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Basic Marketing Research Using Microsoft® Excel Data Analysis



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Second Edition

Chapter 2

UNDERSTANDING THE MARKETING RESEARCH INDUSTRY

MULTIPLE CHOICE QUESTIONS

1. The Marketing Research Association is an organization that:
 - a. supports the interests and development of customers needing research
 - b. oversees the Professional Researcher Certification
 - c. monitors the Internet for organizations that spam
 - d. audits research firms for the purpose of improving data collection procedures
 - e. is a lobbying organization representing multinational firms(b; Moderate; Page 24; LO 2)

2. It is believed that a schoolmaster from Wisconsin conducted the first continuous and organized research in 1911. The research was conducted for Curtis Publishing Company and its use was:
 - a. to determine the optimum price for Curtis to sell its publications
 - b. to locate outdoor billboards in the best locations
 - c. to gather information about customers so Curtis could better sell advertising space
 - d. to determine the optimal mix of cable TV channels on which to advertise
 - e. to determine pay scales for employees in the publishing industry(c; Difficult; Page 26; LO 1; AACSB: Analytic Skills)

3. Who is the “Father of Marketing Research”?
 - a. Charles Coolidge Parlin
 - b. Robert Bartels
 - c. A.C Nielsen
 - d. Alfred Politz
 - e. J.C. Snead(a; Difficult; Page 26; LO 1; AACSB: Analytic Skills)

4. What was the significance of marketing research PRIOR to the Industrial Revolution?
 - a. Scientific knowledge was too low to allow for marketing research to exist.
 - b. Population grew and spread meaning distant markets were gaining in importance.
 - c. Since craftsmen and artisans of the day knew their customers, there was little need for marketing research.
 - d. Since this period was primarily during the early development of the U.S., much attention was devoted to establishing and operating the government.
 - e. Growth was limited to the spread of government agencies and so most marketing research was performed for the government.(c; Moderate; Page 26; LO 1; AACSB: Reflective Thinking)

5. An annual publication that lists the top 25 marketing research firms in the WORLD is known as:
- World's Top 25
 - The Honomichl Global Top 25
 - Research World's 25
 - The J.C. Snead Top 25
 - none; there is no such report available
- (b; Difficult; Page 27; LO 2; AACSB: Analytic Skill)
6. Which of the following statements best describes the current state of the marketing research industry?
- The majority of global firms' revenues come from outside their home countries.
 - Most countries have marketing research firms, but they primarily conduct business within their home countries.
 - Marketing research is declining due to the increase in Internet usage.
 - Total revenues in the industry have been declining at a rate of 5-8% each year for the last 5 years.
 - The industry is rapidly declining primarily due to inefficiencies brought about by computer technology
- (a; Difficult; Page 27; LO 2; AACSB: Reflective Thinking)
7. An annual publication that lists the top 50 marketing research firms BASED in the U.S. is known as:
- World's Top 50
 - Research World's 50
 - The Honomichl Top 50
 - The J.C. Snead Global Top 50
 - none; there is no such report available
- (c; Difficult; Page 28; LO 2; AACSB: Analytic Skill)
8. The largest research firm in the world is:
- ACME Research based in Portugal
 - VCU Research based in Richmond, VA
 - AC Nielsen
 - Goliath Research based in New York
 - Honomichl Research based in Illinois
- (c; Difficult; Page 28; LO 2; AACSB: Analytic Skill)
9. In recent years there has been a growth of _____ within the industry.
- good contracts
 - sharing commodities
 - strategic thinking
 - alliance sharing
 - strategic alliances
- (e; Moderate; Page 28; LO 2; AACSB: Reflective Thinking)

10. In discussing the structure of the marketing research industry, your authors define an internal supplier firm as one which:
- makes research decisions based primarily upon information supplied by the internal reports system
 - has its marketing research provided by an entity, such as a marketing research department, within the firm
 - is organized in a staff relationship to other internal departments
 - provides syndicated services but only to members of the syndicate
 - provides marketing research obtained from records of the Internal Revenue Service
- (b; Easy; Page 29; LO 3; AACSB: Analytic Skills)

11. Internal suppliers organize the research function:
- by type of research application and by budget category
 - by a series of vice presidents and subordinates handling each marketing research project
 - in formal departments, single individuals or a committee, or by assigning no one responsibility
 - in informal departments organized around budget categories
 - internal suppliers, because they are internal and do not need to organize
- (c; Moderate; Page 28; LO 3; AACSB: Analytic Skills)

12. Major advantages of having an internal supply of marketing research are:
- the staff is fully cognizant of the firm's operations and the changes in the industry
 - the staff is not fully cognizant of the firm's operations and is, therefore, more objective
 - fixed costs are reduced by having an internal supply of marketing research
 - employees are well-versed on a variety of industries
 - an internal supply means there is a lower cost of obtaining marketing research information
- (a; Easy; Page 28; LO 3; AACSB: Reflective Thinking)

