

**TEST BANK**



**MARKETING  
RESEARCH**

An Applied Orientation

5<sup>TH</sup> EDITION

INCLUDES  
**SPSS  
14.0**

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## Chapter 2

### Defining the Marketing Research Problem and Developing an Approach

#### True/False Questions

1. Problem definition is the most important step in the marketing research project.  
(True, easy, page 37)
2. Better communication and more involvement in problem definition are the most frequently mentioned ways of improving the usefulness of research.  
(True, moderate, page 37)
3. The organizational status of the researcher or the research department may make it easy to reach the key DM in the early stages of the project.  
(False, difficult, pages 38-39)
4. The problem audit provides a useful framework for interacting with the researcher and identifying the underlying causes of the problem.  
(False, moderate, page 39)
5. DMs tend to focus on symptoms rather than causes.  
(True, easy, page 39)
6. “The DM and the researcher must interact continually rather than sporadically” is an explanation of one of the 7 Cs known as continuity.  
(True, easy, page 40)
7. The purpose of interviewing experts is to help define the marketing research problem rather than to develop a conclusive solution.  
(True, moderate, page 41)
8. Analysis of available secondary data is a non-essential step in the problem definition process.  
(False, moderate, page 42)
9. Information obtained from the DM, industry experts, and secondary data may not be sufficient to define the research problem.  
(True, easy, page 42)
10. To understand the background of a marketing research problem, the researcher must understand the client’s firm and industry.  
(True, easy, page 43)

11. Past information and forecasts of trends with respect to sales, market share, profitability, technology, population, demographics, and lifestyle can help the researcher understand the underlying marketing research problem.  
(True, moderate, page 43)
12. Where appropriate, analysis of past information and forecasts of trends should be carried out at the firm's department level.  
(False, moderate, page 43)
13. In instances where the resources are too limited to allow a high-quality project, the firm should be advised not to undertake formal marketing research.  
(True, moderate, page 45)
14. "The number and geographical location of the buyers and non-buyers" is a factor that should be considered in the 'objectives' component of the environmental context of the problem.  
(False, difficult, page 45)
15. The economic environment includes public policies, laws, government agencies, and pressure groups that influence and regulate various organizations and individuals in society.  
(False, difficult, page 47)
16. The economic environment component of the environmental context is comprised of purchasing power, gross income, disposable income, discretionary income, prices, savings, credit availability, and general economic conditions.  
(True, moderate, page 47)
17. The marketing research problem asks what the DM needs to do, whereas the management decision problem asks what information is needed and how it can best be obtained (Table 2.1 in text).  
(False, moderate, page 48)
18. The management decision problem is action oriented.  
(True, easy, page 48)
19. The marketing research problem is information oriented.  
(True, easy, page 48)
20. To properly identify the marketing research problem, it is best to state the problem in narrow, specific terms and identify its broad concepts.  
(False, moderate, page 49)

21. The second part of the marketing research problem definition is specific components. The specific components focus on the key aspects of the problem and provide clear guidelines on how to proceed further.  
(True, moderate, page 49)
22. Verbal, graphical, and mathematical models depict the same phenomenon or theoretical framework in different ways.  
(True, moderate, page 52)
23. Graphical models are analytical models that provide a visual picture of the relationships between variables.  
(True, moderate, page 52)
24. Research questions ask what general information is required with respect to the problem components.  
(False, difficult, page 53)
25. Hypotheses go beyond research questions because they are statements of relationships or propositions rather than merely questions to which answers are sought.  
(True, moderate, page 54)
26. Being too familiar with the environmental factors of the country where the research is being conducted can greatly increase the difficulty of understanding the problem's environmental context and uncovering its causes.  
(False, moderate, page 57)
27. SPSS can be used to perform forecasts and "what-if" analyses to help the researcher in isolating the underlying causes, identifying the relevant variables that should be investigated, and formulating appropriate research questions and hypotheses.  
(True, moderate, page 60)

### **Multiple Choice Questions**

28. In the example given in your text, the Harley Davidson management decision problem and the marketing research problem were defined with the help of all of the following *except* \_\_\_\_\_.  
a. discussions with industry experts  
b. discussions with a committee of top management  
c. secondary data on motorcycle owners  
d. focus groups with motorcycle owners  
(b, difficult, page 35)

