***Consumer Behaviour: Buying, Having, and Being, Cdn. 8e* (Solomon)**

**Chapter 1 An Introduction to Consumer Behaviour**

1) In studying consumers like Gail, a college student, marketers often find it useful to learn their interests in music or clothing, how they spend their leisure time, and even their attitudes about social issues, to be able to categorize consumers according to their lifestyles. This sort of information is called:

A) core values.

B) psychographics.

C) configurations.

D) physiognomies.

Answer: B

Type: MC Page Ref: 2

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

2) Tina, a supervisor of displays for Sears Canada, knows that attractive displays can generate additional sales of particular items. From a marketer's perspective, this is:

A) a purchase issue.

B) a post purchase issue.

C) merchandising complexity.

D) a loss leader.

Answer: A

Type: MC Page Ref: 3

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

3) John is the vice president of marketing for a local tour guide company. He is concerned that his customers are not recommending his company to their friends. For John, this problem is a:

A) purchase issue.

B) demographic problem.

C) prepurchase issue.

D) post purchase issue.

Answer: D

Type: MC Page Ref: 3

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

4) The expanded view of the exchange that includes the issues that influence the consumer before, during, and after a purchase is called:

A) the value.

B) the strategic focus.

C) the pre-sell strategy.

D) the consumption process.

Answer: D

Type: MC Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

5) Gail decides to take a break from studying and goes online to check things out. She connects with one of the product discussion groups that she participates in. This is an example of a:

A) lifestyle discussion.

B) brand competition.

C) consumption community.

D) marketplace competition.

Answer: C

Type: MC Page Ref: 2

Skill: Application

Objective: L1-01 Consumer behaviour is a process.

6) If a product succeeds in satisfying needs and is purchased over and over again, it most likely has attained:

A) product separation.

B) brand loyalty.

C) lifestyle variation.

D) purchase conception.

Answer: B

Type: MC Page Ref: 2

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

7) Consumer behaviour as a discipline deals mainly with what happens at the point of purchase.

Answer: FALSE

Type: TF Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

8) The expanded view of consumer behaviour recognizes that the consumption process includes issues that influence consumers before, during, and after a purchase is made.

Answer: TRUE

Type: TF Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

9) List the three stages of the consumption process, indicating for each stage some of the issues of concern to the consumer as well as to the marketer.

Answer: Pre-purchase stage:

Consumer concerns: How does the consumer decide if a product is needed? What are the best sources for information to learn more about alternative choices?

Marketers' concerns: How are consumer attitudes formed or changed? What cues do consumers use to infer which products are superior to others?

Purchase stage:

Consumer concerns: Is acquiring a product a stressful or pleasant experience? What does the purchase say about the consumer?

Marketers' concerns: How do situational factors, such as time pressure or store displays, affect the consumer's purchase decisions?

Post-purchase stage:

Consumer concerns: Does the product provide pleasure or perform its intended function? How is the product eventually disposed of, and what are the environmental consequences of this action?

Marketers' concerns: What determines whether a consumer will be satisfied with a product and buy it again? Does this person tell others about his/her experience with the product and affect their purchase decisions?

Type: ES Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

10) In the early stages of development, what was the field of consumer behaviour known as? What important understanding of the exchange process does this change in name reflect?

Answer: In its early stages of development, the field of consumer behaviour was often referred to as *buyer behaviour,* reflecting an emphasis on the interaction between consumers and producers at the time of purchase. Marketers now recognize that consumer behaviour is an ongoing *process,* not merely what happens at the moment a consumer hands over money or a credit card and in turn receives a good or service.

A good answer would detail the issues in the consumption process from Figure 1-1: prepurchase, issues, purchase issues, and post purchase issues.

Type: ES Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

11) What do we mean when we say that consumer behaviour is a process?

Answer: Consumer behaviour is more than just the purchase itself. The field of consumer behaviour covers a lot of ground: It is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.

Type: ES Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

12) In the early stages of development, consumer behaviour was known as buyer behaviour. What important aspect of the exchange process does this change in name reflect?

Answer: The original name reflects an emphasis on the interaction between consumers and producers at the time of purchase. Marketers now recognize that consumer behaviour is an ongoing *process,* not merely what happens at the moment a consumer hands over money or a credit card and in turn receives a good or service.

Type: ES Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

13) Explain the view that marketing is more than just an exchange.

Answer: The **exchange**, in which two or more organizations or people give and receive something of value, is an integral part of marketing. Although exchange is an important part of consumer behaviour, the expanded view emphasizes the entire consumption process, which includes the issues that influence the consumer before, during, and after a purchase.

Type: ES Page Ref: 3

Skill: Concept

Objective: L1-01 Consumer behaviour is a process.

14) The study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires is called:

A) market segmentation.

B) relationship marketing.

C) market research.

D) consumer behaviour.

Answer: D

Type: MC Page Ref: 4

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

15) A fast-food chain describes its core customer as a single male under 30 years of age with a working-class job, who reads little, likes loud music, and hangs out with friends. This is an example of:

A) subculture.

B) marketing segmentation.

C) demographics.

D) a typical male Canadian consumer of burgers.

Answer: B

Type: MC Page Ref: 4

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

16) In studying consumer behaviour, it is often useful to categorize people on the basis of some similarity. Descriptions such as age, gender, income, or occupation are called:

A) demographics.

B) psychographics.

C) personal profiles.

D) physiology.

Answer: A

Type: MC Page Ref: 5

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

17) Which of the following is NOT an example of a demographic variable?

