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Chapter 2: The Marketing Research Industry and Research Ethics

Multiple Choice

1. Which of the following is *not* a way marketing research is used by corporate marketing departments to support the marketing decision-making process?
   a. to evaluate the ongoing success of operational marketing strategies
   b. to identify new target markets
   c. to measure the quality of customer service and level of satisfaction
   d. to assess changes in the internal environment
   e. All of these are used to support the marketing decision-making process.

Ans: D
Difficulty: Medium
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

2. When a market research supplier subcontracts out data collection activities to another firm, they are using what kind of a company?
   a. data analysis
   b. field service
   c. quality control
   d. target marketing
   e. None of these

Ans: B
Difficulty: Easy
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

3. Greenfield Online manages a database of consumers who have agreed to fill out online surveys periodically. This data base of consumers is an example of a _____.
   a. focus group
   b. research panel
   c. cyberstudy
   d. strategic partnership

Ans: B
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

4. Which of the following is *not* an internal client of marketing research?
   a. franchisees
   b. marketing department
   c. senior management
   d. All of these are internal clients of marketing research.

Ans: A
Difficulty: Medium
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

5. The Nielsen ratings, compiled by AC Nielsen Media Research, are an example of which type of research?
   a. custom
   b. ad hoc
   c. qualitative
   d. syndicated

Ans: D
Difficulty: Easy
Ref: Evolving Structure of the Marketing Research Industry; Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

6. Field service firms:
   a. are data collection specialists who collect data on a subcontract basis.
   b. design research strategies for large marketing companies.
   c. analyze interviews and provide this analysis to clients.
   d. specialize in going into the field and generating new product ideas.
   e. do only exploratory research.

Ans: A
Difficulty: Medium
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

7. Which of the following would be considered a custom research firm?
   a. Burke, Inc.
   b. the marketing department for Dell computers
   c. a statistical software company
   d. AC Nielsen

Ans: A
Difficulty: Hard
Ref: Evolving Structure of the Marketing Research Industry; Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

8. Which of the following is an example of an external user of marketing research?
   a. the company's vendor's
   b. senior management
   c. human resources management
   d. manufacturing
   e. Information Resources, Inc.

Ans: A
Difficulty: Hard
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

9. When a research supplier purchases a list of 3,000 customers, it is contracting with what type of company?
   a. Syndicated service firm
   b. specialized service firm
   c. software firm
   d. sampling firm
   e. none of these

Ans: D
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

10. Who might use the services of a field service firm?
   a. custom research firms
   b. syndicated research firms
   c. ad agencies and corporations
   d. none of these
   e. all of these

Ans: E
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

11. Syndicated service firms:
   a. are relatively small.
   b. are large in number.
   c. specialize in product movement and audience media data.
   d. do nothing but collect data.
   e. account for 90% of all monies spent on market research.

Ans: C
Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

12. A true field service firm:
    a. is involved in all the steps of marketing research.
    b. is only involved in data collection on a contract basis.
    c. places a great deal of emphasis on research design and data analysis.
    d. uses data collected for internal purposes.
    e. none of these

Ans: B
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

13. Which is *not* an example of a media company?
    a. custom marketing research firm
    b. advertising agency
    c. public relations agency
    d. direct marketing firm
    e. All of these are examples of media companies.

Ans: A
Difficulty: Medium
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

14. Where are the majority of the large global marketing research firms based?
    a. Japan
    b. Canada
    c. France
    d. Germany
    e. United States

Ans: E
Difficulty: Easy
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.7: To appreciate trends in global marketing research.

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15. Which type of research supplier would provide audience media ratings, scanner data, and internet research?
    a. syndicated research firm
    b. field service firm
    c. custom research firm
    d. advertising agency
    e. quality control firm

Ans: A
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

16. A marketing research supplier that quotes an unrealistically low price for marketing research, only to raise it, is engaging in _____.
    a. price skimming
    b. price penetration
    c. price leadership
    d. low-ball pricing
    e. none of these

Ans: D
Difficulty: Easy
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

17. When research is commissioned for public relations purposes or to prove a position, this is referred to as a(n) _____ study.
    a. qualitative
    b. quantitative
    c. advocacy
    d. valid

Ans: C
Difficulty: Hard
Ref: Marketing Research Ethics
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

18. What type of manager is among the heaviest users of marketing research?
    a. franchise manager
    b. vendor
    c. new product development manager
    d. top management
    e. distribution manager

Ans: C
Difficulty: Medium
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.5: To learn who uses marketing research.

19. Mystery shoppers:
    a. develop strategic partnerships.
    b. play an important role in the distribution function.
    c. develop new product ideas.
    d. are heavy users of marketing research.
    e. work for franchisors and provide information for franchisees.

