

Chapter 02

The Marketing Research Process and Proposals

Multiple Choice Questions

1. _____ is information collected specifically for a current research problem or opportunity.

- A. Primary data
- B. Alternate data
- C. Secondary data
- D. Warehouse data
- E. Backup data

Answer: A

Difficulty: Easy

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2. Gatekeeper technologies are used to _____.

- A. prevent the introduction of new and creative marketing strategies
- B. help market researchers track the behavior of internet users
- C. protect one's privacy against intrusive marketing practices
- D. allow marketers to use traditional methods for contacting people
- E. simplify the process of getting user information using telemarketing

Answer: C

Difficulty: Easy

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3. Which of the following statements is true about the information research process?

- A. It narrows the applicability of the research process in solving organizational problems and creating opportunities.
- B. A more appropriate name for the information research process is now the traditional marketing research process.
- C. It is a systematic approach to collecting, analyzing, interpreting, and transforming data into decision-making information.
- D. It is especially useful when costs outweigh the value of the research.
- E. It serves as a written contract between the decision maker and the researcher.

Answer: C

Difficulty: Medium

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4. As compared to marketing researchers, management decision-makers _____.

- A. like to explore new phenomena
- B. like abstractions rather than concrete findings
- C. focus on information that allows certainty
- D. are scientific and analytical thinkers
- E. focus only on past information

Answer: C

Difficulty: Medium

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5. John works for CompTech Solutions. He is a typical “marketing researcher.” Which of the following statements is most likely to be true about John?

- A. John is a scientific thinker, and loves to explore new phenomena.
- B. John wants results about future market component behavior.
- C. John is an intuitive thinker, and wants information to confirm his decisions.
- D. John does not like surprises.
- E. John wants information that allows certainty.

Answer: A

Difficulty: Medium

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6. A manager wants to do a market study before launching a new product. The research study will take three months to complete. Just two weeks before starting the study, she learns that one of her company’s competitors is about to launch a product that will compete directly with her company’s new product. Based on this new information, she decides to cancel the research study and launch the product immediately. Which of the following is most likely the reason for cancelling the study?

- A. The problem can be resolved using existing information.
- B. The problem is not of strategic or tactical importance.
- C. The information required to resolve the problem is already available in the company’s internal records.
- D. The time constraints associated with the problem make it impossible to conduct the study.
- E. The cost of conducting the study outweighs the benefit of additional information.

Answer: D

Difficulty: Hard

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7. Marilyn Castillo is a marketing manager with a major firm. She is debating whether to conduct a marketing research study before commercializing a product. She realizes that conducting the study will cost approximately \$100,000. If she launches the product without conducting the study and the product fails, her firm could suffer a loss of \$2 million.

According to the above scenario, Marilyn is doing a(n) _____.

- A. time-availability assessment
- B. cost-benefit assessment
- C. research-design assessment
- D. information-availability assessment
- E. market-sensitivity assessment

Answer: B

Difficulty: Hard

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8. The first task in the information research process is to _____.

- A. redefine the decision problems as research problems

- B. identify and clarify management's information needs
- C. determine the measurement issues and scales
- D. determine the sample plan and sample size
- E. determine the research design and data sources

Answer: B

Difficulty: Easy

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9. Symphony Inc., a market research firm, has formed a team to study a problem. To familiarize themselves with the overall complexity of the problem, the market research team decides to gather and synthesize background information including events and factors that led to the current problem. This research team is engaged in doing a(n) _____.

- A. situation analysis
- B. symptomatic analysis
- C. variable analysis
- D. sampling analysis
- E. screening analysis

Answer: A

Difficulty: Medium

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10. The iceberg principle provides information concerning the _____.

- A. determination of the research problem
- B. selection of the appropriate research design
- C. execution of the research design
- D. communication of the research results
- E. interpretation of data to create knowledge

Answer: A

Difficulty: Easy

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11. According to the iceberg principle, which of the following statements is true?

