal selling, or packaging.
C. It involves systematic procedures designed to obtain and analyze numerical data.
D. It involves face-to-face interviews with respondents designed to develop a better understanding of what they think and feel concerning a research topic.

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28. Redstone Inc. manufactures and markets computer games. Its latest game, Warrior Xero, is designed specifically for teenagers. The company recently implemented a free trial where it invited teenagers to its office to play the game. After the free trial, the company's market research executives conducted discussion sessions with the teenagers to gain insights into the product and whether any changes needed to be made. The research conducted by Redstone Inc. best exemplifies _____.

A. observational research
B. focus groups
C. mathematical modeling
D. group experiments

29. Which of the following types of research methods typically involves discussions among a small number of customers led by an interviewer and is designed to generate insights and ideas about products and brands?

A. Observational research
B. Long interviews
C. Projective techniques
D. Focus groups

30. _____ involves interacting with a single respondent for several hours and is designed to find out the meanings various products and brands have for an individual.

A. Observational research
B. A long interview
C. Mathematical modeling
D. An experiment

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31. Warner Implants, a pioneer in the industry for medical implants, launched a revolutionary cardiac implant in the year 2000. As part of its promotional strategy, the marketing team at Warner Implants conducted individual discussions with a few customers. These discussions were aimed at understanding the meaning its implants brought to the lives of the customers. This scenario best illustrates the use of _____ as a mode of research.

A. observation
B. mathematical modeling
C. experiments
D. long interviews

32. Quantitative research involves:

A. systematic procedures designed to obtain and analyze numerical data.
B. interviews with several people at a time to generate insights about a product.
C. discussions among a small number of individuals led by an interviewer.
D. face-to-face interviews with respondents to develop a better understanding of what they think.

33. M&N Inc., a cosmetics company, recently launched a marketing initiative for its line of organic cosmetics. Its marketing team undertook a campaign where it invited women to sample the cosmetics in malls and then asked them to fill questionnaires about the cosmetics. Which of the following methods of collecting data did the marketing team of M&N utilize in this scenario?

A. Observational research
B. Interviews
C. Mathematical modeling
D. Survey research

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34. The customer service department at Mercury, a department store, noticed that the store's exchange process creates a lot of stress for its customers. Customers need to visit several counters before their product is finally exchanged for another. Customer service management has decided to send questionnaires to customers, asking them to respond to a list of questions and to provide suggestions for improving the exchange situation in the store. In this scenario, management is using the _____ research method.

A. focus group
B. survey
C. observational
D. experimental

35. In the context of quantitative research in marketing, which of the following statements is true of observational research?

A. It involves the development of equations to model relationships among variables.
B. It involves manipulating one variable and examining its impact on other variables.
C. It involves watching people and recording relevant facts and behaviors.
D. It involves the collection of data by means of a questionnaire by mail, phone, online, or in person.

36. Spark Inc., an online fashion brand, is scouting for locations to open its first brick-and-mortar store in New York. It assigns researchers to various commercial intersections in the city and asks them to make a brief study of the movement of people around these intersections. The information gathered from this research will help Spark pick the most viable location. This type of research is best classified as _____.

A. survey research
B. observational research
C. experimental research
D. focus group research

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37. Jeremy, the manager at Orion Department Store, has noticed fluctuations in the sales of certain products after a change in the store layout. While certain products have shown an increase in sales, the sale of other products has declined considerably. Jeremy wants to make note of the areas of the store that customers frequent and those that they avoid. He hopes to gain sufficient insight in order to create a better store layout and get sales back to normal. In this scenario, Jeremy is most likely to use the method of _____.

A. observational research
B. mathematical modeling
C. experimental research
D. projective technique

38. Which of the following kinds of research collects data by means of a feedback form through mail, phone, or in person?

A. Experimental research
B. Mathematical modeling
C. Survey research
D. Observational research

39. Soy and Soup, a restaurant in the city of Uberlin, wants to open a vegan restaurant in the city of Prim. To ensure that Prim has a market for vegan food, Soy and Soup conducts research on the market. It sends out a team of researchers to conduct short interviews with the public asking a standard set of questions about the kinds of food they enjoy eating and whether they would like to eat at a restaurant that serves only vegan food. Which of the following research methods has Soy and Soup used in this scenario?

A. Experimental research
B. Archival research
C. Survey research
D. Observational research

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40. The marketing team at Shine Inc. is conducting research to determine why its perfume sales have dropped suddenly and drastically. The marketing manager, Adriano, is wondering if the drop in sales is a result of a recent and controversial newspaper article about the company's use of animal fat in its perfumes. He sends out a questionnaire by e-mail to Shine Inc.'s wide customer base to gather relevant information. Which of the following types of research methods is Adriano using in this scenario?

A. Observational research
B. Experimental research
C. Survey research
D. Mathematical modeling

41. GenX Techware Inc. is a manufacturer of computer monitors in the city of Osmon. Its marketing team conducts research to determine whether sales among women are likely to rise in response to the availability of brightly colored monitors. The team creates a set of written questions to be answered by a group of over 3,500 female respondents all over the city and mails these questions to respondents. Based on the data it obtains, GenX will make a decision about whether or not to launch brightly colored monitors. This scenario best exemplifies the method of _____.

A. observational research
B. archival research
C. experimental research
D. survey research

42. Which of the following is a research method that deals with manipulating one variable and examining its impact on other variables?

A. Marketing audit
B. Observational research
C. Archival research
D. Experimental research

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43. Which of the following qualitative research methods is most likely to provide a better idea of the causal relationships among variables?

A. Marketing audit
B. Observational research
C. Archival research
D. Experimental research

44. Rolly Inc., a candymaker and retailer, increases its candy prices by 10 percent in one of its stores while retaining existing prices in all its other stores. It then compares its sales in the test store to sales in its other stores. The information collected provides Rolly with evidence about the impact of price changes on its customers. The type of research used at Rolly Inc. best exemplifies _____.

A. experimental research
B. mathematical modeling
C. observational research
D. survey research

45. A marketer of yo-yos wants to know how an increase in price will affect its sales. It uses a test store where it increases the price of the yo-yos by 15 percent and then studies its impact on sales. Comparing its sales in the test store with those in other stores provides information about the likely impact of a price change in the overall market. Identify the type of market research method most likely used in this scenario.

A. Experimental research
B. Mathematical modeling
C. Observational research
D. Focus group

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46. Which of the following is true of the experimental research method?

A. It involves the collection of data by means of a questionnaire.
B. It cannot be used to understand causal relationships between variables.
C. It is difficult to design and administer effectively in natural settings.
D. It is extremely useful in cases where the research involves very large data sets.

47. Marketing research experiments are conducted in laboratories or simulated stores:

A. to carefully control other variables that could impact results.
B. because experiments cannot be administered in natural settings.
C. to identify beliefs, attitudes, and other unquantifiable data.
D. because respondents are more likely to be natural in laboratory settings.

48. Which of the following types of research involves the application of econometric or statistical techniques to secondary data, such as scanner data collected and stored in computer files from retail checkout counters?

A. Focus groups research
B. Observational research
C. Mathematical modeling
D. Qualitative research

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49. Bay Shop, a consumer electronics retailer, wants to know how the shopping needs of its consumers vary according to the days of the week. For instance, consumers tend to buy expensive items over weekends and shop for necessary items—such as batteries—over the week. To obtain relevant data, the store uses the scanner data collected and stored in computer files from its checkout counters. Analysts will use equations to determine relationships between the variables. Which of the following research techniques is Bay Shop most likely using in this scenario?

A. Projective techniques
B. Mathematical modeling
C. Focus groups
D. Observational research

50. Far-n-Wide, a travel agency, wants to implement market segmentation to target people who travel at least once a week for business. The ticketing data from all its outlets is consolidated in the company database and used to identify consumers who constitute this frequent-flyer segment. What type of research method is the company most likely using?