Ans: E
Difficulty: Medium
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.3: To learn about various types of firms and their functions in the marketing research industry.

20. Which of the following is an example of an internal client?
    a. franchisees
    b. vendors
    c. marketing research companies
    d. a firm's marketing department

Ans: D
Difficulty: Medium
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

21. A company that provides statistical analysis to the marketing research industry is an example of what type of firm?
    a. syndicated service firm
    b. custom research firm
    c. field service firm
    d. specialized service firm

Ans: D
Difficulty: Medium
Learning Objective 2.3: To learn about various types of firms and their functions in the marketing research industry.

22. When selecting a research supplier, a client firm would be wise to do which of the following?
    a. not do business with a supplier who guarantees an outcome
    b. always choose the supplier with the lowest price
    c. work with a supplier only one time
    d. all of these

Ans: A
Difficulty: Hard
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

23. All of the following firms represent the front line of the research industry except what?
    a. Custom research firms
    b. Syndicated research firms
    c. Limited function research firms
    d. Specialized service firms

Ans: d
Difficulty: Medium
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

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24. Which of the following is the largest single spender on marketing research?

a. Manufacturing companies
b. Service providers
c. U.S. Government
d. Big-Chain Retailers

Ans: C
Difficulty: Easy
Ref: The State of Marketing Research Industry
Learning Objective 2.5: To learn who uses marketing research.

25. Which U.S. marketing research firm is not in the top five in revenue, based on Exhibit 2.3 "The 25 Largest U.S. Marketing Research Organizations."

a. Nielsen Holdings N.V.
b. Q Research Solutions Inc.
c. Ipsos
d. Kantar
e. Information Resources Inc. (IRI)

Ans: b
Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

26. In terms of research ethics, which of the following is *not* an important right that respondents have?

a. right to choose
b. right to objectivity
c. right to be informed
d. right to safety

Ans: B
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.9: To become familiar with respondents' rights.

27. In survey research, it is especially important to protect respondents'_____.
    a. responses
    b. integrity
    c. professionalism
    d. anonymity
    e. none of these

Ans: D
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.9: To become familiar with respondents' rights.

28. When a research supplier claims to have a proprietary way of measuring brand loyalty, this is known as _____.
    a. RFP
    b. TQM
    c. black box branding
    d. low ball pricing
    e. none of these

Ans: C
Difficulty: Hard
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

29. An alliance formed by two of more firms with unique skills and resources to offer a new service for clients , provide strategic support for each firm, or in some other manner create mutual benefits is:
    a. A positive relationship
    b. Mutual agreement
    c. Strategic partnership
    d. A smart business deal

Ans: C
Difficulty: Easy
Ref: Using Marketing Research – A Corporate Perspective
Learning Objective 2.6: To understand the growing importance of strategic partnering.

30. The major ethical theories discussed in the chapter include all of the following except:

a. Existentialism
b. Utilitarianism
c. Deontology
d. Casuist

Ans: A
Difficulty: Easy
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

31. Which trend(s) in marketing research industry has/have remained unabated?

a. online data collection
b. acquiring marketing research firms in other countries
c. the deontological theory
d. both online data collection and acquiring firms in other counties
e. all of these are unabated trends

Ans: D
Difficulty: Medium
Ref: The State of the Marketing Research Industry
Learning Objective 2.7: To appreciate trends in global marketing research.

32. The idea that a person performs the act that benefits the most people, regardless of personal feelings or the societal constraints such as laws is most closely related to which ethical theory?

a. Act utilitarianism
b. Rule utilitarianism
c. Casuist
d. Act deontology
e. Rule deontology

Ans: A
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

33. Clients of marketing research have ethical issues as well as suppliers. Which of the following does not relate to clients:

a. Requesting Bids to Obtain Free Advice and Methodology
b. Making False Promises
c. Requesting Proposals without Authorization
d. Low-Ball Pricing

Ans: D
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

34. The privacy battle of respondents is most heated in which area?

a. telephone
b. online and mobile tracking
c. face-to-face interview
d. mall intercept
e. none of these

Ans: B
Difficulty: Easy
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

True/False

35. Primary information users are sometimes referred to as client organizations.

Ans: True
Difficulty: Easy
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

36. Field service firms are the ultimate users of the research data provided by their marketing research departments.

Ans: False
Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

37. Custom, or ad hoc, research firms are primarily in the business of executing unique, one-of-a-kind marketing research projects for corporate clients.

