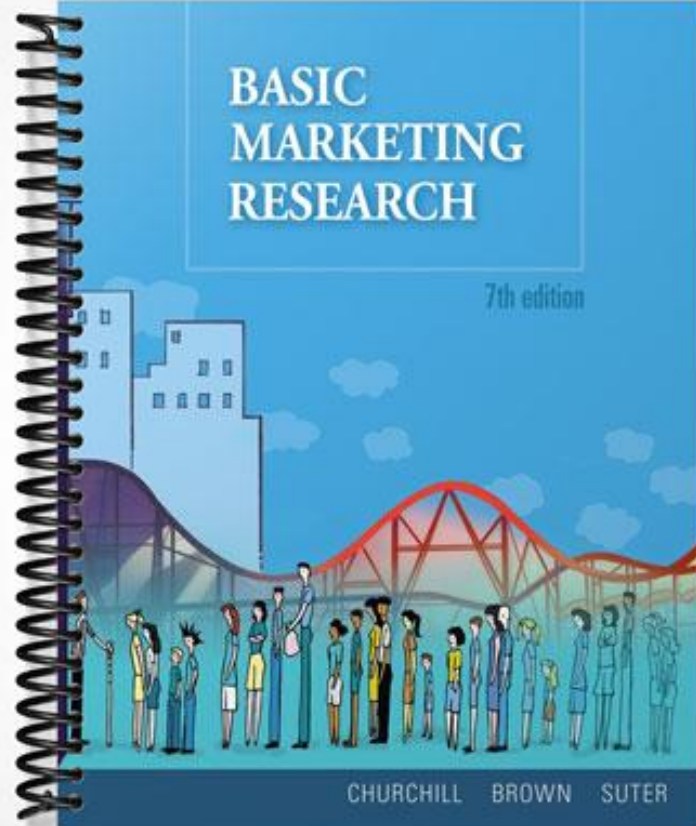


TEST BANK

**BASIC
MARKETING
RESEARCH**

7th edition



CHURCHILL BROWN SUTER

Chapter 2 – Gathering Marketing Intelligence: The Systems Approach

Multiple Choice

- e 1. To design a marketing information system, analysts need to know
- what types of decisions each decision maker regularly makes.
 - what types of special studies are periodically requested.
 - what information is necessary to make decisions.
 - the frequency with which information is expected.
 - Analysts need to know all of the above.
- d 2. An MIS needs analysis investigates
- the form in which managers need information.
 - the types of information managers need.
 - the types of decisions managers make.
 - All of the above are investigated.
 - None of the above are investigated.
- e 3. Which of the following has(have) been (a) problem(s) in implementing marketing information systems?
- The output of the system is not flexible enough for users.
 - Managers are unwilling to disclose their information needs.
 - Many systems are obsolete by the time they are installed.
 - All of the above represent problems.
 - None of the above represent problems.
- c 4. Which of the following would suggest that more of a marketing information perspective rather than a project perspective on research is needed?
- An investigation of the potential demand for a new product the firm is developing.
 - An examination of the structure of the channels of distribution serving a market the firm is considering entering.
 - An examination of each salesperson's performance versus the individual's sales quota for last year.
 - The investigation of which of two pieces of advertising copy is more favorably received by consumers.
 - An investigation to determine which of three package designs produces the greatest sales.
- d 5. Many MIS have separate data banks for
- sales data.
 - market data.
 - product data.
 - All of the above are part of many MIS.
 - MIS have only one data bank.

