

**CHAPTER
8**

Marketing Research

Part 1: Content Review

Matching

Write the letter for the correct term for each definition on the line provided.

- | | |
|--|---|
| <p>_____ 1. Pattern of change in consumer behavior that leads to changes in the marketing mix.</p> <p>_____ 2. Organized system of gathering, sorting, analyzing, evaluating, and distributing information for marketing purposes.</p> <p>_____ 3. Pieces of information gained through research.</p> <p>_____ 4. Written record of the thoughts, activities, or plans of the writer during a given period of time.</p> <p>_____ 5. Searching through large amounts of digital data to find useful patterns or trends.</p> <p>_____ 6. Something that changes or can be changed.</p> <p>_____ 7. Something that is very popular for a short time and dies out quickly.</p> <p>_____ 8. Statement that can be tested and proved either true or false.</p> <p>_____ 9. Skewing of results caused by the order in which questions are placed in a survey.</p> <p>_____ 10. Organization of people in a specific type of business or industry.</p> | <p>Terms</p> <p>A. data</p> <p>B. data mining</p> <p>C. diary</p> <p>D. fad</p> <p>E. hypothesis</p> <p>F. marketing-information system (MkIS)</p> <p>G. marketing trend</p> <p>H. order bias</p> <p>I. trade association</p> <p>J. variable</p> |
|--|---|

Completion

Fill in the blanks with the term that best completes each sentence.

Terms

- | | | |
|---------------------|--------------------|-------------------|
| chamber of commerce | marketing research | qualitative data |
| database marketing | primary data | quantitative data |
| focus group | product trend | trend |
| interview | | |

1. An emerging pattern of change is known as a(n) _____.
2. A(n) _____ is made up of people brought together to discuss a specific topic.
3. _____ provides insight into what people think about a topic.
4. A change in current product features or new products being developed is a(n) _____.

5. Gathering and analyzing information to help make sound marketing decisions is _____.
6. A(n) _____ is a formal meeting between two or more people to obtain certain information.
7. Pieces of information collected by an individual or organization is _____.
8. The facts and figures from which conclusions can be drawn is known as _____.
9. Gathering, storing, and using customer data for marketing directly to customers based on their histories is _____.
10. A(n) _____ is a group of businesses whose main purpose is to encourage local business development.

True or False

Decide whether each statement is true or false. If the statement is true, write *True* on the line provided. If the statement is false, write *False* and rewrite the statement to make it true.

1. Businesses that do a better job of meeting customer needs will sell more than their competitors.

2. Primary data is the most expensive to collect because the costs of conducting a research study is the responsibility of the business or person performing it.

3. An example of qualitative data is the number of customers who answered questions after using a product.

4. When the observation method is used to collect data, objectivity is important.

5. Focus group participants are not paid for their time.

6. Designing marketing research to use the survey method is most appropriate when the central research issue involves gathering facts and figures about a group of consumers.

7. Trends are not long lasting.

Name _____

8. It is a good idea to test the hypothesis for research before creating a marketing plan based on it.

9. A hypothesis is always stated in the positive.

10. Raw data, by itself, is useful.

Part 2: Concept Review

Primary Data

Identify a store you know well, such as a clothing or book store, beauty salon, restaurant, or sporting-goods store. Assume the owners of that store want to increase sales and customer satisfaction. You are the marketing manager whom the owners have hired to help them learn about their customers' needs and wants. You will use five methods to gather primary data for them. Use complete sentences for your answers.

Name of store: _____

Location of store: _____

Observation

1. You plan to visit the store as a secret shopper. List the top three goals for your secret-shopping session.

A. _____

B. _____

C. _____

2. Describe how you would accomplish your goals during your secret-shopping session.

3. Based on what you learned, what information do you think you would be able to give the owners to help them increase both sales and customer satisfaction?

Interview

4. You plan to interview customers to learn what they think about the store and its products. List two questions that you could ask customers during an interview.

A. _____

B. _____

Survey

5. You plan to conduct a brief customer survey. The survey questions will be accompanied by choices from which customers can quickly choose answers. List two questions with the answer choices that you would include in your survey.

A. Question 1: _____

Answers: _____

B. Question 2: _____

Answers: _____

6. What could you do to encourage customers to complete the survey?

Name _____

Diary

- 7. You plan to ask customers to use a diary about their experiences in the store. Choose the type of diary you want customers to use: open-choice, forced-choice, or a combination of both. Explain why you selected this type of diary.

- 8. List two questions you would have customers answer in the diary.

A. Question 1: _____

B. Question 2: _____

Experiment

- 9. You plan to conduct an experiment to determine whether customers prefer one product or another. Which products sold by the store you have selected will be used in the experiment? How will customer preferences about this product help increase sales and customer satisfaction?

- 10. Describe how you would carry out the experiment.