- A. One can often get blindsided by problems that could otherwise have been easily anticipated by proactive marketing research.
- B. Problems become visible only when they become crises; marketing research can help identify problems in their early stages.
- C. Managers are aware of just a small portion of the true problem; this small portion is generally the visible symptom of a bigger underlying problem.
- D. 80 percent of marketing research budget is typically spent on solving 20 percent of all the problems facing a company.
- E. The importance of marketing research is often underestimated in organizations; what people see is a small part of a much bigger support apparatus.

Answer: C

Difficulty: Medium

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12. _____ specifies whether data should be collected about individuals, households, organizations, departments, geographical areas, or some combination.

- A. Situation analysis
- B. Cost-benefit analysis
- C. The unit of analysis
- D. Symptom analysis
- E. Integrated analysis

Answer: C

Difficulty: Easy

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13. In the process of identifying and clarifying information needs, which of the following components provides direction for activities such as scale development and sampling?

- A. Determination of the unit of analysis
- B. Conducting a situation assessment
- C. Determination of the relevant variables
- D. Identification and separation of symptoms
- E. Determination of the research purpose

Answer: A

Difficulty: Medium

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14. While designing a study, a researcher is wondering if she should ask respondents their age and gender. She is not sure if she would need that information later in the research process.

She is trying to _____.

- A. determine the correct unit of analysis for her study
- B. conduct a situation assessment for her study
- C. determine the relevant variables for her study
- D. identify the symptoms and underlying problems for her study
- E. confirm the information value

Answer: C

Difficulty: Hard

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15. Which of the following helps generate insights that will help define the problem situation confronting the researcher?

- A. Exploratory research
- B. Descriptive research
- C. Causal research
- D. Demographic research
- E. Narrative research

Answer: A

Difficulty: Easy

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16. Which of the following data collection techniques is used in exploratory research studies?

- A. Image assessment surveys
- B. Customer satisfaction surveys
- C. Narrative surveys
- D. Cause-and-effect studies
- E. Pilot studies

Answer: E

Difficulty: Easy

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17. Causal research is most useful in _____.

- A. generating insights that help in defining the problem situation
- B. understanding consumer motivations and behavior that are not easy to access using other research methods
- C. understanding which variables lead to the dependent variable
- D. using historical data that has been previously collected for some research situation other than the current situation
- E. collecting quantitative data to answer research questions such as who, what, when, where, and how

Answer: C

Difficulty: Easy

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18. In a census, a researcher attempts to _____.

- A. use the probability sampling technique
- B. define the “known chance” of selecting a subject
- C. use a small representative sample to generalize about the target population
- D. collect data from a small set of people from the target population
- E. question or observe all the members of a defined target population

Answer: E

Difficulty: Easy

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19. Which of the following is true about research based on a sample?

- A. It involves a small number of members of the target population from which the researcher collects data.
- B. Each member from the target population is selected for the research.
- C. For small populations a sample is the best approach.
- D. There is no need to identify a target population.
- E. Probability sampling plans cannot measure sampling error and thus limit the generalizability of the research findings.

Answer: A

Difficulty: Easy

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20. In the information research process, the role of examining measurement issues and scales is to _____.

- A. examine quantitative data to answer research and measure the sampling error
- B. determine if the population represented by the secondary data is relevant to the current research problem
- C. identify the concepts to study and measure the variables related to the research problem
- D. specify research objectives and confirm the information value
- E. select the correct type, sequence, and format of questions

Answer: C

Difficulty: Easy

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21. _____ obtains information from people representative of those who will be questioned in the actual survey.

- A. Doing a unit analysis
- B. Conducting a demographic analysis
- C. Doing a situation analysis
- D. Defining
- E. Pretesting

Answer: E

Difficulty: Easy

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22. In the information research process, coding and data-entry errors in the collected primary data are most likely to be caught while _____.

- A. designing and pretesting the questionnaire
- B. collecting and preparing data
- C. developing the sample design
- D. interpreting data to create knowledge
- E. examining measurement issues and scales

Answer: B

Difficulty: Easy

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23. While collecting and preparing data, a difference between questioning and observation is that questioning approaches _____.