A) age

B) geography

C) lifestyle

D) ethnicity

Answer: C

Type: MC Page Ref: 5

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

18) Mary designed an unsuccessful advertising campaign for a medical insurance company that was targeted at 18- to 34-year-old males. The campaign only included one commercial, which featured a young man who had become crippled in a skydiving accident. While planning the campaign, Mary failed to recognize that:

A) 18- to 34-year-old males are not interested in medical insurance.

B) not all 18- to 34-year-old males share the same lifestyle.

C) television commercials are not effective for advertising medical insurance.

D) she should have also segmented based on ethnicity.

Answer: B

Type: MC Page Ref: 6

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

19) Marketers who interact with their customers on a regular basis, and not just at the time of purchase, are most likely engaged in:

A) brand loyalty.

B) psychographic segmentation.

C) market segmentation.

D) relationship marketing.

Answer: D

Type: MC Page Ref: 7

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

20) Recently marketers have come to realize the value of relationship marketing. In marketing terms, "relationship marketing" means:

A) developing friendships with foreign governments so that American products can be sold in their countries at a fair price.

B) instituting practices that show companies' awareness of their responsibilities to the environment and society.

C) building bonds between brands and customers that will last over time.

D) using new electronic capabilities to ensure that all channel members work smoothly together, for example, in seeing that products get to retailers before retailers' inventories run out.

Answer: C

Type: MC Page Ref: 7

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

21) Tony Roma's restaurant sends regular customers a coupon for a free meal on their birthdays. This is an example of:

A) a company seeking to attract lost clients back to base.

B) a social networking process.

C) a loss-leading promotion campaign.

D) relationship marketing.

Answer: D

Type: MC Page Ref: 7

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

22) The collection and analysis of extremely large data sets:

A) result in delays in the development of marketing strategies.

B) do not aid with relationship marketing.

C) are called big data.

D) have declined in recent years.

Answer: C

Type: MC Page Ref: 8

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

23) In which relationship type do users see the product as a part of their daily routine?

A) self-concept attachment

B) interdependence

C) nostalgic attachment

D) love

Answer: B

Type: MC Page Ref: 8

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

24) When Gail investigates sex, age, and income characteristics of her friends, she is studying psychographics.

Answer: FALSE

Type: TF Page Ref: 5

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

25) The key issue about market segmentation is that consumers within a segment have to be psychographically the same.

Answer: FALSE

Type: TF Page Ref: 4

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

26) Rather than try to reach everybody, a marketer today usually targets his product to specific consumers, even if he makes other people deliberately avoid it as a result.

Answer: TRUE

Type: TF Page Ref: 4

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

27) Age, gender, ethnicity, income, geography, and purchase frequency are all potential segmentation variables.

Answer: TRUE

Type: TF Page Ref: 5-6

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

28) The Jones and Smiths were born in the 1960s, so they tend to share a common set of cultural experiences that they carry throughout life.

Answer: TRUE

Type: TF Page Ref: 5

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

29) Differentiating products by gender does not begin until the teenage years.

Answer: FALSE

Type: TF Page Ref: 5

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

30) Social class is not considered a demographic variable because it is not a directly observable aspect of the population.

Answer: TRUE

Type: TF Page Ref: 5

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

31) Gail is studying the interests and values of a group of ten consumers for some consumer researcher. What category of information is Gail studying and what other aspects of the consumers may also be included in her study?

Answer: Gail is studying psychographics. The study of psychographics includes aspects of a person's lifestyle, interests, attitudes, values, and personality.

Type: ES Page Ref: 5

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

32) Why would a marketer use age as a segmentation variable?

Answer: Consumers of different age groups obviously have very different needs and wants. Although people who belong to the same age group differ in many other ways, they tend to share a set of values and common cultural experiences that they carry throughout life. In some cases, marketers initially develop a product to attract one age group and then try to broaden its appeal later on.

Type: ES Page Ref: 5

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

33) Alan owns an independent coffee shop in a trendy urban neighbourhood. He asks you to explain "relationship marketing" and how he might implement this in his business.

Answer: Marketers have realized that a key to success is building relationships that will last a lifetime between brands and customers. **Relationship marketing** involves making an effort to interact with customers on a regular basis, giving them reasons to maintain a bond with the company over time.

Students can provide their own examples/ suggestions regarding how to implement this.

Type: ES Page Ref: 7

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

34) What is relationship marketing? How might relationship marketing be used by marketers to become "closer" to consumers?

Answer: Marketers are carefully defining customer segments and listening to people in their markets more than ever before. Many marketers have realized that a key to success is building relationships that will last a lifetime between brands and customers.

**Relationship marketing** involves making an effort to interact with customers on a regular basis, giving them reasons to maintain a bond with the company over time.

Type: ES Page Ref: 7

Skill: Concept

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

35) Define demographics. Next, using information that you have learned from the text about the demographics of consumers, identify three marketing opportunities that match demographic trends. Justify your opportunities with specifics from your demographic appraisal.

Answer: Demographics are objectively measurable descriptive characteristics of a population. Students can identify any number of marketing opportunities, drawing upon the sections in the text such as age, gender, family structure, social class and income, ethnicity, and geography.

Type: ES Page Ref: 5

Skill: Application

Objective: L1-02 Marketers have to understand the wants and needs of different consumer segments.

36) One of the fundamental premises of the modern field of consumer behaviour is that people often buy products not for what they do, but for what they:

A) cost.

B) mean.

C) look like.

D) promise.

Answer: B

Type: MC Page Ref: 10

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

37) While marketers cannot create needs, they:

A) may affect an environment in which specific needs may be activated.