29. According to the Chain Restaurant Study in your text, the researcher had collected data but did not know \_\_\_\_\_.  
a. the marketing research problem  
b. the management decision problem  
c. the data collection process  
d. the approach to the problem  
(a, moderate, page 37)
30. The \_\_\_\_\_ is a broad statement of the general problem and identification of the specific components of the marketing research problem.  
a. problem audit  
b. management problem  
c. problem definition  
d. none of the above  
(c, moderate, page 37)
31. According to the problem definition and approach development process as shown in Figure 2.1 in the text, the tasks involved in problem definition consist of all of the following *except* \_\_\_\_\_.  
a. discussions with the decision makers  
b. interviews with industry experts  
c. analysis of project costs  
d. analysis of secondary data  
(c, difficult, page 38)
32. According to Figure 2.1 in the text, the components of the \_\_\_\_\_ consist of: objective/theoretical foundations, analytical models, research questions, hypotheses, and specification of the information needed.  
a. approach to the problem  
b. management decision problem  
c. marketing research problem  
d. environmental context of the problem  
(a, difficult, page 38)
33. The need for the researcher to understand the nature of what decision managers face and what they hope to learn from research is one of the reasons to conduct \_\_\_\_\_.  
a. discussions with decision makers  
b. interview with experts  
c. secondary data analysis  
d. qualitative research  
(a, difficult, page 38)

34. To identify the management problem, the researcher must possess considerable skill in interacting with the DM. Which of the following is a factor that might complicate this interaction?
- Access to the DM may be difficult and some organizations have complicated protocols for access to top executives.
  - The organizational status of the researcher or the research department may make it difficult to reach the key DM in the early stages of the project.
  - There may be more than one key DM and meeting with them collectively or individually may be difficult.
  - All of the above are correct.
- (d, difficult, pages 38-39)
35. The \_\_\_\_\_ provides a useful framework for interacting with the DM and identifying the underlying causes of the problem.
- problem audit
  - management problem
  - problem definition
  - none of the above
- (a, moderate, page 39)
36. The \_\_\_\_\_ is a comprehensive examination of a marketing problem with the purpose of understanding its origin and nature.
- problem audit
  - management problem
  - problem definition
  - none of the above
- (a, moderate, page 39)
37. It is important to perform a problem audit because \_\_\_\_\_.
- the DM knows the cause of the problem
  - DMs tend to focus on symptoms rather than on causes
  - the DM, in most cases, has only a vague idea of what the problem is
  - both b and c are correct
- (d, moderate, page 39)
38. The interaction between the DM and the researcher should be characterized by the seven Cs. Which of the following is *not* one of the seven Cs?
- continuity
  - communication
  - causality
  - candor
- (c, moderate, page 40)

39. As one of the seven Cs that characterize the interaction between the DM and the researcher, confidence is best defined as \_\_\_\_\_.  
a. there should not be any hidden agendas, and an attitude of openness should prevail  
b. the interaction between the DM and the researcher should be guided by mutual trust  
c. marketing research is a team project in which both parties (DM and researcher) must cooperate  
d. the interaction between the DM and the researcher should be creative rather than formulaic  
(b, moderate, page 40)
40. Interviews with industry experts—individuals knowledgeable about the firm and the industry—may help formulate the marketing research problem. Which of the following statements is true about interviews with industry experts?  
a. These experts may be found both inside and outside the firm.  
b. Typically, expert information is obtained by unstructured personal interviews without administering a formal questionnaire.  
c. It is helpful to prepare a list of topics to be covered during the interview.  
d. All of the above are true.  
(d, moderate, page 40-41)
41. Because of potential difficulties when seeking advice from experts, it is best to use interviews with experts when conducting marketing research \_\_\_\_\_.  
a. for industrial firms  
b. for products of a technical nature  
c. in situations where little information is available from other sources  
d. all of the above  
(d, difficult, page 41)
42. Which of the following statements about secondary data is *true*?  
a. Secondary data are originated by the researcher for the specific purpose of addressing the research problem at hand.  
b. Secondary data are an economical and quick source of background information.  
c. Primary data should not be collected until the available secondary data have been fully analyzed.  
d. Both b and c are true.  
(d, easy, page 42)
43. \_\_\_\_\_ is an unstructured, exploratory research methodology based on small samples intended to provide insight and understanding of the problem setting.  
a. Primary research  
b. Qualitative research  
c. Secondary research  
d. Quantitative research  
(b, moderate, page 42)