A. Mathematical modeling
B. Observational research
C. Qualitative research
D. Experimental research

51. Which of the following is a benefit of mathematical modeling as a marketing research method?

A. It generates a substantial number of ideas when compared with other methods.
B. It is involved in the analysis and interpretation of primary data exclusively.
C. It provides an efficient way to study problems with extremely large secondary data sets.
D. It is ideal for investigating customer beliefs, attitudes, satisfaction, and other issues.

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52. Which of the following is an advantage of the qualitative research method?

A. Its results are generalizable to a larger population than the results of the quantitative method.
B. It enables a user to conduct causal studies that indicate why behaviors occur.
C. It uncovers details concerning the motivations behind behaviors.
D. Analysis of data is faster than in quantitative research.

53. Which of the following is a disadvantage of the quantitative research method?

A. It is difficult to determine nonresponse bias.
B. Analysis of data is slower than in qualitative research.
C. It takes a longer time to complete than qualitative methods.
D. Individual participants do not represent general target market.

54. A purpose of quantitative research is to:

A. develop new products and services or reposition current product or service images.
B. build theories and models to explain marketplace behaviors or relationships between two or more marketing variables.
C. identify a business problem or opportunity situation or establish information requirements.
D. investigate the degree to which the insights about a topic hold across a large sample or population.

55. Which of the following statements is true of conducting marketing research?

A. Marketing research delivers the most accurate results when it involves applying quantitative techniques in the beginning of the research.
B. Marketing research suppliers are a better choice than internal researchers when they have special expertise in a particular type of research.
C. Marketing research is seldom fruitful if contracted to outside parties.
D. Marketing research conducted internally is most reflective of a company's position.

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56. Marketeers Inc. conducts research to determine the reaction of its employees to certain organizational changes that have recently been implemented. The company wants detailed and personalized responses from a small number of participants within the company. It is willing to spend a large amount of money to get meaningful results. In this scenario, which data collection method will most likely give Marketeers Inc. the data it requires?

A. Personal interviews
B. Focus groups
C. Mail surveys
D. Observation

57. An advantage of using focus groups to conduct market research is that:

A. they are flexible to use in a marketing study.
B. they do not require expert moderators.
C. they have a broad geographic dispersion.
D. they prevent moderator bias.

58. Which of the following is a disadvantage of the telephone survey as a research method?

A. It results in a non-centralized control of data collection.
B. It results in a disproportionate coverage of low-income groups.
C. It results in a lengthy and drawn-out data collection process.
D. It results in the least cost-effective method of data collection.

59. An advantage of mail surveys is the ease they provide in the area of _____.

A. collecting data and administering the surveys
B. determining the depth of responses from respondents
C. estimating nonresponse biases
D. collecting income and financial data

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60. An advantage of conducting marketing research through personal interviews is that:

A. the transmission of biasing cues is altogether avoided.
B. the cost per contact is extremely low.
C. data collection time may be low.
D. a substantial number of ideas can be generated.

61. A drawback of personal (in-depth) interviews as a data collection method in marketing research is that:

A. they have a high cost per contact for every respondent studied.
B. they do not generate as many ideas as group methods do.
C. they have an element of confusion as there is high geographic dispersion.
D. they have a lesser depth of response than other interviews.

62. An advantage of using mall intercepts as a data collection method in marketing research is that:

A. they provide unrestrained time to respondents.
B. their costs are free from the influence of incidence rates.
C. they do not require interviewer supervision.
D. they have fairly high response rates.

63. Which of the following marketing research data collection methods allows respondents to answer surveys at their convenience and facilitate the evaluation of visual stimuli?

A. Telephone surveys
B. Internet surveys
C. Face-to-face surveys
D. Mall intercepts

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64. One advantage of Internet surveys is that:

A. they are accurate and free from respondents' self-selection bias.
B. they do not require their responses to be checked for duplication.
C. they enable the easy generation of sample frames.
D. they enable the processing of real-time data.

65. A drawback of using Internet surveys as a data collection method in marketing research is that:

A. they take a long time to be executed.
B. they make real-time data processing impossible.
C. they pose difficulties in generating sample frames for probability sampling.
D. they create a high degree of perceived intrusion as respondents cannot answer the questions at their convenience.

66. Which of the following is a benefit of using projective techniques as a method of data collection?

A. They are useful in word association tests of new brand names.
B. They minimize the need for trained and experienced interviewers.
C. They substantially reduce the cost per interview in the research study.
D. They provide a broad geographic dispersion for a marketing research study.

67. One disadvantage of projective techniques as a data collection method is that:

A. they are highly threatening to respondents for sensitive topics.
B. they cannot be used for word association tests of new brand names.
C. they do not enable the identification of important motives underlying consumer choices.
D. they require trained and experienced interviewers as sensitive data may be elicited.

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68. Which of the following is a benefit of observation as a method of data collection?

A. It is accurate in measuring covert behavior.
B. It is useful in studying cross-cultural differences.
C. It can assess attitudes that cause certain behaviors.
D. It can provide clear evidence of causal relationships.

69. A drawback of using observation as a data collection method is that:

A. it is inaccurate in measuring overt behavior.
B. it cannot be used to study cross-cultural differences.
C. it is appropriate only for frequently occurring behaviors.
D. it cannot be used to collect sensitive data about respondents.

70. The stage of performance of the research involves:

A. coding, labeling, and structuring data.
B. defining the nature and purpose of collecting data.
C. analyzing and interpreting the collected data.
D. preparing for data collection and actually collecting them.

71. The marketing team at Stacey Collins Inc. is conducting research to determine the reaction of consumers to its new line of genuine leather clothing. The team is drawing a sample and preparing the questionnaires it intends to send out to the sample. It is also deciding whether it will rely mostly on secondary data or primary data to make its decisions. Considering the five Ps of the marketing research process, the marketing team is currently involved in the:

A. determination of research purpose.
B. performance of the research.
C. development of a research plan.
D. processing of research data.

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72. In which of the following steps of the research process does a researcher locate data or prepare observational forms or questionnaires if the research involves collecting primary data?

A. Performance of the research
B. Processing of the research
C. Planning of the research
D. Preparation of the research report

73. Which step of the marketing research process involves obtaining and recording the maximal amount of useful information, subject to the constraints of time, money, and respondent privacy?

A. Processing of research data
B. Plan of the research
C. Performance of the research
D. Preparation of the research report

74. Processing research data includes:

A. preparing observational forms for data collection.
B. obtaining and recording the maximal amount of useful information.
C. collecting data by means of a questionnaire, either by mail or phone.
D. editing, structuring, and coding data for statistical analysis.

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75. Holly and her team have conducted a survey on a sample of 500 respondents to assess the changing trends among consumers buying baby food. They have coded and collated all the information and fed them into a computer-based statistical analysis program. The results of the analysis are being examined by the team to uncover any significant patterns of consumer preferences. Which stage of the research process is Holly's team currently at in this scenario?

A. Performance of the research
B. Preparation of the research report
C. Plan of the research
D. Processing of research data

76. Judgment and insight are needed to draw appropriate inferences and conclusions from research results because marketing research studies:

A. imply significant relationships among variables.
B. do not use econometric or statistical techniques.
C. seldom obtain findings that are unambiguous.
D. always use extremely large secondary data sets.

77. Which of the following takes place during the processing of research data?

A. Preparing the research report
B. Choosing between primary data and secondary data
C. Recording the maximal amount of useful information
D. Interpreting and assessing the research results

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78. Which of the following is the final step of the research process?

A. Processing of research data
B. Data structuring and analysis
C. Preparation of the research report
D. Performance of the research

79. A _____ is a complete statement of everything done in a research project and includes a write-up of each of the previous stages as well as the strategic recommendations from the research.