13. External supplier firms are classified as either:
- vertically or horizontally integrated firms
 - syndicated or internal supplier firms
 - PRC's and non-certified firms
 - full-service or limited-service firms
 - limited-service and limitless-service firms
- (d; Moderate; Page 31; LO 4; AACSB: Analytic Skills)

14. Full-service supplier firms:
- have the ability to conduct the entire marketing research project
 - take over customer firms
 - are known as companies that excel in providing customer service
 - are always internal supplier firms
 - offer limited services
- (a; Easy; Page 31; LO 3; AACSB: Analytic Skills)

15. Using the same process, but providing different data to different clients would be characteristic of:
- a. a syndicated data service firm
 - b. an internal supplier firm
 - c. customized process firms
 - d. syndicated services firms
 - e. a standardized service firm
- (e; Difficult; Page 32; LO 4; AACSB: Reflective Thinking)
16. Firms that collect information and make it available to multiple subscribers are called:
- a. internal subscription services
 - b. standardized service firms
 - c. internal supplier firms
 - d. syndicated data service firms
 - e. customized process firms
- (d; Moderate; Page 32; LO 4; AACSB: Analytic Skills)
17. Firms that specialize in collecting data are called:
- a. data storage firms
 - b. lab service firms
 - c. market segment data specialists
 - d. field service firms
 - e. collection agents
- (d; Moderate; Page 33; LO 4; AACSB: Analytic Skills)
18. A research firm that only uses one technique, such as eye-testing, would be called:
- a. a limitless service supplier firm
 - b. a full service supplier firm
 - c. a syndicated data service firm
 - d. a firm that is said to have “vision”
 - e. specialized research technique firm
- (e; Easy; Page 34; LO 4; AACSB: Analytic Skills)
19. Studies evaluating the marketing research industry suggest:
- a. the industry gets an “F” and only major reform will save the industry in the future
 - b. the industry does a good job of collecting data but is poor at data analysis
 - c. the industry has performed reasonably well but there is room for improvement
 - d. the industry gets an “A” and needs to just continue its fine record of excellence
 - e. the industry is about average; a “C” industry
- (c; Difficult; Page 35; LO 5; AACSB: Reflective Thinking)

20. Two researchers, Mahajan and Wind, recommend the research industry do which of the following:
- require a certification program leading to a CPA-MR
 - focus on diagnosing problems, use IT, use an integrative approach, and expand the strategic impact of research
 - focus on diagnosing budgets, use an integrative approach, and expand the strategic impact of research
 - focus on diagnosing budgets, use IT, use a centralized approach, and expand the strategic impact of research
 - focus on designing a “marketing research ROI”
- (b; Difficult; Page 36-37; LO 5; AACSB: Reflective Thinking)
21. Some suggested improvements for some of the criticisms we see in the marketing research industry are:
- certification, the passage of more restrictive legislation to govern the industry, and requiring all marketing researchers to pass a standardized test on marketing research.
 - certification and a system of fining those found not to be conducting research studies at some minimum standard of performance.
 - certification is the only suggestion.
 - certification, an auditing system and education.
 - requiring college students to take physics and chemistry before taking marketing research
- (d; Moderate; Page 38; LO 5; AACSB: Reflective Thinking)
22. Certification of marketing researchers, as discussed in your text, means:
- marketing researchers have to register and pay a fee that would increase the budget of the American Certified Marketing Researchers
 - marketing researchers have to pass a test or other certification criteria to become certified much like accountants earn CPAs
 - marketing researchers “certify” that every project they completed would have been conducted using standard marketing research procedures
 - marketing researchers would NOT have to pass a test but would have to meet other certification criteria to become certified much like accountants earn CPAs
 - certified marketing researchers would be required to audit the books of competitive marketing research firms
- (b; Difficult; Page 39; LO 5; AACSB: Analytic Skills)
23. What are the two primary philosophies regarding ethical behavior?
- demonology and theology
 - deontology and theology
 - deontology and teleology
 - demonology and teleology
 - deaconology and wakeology
- (c; Moderate; Page 42; LO 6; AACSB: Ethics)
24. Which philosophical belief is concerned with the rights of the individual?
- teleology
 - sociology
 - deontology
 - criminology
 - deaconology
- (c; Moderate; Page 42; LO 6; AACSB: Ethics)