- a 6. Historically, one problem with a research project emphasis to gathering marketing intelligence has been
- its "crisis response" orientation.
 - its lack of validity.
 - the lack of trained researchers.
 - misinterpretation of data by decision makers.
 - the lack of computer resources.
- a 7. Which of the following is TRUE?
- A marketing information system is a set of procedures and methods for the regular planned collection, analysis, and presentation of information for use in making marketing decisions.
 - The primary difference between traditional marketing research and marketing intelligence is that the intelligence system is computer-based while the research project is a written survey.
 - The emphasis in traditional marketing research is on continuously monitoring normal business activities such as sales, market share, and product positioning through a series of recurring research steps.
 - The rapid growth of databases, on-line informational services, and DSS systems will eventually replace the traditional project approach to market research.
 - One of the major benefits of an MIS system is that it generates information in a single report format that is useful for most managers.
- c 8. A key distinction of a MIS is that
- the information is accurate.
 - it can only be used by marketing managers.
 - information is collected on a regular basis.
 - it does not involve focused projects.
 - the information is used in making marketing decisions.
- a 9. Which of the following is TRUE?
- The most fundamental criterion in designing a marketing information system is an accurate, objective assessment of each manager's decision-making responsibilities, capabilities, and style.
 - The proper way to define what information is to be provided by a marketing information system is to ask each manager what information he or she would like to have and then go about designing a system to provide that information.
 - In a marketing information system it is important that data files be aggregated as much as possible so as to prevent the manager from being inundated with too many bits and pieces of information.
 - Both a and b are true.
 - All of the above are true.
- b 10. The set of procedures and methods for the regular planned collection, analysis and presentation of information for use in making marketing decisions. This describes
- decision support systems.
 - marketing information systems.
 - research projects.
 - verbal presentations.
 - written presentations.

- e 11. A fundamental difference between a MIS and a DSS is
- they use different types of data.
 - a DSS relies on sophisticated statistical analysis; a MIS does not.
 - a MIS uses data that is timelier than that used by a DSS.
 - using a MIS requires extensive training; a DSS does not.
 - a DSS is used interactively; a MIS is not.
- b 12. What system relies most on the production of preformatted reports?
- Decision support systems
 - Marketing information system
 - Research project
 - Intelligence gathering system
 - Marketing analysis system
- a 13. Which of the following statements regarding marketing information systems is TRUE?
- They have large data storage needs.
 - Programmers are able to develop decision-calculus models that exactly replicate managers' decision-making processes.
 - They can forecast future economic trends.
 - They can easily be adapted to new managers' needs.
 - Only b and c are true.
- b 14. The first step in designing a Marketing Information System is
- collecting as much data as possible.
 - determining which decision makers will use the system.
 - selecting the computer hardware needed for the system.
 - identifying possible sources of the necessary data.
 - hiring a special design team to put the system together.
- e 15. Adoption of marketing information systems (MIS) is NOT generally hampered by
- managers' reluctance to disclose their decision processes.
 - the enthusiastic support of high-level management.
 - the cost of the MIS system.
 - underestimation of time necessary to complete the system.
 - All of the above have tended to restrict the adoption of MIS.
- d 16. A decision support system consists of
- dialog systems.
 - model systems.
 - data systems.
 - All of the above.
 - Only b and c above.
- c 17. The thing that most clearly differentiates DSS from MIS is
- data systems.
 - model systems.
 - dialog systems.
 - type of hardware used.
 - cost of installation.

- d 18. A coordinated collection of data, systems, tools, and techniques with supporting software and hardware by which an organization gathers and interprets relevant information from business and environment and turns it into a basis for marketing action is a(n)
- Marketing Information System.
 - Action Development Program.
 - Marketing Planning System.
 - Decision Support System.
 - Strategic Planning System.
- b 19. Which of the following is NOT an advantage of DSS over MIS?
- Individual managers can specify their own report formats.
 - A trained programmer acts as intermediary between the manager and the computer in requesting information.
 - Questions can be asked sequentially based on the information supplied in response to the previous question.
 - Data can be manipulated using a variety of analytical procedures in addition to being merely accessed and retrieved.
 - Managers can interact with the system directly.
- d 20. Which of the following is TRUE?
- The thrust in designing a DSS is on detailed analysis of each decision maker who might use the system.
 - The customer information module of the DSS systems provides information to managers on topics such as: who buys the product; competitive information; and current interest rates.
 - A DSS does not assist top managers with strategic planning.
 - A DSS is more adaptable than MIS system.
 - All of the above are false.
- a 21. A decision support system concentrates on the design of
- data, model, and dialog systems.
 - preformatted reports.
 - new products.
 - marketing strategies.
 - marketing tactics.
- c 22. The components of a data system in a typical DSS system include all EXCEPT
- processes used to retrieve data from internal sources.
 - methods of receiving data from external sources.
 - languages that allow managers to produce reports from the data.
 - modules containing customer and competitive information.
 - modules containing industry trend information.