A. research report
B. research plan
C. research proposal
D. research strategy

80. The major goal of most test marketing is to:

A. estimate the future sales potential of new products.
B. evaluate store layouts of a new store.
C. establish the placement of new products.
D. identify the location for a new store.

81. Budget constraints on marketing research are most likely to lead to:

A. a wrong interpretation of the research results.
B. pretest measurements of competitive brand sales.
C. an incorrectly formulated sample size and design.
D. incorrect reasons regarding why the research is needed.

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82. India Apparel Inc. is a popular clothing manufacturer in India. It intends to introduce its clothing line in the United States. However, before it does so on a large scale, it releases a portion of its line in two select clothing retail stores in the United States. India Apparel Inc. aims to sell the products on this small-scale basis to estimate consumer acceptance and competitive retaliation before deciding whether its products will work in the American market. This approach to marketing a product is called _____.

A. internal marketing
B. test marketing
C. digital marketing
D. social marketing

83. In the context of market research, identify a problem that could invalidate test marketing study results.

A. Test market areas are representative of the market in general in terms of population characteristics, competition, and distribution outlets.
B. Test-market products are advertised or promoted below a profitable level for the market in general.
C. The effects of factors that influence sales, such as the sales force, season, weather conditions, competitive retaliation, shelf space, and so forth, are considered in the research.
D. The test-market period is too short to determine whether the product will be repurchased by customers.

84. Which of the following factors is most likely to invalidate test marketing study results?

A. When test marketing areas are representative of and proportionate to the market in general
B. When the test-market period is so long that it can determine whether the product will be repurchased by customers
C. When test stores provide complete support to the study
D. When test-market products are advertised beyond a profitable level for the market in general

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85. Which of the following is true of marketing information systems?

A. They consist of a coordinated collection of data, tools, techniques, and models to gather and interpret information for decision making.
B. They require search engine software and a word processing system to function.
C. They cannot function without an efficient transaction processing system and a learning management system.
D. They are designed exclusively to handle information from internal sources.

86. Which of the following is a type of software required by marketing information systems?

A. A word processing system
B. A database management system
C. A transaction processing system
D. A learning management system

87. In marketing information systems, database management software:

A. is used for sorting and retrieving data from internal and external sources.
B. contains routines for manipulating data in ways that are useful for marketing decision making.
C. permits marketers to use models to produce information to address their decision-making needs.
D. provides tools for marketers to search for meaningful trends in large sets of data.

88. Which of the following statements best pertains to model base management software required by marketing information systems?

A. The software permits marketers to categorize and sort databases.
B. The software contains routines for manipulating data.
C. The software produces information to address decision-making needs.
D. The software helps in retrieving data from internal and external sources.

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89. Marketing information systems are designed to handle data from both internal and external sources. Internal information is particularly important for:

A. recognizing market responses to changes in technology.
B. understanding the changes in the environment that could influence marketing strategies.
C. shedding light on the changes in global economies and societies.
D. investigating the efficiency and effectiveness of various marketing strategies.

90. Which of the following exemplifies an internal source of data that could be used by a marketing information system?

A. Expenditure data on advertising and personal selling
B. Industry data on expenditure for sales promotions
C. Economic environmental change statistics
D. Global information on competitors

91. Which of the following best describes external information for marketing information systems?

A. Inventory data that can indicate how rapidly products are selling
B. Expenses incurred by a company in personal selling
C. Costs incurred by a company for advertising its products and services
D. Information on technological advances in the field

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Chapter 02 Marketing Research: Process and Systems for Decision Making Answer Key

Multiple Choice Questions

1. Which of the following statements about marketing research is true?

A. Marketing research that is executed carefully is free from errors.
B. Marketing research is an aid to decision making.
C. Marketing research is a substitute for decision making.
D. Marketing research forecasts with certainty what will happen in the future.

Marketing research is an aid to decision making and not a substitute for it. In other words, marketing research does not make decisions, but it can substantially increase the chances that good decisions are made.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Role of Marketing Research

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2. Charles and Steve are business partners who want to start a publishing house. Both partners thoroughly research the market before proceeding with the planning. They believe that the research results guarantee that the new business will be successful. Which of the following will help Charles and Steve interpret their research results accurately?

A. Considering the results of the research as a final answer to all doubts about setting up the new business
B. Using the research results as a substitute for decision making
C. Knowing that even the most carefully executed research can be fraught with errors
D. Understanding that marketing research studies all of the factors that contribute to the success of a business

Knowing that even the most carefully executed research can be filled with errors will help Charles and Steve interpret their research results accurately. Managers should also make decisions in light of their own knowledge and experience, since no marketing research study includes all of the factors that could influence the success of a strategy.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Role of Marketing Research

3. Managers should make marketing decisions in the light of their own knowledge and experience instead of viewing research reports as the final answer to their problems because:

A. the number of factors included in a marketing research study are not exhaustive.
B. decisions based on marketing research reports are highly risky.
C. there is no possibility that marketing research will be affected by researcher bias.
D. marketing research is not a systematic process for obtaining information.

Marketing managers should recognize that they should make decisions in light of their own knowledge and experience, since no marketing research study includes all of the factors that could influence the success of a strategy.

AACSB: Analytical Thinking

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Blooms: Understana
Difficulty: 2 Medium
Topic: The Role of Marketing Research

4. Which of the following statements best describes a benefit of marketing research?

A. It forecasts the future with certainty and accuracy.
B. Its results can and should be taken as the appropriate course of action.
C. It is vital for investigating the effects of various marketing strategies after they have been implemented.
D. It negates the need for researchers to use their own knowledge and experience because each research study includes all of the factors that could influence the success of a strategy.

Marketing research is vital for investigating the effects of various marketing strategies after they have been implemented. For example, marketing research can examine the effects of a change in any element of the marketing mix on customer perception and behavior.

AACSB: Analytical Thinking
Blooms: Understana
Difficulty: 2 Medium
Topic: The Role of Marketing Research

5. In the past, marketing researchers were not extensively involved in:

A. engaging in the technical aspects of the research.
B. designing their research studies.
C. making strategic recommendations based on research.
D. collecting data.

At one time, marketing researchers were primarily engaged in the technical aspects of research, but were not heavily involved in the strategic use of research findings. Today, however, many marketing researchers work hand-in-hand with marketing managers throughout the research process and have responsibility for making strategic recommendations based on the research.

AACSB: Analytical Thinking
Blooms: Understana

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Difficulty: 2 Medium
Topic: The Role of Marketing Research

6. Which of the following is NOT a step in the marketing research process?

A. Preview of the research
B. Plan of the research
C. Performance of the research
D. Preparation of the research report

Marketing research can be viewed as systematic processes for obtaining information to aid in decision making. Preview of the research is not a step in the marketing research process.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

7. The first step in the research process is:

A. to collect data and label data sets.
B. to determine the appropriate marketing strategy based on findings.
C. to prepare a research report.
D. to determine why the research is needed and what it is to accomplish.

Marketing research can be viewed as systematic processes for obtaining information to aid in decision making. The first step in the research process is to determine explicitly why the research is needed and what it is to accomplish.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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8. Which of the following steps in the research process determines why a particular research study is undertaken?

A. Plan of the research
B. Processing of research data
C. Purpose of the research
D. Preparation of the research report

Purpose of research is the first step in the research process. This step is to determine explicitly why the research is needed and what it is to accomplish.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

9. Quite often a situation or problem is recognized as needing research, yet the nature of the problem is not clear or well defined, nor is the appropriate type of research evident. In the context of the steps of the marketing research process, this problem immediately lends itself to ____.