25. A marketing researcher who conducts research at a cost to the individual but at a benefit to society, most likely prescribes to which philosophical belief?
- teleology
 - deontology
 - sociology
 - demonology
 - deaconology
- (a; Difficult; Page 43; LO 6; AACSB: Reflective Thinking)
26. Professional organizations try to prescribe ethical behavior for members by creating:
- ethics violations fines
 - rules to cast out members who violate such rules
 - examples of poor ethical behavior in other professions
 - codes of ethical behavior
 - examinations on ethics on which professionals must earn a grade of “C” or higher
- (d; Easy; Page 43; LO 7; AACSB: Ethics)
27. What does "sugging" refer to?
- fund raising under the guise of a survey
 - collecting data through telephone interviews
 - selling under the guise of a survey
 - falsifying data
 - selling under gross margin
- (c; Moderate; Page 45; LO 7; AACSB: Analytic Skills)
28. What does "frugging" refer to?
- selling under the guise of a survey
 - collecting data through telephone interviews
 - fund raising under the guise of a survey
 - falsifying data
 - funding under gross margin
- (c; Moderate; Page 45; LO 7; AACSB: Analytic Skills)
29. In your text, “Phony RFPs” was referred to as illustrating:
- When managers use phony “research finance proposals” to overbid projects
 - When research companies use fake “research funds provided” to underbid projects
 - When researchers falsely present themselves as being certified “RFPs”
 - When a company asks several external research supplier firms to submit a “request for proposal” only to use those proposals to design their own research project
 - when researchers overcharge for “Rural Free Postage”
- (d; Difficult; Page 46; LO 7; AACSB: Analytic Skills)

30. Which of the following is true regarding what your authors have to say about the percentage of respondents willing to participate in research surveys:
- a. the percentage has been going down
 - b. the percentage has been going up because consumers see a difference between research and telemarketing
 - c. the percentage has been going down because consumers see a difference between research and telemarketing
 - d. the percentage has been stable
 - e. the percentage has been going up primarily due to tax incentives
- (a; Difficult; Page 47; LO 7; AACSB: Reflective Thinking)
31. Deception is a serious ethical issue in marketing research and occurs in research studies when:
- a. potential respondents are not told the true identity of the sponsor of the research
 - b. they are viewed during a study without their permission
 - c. they are told they will remain anonymous when they are not
 - d. all of the above
 - e. none of the above
- (d; Difficult; Page 47; LO 7; AACSB: Ethics)
32. The two invasions of privacy that are most responsible for consumer concern regarding marketing research are:
- a. telephone calls and spam
 - b. door to door interviews and spam
 - c. mall intercept interviews and spam
 - d. hidden cameras and display of photos on the internet
 - e. none of the above
- (a; Moderate; Page 48; LO 7; AACSB: Ethics)
33. Unwanted email is:
- a. called UWM and was used by some online survey research companies a few years ago
 - b. called SPAM and was never used by online survey research companies because it is unethical
 - c. called SPAM and was used by some online survey research companies a few years ago
 - d. called UWM and was never used by online survey research companies because it is illegal
 - e. may now be avoided by the "Do Not Call" legislation
- (c; Moderate; Page 48; LO 7; AACSB: Analytic Skills)
34. Panel equity refers to:
- a. the ownership of research companies in terms of employee/investor ownership
 - b. the value of panels meaning that company CEO's should serve on as many panels as possible
 - c. the ownership of panels versus acquiring panels by borrowing
 - d. the value of panels after panel liabilities have been subtracted
 - e. the value of panels meaning that they represent access to willing respondents
- (e; Moderate; Page 49; LO 7; AACSB: Analytic Skills)

TRUE/FALSE

35. The Marketing Research Association started a Certification program for marketing researchers in 1960.
(False; Difficult; Page 25; LO 1; AACSB: Analytic Skills)
36. The earliest questionnaire surveys began as early as 1995.
(False; Easy; Page 26; LO 1; AACSB: Analytic Skills)
37. The “Father of Marketing Research” is Charles Coolidge Parlin who did continuous, organized research for the Curtis Publishing Company.
(True; Moderate; Page 26; LO 1; AACSB: Analytic Skills)
38. Colleges didn't begin to teach courses in marketing research until the late 1970s.
(False; Difficult; Page 26; LO 1; AACSB: Analytic Skills)
39. Other than the invention of the personal computer (PC) in the early 1980s, technology has had little impact on the marketing research industry.
(False; Easy; Page 26; LO 1; AACSB: Use of IT)
40. The marketing research industry earns over \$15 billion in annual revenues
(True; Difficult; Page 27; LO 2; AACSB: Analytic Skills)
41. The Honomichl Top 50 reports the top 50 *international* firms based on revenues.
(False; Difficult; Page 28; LO 2; AACSB: Analytic Skills)
42. Strategic alliances were very popular in the 1980s but have become nearly non-existent.
(False; Easy; Page 28; LO 2; AACSB: Analytic Skills)
43. Internal supplier firms organize the research function by using either committees or by assigning individuals the responsibility. They do not have their own departments of marketing research
(False; Moderate; Page 28; LO 3; AACSB: Reflective Thinking)
44. Very few of the largest firms have their own marketing research departments but they usually have at least one person responsible for conducting marketing research.
(False; Easy; Page 28; LO 3; AACSB: Reflective Thinking)
45. Marketing research departments are usually organized according to one, or a combination, of the following functions: area of application, marketing function, or the research process.
(True; Difficult; Page 28; LO 3; AACSB: Analytic Skills)
46. Research suppliers may be thought of as consisting of two groups: internal suppliers and external suppliers.
(True; Easy; Page 29; LO 3; AACSB: Analytic Skills)
47. AT&T has a research department that constantly monitors customer satisfaction and environmental trends. This is an example of what we mean by an external supplier firm.
(False; Easy; Page 29; LO 3; AACSB: Reflective Thinking)