Ans: True
Difficulty: Easy
Ref: Research suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

38. Syndicated service firms are relatively few and, compared to custom research firms, relatively large.

Ans: True
Difficulty: Medium
Ref: Research suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

39. Professional respondents are generally viewed in a positive light by marketing researchers.

Ans: False
Difficulty: Medium
Ref: Marketing research ethics
Learning Objective 2.10: To discover methods by which the level of professionalism

40. An organization's marketing department is an example of an external user of marketing research.

Ans: False
Difficulty: Hard
Ref: Using Marketing Research-A Corporate Perspective
Learning Objective 2.5: To learn who uses marketing research.

41. Most of the large marketing research firms are concentrated in Europe.

Ans: False
Difficulty: Medium
Ref: Evolving Structure of the Marketing Research Industry
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

42. A true field service firm not only collects data, but performs research design and analysis as well.

Ans: False
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

43. Often, participants of a research panel receive cash or gifts in exchange for participating.

Ans: True
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.1: To appreciate the structure of the marketing research industry.

44. Syndicated research suppliers focus only on compiling television ratings.

Ans: False
Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

45. In terms of revenues, the largest marketing research firms tend to be syndicated research suppliers.

Ans: True
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

46. An advocacy study is a good way to produce a non-biased research project.

Ans: False
Difficulty: Hard
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

47. Black box branding techniques are usually easy for a potential client to decipher.

Ans: False
Difficulty: Hard
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

48. Subjectivity should be discouraged in marketing research.

Ans: True
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

49. Anyone willing to pay the price can buy the data syndicated service firms collect, package, and sell.

Ans: True
Difficulty: Easy
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

50. The two most important factors for research clients in their relationships with research suppliers are client confidentiality and honesty.

Ans: True
Difficulty: Easy
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

51. An act of utilitarianism seeks to benefit the most people but through the fairest and most just means available.

Ans: False
Difficulty: Easy
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

52. A field service firm maintaining a database of people willing to participate in qualitative discussion groups is unethical.

Ans: False
Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

53. Professionalism is an organization whose membership is determined by objective standards, such as an examination.

Ans: False
Difficulty: Easy
Ref: Ethics and Professionalism
Learning Objective 2.10: To discover methods by which the level of professionalism

54. Lengthy interviews are an example of respondent abuse.

Ans: True
Difficulty: Easy
Ref: Research Supplier Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

55. Ignoring relevant data in a survey is ethical if it supports a predetermined objective.

Ans: False
Difficulty: Medium
Ref: Research Supplier Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

56. Because marketing researchers and marketers wield power and influence over their customers and even society, the marketing industry has a credentialing process and high entry barriers.

Ans: False
Difficulty: Medium
Ref: Research Supplier Ethics
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services

57. It is imperative that field service firms properly record information and carefully follow sampling plans.

Ans: True
Difficulty: Easy
Ref: Field Service Ethics
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

58. Visualization acts as an engine for bringing patterns to light in even the largest data sets.

Ans: True
Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.4: To understand the impact of the Internet on the marketing research industry.

59. Most large corporations have marketing research departments.

Ans: True
Difficulty: Easy
Ref: Consumer and Industrial Corporate Marketing Research Departments
Learning Objective 2.2: To comprehend the nature of corporate marketing research departments.

60. IBM is an example of a Big Data analytics firm.

Ans: True
Difficulty: Easy
Ref: Primary Information Users (Client Organizations) Consumer and Industrial Goods and Services Producers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

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Essay Questions

61. What is the difference in a syndicated marketing research firm and a field services marketing research firm?

Ans: Both syndicated firms and field service firms collect data. However, there are differences. Syndicated firms are large and few in number. They collect data of a general nature, package it, and sell it. Some of their main thrusts are media ratings and product movement studies. Field service firms only collect data on a contract basis. They do not have any other role in the marketing research process. Their clients may be syndicated firms, corporations, or they may be small custom firms.

Difficulty: Medium
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

62. Radio station KOOL is in a large metropolitan area, and is having trouble selling advertising space to advertisers. The advertisers contend that they don't know how much coverage they are getting by advertising on KOOL. What kind of data collection strategy should KOOL undertake?

Ans: Since KOOL is in a large metropolitan area, it should contract with an audience media marketing research firm such as Arbitron. Arbitron will collect data concerning how many people are listening to KOOL versus the competition. With that information, KOOL will be able to more effectively market its advertising space to potential advertisers.

Difficulty: Hard
Ref: Research Suppliers
Learning Objective: 2.2: To comprehend the nature of corporate marketing research departments.