A. identifying the purpose of the research
B. conducting the research
C. preparing the research report
D. processing the research data

Quite often a situation or problem is recognized as needing research, yet the nature of the problem is not clear or well defined nor is the appropriate type of research evident. This problem immediately lends itself to identifying the purpose of the research.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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10. If a market researcher is analyzing the current situation involving the problem to be researched, he or she is most likely working on the _____.

A. performance of the research
B. purpose of the research
C. preparation of the research report
D. processing of research data

If a market researcher is analyzing the current situation involving the problem to be researched, he or she is most likely working on the purpose of the research. At the end of the purpose of the research stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem, and (3) the specific question or questions the research is designed to investigate.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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11. Haley Joe Inc., a cosmetics company, plans to launch a range of organic beauty products. Before initiating the launch, the company's marketing team will conduct research to evaluate the current market for organic products. Presently, it is formulating a question for the researchers to determine what the research is meant to accomplish. Haley Joe Inc.'s marketing team is currently in the middle of _____.

A. processing the research data
B. preparing the research report
C. identifying the purpose of the research
D. developing the plan of the research

Haley Joe Inc.'s marketing team is currently in the middle of identifying the purpose of the research. At the end of this stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem, and (3) the specific question or questions the research is designed to investigate.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

12. At the end of the first stage of the marketing research process, managers and researchers should agree on:

A. whether or not the company will undertake a test marketing exercise based on the results.
B. who will be responsible for designing observational forms and questionnaires.
C. the specific question or questions the research is designed to investigate.
D. the type of quantitative research to be used in the current study.

At the end of the first stage, managers and researchers should agree on (1) the current situation involving the problem to be researched, (2) the nature of the problem, and (3) the specific question or questions the research is designed to investigate.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium

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Topic: The Marketing Research Process

13. Which of the following steps of the marketing research process is crucial because it influences the type of research to be conducted and the research design?

A. Performance of the research
B. Plan of the research
C. Purpose of the research
D. Processing of the research data

The first step in the research process is to determine explicitly why the research is needed and what it is to accomplish. This step is crucial since it influences the type of research to be conducted and the research design.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

14. A research plan can be developed once:

A. the research data has been evaluated.
B. the research data has been collected.
C. the research team identifies the data source that should be used.
D. the specific research question or questions have been agreed on.

Once the specific research question or questions have been agreed on, a research plan can be developed. A research plan spells out the nature of the research to be conducted and includes an explanation of such things as the sample design, measures, and analysis techniques to be used.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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15. Which of the following statements is true of a research plan?

A. It determines explicitly why the research is needed and what it is to accomplish.
B. It influences the type of research to be conducted and the research design.
C. It includes an explanation of such things as the analysis techniques to be used.
D. It involves preparing for data collection and actually collecting them.

A research plan spells out the nature of the research to be conducted and includes an explanation of such things as the sample design, measures, and analysis techniques to be used. Three critical issues that influence the research plan are (1) whether primary or secondary data are needed, (2) whether qualitative or quantitative research is needed, and (3) whether the company will do its own research or contract with a marketing research specialist.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

16. During which stage of the research process does a market researcher decide whether primary or secondary data are needed for the research process?

A. Processing of research data
B. Plan of the research
C. Preparation of research report
D. Performance of the research

Once the specific research question or questions have been agreed on, a research plan can be developed. Three critical issues that influence the research plan are (1) whether primary or secondary data are needed, (2) whether qualitative or quantitative research is needed, and (3) whether the company will do its own research or contract with a marketing research specialist.

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Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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17. During the _____ stage of the research process, it should be decided whether the company will do its own research or contract with a marketing research specialist.

A. report preparation
B. data processing
C. performance
D. planning

Once the specific research question or questions have been agreed on, a research plan can be developed. Three critical issues that influence the research plan are (1) whether primary or secondary data are needed, (2) whether qualitative or quantitative research is needed, and (3) whether the company will do its own research or contract with a marketing research specialist.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

18. Which of the following statements best describes primary data?

A. Data collected by an organization specifically for the research problem under investigation
B. Data that have previously been collected for other purposes but can be used for the problem at hand
C. Data provided by the government, such as U.S. census data
D. Data collected through government reports or syndicated data providers

Primary data are data collected specifically for the research problem under investigation; secondary data are those that have previously been collected for other purposes but can be used for the problem at hand.

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Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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19. Which of the following statements best describes the term "secondary data?"

A. They are more expensive to gather than primary data.
B. They are data that have previously been collected for other purposes.
C. They are always available for strategy-specific research questions.
D. They are gathered from a limited number of sources.

Secondary data are those that have previously been collected for other purposes but can be used for the problem at hand. Secondary information has the advantage of usually being cheaper than primary data, although it is not always available for strategy-specific research questions.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

20. Isabel wants to open an art gallery in a neighborhood known for its large Hispanic population. However, she is apprehensive about whether or not the people in the neighborhood will be responsive to the unconventional art she sells. To make a decision, she obtains data from the National Statistics Institute which shows the career interests of the people of the neighborhood, most of them being in creative, unconventional fields. Which of the following types of data is she using to aid her decision making?

A. Primary data
B. Secondary data
C. A combination of primary and secondary data
D. Raw data

The data from the National Statistics Institute that Isabel uses in her market research is an example of secondary data. Secondary data are those that have previously been collected for other purposes but can be used for the problem at hand.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard

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Topic: The Marketing Research Process

21. Which of the following is an advantage of secondary data over primary data?

A. Secondary data are always available for strategy-specific research questions.
B. Secondary data sources are limited, making the information more valuable.
C. Secondary data are cheaper to obtain and utilize.
D. Secondary data are collected specifically for the research problem under investigation.

Secondary data have the advantage of usually being cheaper than primary data, although they are not always available for strategy-specific research questions.

AACSB: Analytical Thinking
Blooms: Understana
Difficulty: 2 Medium
Topic: The Marketing Research Process

22. Which of the following is a disadvantage of secondary data?

A. Secondary data are not always available for strategy-specific research questions.
B. Secondary data sources are more limited than sources of primary data.
C. Secondary data are more expensive to obtain and utilize than primary data.
D. Secondary data are collected specifically for the research problem under investigation.

Secondary data have the advantage of usually being cheaper than primary data although they are not always available for strategy-specific research questions.

AACSB: Analytical Thinking
Blooms: Understana
Difficulty: 2 Medium
Topic: The Marketing Research Process

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23. Nutricare Inc. is a leading distributor of health and beauty products in the United States. It wants to expand into the health drinks market segment. It collects data provided by the United States Department of Agriculture (USDA) to find the size of the target population. Identify the type of data Nutricare Inc. has collected in this scenario.

A. Secondary data
B. Primary data
C. A combination of primary and secondary data
D. Big Data

In this scenario, Nutricare Inc. collects secondary data to check the potential of the health drinks market segment. Secondary data can be found from sources internal to the organization such as sales invoices, quarterly sales reports, and marketing research done by the organization. Other secondary data must be obtained from sources external to the organization.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

24. In the context of market research, which of the following is an advantage of using primary data for data collection?

A. They pertain only to a firm's research.
B. They are less expensive than other forms of data and are often free.
C. They are used to gain insight into international cultures and markets.
D. They are used to gather macroeconomic data.

Primary data are data collected specifically for the research problem under investigation. An advantage of using primary data is that they pertain only to a firm's research.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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25. In the context of market research, identify a disadvantage of using primary data for data collection.

A. They may not be accurate and relevant.
B. They may take excessive amount of time to collect.
C. They may have been altered.
D. They may contain bias.

Primary data are data collected specifically for the research problem under investigation. A disadvantage of using primary data is that they may take excessive amount of time to collect.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

26. Which of the following is an example of qualitative research?

A. Mathematical modeling
B. Long interviews
C. Experimental research
D. Observational research

The two most common types of qualitative research in marketing are focus groups and long interviews. Long interviews are conducted by an interviewer with a single respondent for several hours.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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27. Identify a true statement about qualitative research.