B) can always sell to somebody.

C) are close to being able to create needs in the next five years.

D) control the mass media—almost the same thing.

Answer: A

Type: MC Page Ref: 10

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

38) Popular culture is both a \_\_\_\_\_\_\_\_ of and an inspiration to \_\_\_\_\_\_\_\_.

A) market; advertisers

B) product; marketers

C) product; consumers

D) market; consumers

Answer: B

Type: MC Page Ref: 9

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

39) The growth of the Web has created thousands of online consumption communities. What is the biggest danger of such communities?

A) The members will receive bad information.

B) The members will feel pressure to conform to certain types of purchase behaviour.

C) The members will become frustrated in their communication efforts.

D) The members of have no sense of mission.

Answer: B

Type: MC Page Ref: 12

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

40) Doritos has capitalized on \_\_\_\_\_\_\_\_ by using video created by the market in their memorable Superbowl ads.

A) spokes characters

B) social marketing

C) green marketing

D) consumer-generated content

Answer: D

Type: MC Page Ref: 10

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

41) Saucony Canada held a contest asking consumers to send in their own photos, which will be utilized in a future advertising campaign for the company. This is an example of:

A) anticonsumption.

B) consumer-generated content.

C) social marketing.

D) green marketing.

Answer: B

Type: MC Page Ref: 10

Skill: Application

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

42) Billy is an avid collector of shoes. He constantly voices his opinion on blogs and product review websites of what features new shoes should have. His behaviour is consistent with the concept of:

A) file sharing.

B) database marketing.

C) interpretivism.

D) consumer-generated content.

Answer: D

Type: MC Page Ref: 10

Skill: Application

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

43) If you listed your collection of NHL rookie cards on eBay, you would be engaging in which type of commerce?

A) transactional

B) psychographic

C) B2C

D) C2C

Answer: D

Type: MC Page Ref: 11

Skill: Application

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

44) Today each of us can communicate information across huge numbers of people and are witnessing revolutions that profoundly change our lives. This newest revolution is called:

A) B2B commerce.

B) M2M

C) horizontal flow.

D) B2C commerce.

Answer: B

Type: MC Page Ref: 13

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

45) Virtual consumption has greatly facilitated \_\_\_\_\_\_\_\_ activity.

A) C2C

B) B2C

C) U-commerce

D) e-tailing

Answer: A

Type: MC Page Ref: 11

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

46) The multiplayer online game "League of Legends" is a good example of:

A) consumer-generated content.

B) the dark side of consumerism.

C) a virtual brand community.

D) anti-consumption.

Answer: C

Type: MC Page Ref: 11

Skill: Application

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

47) Groups of people that unite on the Internet to share a passion for a product are known as:

A) chat rooms.

B) virtual brand communities.

C) consumer networks.

D) product organizations.

Answer: B

Type: MC Page Ref: 11

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

48) Underlying values that drive consumers toward certain products and services and away from others is also known as:

A) U-commerce.

B) consumer trends.

C) the internet of things.

D) culture of participation.

Answer: B

Type: MC Page Ref: 13

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

49) Sara and Jessica text back and forth while Sara is shopping and Jessica is riding the bus to work. This is an example of:

A) a synchronous interaction.

B) an asynchronous interaction.

C) utilitarian consumption.

D) a consumption community.

Answer: A

Type: MC Page Ref: 12

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

50) Online shopping does not create opportunities for small, specialized businesses.

Answer: FALSE

Type: TF Page Ref: 11

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

51) Consumer behaviour theorists have found that consumers only buy products and services for what the products /services do.

Answer: FALSE

Type: TF Page Ref: 10

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

52) Consumer-generated opinion-based content found on social networking sites and other interactive mediums about products is an important part of marketing influence on culture.

Answer: TRUE

Type: TF Page Ref: 10

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

53) What is a virtual brand community? Give an example that demonstrates the concept.

Answer: A virtual brand community is a collection of people whose online interactions are based on shared enthusiasm for and knowledge of a specific consumption activity. Picture a small group of local collectors who meet once a month at a local diner to discuss their shared interests over coffee. Now multiply that group by thousands, and include people from all over the world who are united by a shared passion for sports memorabilia, Pokémon, Harley-Davidson motorcycles, refrigerator magnets, or massive multiplayer online games (MMOGs) such as *League of Legends*. These are examples of virtual brand communities.

Type: ES Page Ref: 11

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

54) What are social media? Give an example.

Answer: **Social media** are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility. Facebook and Twitter are examples of this.

Type: ES Page Ref: 12

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

55) Describe what is meant by a "culture of participation."

Answer: This is a belief in democracy; the ability to freely interact with other people, companies, and organizations; open access to venues that allows users to share content from simple comments to reviews, ratings, photos, stories, and more; and the power to build on the content of others from an individual's unique point of view. Of course, as with democracy in the real world, we have to take the bitter with the sweet. There are plenty of unsavory things going on in cyberspace, and the hours people spend on Facebook, in online gambling sites, or in virtual worlds like Second Life have led to divorce, bankruptcy, or jail in the real world.

Type: ES Page Ref: 12

Skill: Concept

Objective: L1-03 Our choices as consumers relate in powerful ways to the rest of our lives.

56) An important consumer trend that will impact marketing strategies in the near future which is described as, "a continued blurring of boundary between producers and consumers" is known as:

A) competition.

B) segmentation.

C) sharing economy.

D) bribery.

Answer: C

Type: MC Page Ref: 13

Skill: Concept

Objective: L1-04 Marketers must be aware of consumer trends.