48. Not-for-profits, like the American Heart Association, do not have internal suppliers. They rely solely on external supplier firms for marketing research if any is conducted at all
(False; Moderate; Page 29; LO 3; AACSB: Reflective Thinking)
49. External supplier firms may be classified into the two categories of full service and field data service firms.
(False; Easy; Page 31; LO 4; AACSB: Analytic Skills)
50. Syndicated data services companies provide *customized* information and services to individual clients.
(False; Moderate; Page 32; LO 4; AACSB: Analytic Skills)
51. Burke's Customer Satisfaction Associates, using a standard process to collect different data for each client, is an example of a research firm offering standardized services in the marketing research industry.
(True; Moderate; Page 32; LO 4; AACSB: Reflective Thinking)
52. Standardized service firms provide unique data to clients through a standardized service process.
(True; Difficult; Page 32; LO 4; AACSB: Analytic Skills)
53. Customized service firms tailor research services to each client's specific needs.
(True; Easy; Page 32; LO 4; AACSB: Analytic Skills)
54. Field service firms specialize in collecting data and are full-service firms.
(False; Difficult; Page 33; LO 4; AACSB: Analytic Skills)
55. A firm specializing in developing samples for companies desiring to conduct marketing research would be an example of a limited-service firm.
(True; Moderate; Page 33; LO 4; AACSB: Analytic Skills)
56. In the marketing research industry, full service supplier firms have the ability to define the problem, specify the research design, collect and analyze the data, and prepare the final report, as part of their service.
(True; Easy; Page 34; LO 4; AACSB: Analytic Skills)
57. In evaluations conducted on the performance of the marketing research industry, the conclusions have been consistent in saying that the industry is plagued with so many problems that it has not been able to operate at any level other than "unsatisfactorily."
(False; Moderate; Page 35; LO 5; AACSB: Analytic Skills)
58. It has been suggested by critics that marketing researchers should speed up the research process by using IT.
(True; Easy; Page 36; LO 5; AACSB: Reflective Thinking)
59. Ethics may be defined as a field of inquiry into determining what behaviors are deemed appropriate under certain circumstances as prescribed by codes of behavior that are set by the *government*.
(False; Easy; Page 42; LO 6; AACSB: Ethics)

60. Deontologists and teleologists have similar views as to what is ethical and unethical.
(False; Moderate; Page 42-43; LO 6; AACSB: Ethics)
61. Teleology is concerned with assessing benefits and costs to society.
(True; Moderate; Page; 43; LO 6; AACSB: Ethics)
62. Although they abound in other areas, codes of ethical behavior have yet to be proposed in the marketing research industry.
(False; Easy; Page 43; LO 7; AACSB: Ethics)
63. While "sugging" is considered unethical, it is not illegal.
(False; Difficult; Page 45; LO 7; AACSB: Ethics)
64. While "frugging" is considered unethical, it is not illegal.
(True; Difficult; Page 45; LO 7; AACSB: Ethics)
65. Conducting research to determine how to influence children to eat more sugar is an example of an ethical issue in marketing research, research on products thought to be dangerous to society
(True; Easy; Page 47; LO 7; AACSB: Ethics)
66. Respondents may be deceived during the research process.
(True; Moderate; Page 47; LO 7; AACSB: Ethics)
67. Online survey research has produced an ethical issue, SPAM, as some companies sought to collect huge quantities of surveys online without considering the consequences of their unethical behavior
(True; Moderate; Page 48; LO 7; AACSB: Ethics)
68. The name SPAM is thought to have come from a Monty Python skit.
(True; Moderate; Page 48; LO 7; AACSB: Analytic Skills)
69. Since recruiting and maintaining a panel of willing respondents is expensive and time consuming, "panel equity," or the value represented by the panel will likely become more important in the future
(True; Moderate; Page 49; LO 7; AACSB: Reflective Thinking)