A. It includes all of the factors that could influence the success of a strategy.
B. It includes inventory data that can indicate how rapidly various products are selling and expenditure data on such things as advertising, personal selling, or packaging.
C. It involves systematic procedures designed to obtain and analyze numerical data.
D. It involves face-to-face interviews with respondents designed to develop a better understanding of what they think and feel concerning a research topic.

Qualitative research typically involves face-to-face interviews with respondents designed to develop a better understanding of what they think and feel concerning a research topic, such as a brand name, a product, a package, or an advertisement. The two most common types of qualitative research in marketing are focus groups and long interviews.

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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28. Redstone Inc. manufactures and markets computer games. Its latest game, Warrior Xero, is designed specifically for teenagers. The company recently implemented a free trial where it invited teenagers to its office to play the game. After the free trial, the company's market research executives conducted discussion sessions with the teenagers to gain insights into the product and whether any changes needed to be made. The research conducted by Redstone Inc. best exemplifies _____.

A. observational research
B. focus groups
C. mathematical modeling
D. group experiments

The research conducted by Redstone Inc. best exemplifies focus groups. Focus groups typically involve discussions among a small number of consumers led by an interviewer and are designed to generate insights and ideas about products and brands.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

29. Which of the following types of research methods typically involves discussions among a small number of customers led by an interviewer and is designed to generate insights and ideas about products and brands?

A. Observational research
B. Long interviews
C. Projective techniques
D. Focus groups

The two most common types of qualitative research in marketing are focus groups and long interviews. Focus groups involve discussions among a small number of individuals led by an interviewer and are designed to generate insights and ideas.

AACSB: Analytical Thinking

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Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

30. ____ involves interacting with a single respondent for several hours and is designed to find out the meanings various products and brands have for an individual.

A. Observational research
B. A long interview
C. Mathematical modeling
D. An experiment

Long interviews are conducted by an interviewer with a single respondent for several hours. They are designed to find out such things as the meanings various products or brands have for an individual or how a product influences a person's life.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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31. Warner Implants, a pioneer in the industry for medical implants, launched a revolutionary cardiac implant in the year 2000. As part of its promotional strategy, the marketing team at Warner Implants conducted individual discussions with a few customers. These discussions were aimed at understanding the meaning its implants brought to the lives of the customers. This scenario best illustrates the use of _____ as a mode of research.

A. observation
B. mathematical modeling
C. experiments
D. long interviews

In this scenario, the marketing team at Warner Implants is using long interviews as its mode of research. Long interviews are designed to find out such things as the meanings various products or brands have for an individual or how a product influences a person's life.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

32. Quantitative research involves:

A. systematic procedures designed to obtain and analyze numerical data.
B. interviews with several people at a time to generate insights about a product.
C. discussions among a small number of individuals led by an interviewer.
D. face-to-face interviews with respondents to develop a better understanding of what they think.

Quantitative research involves systematic procedures designed to obtain and analyze numerical data. Four common types of quantitative research in marketing are observation, surveys, experiments, and mathematical modeling.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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33. M&N Inc., a cosmetics company, recently launched a marketing initiative for its line of organic cosmetics. Its marketing team undertook a campaign where it invited women to sample the cosmetics in malls and then asked them to fill questionnaires about the cosmetics. Which of the following methods of collecting data did the marketing team of M&N utilize in this scenario?

A. Observational research
B. Interviews
C. Mathematical modeling
D. Survey research

M&N Inc. used survey research to obtain relevant information in this scenario. Survey research involves the collection of data by means of a questionnaire by mail, phone, online, or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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34. The customer service department at Mercury, a department store, noticed that the store's exchange process creates a lot of stress for its customers. Customers need to visit several counters before their product is finally exchanged for another. Customer service management has decided to send questionnaires to customers, asking them to respond to a list of questions and to provide suggestions for improving the exchange situation in the store. In this scenario, management is using the _____ research method.

A. focus group
B. survey
C. observational
D. experimental

In this scenario, management is using the survey research method. Four common types of quantitative research in marketing are observation, surveys, experiments, and mathematical modeling. Observational research involves watching people and recording relevant facts and behaviors.

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Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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35. In the context of quantitative research in marketing, which of the following statements is true of observational research?

A. It involves the development of equations to model relationships among variables.
B. It involves manipulating one variable and examining its impact on other variables.
C. It involves watching people and recording relevant facts and behaviors.
D. It involves the collection of data by means of a questionnaire by mail, phone, online, or in person.

Four common types of quantitative research in marketing are observation, surveys, experiments, and mathematical modeling. Observational research involves watching people and recording relevant facts and behaviors.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

36. Spark Inc., an online fashion brand, is scouting for locations to open its first brick-and-mortar store in New York. It assigns researchers to various commercial intersections in the city and asks them to make a brief study of the movement of people around these intersections. The information gathered from this research will help Spark pick the most viable location. This type of research is best classified as _____.

A. survey research
B. observational research
C. experimental research
D. focus group research

This type of research is best classified as observational research. Observational research is a type of quantitative research that involves watching people and recording relevant facts and behaviors.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard

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Topic: The Marketing Research Process

37. Jeremy, the manager at Orion Department Store, has noticed fluctuations in the sales of certain products after a change in the store layout. While certain products have shown an increase in sales, the sale of other products has declined considerably. Jeremy wants to make note of the areas of the store that customers frequent and those that they avoid. He hopes to gain sufficient insight in order to create a better store layout and get sales back to normal. In this scenario, Jeremy is most likely to use the method of _____.

A. observational research
B. mathematical modeling
C. experimental research
D. projective technique

In this scenario, Jeremy is most likely to use the method of observational research in order to understand the recent decline in the sale of certain products. Observational research involves watching people and recording relevant facts and behaviors. It is a type of quantitative research.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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38. Which of the following kinds of research collects data by means of a feedback form through mail, phone, or in person?

A. Experimental research
B. Mathematical modeling
C. Survey research
D. Observational research

Survey research involves the collection of data by means of a questionnaire either by mail, phone, or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

39. Soy and Soup, a restaurant in the city of Uberlin, wants to open a vegan restaurant in the city of Prim. To ensure that Prim has a market for vegan food, Soy and Soup conducts research on the market. It sends out a team of researchers to conduct short interviews with the public asking a standard set of questions about the kinds of food they enjoy eating and whether they would like to eat at a restaurant that serves only vegan food. Which of the following research methods has Soy and Soup used in this scenario?

A. Experimental research
B. Archival research
C. Survey research
D. Observational research

Soy and Soup has used survey research to understand the market in Prim. Survey research involves the collection of data by means of a questionnaire either by mail, phone, or in person. Personal surveys involving structured questions are useful but expensive.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard

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Topic: The Marketing Research Process

40. The marketing team at Shine Inc. is conducting research to determine why its perfume sales have dropped suddenly and drastically. The marketing manager, Adriano, is wondering if the drop in sales is a result of a recent and controversial newspaper article about the company's use of animal fat in its perfumes. He sends out a questionnaire by e-mail to Shine Inc.'s wide customer base to gather relevant information. Which of the following types of research methods is Adriano using in this scenario?

A. Observational research
B. Experimental research
C. Survey research
D. Mathematical modeling

In this scenario, Adriano is using survey research. Survey research involves the collection of data by means of a questionnaire either by mail, phone, or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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41. GenX Techware Inc. is a manufacturer of computer monitors in the city of Osmon. Its marketing team conducts research to determine whether sales among women are likely to rise in response to the availability of brightly colored monitors. The team creates a set of written questions to be answered by a group of over 3,500 female respondents all over the city and mails these questions to respondents. Based on the data it obtains, GenX will make a decision about whether or not to launch brightly colored monitors. This scenario best exemplifies the method of ____.