57) Organizations who devote huge resources to monitoring do so with specific interest in mind. Explain why organizations find it so important to understand consumer trends.

Answer: A brand that aligns with a dominant value stands a much better chance of success. Because companies often need substantial lead time to launch a new product or reposition an existing one, it's crucial to track not just where consumers are, but where they're going.

Type: ES Page Ref: 13

Skill: Concept

Objective: L1-04 Marketers must be aware of consumer trends.

58) Provide a definition for two of the marketing strategies that are positioned to impact the near future.

Answer: Sharing economy: A continued blurring of the boundary between producers and consumers, as "everyday people" take on the roles of hoteliers, taxi drivers, and even advertising agencies.

Authenticity & Personalization: An aversion to corporate "hype," as consumers place a premium on knowing the lineage of the companies they patronize. They also will demand more individualized experiences rather than buying mass-market products and services.

Blurring of gender roles: The continuing movement away from "gender binarism" as sexual identity becomes more fluid and more people refuse to identify themselves as male or female.

Diversity and multiculturalism: Racial and ethnic divisions will blur as people are exposed to other groups both in person (e.g. at the workplace) and online.

Social shopping: The traditional lone decision maker will become harder to find, as ready access to product reviews and others' immediate feedback on potential purchases turns many buying situations into committee decisions.

Healthy & ethical living: A continued focus on wellness, physical fitness and environmental sustainability. This priority is likely to divide along social class lines, as growing economic inequality makes it difficult for less affluent consumers to afford healthy and sustainable products.

Simplification: A movement away from "hyperchoice" and toward "decluttering" of one's life and possessions. More priority on "experiences" rather than acquiring "things."

Anonymity: Data hacking, cyberbullying and advertising tracking will fuel a desire for "the right to be forgotten." Consumers will flock to platforms like Snapchat that don't retain posts, or that allow users to create alternative identities.

Type: ES Page Ref: 13-14

Skill: Concept

Objective: L1-04 Marketers must be aware of consumer trends.

59) The economics-of-information perspective says consumers are willing to pay for advertising because:

A) it is cheaper than paying for sales promotion.

B) it offers entertainment value.

C) the information provided reduces search time.

D) it reduces consumerism.

Answer: C

Type: MC Page Ref: 17-18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

60) Research has shown that Mexican firms are less likely to have formal codes of ethics and more likely to bribe public officials than are American or Canadian companies. This demonstrates that:

A) business practices can be unethical without being illegal.

B) social marketing is not important in Mexico.

C) cultural values and beliefs are important for determining what is considered ethical.

D) American and Canadian companies are more respectful than Mexican companies.

Answer: C

Type: MC Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

61) The fact that bribery in business is acceptable in some countries but not in others demonstrates that:

A) ethics are relative to the situation in which business persons find themselves.

B) cultural jamming has been successfully practiced in some countries.

C) ethics are incompatible with social marketing.

D) practices can be unethical without being illegal.

Answer: D

Type: MC Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

62) Although research has shown that consumers think better of products made by firms they feel are behaving ethically, many "ethical" companies encounter difficulties selling their products. What is a good a reason for this?

A) Ethical companies do not make good-quality products.

B) Products made by ethical companies are hard to find for consumers.

C) Sometimes consumers' buying behaviour is not consistent with their positive attitudes about ethical products.

D) Consumers lie on surveys about ethical companies to appear like they care.

Answer: C

Type: MC Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

63) In a survey designed to measure people's willingness to pay for fair-trade coffee, researchers found that most coffee drinkers were willing to pay an average price premium of:

A) 10 percent.

B) 20 percent.

C) 30 percent.

D) 40 percent.

Answer: A

Type: MC Page Ref: 16

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

64) Which *Act* is designed to protect consumers, and prohibits against any person from making false or misleading claims in regards to a product?

A) *Canada Competition Act*

B) *Consumer Packaging and Labelling Act*

C) *Hazardous Products Act*

D) *National Trademark and True Labelling Act*

Answer: A

Type: MC Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

65) Which of the following pieces of legislation is intended to protect the consumer and to prevent the sale of dangerous products?

A) *Textile Labelling Act*

B) *Food and Drugs Act*

C) *Canada Consumer Product Safety Act*

D) *Hazardous Products Act*

Answer: C

Type: MC Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

66) When companies make false or exaggerated claims about how environmentally friendly their products are, it is known as:

A) greenwashing.

B) social marketing.

C) relationship marketing.

D) consumer trending.

Answer: A

Type: MC Page Ref: 19

Skill: Application

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

67) Firms that are interested in voluntarily protecting or enhancing their positive social and environmental impacts are engaged in:

A) relationship marketing.

B) transformative consumer research.

C) green marketing.

D) corporate social responsibility.

Answer: D

Type: MC Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

68) If Maple Leaf Foods of Toronto were to donate a certain percentage of its annual profits to adult literacy, they would be engaged in:

A) lifestyle segmentation.

B) irresponsible practices.

C) corporate giving.

D) database marketing.

Answer: C

Type: MC Page Ref: 18

Skill: Application

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

69) To reduce waste associated with their Downy fabric softener, Procter & Gamble introduced refillable containers. This is an example of:

A) green marketing.

B) ethical marketing.

C) culture jamming.

D) anticonsumption.

Answer: A

Type: MC Page Ref: 18

Skill: Application

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

70) Business ethics essentially are rules of conduct that guide actions in the marketplace.

Answer: TRUE

Type: TF Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

71) Canada is one of the "cleanest" countries in the world when it comes to issues like bribery or giving "gifts" in exchange for getting business from suppliers.