44. \_\_\_\_\_ is *not* a qualitative research technique.
- a. Depth interview
  - b. Word association
  - c. Focus group
  - d. Conclusive research
- (d, moderate, page 42)
45. \_\_\_\_\_ consists of the factors that have an impact on the definition of the marketing research problem, including past information and forecasts, resources and constraints of the firm, objectives of the decision maker, buyer behavior, legal environment, economic environment, and marketing and technological skills of the firm.
- a. The approach to the problem
  - b. Research design
  - c. The environmental context of the problem
  - d. Problem definition
- (c, moderate, page 43)
46. Many factors have an impact on the definition of the marketing research problem. These factors encompass the environmental context of the problem. Which of the following is *not* one of the factors?
- a. marketing and technological skills of the firm
  - b. objectives
  - c. past information and forecasts pertaining to the industry and the firm
  - d. political environment
- (d, moderate, page 43)
47. To formulate a marketing research problem of appropriate scope, it is necessary to take into account both the resources available, such as money and research skills, and the constraints on the organization, such as cost and time. These considerations refer to which of the factors related to the environmental context of the problem?
- a. resources and constraints
  - b. buyer behavior
  - c. legal environment
  - d. economic environment
- (a, easy, page 45)
48. Media consumption behavior and response to promotions, price sensitivity, and retail outlets patronized are factors that should be considered in the \_\_\_\_\_ component of the environmental context of the problem.
- a. objectives
  - b. legal environment
  - c. economic environment
  - d. buyer behavior
- (d, moderate, page 45)



49. The “Got Milk?” campaign sponsored by the California Milk Processor Board and mentioned in your text, used and understanding of \_\_\_\_\_ to identify the real causes that led to the decline in milk consumption.
- a. objectives
  - b. the legal environment
  - c. the economic environment
  - d. buyer behavior
- (d, difficult, page 46)
50. Regulatory policies and norms within which organizations must operate, refer to the \_\_\_\_\_ factor of the environmental context of the problem.
- a. legal environment
  - b. economic environment
  - c. objectives
  - d. buyer behavior
- (a, moderate, page 47)
51. \_\_\_\_\_ is the problem confronting the decision maker. It asks what the decision maker needs to do.
- a. The environmental context of the problem
  - b. The management decision problem
  - c. The marketing research problem
  - d. Problem definition
- (b, easy, page 48)
52. \_\_\_\_\_ is a problem that entails determining what information is needed and how it can be obtained in the most feasible way.
- a. The environmental context of the problem
  - b. The management decision problem
  - c. The marketing research problem
  - d. Problem definition
- (c, moderate, page 48)
53. The management decision problem focuses on \_\_\_\_\_, while the marketing research problem focuses on \_\_\_\_\_.
- a. symptoms; solutions
  - b. symptoms; underlying causes
  - c. solutions; underlying causes
  - d. none of the above
- (b, difficult, page 48)

54. Based on Table 2.1 in the text, which statement is true about the management decision problem?
- a. It asks what information is needed and how it should be obtained.
  - b. It is information oriented.
  - c. It asks what the decision maker needs to do.
  - d. It focuses on the underlying causes.
- (c, easy, page 48)
55. Based on Table 2.1 in the text, which statement is true about the marketing research problem?
- a. It focuses on underlying causes.
  - b. It focuses on symptoms.
  - c. It is information oriented.
  - d. Both a and c are correct.
- (d, moderate, page 48)
56. If the management decision problem is: “Should a new product be introduced?” what is the most appropriate marketing research problem?
- a. determining the price elasticity of demand and the impact on sales and profits of various levels of price changes
  - b. determining consumer preferences and purchase intentions for the proposed new product
  - c. determining the effectiveness of the current advertising campaign
  - d. determining the impact of new distribution outlets
- (b, moderate, page 49)
57. Which statement is *true* concerning defining the marketing research problem?
- a. The definition should allow the researcher to obtain all the information needed to address the management decision problem.
  - b. The definition should guide the researcher in proceeding with the project.
  - c. The marketing research problem should be stated in broad, general terms with specific components identified.
  - d. All of the above are correct.
- (d, moderate, page 49)
58. The outputs of the approach development process should include all of the following components *except* \_\_\_\_\_.
- a. objective/theoretical framework
  - b. analytical models
  - c. hypotheses
  - d. all of the above
- (d, difficult, page 51)