63. Station WPKE radio has been using Arbitron for to produce numbers it can use to sell advertising to its customers. Since beginning to use Arbitron's rating service their ratings have fluctuated widely and wildly from measurement to measurement. WPKE is located in a small town on the edge of the Arbitron rating area. The rating area is about 120 miles in diameter contain several large cities, but the station provides coverage for only the county in which it resides, which is sparsely populated. WPKE's advertisers are getting hesitant concerning the coverage they are getting. What should WPKE do?

Ans: Chances are since WPKE is on the edge of the rating area, very few households being can pick up the station. The station would be better served getting a local consultant or custom ad hoc marketing research firm to do a rating study for just the county that it is in.

Difficulty: Hard
Ref: Research Suppliers
Learning Objective: 2.2: To comprehend the nature of corporate marketing research departments.

64. You work for a marketing research supplier and one of your clients indicates that he would like to see the raw data for a recent study, including all of the names and phone numbers of respondents. What do you do?

Ans: This is a tough situation to be in, but the student should be able to back up the right decision, indeed the ethical decision (not sharing such information) by describing the ethical guidelines of marketing research, as defined by CASRO. Among those, privacy and confidentiality are paramount.

Difficulty: Medium
Ref: Marketing Research Ethics
Learning Objective 2.9: To become familiar with respondents' rights.

65. Your company has decided it needs some marketing research done. However, you are inexperienced in the evaluation of research suppliers. What are some things to consider in the selection of a marketing research supplier?

Ans: The text notes a number of warning signs to look for when evaluation perspective research suppliers.
Difficulty: Easy
Response: See page 34
Ref: Practicing Marketing Research
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

66. Your company has decided it needs some marketing research done. However, you are inexperienced in the evaluation of research suppliers. What are some things to consider in the selection of a marketing research supplier?

Ans: The text notes a number of warning signs to look for when evaluation perspective research suppliers.

Difficulty: Easy
Ref: Practicing Marketing Research
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

67. A custom ad hoc research firm is attempting to develop a template for measuring community assessment, that it can market and administer communities in general. It decides to construct a relatively comprehensive questionnaire with the goal of determining which questions are the most important generally in a community assessment. Who would the research firm want to sample for such a study and who would provide the sample frame?

Ans: There are a number of possible answers here. One possible suggestion would be finding a sampling firm that would provide a national sample of respondents. Probably doing the survey online would be the most efficient approach, and utilizing a research panel from a sampling firm that would guarantee a certain number of usable responses for a reasonable price per usable response.

Difficulty: Hard
Ref: Research Suppliers
Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

68. Within a client's firm, there are various internal users of the marketing research results. Discuss three (3) of the internal users and an example of how each uses the data they receive.

Ans: -Marketing Managers. They need to include that the marketing mix is managed by the this group of managers. Also, that marketing research helps them make better decisions in each area of the marketing mix. An example is a product manager using market research to understand the target market.
-New product development managers. In creating a new product they use qualitative research techniques that generate product ideas, product prototype testing, and then test marketing.
-Top Management. They look to marketing research for strategic guidance.
-Might also mention:
-Distribution function, and how marketing research is used to choose locations for new stores and to test consumer reactions to internal store design
- Human resource managers may call on marketing research to survey employees about a variety of topics
- Finance departments use test market data to forecast revenue streams

Difficulty: Medium
Ref: Using Marketing Research—A Corporate Perspective
Learning Objective 2.5: To learn who uses marketing research.

69. List and explain the sequence of activities undertaken by a typical field service company as mentioned in the book:

Ans: 1. *Client contact.* Various research departments alert field service firm that it wants to conduct a particular type of study (telephone interview, mall interview, focus group, taste test, etc.).
2. *Interviewer training*, a briefing or training session is held to familiarize interviewers with the requirements of the particular job or questionnaire.
3. *Interviewing status reports.* Daily progress reports are made to the client regarding number of interviews completed and costs incurred.
4. *Quality control.* The interviews are edited, software is used to verify that they were completed correctly.
5. *Ship to client.* Finally, the completed, edited interviews are shipped to the client.

Difficulty: Medium
Ref: Marketing Research Supplier Service Firms

Learning Objective 2.3: To learn about the various types of firms and their functions in the marketing research industry.

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70. Compare and contrast the two types of utilitarianism.

Ans: Act utilitarianism and rule utilitarianism. They are similar in the fact that they both view the choice that yields the greatest benefit to the most people is the choice that is ethically correct. But in act utilitarianism, a person performs the acts that benefit the most people, regardless of personal feelings or the societal constraints such as laws. Rule utilitarianism,takes into account the law and is concerned with fairness.

Difficulty: Easy
Ref: Ethic Theories
Learning Objective 2.8: To examine unethical practices among marketing research suppliers, clients, and marketing research field services.

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