Answer: TRUE

Type: TF Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

72) Many firms choose to protect or enhance the natural environment as they go about their business activities. This is called "corporate giving."

Answer: FALSE

Type: TF Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

73) Keith went into a store to return a shirt. The owner of the store replied that she needed Keith's address and phone number to refund his money. After providing his information, Keith asked why the information was needed, but the owner of the store would not tell him. The owner's actions are in direct violation of the *Competition Act*.

Answer: FALSE

Type: TF Page Ref: 18

Skill: Application

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

74) You have just told a girl you recently met about your enrolment in a consumer behaviour class, to which she replies, "I don't agree with marketers. They manipulate us through advertising by telling us we need something that we don't." What counterarguments (if any) could you give her and are there any examples you could use to be more convincing?

Answer: Students can offer different answers here. For example, one such response to this argument is that a *need* is a basic biological motive, while a *want* represents one way society has taught us to satisfy that need. For example, while thirst is biologically based, we are taught to want Coca-Cola to satisfy that thirst rather than, say, goat's milk. Thus, the need is already there; marketers simply recommend ways to satisfy it. A basic objective of advertising is to create awareness that these needs exist, rather than to create the needs.

Type: ES Page Ref: 17

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

75) Frog Box is a Canadian company that offers consumers reusable moving boxes and donates a percentage of its revenue to frog habitat restoration. Discuss the two main marketing processes that are being used by this company.

Answer: Green marketing (eco-friendly reusable boxes), and cause-related marketing (donating to a related cause).

Type: ES Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

76) A low tar claim in an advertisement for Brand X cigarettes proved to be misleading. Which *Act* was violated and in what way?

Answer: The *Competition Act* was violated. The *Competition Act* prohibits any person from making false or misleading claims in regards to a product.

Type: ES Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

77) Distinguish between green marketing and social marketing.

Answer: Some firms take a **green marketing** approach in which they offer products in ways that are less harmful to the environment.For example, Unilever recently committed to an ambitious plan for reducing by one half the waste associated with the packaging and disposal of its products by 2020. **Social marketing** refers to using marketing techniques normally employed to sell beer or detergent to encourage positive behaviours such as increased literacy or to discourage negative activities such as drunk driving.

Type: ES Page Ref: 18-19

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

78) What is culture jamming? Give an example.

Answer: Culture jamming involves consumer actions that attempt to disrupt corporate efforts to dominate our cultural landscape. Adbusters is a not-for-profit organization that advocates for "the new social activist movement of the information age." Adbusters was at the forefront in starting the Occupy movement seen in 2011 in a number of North American cities.

Type: ES Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

79) What is CSR? Give an example.

Answer: CSR, or **Corporate Social Responsibility,** happens when firms voluntarily choose to protect or enhance their positive social and environmental impacts as they go about their business activities. This is something that is often driven by consumer demand as companies attempt to differentiate themselves in the marketplace. Companies such as Lush, the Body Shop, and American Apparel have successfully differentiated themselves on ethical attributes. While some marketers donate their own money to good causes (**corporate giving**), others promise donations to charity as purchase incentives (a form of **cause-related marketing).**

Type: ES Page Ref: 18

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

80) What is Transformative Consumer Research? Give an example.

Answer: Consumer researchers are themselves organizing to not only study but also to rectify what they see as pressing social problems in the marketplace. This perspective is called **Transformative Consumer Research (TCR).** Consumers are not objects of research, but collaborators who work with the researchers to realize this change. Adherents of TCR work with at-risk populations such as children, the disadvantaged, and the disabled or on such topics as materialism, consumption of dangerous products, and compulsive consumption.

Type: ES Page Ref: 20

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

81) An illegal business practice in any given country could or could not be considered unethical. Explain.

Answer: This is really an open-ended question for the students to answer. They could draw on the definition of business ethics and point out that many unethical actions are legal. In addition, laws and norms around ethical behaviour can differ cross-culturally.

**Business ethics** are essentially rules of conduct that guide actions in the marketplace—the standards against which most people in a marketplace judge what is right, wrong, good, or bad. These universal values include honesty, trustworthiness, fairness, respect, justice, integrity, concern for others, accountability, and loyalty.

Notions of right and wrong do differ among people, organizations, and cultures. Some businesses, for example, believe it is all right for salespeople to persuade customers to buy even if it means giving them false information, while other firms feel that anything less than total honesty with customers is terribly wrong. Because each culture has its own set of values, beliefs, and customs, ethical business behaviours are defined quite differently around the world. For example, one recent study found that because of differences in values, Mexican firms are less likely to have formal codes of ethics and more likely to bribe public officials than are American or Canadian companies. On the other hand, different attitudes about work and interpersonal relationships mean that Mexican companies are also more likely to treat lower-level employees better than do their NAFTA partners to the north. Of course, NAFTA no longer exists in its current form, it is now the United States-Mexico-Canada Agreement (USMCA).

These cultural differences certainly influence whether business practices such as bribery are acceptable. Giving "gifts" in exchange for getting business from suppliers or customers is common and acceptable in many countries, even though this practice may be frowned upon in Canada. Recently, more than 800 business experts were asked to identify the countries where this practice is most flagrant. Russia and China emerged at the top of the list, with Taiwan and South Korea close behind. The "cleanest" countries were Australia, Sweden, Switzerland, Austria, and Canada.

Type: ES Page Ref: 15

Skill: Concept

Objective: L1-05 Ethical issues in marketing and consumer behaviour are important.