59. A conceptual scheme based on foundational statements called axioms, which are assumed to be true, is \_\_\_\_\_.  
a. objective evidence  
b. a theory  
c. an analytical model  
d. none of the above  
(b, difficult, page 51)
60. Unbiased evidence that is supported by empirical findings is \_\_\_\_\_.  
a. objective evidence  
b. a theory  
c. an analytical model  
d. none of the above  
(a, moderate, page 51)
61. In the process of developing an approach, research should be based on objective evidence and supported by theory. A theory \_\_\_\_\_.  
a. serves as a foundation on which the researcher can organize and interpret the findings  
b. also plays a vital role in influencing the research procedures adopted in basic research  
c. is incomplete  
d. all of the above  
(d, moderate, page 51)
62. The researcher should rely on \_\_\_\_\_ to determine which variables should be investigated.  
a. objective evidence  
b. theory  
c. an analytical model  
d. none of the above  
(b, difficult, page 51)
63. A(n) \_\_\_\_\_ is a set of variables and their interrelationships designed to represent, in whole or in part, some real system or process.  
a. mathematical model  
b. graphical model  
c. verbal model  
d. analytical model  
(d, moderate, page 52)

64. \_\_\_\_\_ are refined statements of the specific components of the problem.
- Hypotheses
  - Research questions
  - Marketing research problems
  - Analytical models
- (b, difficult, page 53)
65. Which statement about hypotheses is **not** true?
- A hypothesis is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher.
  - Hypotheses are declarative and can be tested empirically.
  - It is possible to formulate hypotheses in all situations.
  - An important role of a hypothesis is to suggest variables to be included in the research design.
- (c, difficult, pages 53-54)
66. Before defining the problem, the researcher must isolate and examine the impact of the self-reference criterion (SRC), or the unconscious reference to one's own cultural values. Which of the following steps does **not** help researchers account for environmental and cultural differences when defining the problem in an international marketing context?
- Define the marketing research problem in terms of domestic environmental and cultural factors. This involves an identification of relevant American (domestic country) traits, economics, values, needs, or habits.
  - Define the marketing research problem in terms of foreign environmental and cultural factors. Make no judgments. This involves an identification of the related traits, economics, values, needs, or habits in the proposed market culture. This task requires input from researchers familiar with the foreign environment.
  - Isolate the self-reference criterion (SRC) influence on the problem and examine it carefully to see how it complicates the problem.
  - All of the above are correct.
- (d, difficult, page 57)
67. Ethical issues arise if the process of defining the problem and developing an approach is compromised by the personal agendas of the client (DM) or the researcher. Which of these statements concerning ethics in marketing research is **not** true?
- The DM has the obligation to be candid and disclose to the researcher all the relevant information that will enable a proper definition of the marketing research problem.
  - The researcher is ethically bound to offer the most expensive set of services to each client.
  - The problem definition process is adversely affected when the DM has hidden objectives such as gaining a promotion.
  - The researcher is ethically bound to define the problem so as to further the best interest of the client, rather than the interest of the research firm.
- (b, moderate, pages 58-59)

68. Which of the following ethical issues is/are pertinent in developing an approach?
- a. When a client solicits proposals, not with the intent of subcontracting the research, but with the intent of gaining the expertise of research firms without pay, an ethical breach has occurred.
  - b. The research firm has the ethical obligation to develop an appropriate approach.
  - c. Proprietary models and approaches developed by a research firm are the property of that firm and should not be reused by the client in subsequent studies without the permission of the research firm.
  - d. All of the issues are pertinent.
- (d, moderate, page 59)

### **Essay Questions**

69. Briefly discuss problem definition and why it is the most important task in the marketing research project.

Answer

Problem definition involves stating the general problem and identifying the specific components of the marketing research problem. Only when the marketing research problem has been clearly defined can research be designed and conducted properly. Of all the tasks in a marketing research project, none is more vital to the ultimate fulfillment of a client's needs than a proper definition of the research problem. All the effort, time, and money spent from this point on will be wasted if the problem is misunderstood or ill defined.