- A. need fewer researchers as compared to observation approaches
- B. need not examine data for data-entry errors and inconsistencies
- C. do not allow researchers to collect information about factors such as motivation and past behavior
- D. enable researchers to collect a wider array of data
- E. focus on collecting data that does not need coding

Answer: D

Difficulty: Medium

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24. In a research proposal, which of the following sections discusses the types of scales to be used for data collection?

- A. Definition of the target population
- B. Sample design
- C. Data collection method
- D. Specific research instruments
- E. Definition of the sample size

Answer: D

Difficulty: Easy

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25. _____ is a specific document that provides an overview of the proposed research and methodology, and serves as a written contract between the decision maker and the researcher.

- A. Methodology transcript
- B. Questionnaire design
- C. Research proposal
- D. Interview transcript
- E. Survey design

Answer: C

Difficulty: Easy

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True / False Questions

26. Secondary data is information collected for a current research problem or opportunity.

Answer: False

Difficulty: Easy

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27. Advances in gatekeeper technologies are used to protect one's privacy against intrusive marketing practices.

Answer: True

Difficulty: Easy

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28. Caller ID and answering devices are gatekeeper technologies.

Answer: True

Difficulty: Easy

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29. Marketing research plays a critical role in developing competitive intelligence.

Answer: True

Difficulty: Easy

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30. The initial recognition of the existence of a problem or opportunity should be the primary responsibility of the researcher.

Answer: False

Difficulty: Medium

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31. A cost-benefit assessment examines if there is enough time to conduct the necessary research before the final managerial decision must be made.

Answer: False

Difficulty: Easy

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32. Accurately determining the cost of doing marketing research is easier than determining the true value of the expected information.

Answer: True

Difficulty: Medium

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33. According to the iceberg principle, decision makers are aware of only 10 percent of the true problem.

Answer: True

Difficulty: Easy

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34. In order to do a situation analysis, a marketing researcher must depend solely on the information provided by the client.

Answer: False

Difficulty: Medium

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35. Factors like demographics and brand attitudes are called units of analysis.

Answer: False

Difficulty: Easy

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36. Relevant variables specify whether data should be collected about individuals, households, organizations, departments, geographical areas, or some combination.

Answer: False

Difficulty: Easy

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37. Research should be conducted only when the expected value of the information to be obtained is less than the cost of the research.

Answer: False

Difficulty: Easy

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38. Exploratory research collects quantitative data to answer research questions such as who, what, when, where, and how.

Answer: False
Difficulty: Easy
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39. Image assessment surveys are an example of causal research designs.

Answer: False
Difficulty: Easy
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40. Causal research enables the decision maker to make “If–then” statements about the variables.

Answer: True
Difficulty: Easy
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41. In a census, the researcher attempts to question or observe a small sample representative of a defined target population.

Answer: False
Difficulty: Easy
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42. In probability sampling, each member of the defined target population has a known chance of being selected.

Answer: True
Difficulty: Easy
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43. Probability sampling gives the researcher the opportunity to assess sampling error.

Answer: True
Difficulty: Medium
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44. Measurement and scaling issues are relevant only in primary research.

Answer: False
Difficulty: Medium
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45. Observational research can collect information about attitudes, intentions, motivations, and past behavior, which are usually invisible in the questioning approach.

Answer: False
Difficulty: Medium
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46. Procedures such as summary statistics and simple frequency distributions are used while designing and pretesting the questionnaire.

Answer: False

Difficulty: Medium

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47. In qualitative research studies, textual and/or visual information is examined, categorized, and even sometimes tabulated.

Answer: True

Difficulty: Easy

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48. The last phase of the research process is reporting the research findings to management.

Answer: True

Difficulty: Easy

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49. A research proposal includes a brief profile of the researchers and their qualifications.

Answer: True

Difficulty: Medium

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50. The research proposal is also called the final research report.