82) At times Pepsi and Coke have been accused of causing psychological dependence due to the levels of caffeine in their colas. This dependence is known as:

A) psychological marketing.

B) consumer addiction.

C) social marketing.

D) brand loyalty.

Answer: B

Type: MC Page Ref: 21

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

83) Serial wardrobers have been known to:

A) buy an outfit, wear it once, and return it.

B) return to the same store to shoplift.

C) work at retailers they can easily steal from.

D) rebel against consumerism.

Answer: A

Type: MC Page Ref: 24

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

84) Current consumer research is likely to include attention to the "dark side" of consumer behaviour. This growing emphasis refers to the fact that:

A) it is difficult to measure the contribution of the "art" of consumer behaviour research to the corporate bottom line.

B) many consumer behaviour findings are being stolen by competitors via computers.

C) not all consumer behaviour or marketing activity is necessarily beneficial to society.

D) understanding consumption for its own sake should be the focus of research rather than for the sake of making money.

Answer: C

Type: MC Page Ref: 20

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

85) A physiological and/or psychological dependency on products or services is called consumer:

A) gratification.

B) conditioning.

C) addiction.

D) obsession.

Answer: C

Type: MC Page Ref: 21

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

86) Mrs. Brown has an obsessive need to shop every day to relieve depression and boredom. Her behaviour is termed:

A) a spending spree.

B) compulsive consumption.

C) impulse buying.

D) consumer behaviour.

Answer: B

Type: MC Page Ref: 22

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

87) Counterfeiting, a widespread problem, is a term that describes:

A) rebelling against an idea.

B) changing price tags on items.

C) sale of fake versions of real products.

D) shoplifting for a thrill.

Answer: C

Type: MC Page Ref: 22

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

88) The main difference between impulse buying and compulsive consumption is:

A) impulse buying only occurs for certain types of products, while compulsive consumption can occur for any product.

B) impulse buying occurs at a particular moment, while compulsive consumption is an enduring behaviour.

C) impulse buying is done by choice, while compulsive consumption is not.

D) impulse buying cannot be measured empirically, while compulsive consumption can be.

Answer: B

Type: MC Page Ref: 22

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

89) The term *shrinkage* is an industry term for:

A) the fragmentation of consumer needs caused by the Internet.

B) reductions in waste resulting from product usage.

C) a North American consumer trend associated with paying less for products.

D) inventory and cash losses due to shoplifting and employee theft.

Answer: D

Type: MC Page Ref: 23

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

90) At night, Aaron likes to walk around the city spray painting a black circle over company logos on billboards and bus-stop advertisements. Aaron's behaviour is an example of:

A) addictive consumption.

B) anticonsumption.

C) anticommunication.

D) shrinkage.

Answer: B

Type: MC Page Ref: 24

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

91) "Shopaholics" turn to shopping in much the same way as addicted people turn to drugs or alcohol.

Answer: TRUE

Type: TF Page Ref: 22

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

92) Unlike those with physical addictions, consumption addicts really do have control over their behaviour; the comparison is strictly metaphorical.

Answer: FALSE

Type: TF Page Ref: 22

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

93) Gambling is an example of a "consumption addiction" because the person never experiences any regret or guilt afterwards.

Answer: FALSE

Type: TF Page Ref: 22

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

94) Graffiti disparaging Nike on the Toronto subway is one form of anticonsumption.

Answer: TRUE

Type: TF Page Ref: 24

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

95) Ella feels that her little brother has a psychological dependence on playing video games. She feels that he has become obsessed with the games and that playing the games interferes with other aspects of his life. Using terminology from the textbook, how would you characterize his behaviour?

Answer: **Consumer addiction** is a physiological or psychological dependency on products or services. This type of addiction includes addiction to alcohol, drugs, and cigarettes, and many companies profit from selling addictive products or by selling solutions to addiction.

Type: ES Page Ref: 21

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

96) What is compulsive consumption and how does it differ from impulse buying?

Answer: **Compulsive consumption** refers to repetitive shopping, often excessive, done as an antidote to tension, anxiety, depression, or boredom. "Shopaholics" turn to shopping in much the same way as those with addictions turn to drugs or alcohol. Compulsive consumption is distinctly different from impulse buying. The impulse to buy a specific item is temporary, and it centres on a specific product at a particular moment. In contrast, compulsive buying is an enduring behaviour that centres on the *process* of buying, not the purchases themselves.

Type: ES Page Ref: 22

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

97) A clergyman of a small inner-city parish has spent time defacing billboards advertising the local casino. Explain his behaviour.

Answer: The clergyman is participating in destructive consumer behaviour, in this case, anticonsumption or the defacement or alteration of advertising materials as a form of political expression. In effect, he is destroying advertising that he feels promotes unethical acts—in this case gambling.

Type: ES Page Ref: 24

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

98) Samantha recently returned from a grocery store. While at the store, she noticed a point-of-purchase display that was advertising three boxes of cookies on special, which she purchased. When Samantha arrived home, her husband Greg was extremely angry with her for buying cookies that they didn't need. He referred to her behaviour as being compulsive. Is he right?

Answer: **Compulsive consumption** refers to repetitive shopping, often excessive, done as an antidote to tension, anxiety, depression, or boredom. "Shopaholics" turn to shopping in much the same way as those with addictions turn to drugs or alcohol.

Compulsive consumption is distinctly different from impulse buying. The impulse to buy a specific item is temporary, and it centres on a specific product at a particular moment. In contrast, compulsive buying is an enduring behaviour that centres on the *process* of buying, not the purchases themselves.