- d 23. The data system for a decision support system would hold data
- from a standard source in a standard form.
 - from a standard source in a variety of forms.
 - from a variety of sources in a standard form.
 - from a variety of sources in a variety of forms.
 - from none of the above.
- a 24. The basic task of the data system in a DSS is to
- capture relevant marketing data in reasonable detail and put that data in a truly accessible form.
 - structure a problem so that it can be easily solved by a manager.
 - provide each manager with the information they need in the exact form in which they need it.
 - allow each manager to be able to access the particular information that is necessary to solve a given problem.
 - organize data that the firm generates in-house.
- b 25. The routines that allow the user to manipulate the data in a DSS so as to conduct the kind of analysis the individual desires are known as the
- data system.
 - model system.
 - dialog system.
 - information system.
 - research system.
- b 26. The systems approach to marketing research is most accurately compared to a
- flashbulb.
 - candle.
 - strobe light.
 - lantern.
 - flame.
- c 27. The key word that differentiates marketing information systems from marketing research projects is
- procedural.
 - planned.
 - regular.
 - analytical.
 - methodical.
- a 28. Both DSSs and MISs are concerned with
- improving information processing to enable better marketing decisions.
 - incorporating features that make them easy to use in an interactive mode.
 - flexibility and adaptability.
 - DSS and MIS are concerned with all of the above.
 - DSS and MIS are concerned with none of the above.

- b 29. A firm might be expected to initiate a specific research project to supplement the DSS in which of the following situations?
- Information is needed on projected inflation rates over the next five years.
 - Information is needed on initial consumer response to the introduction of a new product.
 - Information is needed to evaluate the past performance of one of the company's wholesale distributors.
 - Information is needed to determine next year's goals for the company sales force.
 - Information is needed to forecast demographic trends.
- c 30. The primary purpose of dialog systems is to allow the marketing manager to
- write programs to control the flow of information between various modules in the DSS.
 - communicate via electronic mail with their salespeople.
 - interact with the DSS to target and manipulate relevant information contained in the DSS data base.
 - collect data from primary sources and add it to the data base.
 - collect data from secondary sources and add it to the data base.
- a 31. All of the following terms are associated with the dialog system EXCEPT:
- modeling system.
 - data mining.
 - parallel processing.
 - language system.
 - All of the terms are associated with the dialog system.
- c 32. DSS and MIS differ in all but which of the following ways?
- Non-computer people find DSS easier to use personally than MIS.
 - DSS is focused more on ill-structured decision situations than MIS.
 - MIS combines models and analytic techniques with more traditional data access and retrieval functions in greater detail than DSS.
 - MIS is less flexible and adaptable than DSS.
 - DSS responds to managers with answers faster than MIS.
- c 33. Which of the following is true of decision support systems?
- They are more expensive than MIS.
 - They are more difficult to use for noncomputer people than are MIS.
 - They combine the use of models and analytic techniques and procedures with the more traditional data access and retrieval functions.
 - They do not allow the user to generate customized reports.
 - They use very inflexible analysis procedures.