(moderate, page 37)

70. The problem audit involves discussions with the DM on numerous issues. List and elaborate on these issues.

Answer

1. The events that led to the decision that action is needed, or the history of the problem
2. The alternative courses of action available to the DM, the set of alternatives may be incomplete at this stage, and qualitative research may be needed to identify the more innovative courses of action
3. The criteria that will be used to evaluate the alternative courses of action; for example, new product offerings might be evaluated on the basis of sales, market share, profitability, return on investment, and so forth
4. The potential actions that are likely to be suggested based on the research findings
5. The information that is needed to answer the DM's questions
6. The manner in which the DM will use each item of information in making the decision
7. The corporate culture as it relates to decision making; in some firms, the decision making process is dominant; in others, the personality of the DM is more important. Awareness of corporate culture may be one of the most important factors that distinguishes researchers who affect strategic marketing decisions from those who do not.

(difficult, page 39)

71. A problem audit, which involves extensive interaction between the DM and the researcher, can greatly facilitate problem definition by determining the underlying causes. The interaction between the researcher and the DM is facilitated when one or more people in the client organization serve as a liaison and form a team with the marketing researcher. In order to be fruitful, the interaction between the DM and the researcher should be characterized by the seven Cs. List and describe the seven Cs.

Answer

1. Communication. Free exchange of ideas between the DM and researcher is essential.
2. Cooperation. Marketing research is a team project in which both parties (DM and researcher) must cooperate.
3. Confidence. The interaction between the DM and the researcher should be guided by mutual trust.
4. Candor. There should not be any hidden agendas, and an attitude of openness should prevail.
5. Closeness. Feelings of warmth and closeness should characterize the relationship between the DM and the researcher.
6. Continuity. The DM and the researcher must interact continually rather than sporadically.
7. Creativity. The interaction between the DM and the researcher should be creative rather than formulaic.

(difficult, page 40)

72. Discuss the two potential difficulties that may arise when seeking advice from experts.

Answer

1. Some individuals who claim to be knowledgeable and are eager to participate may not really possess expertise.
2. It may be difficult to locate and obtain the help from experts who are outside the client organization.

For these reasons, interviews with experts are more useful in conducting marketing research for industrial firms and for products of a technical nature, where it is relatively easy to identify and approach the experts. This method is also helpful in situations where little information is available from other sources, as in the case of radically new products.

(moderate, page 41)

73. Explain the structure of a well-defined marketing research problem, including the broad statement and the specific components.

Answer

The general rule to be followed in defining the marketing research problem is that the definition should (1) allow the researcher to obtain all the information needed to address the management decision problem, and (2) guide the researcher in proceeding with the project. Researchers make two common errors in problem definition. The first arises when the research problem is defined too broadly. A broad definition does not provide clear guidelines for the subsequent steps involved in the project. Some examples of overly broad marketing research problem definitions are: (1) developing a marketing strategy for the brand, (2) improving the competitive position of the firm, or (3) improving the company's image. These are not specific enough to suggest an approach to the problem or a research design.

The second type of error is just the opposite: the marketing research problem is defined too narrowly. A narrow focus may preclude consideration of some courses of action, particularly those that are innovative and may not be obvious. It may also prevent the researcher from addressing important components of the management decision problem.

The likelihood of committing either type of error in problem definition can be reduced by stating the marketing research problem in broad, general terms and identifying its specific components (see Figure 2.3 in text). The broad statement provides perspective on the problem and acts as a safeguard against committing the second type of error. The specific components focus on the key aspects of the problem and provide clear guidelines on how to proceed further, thereby reducing the likelihood of the first type of error.

(difficult, page 49)

74. Explain the concept of an analytical model and discuss the different forms of analytical models. Using the marketing scenario of your choice, provide an example of each model. Each model should depict the same scenario.

Answer

An analytical model is a set of variables and their interrelationships designed to represent, in whole or in part, some real system or process. Models can have many different forms. The most common are verbal, graphical, and mathematical structures. In verbal models, the variables and their relationships are stated in prose form. Such models may be mere restatements of the main tenets of a theory. Graphical models are visual. They are used to isolate variables and to suggest directions of relationships but are not designed to provide numerical results. Mathematical models explicitly specify the relationships among variables, usually in equation form. These models can be used as guides for formulating the research design and have the advantage of being amenable to manipulation.

The student should provide their own examples of each model. An example of using the three types of models in the context of the department store project is shown on page 52 of the text.

(difficult, page 52)