Given that Samantha's purchase may be a one-time purchase and not an example of a repetitive behaviour, her husband may be incorrect in his conclusion. If it was an example of repetitive behaviour then he was right.

Type: ES Page Ref: 22

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

99) Discuss addictions as an aspect of the dark side of consumer behaviour. Describe one example in detail.

Answer: **Consumer addiction** is a physiological or psychological dependency on products or services. This type of addiction includes addiction to alcohol, drugs, and cigarettes, and many companies profit from selling addictive products or by selling solutions to addiction. Although most people equate addiction with drugs, virtually any product or service can be seen as relieving some problem or satisfying some need to the point that reliance on it becomes extreme. (Additional information students may include: The World Health Organization (WHO) estimates that more than three million people died in 2016 based on the over consumption of alcohol, with more than three quarters of those affected being men.)

***Students may pick any example as long as it is reflective of the definition.***

Type: ES Page Ref: 21

Skill: Application

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

100) In what way can illegal activities be viewed as harmful or destructive consumer behaviours?

Answer: Illegal activities—Many consumer behaviours are not only self-destructive or socially damaging, they are illegal as well. Examples include theft, shoplifting, employee pilferage, serial wardrobing, arson, and insurance fraud. Losses account for a substantial increase in the cost of goods since these losses are passed on to the consumer.

Anticonsumption—Products and services are deliberately defaced or mutilated, such as product tampering (e.g., Tylenol), graffiti on buildings or subways, and so on. Causes may range from peer pressure to rage against some aspect of society. The destruction of property by vandalism both contributes to additional costs to the consumer and threatens society by potentially denying access to necessary services like public transportation and communication.

Type: ES Page Ref: 23-24

Skill: Concept

Objective: L1-06 There is a "dark side" to some behaviours that can have negative impacts on consumers and society.

101) An example of qualitative research is:

A) survey research.

B) ethnography.

C) experimentation.

D) role-playing.

Answer: D

Type: MC Page Ref: 26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

102) Gaining consumer insights:

A) involves probing deeper to understand the underlying motivations for a given behaviour.

B) involves only looking at secondary research.

C) is the first step to determining the required research method to use.

D) involves manipulating the dependent variable.

Answer: A

Type: MC Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

103) When data is collected by the researcher specifically for the research question at hand, this is called:

A) exploratory research.

B) quantitative research.

C) primary research.

D) secondary research.

Answer: C

Type: MC Page Ref: 24-25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

104) \_\_\_\_\_\_\_\_ involve(s) asking respondents to self-report answers to a set of questions posed by the researcher, often in written, online, or phone format.

A) Survey research

B) Focus group research

C) Interviews

D) Observational research

Answer: A

Type: MC Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

105) \_\_\_\_\_\_\_\_ involve(s) gathering data from small group sessions with approximately six to twelve consumer participants.

A) Survey research

B) Focus group research

C) Interviews

D) Observational research

Answer: B

Type: MC Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

106) \_\_\_\_\_\_\_\_ involve(s) gathering data through a one-on-one interaction between an interviewer and a respondent.

A) Survey research

B) Focus group research

C) Interviews

D) Observational research

Answer: C

Type: MC Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

107) \_\_\_\_\_\_\_\_ involve(s) gathering data by directly observing consumer behaviours.

A) Survey research

B) Focus group research

C) Interviews

D) Observational research

Answer: D

Type: MC Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

108) Ethnographic research is an example of a type of:

A) survey research.

B) focus group research.

C) experimental research.

D) observational research.

Answer: D

Type: MC Page Ref: 26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

109) In qualitative research, the presentation of ambiguous objects or activities that are open to various interpretations is known as:

A) random assignment.

B) a projective technique.

C) an experiment.

D) role playing.

Answer: B

Type: MC Page Ref: 27

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

110) A researcher is studying the effect of including a bonus product on people's tendency to purchase personal-care items (e.g., shampoo, deodorant, etc.). The researcher randomly assigns male and female consumers to be asked to buy the product with the bonus or to be asked to buy the product without the bonus. The researcher then calculates the proportion of people in each condition that purchase the product. The dependent variable in this study is:

A) the proportion of people that purchase the product.

B) personal care items.

C) gender.

D) the presence or absence of a bonus.

Answer: A

Type: MC Page Ref: 27

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

111) A researcher is studying the effect of including a bonus product on people's tendency to purchase personal care items (e.g., shampoo, deodorant, etc.). The researcher randomly assigns male and female consumers to be asked to buy the product with the bonus or to be asked to buy the product without the bonus. The researcher then calculates the proportion of people in each condition that purchase the product. The independent variable in this study is:

A) the proportion of people that purchase the product.

B) personal care items.

C) gender.

D) the presence or absence of a bonus.

Answer: D

Type: MC Page Ref: 27

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

112) Scanner technology and clickstream data gathering are two methods of:

A) conducting qualitative research.

B) conducting experimental research.

C) conducting observational research.

D) tracking data on digital networking behaviour.

Answer: C

Type: MC Page Ref: 26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

113) Shoppers Drug Mart periodically videotapes consumers and how they interact with new point-of-purchase displays in the cosmetics department. This is an example of:

A) conducting qualitative research.

B) conducting experimental research.

C) conducting observational research.

D) tracking data on digital networking behaviour.

Answer: C

Type: MC Page Ref: 25-26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

114) When the researcher uses data collected by another entity to answer a new research question, this is called primary research.

Answer: FALSE

Type: TF Page Ref: 25

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

115) A survey is a method of data collection in which the respondents self-report answers to a set of questions posed by the researcher.