- e 34. Recently many firms have added the position of CIO to their organizational charts. The primary role of the person filling this position is to
- assist the Vice-President of Marketing.
 - concentrate on the technical aspects of programming within the DSS.
 - gather relevant data for the DSS data base.
 - serve as the liaison between the marketing department and other departments such as finance, production, and accounting.
 - run the company's information and computer systems like a business.
- d 35. Expert systems
- include the procedures used to capture and the methods used to store the data.
 - include all the routines that allow the user to manipulate the data to conduct the kind of analysis the individual desires.
 - are also called language systems.
 - are computer based artificial intelligence systems.
 - are none of the above.
- e 36. The future of DSS systems
- appears good given the explosion of databases.
 - means the end for traditional marketing research projects.
 - is enhanced by the problems with MIS systems.
 - is based on the growth of key demographic categories like women in the workforce.
 - Both a and c above.
- b 37. Which of the following is TRUE?
- One of the problems with the systems approach is its nonrecurring nature.
 - Most discussions of marketing research focus on the project approach.
 - The DSS is primarily responsible for storing information.
 - The MIS is primarily responsible for problems within the marketing function.
 - Customer exit and reentry into a database make data storage a primary concern.
- e 38. Data systems most commonly hold information relating to
- existing customers.
 - prospective customers.
 - competitors.
 - suppliers.
 - All of the above may be held in a data system.
- c 39. The breakdown of questions into smaller computational tasks performed simultaneously occurs during
- concurrent processing.
 - data warehousing.
 - parallel processing.
 - data mining.
 - Enterprise Resource Planning (ERP).

- b 40. A DSS combines all of the following EXCEPT:
- data systems.
 - preformatted batch reports.
 - model systems.
 - dialog systems.
 - A DSS combines all of the above components.
- a 41. Databases containing both current and historical information are called
- data warehouses.
 - data mines.
 - data portals.
 - expert systems.
 - data models.
- c 42. Greg's Grocery Store is testing a new form of easy-pay system where shoppers can use a portable, self-scanning, handheld scanner to record purchases as they fill their carts. This wireless form of data capture is another example for the necessity of a(n)
- data warehouse.
 - data mine.
 - expert system.
 - data portal.
 - expert portal.
- d 43. Databases allow information to be shared easily. Such accessibility poses a privacy issue for
- consumers.
 - companies.
 - salespeople.
 - Both a and b have privacy issues.
 - Both b and c have privacy issues.
- d 44. Data should only be added to a DSS database if they
- do not violate privacy protection.
 - are relevant marketing data.
 - can be put into a truly accessible form.
 - All of the above are reasons to add data to a DSS database.
 - Only b and c are reasons to add data to a DSS database.
- b 45. The manager of Arthur's Auto Center, while looking at the customer database, has a preconceived idea of how the database works and is able to see the interesting and worthwhile applications of the data. Such an idea is called a(n)
- hypothesis.
 - model.
 - manipulation.
 - procedure.
 - system.

- c 46. The Daily World newspaper has an advanced decision support system that tracks the addresses of all subscribers. Using this database, the manager plans to manipulate the information to determine which areas of town should be targeted for potential customers. Such _____ will help the manager gain a better understanding of an important marketing issue for The Daily World.
- ratios
 - groupings
 - procedures
 - models
 - planning
- d 47. The stop-and-go chain of convenient stores uses scanners that provide massive amounts of data to the marketing managers. Since it would take so much time for even well-trained analysts to summarize the major trends of the data, the store uses a computer-based artificial intelligence system to attempt to model how experts process information to solve problems. Such a system is a(n)
- model system.
 - data system.
 - support system.
 - expert system.
 - dialog system.
- a 48. Which of the following is true of dialog systems?
- They put data at the decision maker's fingertips.
 - They include large amounts of data gathered from a single source.
 - They allow managers to interact with programmers to request data.
 - Both a and b are true.
 - Only b and c are true.
- d 49. All of the following are true of the CIO EXCEPT:
- He or she serves as the liaison between the firm's top management and its information systems department.
 - He or she is much more concerned with the firm's outlook than with daily activities of a department.
 - He or she typically knows more about the business in general than the managers of the information systems department.
 - All of the above statements are true regarding the CIO.
 - All of the above statements are false regarding the CIO.
- b 50. One of an organization's greatest assets can be what its people know about customers, its products, and its marketplace. An effort to systematically collect such information and make it accessible to others is
- data mining.
 - knowledge management.
 - parallel processing.
 - intellectual accounting.
 - human resourcing.