A. observational research
B. archival research
C. experimental research
D. survey research

This scenario best exemplifies the method of survey research. Survey research involves the collection of data by means of a questionnaire either by mail, phone, or in person. Surveys are commonly used in marketing research to investigate customer beliefs, attitudes, satisfaction, and many other issues.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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42. Which of the following is a research method that deals with manipulating one variable and examining its impact on other variables?

A. Marketing audit
B. Observational research
C. Archival research
D. Experimental research

Experimental research involves manipulating one variable and examining its impact on other variables. Experiments are useful for getting a better idea of the causal relationships among variables, but they are often difficult to design and administer effectively in natural settings.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

43. Which of the following qualitative research methods is most likely to provide a better idea of the causal relationships among variables?

A. Marketing audit
B. Observational research
C. Archival research
D. Experimental research

Experiments are useful for getting a better idea of the causal relationships among variables, but they are often difficult to design and administer effectively in natural settings.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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44. Rolly Inc., a candymaker and retailer, increases its candy prices by 10 percent in one of its stores while retaining existing prices in all its other stores. It then compares its sales in the test store to sales in its other stores. The information collected provides Rolly with evidence about the impact of price changes on its customers. The type of research used at Rolly Inc. best exemplifies _____.

A. experimental research
B. mathematical modeling
C. observational research
D. survey research

The type of research used at Rolly Inc. best exemplifies experimental research. In experimental research, the price of a product in one test store could be changed, while left the same in other stores. Comparing sales in the test store with those in other stores can provide evidence about the likely impact of a price change in the overall market.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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45. A marketer of yo-yos wants to know how an increase in price will affect its sales. It uses a test store where it increases the price of the yo-yos by 15 percent and then studies its impact on sales. Comparing its sales in the test store with those in other stores provides information about the likely impact of a price change in the overall market. Identify the type of market research method most likely used in this scenario.

A. Experimental research
B. Mathematical modeling
C. Observational research
D. Focus group

The type of market research most likely used in this scenario is experimental research. Experimental research involves manipulating one variable and examining its impact on other variables.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

46. Which of the following is true of the experimental research method?

A. It involves the collection of data by means of a questionnaire.
B. It cannot be used to understand causal relationships between variables.
C. It is difficult to design and administer effectively in natural settings.
D. It is extremely useful in cases where the research involves very large data sets.

Experiments are useful for getting a better idea of the causal relationships among variables, but they are often difficult to design and administer effectively in natural settings. Thus, many marketing research experiments are conducted in laboratories or simulated stores to carefully control other variables that could impact results.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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47. Marketing research experiments are conducted in laboratories or simulated stores:

A. to carefully control other variables that could impact results.
B. because experiments cannot be administered in natural settings.
C. to identify beliefs, attitudes, and other unquantifiable data.
D. because respondents are more likely to be natural in laboratory settings.

Experiments are useful for getting a better idea of the causal relationships among variables, but they are often difficult to design and administer effectively in natural settings. Thus, many marketing research experiments are conducted in laboratories or simulated stores to carefully control other variables that could impact results.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

48. Which of the following types of research involves the application of econometric or statistical techniques to secondary data, such as scanner data collected and stored in computer files from retail checkout counters?

A. Focus groups research
B. Observational research
C. Mathematical modeling
D. Qualitative research

Mathematical modeling research often involves secondary data, such as scanner data collected and stored in computer files from retail checkout counters.

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Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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49. Bay Shop, a consumer electronics retailer, wants to know how the shopping needs of its consumers vary according to the days of the week. For instance, consumers tend to buy expensive items over weekends and shop for necessary items—such as batteries—over the week. To obtain relevant data, the store uses the scanner data collected and stored in computer files from its checkout counters. Analysts will use equations to determine relationships between the variables. Which of the following research techniques is Bay Shop most likely using in this scenario?

A. Projective techniques
B. Mathematical modeling
C. Focus groups
D. Observational research

Bay Shop is most likely using mathematical modeling in this scenario. Mathematical modeling research often involves secondary data, such as scanner data collected and stored in computer files from retail checkout counters. This approach involves the development of equations to model relationships among variables and uses econometric and statistical techniques to investigate the impact of various strategies and tactics on sales and brand choices.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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50. Far-n-Wide, a travel agency, wants to implement market segmentation to target people who travel at least once a week for business. The ticketing data from all its outlets is consolidated in the company database and used to identify consumers who constitute this frequent-flyer segment. What type of research method is the company most likely using?

A. Mathematical modeling
B. Observational research
C. Qualitative research
D. Experimental research

Far-n-Wide is most likely using mathematical modeling in this scenario. Mathematical modeling often involves using secondary data such as scanner data that is collected and stored in computer files from retail checkout counters.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

51. Which of the following is a benefit of mathematical modeling as a marketing research method?

A. It generates a substantial number of ideas when compared with other methods.
B. It is involved in the analysis and interpretation of primary data exclusively.
C. It provides an efficient way to study problems with extremely large secondary data sets.
D. It is ideal for investigating customer beliefs, attitudes, satisfaction, and other issues.

Mathematical modeling often involves using secondary data such as scanner data that is collected and stored in computer files from retail checkout counters. Math modeling is useful because it provides an efficient way to study problems with extremely large secondary data sets.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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52. Which of the following is an advantage of the qualitative research method?

A. Its results are generalizable to a larger population than the results of the quantitative method.
B. It enables a user to conduct causal studies that indicate why behaviors occur.
C. It uncovers details concerning the motivations behind behaviors.
D. Analysis of data is faster than in quantitative research.

Often, qualitative research is used in early stages of investigating a topic to get more information and insight about it. An advantage of using the qualitative research method is that it uncovers detailsconcerning the motivations behind behaviors.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

53. Which of the following is a disadvantage of the quantitative research method?

A. It is difficult to determine nonresponse bias.
B. Analysis of data is slower than in qualitative research.
C. It takes a longer time to complete than qualitative methods.
D. Individual participants do not represent general target market.

Quantitative approaches are used to investigate the degree to which the insights hold across a larger sample or population. A disadvantage of quantitative research method is that it is difficult to determine nonresponse bias.

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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54. A purpose of quantitative research is to:

A. develop new products and services or reposition current product or service images.
B. build theories and models to explain marketplace behaviors or relationships between two or more marketing variables.
C. identify a business problem or opportunity situation or establish information requirements.
D. investigate the degree to which the insights about a topic hold across a large sample or population.

Often, qualitative research is used in early stages of investigating a topic to get more information and insight about it. Then, quantitative approaches are used to investigate the degree to which the insights hold across a larger sample or population.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

55. Which of the following statements is true of conducting marketing research?

A. Marketing research delivers the most accurate results when it involves applying quantitative techniques in the beginning of the research.
B. Marketing research suppliers are a better choice than internal researchers when they have special expertise in a particular type of research.
C. Marketing research is seldom fruitful if contracted to outside parties.
D. Marketing research conducted internally is most reflective of a company's position.

Most large consumer goods companies have marketing research departments that can perform a variety of types of research. Some marketing research suppliers have special expertise in a particular type of research that makes them a better choice than doing the research internally.

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Difficulty: 2 Medium
Topic: The Marketing Research Process

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56. Marketeers Inc. conducts research to determine the reaction of its employees to certain organizational changes that have recently been implemented. The company wants detailed and personalized responses from a small number of participants within the company. It is willing to spend a large amount of money to get meaningful results. In this scenario, which data collection method will most likely give Marketeers Inc. the data it requires?

A. Personal interviews
B. Focus groups
C. Mail surveys
D. Observation

In this scenario, Marketeers Inc. should employ personal interviews for its research. Personal interviews provide more depth of response than telephone interviews and generate a substantial number of ideas compared with group methods.