Answer: TRUE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

116) Focus groups usually involve small group sessions with approximately 6 to 12 consumer participants.

Answer: TRUE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

117) One drawback of surveys, focus groups, and interviews is that they all involve the consumers themselves reporting on their attitudes, behaviours, or experiences.

Answer: TRUE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

118) Techniques such as storytelling are examples of quantitative research.

Answer: FALSE

Type: TF Page Ref: 26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

119) Netnography is an example of an ethnographic-based research technique that draws on the Internet as a source of cultural knowledge, brought on by the boom of the internet.

Answer: TRUE

Type: TF Page Ref: 26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

120) Data collected by a researcher specifically for the research question at hand is known as informal research.

Answer: FALSE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

121) One of the goals of primary research is to uncover hidden messaging.

Answer: FALSE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

122) Survey research provides a drawback of not allowing consumers to provide a rich and detailed response, in contrast to other research methods.

Answer: TRUE

Type: TF Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

123) Jennifer has a new product line of small homeware products on which she wants to get some rich, in-depth, detailed feedback. What type of research technique might you recommend and why?

Answer: Focus groups or in-depth interviews would be good techniques. Focus groups are often used when a new idea or product is being tested, or the researchers want to generate new ideas for what strategic direction to take next. As you might guess, one benefit of focus groups is that they tend to elicit more rich, detailed, and narrative feedback from consumers.

Like focus groups, interviews involve direct contact with the consumer. In contrast to focus groups, this approach involves a one-on-one interaction with an interviewer and respondent. Interviews allow the researcher to collect rich, in-depth data, but minimize any impacts of group factors influencing consumer responses. Interviews can be particularly useful if the topic is sensitive, embarrassing, or polarizing in some way. The downside of interviews is that the research process can take much longer and is much more expensive because each consumer is being asked questions one at a time.

Type: ES Page Ref: 25

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

124) Susan and George are working for the City of North Vancouver and are interested in investigating how people interact at their local dog park. They know that people often report antisocial behaviour (failure to collect dog feces, uncontrolled dogs, etc.) as a problem, but a recent survey has shown very few self-reports of anti-social behaviour. What research technique might be useful here and why?

Answer: Observational research. One drawback of surveys, focus groups, and interviews is that they all involve the consumers themselves reporting on their attitudes, behaviours, or experiences. One issue with this is that consumers may not always express the truth, perhaps because they wish to present themselves positively to the researcher, because they don't recall everything accurately, or because they are not consciously aware of all the factors influencing their behaviours. Observation has the benefit of directly tracking and measuring real behaviours.

Type: ES Page Ref: 26

Skill: Application

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

125) Compare and contrast primary and secondary research.

Answer: When the data is collected by the researcher specifically for the research question at hand, this is called **primary research*.*** However,sometimes the marketer can find the information needed by going to a pre-existing source of information collected for another purpose. When the researcher uses data collected by another entity to answer a new research question, this is called **secondary research.** For example, when the Government of Canada collects statistical information regarding its citizens, marketers may use this information to provide insights about the consumer in ways that inform marketing strategy.

Type: ES Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

126) Compare and contrast focus group research with interview research.

Answer: **Focus groups**usually involve small group sessions with approximately 6-12 consumer participants. The session is guided by a moderator who leads a group discussion involving a product, concept, or marketing message. Focus groups are often used when a new idea or product is being tested, or the researchers want to generate new ideas for what strategic direction to take next. As you might guess, one benefit of focus groups is that they tend to elicit more rich, detailed, and narrative feedback from consumers. One drawback, however, is that social influence can play a role, dampening the expression of consumers' true individual attitudes. (See Chapter 11 for a discussion of some of these effects.)

One other research technique is to utilize in-depth **interviews**. Like focus groups, interviews involve direct contact with the consumer. In contrast to focus groups, this approach involves a one-on-one interaction with an interviewer and respondent. Interviews allow the researcher to collect rich, in-depth data, but minimize any impacts of group factors influencing consumer responding. Interviews can be particularly useful if the topic is sensitive, embarrassing, or polarizing in some way. The downside of interviews is that the research process can take much longer and is much more expensive because each consumer is being asked questions one at a time.

Type: ES Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

127) What is observational research? Give an example.

Answer: Another technique commonly employed by marketers is *observational research*. In this type of research, consumer behaviour s are directly observed either in a natural context (e.g., at the mall) or controlled setting (e.g., think of a lab that observes how children play with new toy products).

One specific type of observation involves **ethnographic research*,*** in which researchers observe and record how consumers behave in real-world contexts, often to understand the meanings consumers ascribe to different consumption experiences. Sometimes the researcher goes as far as to immerse him- or herself in the consumption setting, observing people in context over long periods of time. A famous example of this approach is Intuit's "Follow Me Home" program where the researchers asked purchasers of Intuit's software products if they could follow them home to observe how they interacted with and used the software.

Type: ES Page Ref: 25-26

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.

128) Allison wants to examine whether consumers consider the environmental impact of products before they make their purchases. List three different research methods she might use, and give the pros and cons of each. Which method would you recommend and why?

Answer: Focus group — quick, cost effective, but there can be downsides to group influence.

Surveys — cost effective, can get a large number of respondents, but respondents can't give rich or detailed feedback.

Interviews — more costly and time consuming than the other two methods, but they remove group influence effects and allow for more open-ended, detailed responses.

Type: ES Page Ref: 25

Skill: Concept

Objective: L1-07 Many different research methodologies can be used to understand consumer behaviour.