Answer: False

Difficulty: Easy

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Essay Questions

51. Differentiate between primary and secondary data.

Answer: Secondary data is information previously collected for some other problem or issue. A by-product of the technology advances is the ongoing collection of data that is placed in a data warehouse and is available as secondary data to help understand business problems and to improve decisions. In contrast, primary data is information collected specifically for a current research problem or opportunity. Many large businesses are linking purchase data collected in-store and online with customer profiles already in company databases, thus enhancing their ability to understand shopping behavior and better meet customer needs. But even medium-sized and small companies are building databases of customer information to serve current customers more effectively and to attract new customers.

Difficulty: Easy

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52. List the questions a decision maker must ask to determine the need for information research.

Answer: To determine if research should be used to collect the needed information, the first question the decision maker must ask is: Can the problem and/or opportunity be resolved using existing information and managerial judgment? The focus is on deciding what type of information (secondary or primary) is required to answer the research question(s). With the assistance of the research expert, decision makers face the next question: Is adequate

information available within the company's internal record systems to address the problem? If the necessary marketing information is not available in the firm's internal record system, then a customized marketing research project to obtain the information should be considered. With input from the research expert, decision makers must assess the time constraints associated with the problem/opportunity: Is there enough time to conduct the necessary research before the final managerial decision must be made? A cost-benefit assessment should be made of value of the research compared to the cost: Do the benefits of having the additional information outweigh the costs of gathering the information? These types of questions remain a challenge for today's decision makers.

Difficulty: Medium

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53. Discuss the Iceberg principle.

Answer: The iceberg principle holds that decision makers are aware of only 10 percent of the true problem. Frequently the perceived problem is actually a symptom that is some type of measurable market performance factor, while 90 percent of the problem is not visible to decision makers. For example, the problem may be defined as "loss of market share" when in fact the problem is ineffective advertising or a poorly trained sales force. The real problems are below the waterline of observation. If the submerged portions of the problem are omitted from the problem definition and later from the research design, then decisions based on the research may be incorrect. Referring to the iceberg principle helps researchers distinguish between the symptoms and the causes.

Difficulty: Easy

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54. Compare the descriptive and the causal research approaches.

Answer: Descriptive research involves collecting quantitative data to answer research questions. Descriptive information provides answers to who, what, when, where, and how questions. In marketing, examples of descriptive information include consumer attitudes, intentions, preferences, purchase behaviors, evaluations of current marketing mix strategies, and demographics. Descriptive studies may provide information about competitors, target markets, and environmental factors. On the other hand, causal research collects data that enables decision makers to determine cause-and-effect relationships between two or more variables. Causal research designs are most appropriate when the research objectives include the need to understand which variables cause a dependent variable to move. Understanding cause-effect relationships among market performance factors enables the decision maker to make "If-then" statements about the variables. They provide an opportunity to assess and explain causality among market factors.

Difficulty: Medium

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55. Explain the process of collecting data using a census and a sample.

Answer: In collecting data, researchers can choose between collecting data from a census or a sample. In a census, the researcher attempts to question or observe all the members of a defined target population. For small populations a census may be the best approach. A second approach, used when the target population is large, involves selection of a sample from the

defined target population. Researchers must use a representative sample of the population if they wish to generalize the findings. To achieve this objective, researchers develop a sampling plan as part of the overall research design. A sampling plan serves as the blueprint for defining the appropriate target population, identifying the possible respondents, establishing the procedures for selecting the sample, and determining the appropriate sample size.

Difficulty: Easy

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56. Discuss the importance of pretesting a questionnaire.

Answer: Designing good questionnaires is difficult. Researchers must select the correct type of questions, consider the sequence and format, and pretest the questionnaire. Pretesting obtains information from people representative of those who will be questioned in the actual survey. In a pretest respondents are asked to complete the questionnaire and comment on issues such as clarity of instructions and questions, sequence of the topics and questions, and anything that is potentially difficult or confusing. Pretesting thus helps in preventing the possible issues in the actual survey by correcting them beforehand.

Difficulty: Easy

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