Refer To: Figure 2.4

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

57. An advantage of using focus groups to conduct market research is that:

A. they are flexible to use in a marketing study.
B. they do not require expert moderators.
C. they have a broad geographic dispersion.
D. they prevent moderator bias.

An advantage of using focus groups is that they are flexible to use and are relatively low in cost. The information from them can be collected quickly and has greater depth.

Refer To: Figure 2.4

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

58. Which of the following is a disadvantage of the telephone survey as a research method?

A. It results in a non-centralized control of data collection.
B. It results in a disproportionate coverage of low-income groups.
C. It results in a lengthy and drawn-out data collection process.
D. It results in the least cost-effective method of data collection.

A disadvantage of telephone surveys is that it has a disproportionate coverage of low-income groups.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

59. An advantage of mail surveys is the ease they provide in the area of _____.

A. collecting data and administering the surveys
B. determining the depth of responses from respondents
C. estimating nonresponse biases
D. collecting income and financial data

An advantage of using mail surveys is its ease of administration. In addition, data can be collected quickly.

Refer To: Figure 2.4

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Difficulty: 2 Medium
Topic: The Marketing Research Process

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60. An advantage of conducting marketing research through personal interviews is that:

A. the transmission of biasing cues is altogether avoided.
B. the cost per contact is extremely low.
C. data collection time may be low.
D. a substantial number of ideas can be generated.

The advantage of personal interviews is that they have more in-depth response compared to telephone interviews, and they generate a substantial number of ideas compared to group methods.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

61. A drawback of personal (in-depth) interviews as a data collection method in marketing research is that:

A. they have a high cost per contact for every respondent studied.
B. they do not generate as many ideas as group methods do.
C. they have an element of confusion as there is high geographic dispersion.
D. they have a lesser depth of response than other interviews.

Personal (in-depth) interviews have a disadvantage of high cost per contact. It is also easy to transmit biasing cues.

Refer To: Figure 2.4

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Difficulty: 2 Medium
Topic: The Marketing Research Process

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62. An advantage of using mall intercepts as a data collection method in marketing research is that:

A. they provide unrestrained time to respondents.
B. their costs are free from the influence of incidence rates.
C. they do not require interviewer supervision.
D. they have fairly high response rates.

One of the benefits of using mall intercepts is that they have fairly high response rates. In addition, data can be collected quickly.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

63. Which of the following marketing research data collection methods allows respondents to answer surveys at their convenience and facilitate the evaluation of visual stimuli?

A. Telephone surveys
B. Internet surveys
C. Face-to-face surveys
D. Mall intercepts

Two major advantages of Internet surveys are that they can be answered at the convenience of the respondent and that visual stimuli can be evaluated. In addition, they are inexpensive and quickly executed.

Refer To: Figure 2.4

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Topic: The Marketing Research Process

64. One advantage of Internet surveys is that:

A. they are accurate and free from respondents' self-selection bias.
B. they do not require their responses to be checked for duplication.
C. they enable the easy generation of sample frames.
D. they enable the processing of real-time data.

One advantage of Internet surveys is that real-time data processing is possible. In addition, they are inexpensive and quickly executed.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

65. A drawback of using Internet surveys as a data collection method in marketing research is that:

A. they take a long time to be executed.
B. they make real-time data processing impossible.
C. they pose difficulties in generating sample frames for probability sampling.
D. they create a high degree of perceived intrusion as respondents cannot answer the questions at their convenience.

One of the disadvantages of using Internet surveys as a method of market research is that it is difficult to generate sample frames for probability sampling.

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66. Which of the following is a benefit of using projective techniques as a method of data collection?

A. They are useful in word association tests of new brand names.
B. They minimize the need for trained and experienced interviewers.
C. They substantially reduce the cost per interview in the research study.
D. They provide a broad geographic dispersion for a marketing research study.

An advantage of projective techniques is that they are useful in word association tests of new brand names. They can also identify important motives underlying choices.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

67. One disadvantage of projective techniques as a data collection method is that:

A. they are highly threatening to respondents for sensitive topics.
B. they cannot be used for word association tests of new brand names.
C. they do not enable the identification of important motives underlying consumer choices.
D. they require trained and experienced interviewers as sensitive data may be elicited.

The disadvantages of projective techniques are that they require trained interviewers and that the cost per interview is high.

Refer To: Figure 2.4

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Topic: The Marketing Research Process

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68. Which of the following is a benefit of observation as a method of data collection?

A. It is accurate in measuring covert behavior.
B. It is useful in studying cross-cultural differences.
C. It can assess attitudes that cause certain behaviors.
D. It can provide clear evidence of causal relationships.

Observation can help in collecting sensitive data, measuring overt behaviors accurately, and studying cross-cultural differences.

Refer To: Figure 2.4

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

69. A drawback of using observation as a data collection method is that:

A. it is inaccurate in measuring overt behavior.
B. it cannot be used to study cross-cultural differences.
C. it is appropriate only for frequently occurring behaviors.
D. it cannot be used to collect sensitive data about respondents.

Observation as a method of data collection has a few drawbacks. It is appropriate only for frequently occurring behaviors. In addition, it is unable to assess opinions of attitudes causing behaviors.

Refer To: Figure 2.4

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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70. The stage of performance of the research involves:

A. coding, labeling, and structuring data.

B. defining the nature and purpose of collecting data.

C. analyzing and interpreting the collected data.

D. preparing for data collection and actually collecting them.

Performance of the research involves preparing for data collection and actually collecting them. The tasks at this stage depend on the type of research that has been selected and the type of data needed.

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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71. The marketing team at Stacey Collins Inc. is conducting research to determine the reaction of consumers to its new line of genuine leather clothing. The team is drawing a sample and preparing the questionnaires it intends to send out to the sample. It is also deciding whether it will rely mostly on secondary data or primary data to make its decisions. Considering the five Ps of the marketing research process, the marketing team is currently involved in the:

A. determination of research purpose.
B. performance of the research.
C. development of a research plan.
D. processing of research data.

The marketing team is currently in the performance stage of the research process. The tasks at this stage depend on the type of research that has been selected and the type of data needed. If secondary data are to be used, they must be located, prepared for analysis, and possibly paid for. If primary data are to be collected, then observational forms, questionnaires, or other types of measures must be designed, pretested, and validated. Samples must be drawn and interviews must be scheduled or preparations must be made for mailing or phoning selected individuals.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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72. In which of the following steps of the research process does a researcher locate data or prepare observational forms or questionnaires if the research involves collecting primary data?

A. Performance of the research
B. Processing of the research
C. Planning of the research
D. Preparation of the research report

Performance of the research involves preparing for data collection and actually collecting them. The tasks at this stage obviously depend on the type of research that has been selected and the type of data needed. If secondary data are to be used, they must be located, prepared for analysis, and possibly paid for. If primary data are to be collected, then observational forms, questionnaires, or other types of measures must be designed, pretested, and validated.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

73. Which step of the marketing research process involves obtaining and recording the maximal amount of useful information, subject to the constraints of time, money, and respondent privacy?

A. Processing of research data
B. Plan of the research
C. Performance of the research
D. Preparation of the research report

Performance of the research involves preparing for data collection and actually collecting them. In terms of actual data collection, a cardinal rule is to obtain and record the maximal amount of useful information, subject to the constraints of time, money, and respondent privacy.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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74. Processing research data includes:

A. preparing observational forms for data collection.
B. obtaining and recording the maximal amount of useful information.
C. collecting data by means of a questionnaire, either by mail or phone.
D. editing, structuring, and coding data for statistical analysis.

Processing research data includes such things as editing and structuring data and coding them for analysis. The appropriate analysis techniques for collected data depend on the nature of the research question and the design of the research.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

75. Holly and her team have conducted a survey on a sample of 500 respondents to assess the changing trends among consumers buying baby food. They have coded and collated all the information and fed them into a computer-based statistical analysis program. The results of the analysis are being examined by the team to uncover any significant patterns of consumer preferences. Which stage of the research process is Holly's team currently at in this scenario?