Reliability of Marketing Research

The reliability of marketing research affects the marketing decisions a business makes. *Reliability* is the quality of providing consistent and dependable measurement and results. Explain how each of the following issues might affect the reliability of marketing research.

1. Poor research sample:

2. Validity of questions:

3. Order bias:

4. Data analysis:

5. Reporting errors:

Name _____

Part 3: Marketing Math

Percentages and Decimals

Section A

Numbers shown as percentages are widely used in business and marketing. The same numerical value can be expressed as a percentage or a decimal. To easily turn a percentage into a decimal, remove the percent sign and move the decimal point two places to the left:

$$17\% = 0.17$$

To turn a decimal into a percentage, reverse the process. Move the decimal point two places to the right and add the percent sign. For example:

$$0.29 = 29\%$$

Complete the following table by calculating the number of people in each ethnic group by year. Remember to turn the percentage into a decimal. Then, multiply that decimal by the total population for that year. 1950 is completed for you as an example.

US Population by Ethnic Group*							
		White	African-American	Native American	Asian	Other	Total
Year: 1950	Percentage	89.5	10.0	0.2	0.2	0.1	100
	Population	134,874,138	15,069,736	301,395	301,395	150,697	150,697,361
Year: 1960	Percentage	88.6	10.5	0.3	0.5	0.1	100
	Population						179,323,175
Year: 1970	Percentage	87.5	11.1	0.4	0.8	0.2	100
	Population						203,211,926
Year: 1980	Percentage	83.1	11.7	0.6	1.5	3.1	100
	Population						226,545,805
Year: 1990	Percentage	80.3	12.1	0.8	2.9	3.9	100
	Population						248,709,873
Year: 2000	Percentage	75.1	12.3	0.9	3.7	8.0	100
	Population						281,421,906
Year: 2010	Percentage	63.7	12.2	0.7	4.7	18.6	100
	Population						308,745,538

Source: US Census Bureau

*Native American includes American Indians and Alaska Natives. Asian includes Asian Indians, Chinese, Filipino, Japanese, Korean, Vietnamese, other Asians, Native Hawaiians, and other Pacific Islanders. Other includes people of other single races and people of two or more races.

Note 1: The Hispanic category is not included here as it contains people from several racial categories. In addition, the US Census Bureau only started tracking Hispanic origin in the 1980 census. (See Section B of this activity.)

Note 2: Calculated population numbers may not exactly match Census Bureau statistics due to rounding.

Section B

The US Census Bureau started tracking people of Hispanic origin in the 1980 census. Tracking people of Hispanic origin is complicated by the fact that many people with Hispanic heritage have a variety of racial origins. Therefore, population statistics for those of Hispanic origin are separate from the ethnic group statistics. In the chart that follows, calculate the missing percentages. 1980 is completed for you as an example.

Hispanic Origin					
		White, Hispanic Origin	Hispanic, Origin of Any Race	Other Nonhispanic, Nonwhite	Total
Year: 1980	Percentage	80	6	14	100
	Population	180,256,366	14,608,673	31,680,766	226,545,805
Year: 1990	Percentage				100
	Population	188,128,296	22,354,059	38,227,518	248,709,873
Year: 2000	Percentage				100
	Population	211,460,626	35,305,818	34,655,462	281,421,906
Year: 2010	Percentage				100
	Population	196,670,908	50,477,594	61,597,036	308,745,538

Part 4: Be Your Own Leader

Ethical Decisions

As a leader, you need to prepare for how you will react when confronted with ethical situations. Read the narrative that follows. Then, using complete sentences, answer the following questions about how you would address the situation.

All the students in your grade need to prepare for upcoming standardized testing. In order to prepare, instructors issue practice tests in every class. To encourage students to take the practice tests seriously, the school announced it will issue a prize to the students who earn the top twenty practice scores. Your good friend, Allison, has been focused on studying and winning one of the prizes so she can impress her classmates.

Allison is also a member of a CTSO. During the week of practice testing, Allison stopped by an instructor's office to retrieve materials related to the CTSO. The instructor was not in the office when Allison arrived. Allison confided in you that when she was looking for the CTSO materials on the instructor's desk, she also found an answer key to the practice exam that students were not supposed to see.

Name _____

Because she is studious, Allison thinks she is close to being in the top twenty. Allison thinks that knowing the answers to one of the tests would surely put her in a position to earn one of the prizes and the admiration of her peers. Allison said that it does not matter if she cheats on the test because it is just for practice. She has asked you not to tell anyone that she took the answer key and plans to use it to cheat on the test.

1. What is the ethical issue in this situation?

2. How would you choose to handle this ethical issue?

3. Identify the advantages and disadvantages to handling the situation as you described in the previous question.

A. Advantages: _____

B. Disadvantages: _____

4. What does ethical leadership mean to you?

5. Do you think leaders should always be ethical? Why or why not?