- e 51. The person responsible for the ways an organization manages and shares information, including those bits of knowledge that experienced people may use without giving conscious thought to them, typically holds the title of
- Chief Information Officer.
 - Human Resource Director.
 - Marketing Resources Manager.
 - Chief Executive Officer.
 - Chief Knowledge Officer.
- d 52. A sophisticated software system that monitors and controls all of an organization's resource requirements, such as inventory, human resources, and production capacity is called a(n)
- expert system.
 - inventory model.
 - radio frequency system.
 - Enterprise Resource Planning system.
 - model system.
- b 53. Last year Jason's Deli installed a decision support system that included all the procedures that allow the marketing manager to conduct any type of analysis. While looking at the customer database, the marketing manager able to discover an interesting relationship between sales and payment method. Such a system is called a(n)
- hypothesis.
 - model system.
 - manipulation.
 - procedure.
 - expert system.
- b 54. As CEO of a high-tech firm in Silicon Valley, John Smith likes to regularly tap into his frontline sales force to determine what they know about their customers, products, and marketplace. An effort to systematically collect such information and make it accessible to others within the organization and channel members is called
- data mining.
 - knowledge management.
 - parallel processing.
 - human resourcing.
 - expert systems.
- a 55. HCA Corporation collects data regularly from multiple sources. It asks physicians to maintain a diary, it asks patients to complete a questionnaire, and conducts telephone interviews with ex-patients. The marketing department of HCA crunches this data and presents the information to the CEO to make marketing decisions. The information is all part of HCA's
- marketing information system.
 - knowledge management.
 - expert systems.
 - data mining.
 - model system.

- a 56. A mail-order retailer found that its percent of loyal customers (those ordering \$100 or more of merchandise in two consecutive years) has declined from 15 percent to 8 percent. Which form of marketing research was the retailer utilizing?
- a. Marketing information system
 - b. An experiment
 - c. Observation
 - d. Focus group study
 - e. None of the above could be utilized

True/False

- a 57. A decision support system has three major components; a data-driven system, a model-driven system, and a dialog-driven system.
- a. True
 - b. False
- b 58. Internal data breaches have declined and external data breaches have increased recently.
- a. True
 - b. False
- b 59. Both sources of marketing intelligence illuminate the darkness. The project approach is like a candle and the systems approach is like a flashbulb.
- a. True
 - b. False
- a 60. The element of a DSS that clearly separates it from an MIS is its dialog-driven system, also called a language system.
- a. True
 - b. False
- a 61. A typical approach to data mining uses a super computer to link a number of personal computers.
- a. True
 - b. False
- b 62. A CIO's major role is to systematically collect employee knowledge about customers, products and the marketplace.
- a. True
 - b. False
- a 63. A problem with the systems approach is that managers are limited to the data available in the system.
- a. True
 - b. False
- b 64. The explosion in databases and the emergence of DSS have eliminated traditional marketing research projects for gathering marketing intelligence.
- a. True
 - b. False

Fill in the Blank

65. Historically, one problem with a research project emphasis to gathering marketing intelligence has been its _____ orientation. (“crisis response”)
66. A _____ is a set of procedures and methods for the regular planned collection, analysis, and presentation of information for use in making marketing decisions. (marketing information system)
67. Databases containing both current and historical information are called _____. (data warehouses)
68. Having a preconceived idea of how a database works and having the ability to see the interesting and worthwhile applications of the data is called a _____. (model)
69. _____ is an effort to systematically collect information about customers, its products, and its marketplace and make it accessible to others in the organization. (Knowledge management)

Essay

70. Discuss at least four common reasons that have restricted the adoption of a MIS.

(The adoption of Marketing Information Systems (MIS) have tended to be restricted by (1) managers’ reluctance to disclose their decision processes, (2) lack of enthusiastic support of high-level management, (3) cost of such systems, and (4) underestimation of time necessary to complete the system.)
71. Compare and contrast DSS and MIS.

(Both are concerned with improving information processing to enable better marketing decisions. A DSS is used interactively; a MIS is not. Non-computer people find DSS easier to use personally than MIS. DSS is focused more on ill-structured decision situations than MIS. MIS is less flexible and adaptable than DSS. DSS responds to managers with answers faster than MIS.)