A. Performance of the research
B. Preparation of the research report
C. Plan of the research
D. Processing of research data

Holly's team is currently at the processing stage of the research process. A critical part of processing research data is interpreting and assessing the research results. Marketing researchers should always double-check their analysis and avoid overstating the strength of their findings.

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Blooms: Apply
Difficulty: 3 Hard

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Topic: The Marketing Research Process

76. Judgment and insight are needed to draw appropriate inferences and conclusions from research results because marketing research studies:

A. imply significant relationships among variables.
B. do not use econometric or statistical techniques.
C. seldom obtain findings that are unambiguous.
D. always use extremely large secondary data sets.

A critical part of the processing of the research data stage is interpreting and assessing the research results. Seldom, if ever, do marketing research studies obtain findings that are totally unambiguous. Usually, relationships among variables or differences between groups are small to moderate, and judgment and insight are needed to draw appropriate inferences and conclusions.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

77. Which of the following takes place during the processing of research data?

A. Preparing the research report
B. Choosing between primary data and secondary data
C. Recording the maximal amount of useful information
D. Interpreting and assessing the research results

A critical part of this stage is interpreting and assessing the research results. Seldom, if ever, do marketing research studies obtain findings that are totally unambiguous.

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Topic: The Marketing Research Process

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78. Which of the following is the final step of the research process?

A. Processing of research data
B. Data structuring and analysis
C. Preparation of the research report
D. Performance of the research

The preparation of the research report involves a write-up of each of the previous stages as well as the strategic recommendations from the research. This is the final step of the research process.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

79. A _____ is a complete statement of everything done in a research project and includes a write-up of each of the previous stages as well as the strategic recommendations from the research.

A. research report
B. research plan
C. research proposal
D. research strategy

A research report is a complete statement of everything done in a research project and includes a write-up of each of the previous stages as well as the strategic recommendations from the research. Research reports should be clear and unambiguous with respect to what was done and what recommendations are made.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

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80. The major goal of most test marketing is to:

A. estimate the future sales potential of new products.
B. evaluate store layouts of a new store.
C. establish the placement of new products.
D. identify the location for a new store.

The major goal of most test marketing is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely. In this way, future sales potential can often be estimated reasonably well.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: The Marketing Research Process

81. Budget constraints on marketing research are most likely to lead to:

A. a wrong interpretation of the research results.
B. pretest measurements of competitive brand sales.
C. an incorrectly formulated sample size and design.
D. incorrect reasons regarding why the research is needed.

There are several problems that could invalidate test marketing study results. For instance, sample size and design can be incorrectly formulated because of budget constraints.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

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82. India Apparel Inc. is a popular clothing manufacturer in India. It intends to introduce its clothing line in the United States. However, before it does so on a large scale, it releases a portion of its line in two select clothing retail stores in the United States. India Apparel Inc. aims to sell the products on this small-scale basis to estimate consumer acceptance and competitive retaliation before deciding whether its products will work in the American market. This approach to marketing a product is called _____.

A. internal marketing
B. test marketing
C. digital marketing
D. social marketing

India Apparel Inc.'s approach to marketing its clothes is called test marketing. The major goal of most test marketing is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely. In this way, future sales potential can often be estimated reasonably well.

AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 3 Hard
Topic: The Marketing Research Process

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83. In the context of market research, identify a problem that could invalidate test marketing study results.

A. Test market areas are representative of the market in general in terms of population characteristics, competition, and distribution outlets.
B. Test-market products are advertised or promoted below a profitable level for the market in general.
C. The effects of factors that influence sales, such as the sales force, season, weather conditions, competitive retaliation, shelf space, and so forth, are considered in the research.
D. The test-market period is too short to determine whether the product will be repurchased by customers.

The major goal of most test marketing is to measure new product sales on a limited basis where competitive retaliation and other factors are allowed to operate freely. There are a number of problems that could invalidate test marketing study results, such as when the test-market period is too short to determine whether the product will be repurchased by customers.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

84. Which of the following factors is most likely to invalidate test marketing study results?

A. When test marketing areas are representative of and proportionate to the market in general
B. When the test-market period is so long that it can determine whether the product will be repurchased by customers
C. When test stores provide complete support to the study
D. When test-market products are advertised beyond a profitable level for the market in general

Test marketing study results can be invalidated if test-market products are advertised or promoted beyond a profitable level for the market in general.

AACSB: Analytical Thinking

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Blooms: Understand
Difficulty: 2 Medium
Topic: The Marketing Research Process

85. Which of the following is true of marketing information systems?

A. They consist of a coordinated collection of data, tools, techniques, and models to gather and interpret information for decision making.
B. They require search engine software and a word processing system to function.
C. They cannot function without an efficient transaction processing system and a learning management system.
D. They are designed exclusively to handle information from internal sources.

Most marketers use computer-based systems to help them gather, sort, store, and distribute information for marketing decisions. These marketing information systems consist of a coordinated collection of data, tools, techniques, and models by which marketers gather and interpret relevant information for decision making.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: Marketing Information Systems

86. Which of the following is a type of software required by marketing information systems?

A. A word processing system
B. A database management system
C. A transaction processing system
D. A learning management system

Marketing information systems require three types of software: a database management system, model base management software, and a dialog system.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: Marketing Information Systems

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87. In marketing information systems, database management software:

A. is used for sorting and retrieving data from internal and external sources.
B. contains routines for manipulating data in ways that are useful for marketing decision making.
C. permits marketers to use models to produce information to address their decision-making needs.
D. provides tools for marketers to search for meaningful trends in large sets of data.

Database management software is used in management information systems for sorting and retrieving data from internal and external sources.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: Marketing Information Systems

88. Which of the following statements best pertains to model base management software required by marketing information systems?

A. The software permits marketers to categorize and sort databases.
B. The software contains routines for manipulating data.
C. The software produces information to address decision-making needs.
D. The software helps in retrieving data from internal and external sources.

Model base management software contains routines for manipulating data in ways that are useful for marketing decision making.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: Marketing Information Systems

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89. Marketing information systems are designed to handle data from both internal and external sources. Internal information is particularly important for:

A. recognizing market responses to changes in technology.
B. understanding the changes in the environment that could influence marketing strategies.
C. shedding light on the changes in global economies and societies.
D. investigating the efficiency and effectiveness of various marketing strategies.

Internal information is particularly important for investigating the efficiency and effectiveness of various marketing strategies. Internal information includes such things as sales records, which can be divided by territory, package size, brand, price, order size, or salesperson; inventory data that can indicate how rapidly various products are selling; or expenditure data on such things as advertising, personal selling, or packaging.

AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: Marketing Information Systems

90. Which of the following exemplifies an internal source of data that could be used by a marketing information system?

A. Expenditure data on advertising and personal selling
B. Industry data on expenditure for sales promotions
C. Economic environmental change statistics
D. Global information on competitors

Internal information includes such things as sales records or expenditure data on such things as advertising, personal selling, or packaging. Internal information is particularly important for investigating the efficiency and effectiveness of various marketing strategies.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: Marketing Information Systems

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91. Which of the following best describes external information for marketing information systems?

A. Inventory data that can indicate how rapidly products are selling
B. Expenses incurred by a company in personal selling
C. Costs incurred by a company for advertising its products and services
D. Information on technological advances in the field

External information is gathered from outside the organization and concerns changes in the environment that could influence marketing strategies. External information is needed concerning changes in global economies and societies, competitors, customers, and technology.

AACSB: Analytical Thinking
Blooms: Remember
Difficulty: 1 Easy
Topic: Marketing Information Systems

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