**What is Consumer Behavior**

**And Why Should I Care?**

**TRUE/FALSE**

1. An understanding of consumer behavior can translate into better public policy for governments.

ANS: T

2. While consumer behavior refers to human thought and action, it is not considered a field of study.

ANS: F

Consumer behavior can be defined from two different perspectives: (1) human thought and action and (2) a field of study that is developing an accumulated body of knowledge.

3. Consumer behavior is the set of value-seeking activities that take place as people go about addressing realized needs.

ANS: T

4. A need is a specific desire that spells out a way a consumer can go about addressing a recognized want.

ANS: F

A want is a specific desire that spells out a way a consumer can go about addressing a recognized need.

5. The basic consumption process begins with the consumer recognizing that he or she wants something new.

ANS: F

The consumption process begins with the recognition of a need. A want is a specific desire that spells out a way a consumer can go about addressing a recognized need.

6. An exchange is the acting out of a decision to give something up in return for something of equal value.

ANS: F

Something is given up in return for something of greater value.

7. Costs are the positive results of consumption.

ANS: F

Costs are the negative results of consumption.

8. Consumption is a value producing process in which the marketer and the consumer interact to produce value.

ANS: T

9. The final step in the consumption process is exchange.

ANS: F

The final step in the consumption process is the perception of value.

10. The process by which goods, services, or ideas are used and transformed into value is referred to as cost behavior analysis.

ANS: F

Consumption represents the process by which goods, services, or ideas are used and transformed into value.

11. Costs involve more that just the price of the product.

ANS: T

12. Benefits are the only result of consumption.

ANS: F

Costs are also the result of consumption.

13. Consumer behavior has family roots in anthropology.

ANS: T

14. Marketing has its origins in economics with respect to the production and distribution of goods.

ANS: T

15. Social psychology focuses on the thoughts, feelings, and behaviors that people have as they interact with other people.

ANS: T

16. Social psychology essentially deals with the intricacies of mental reactions involved in information processing within the individual, rather than between individuals.

ANS: F

Cognitive psychology focuses on the thoughts, feelings and behaviors that people have as they interact with other people.

17. Cognitive psychology is helpful in understanding how consumers process information from marketing communications such as advertisements.

ANS: T

18. Marketing actions begin with inputs and end when the completed product is ready for sale.

ANS: F

Marketing involves the multitude of value-producing seller activities that facilitate exchanges between buyers and sellers. These activities include the production, promotion, pricing, distribution, and retailing of goods, services, ideas, and experiences that provide value for consumers and other stakeholders.

19. Neuroscience focuses primarily on the study of groups of people within a society.

ANS: F

Sociology focuses on the study of groups of people within a society.

20. A highly competitive marketplace in which consumers have many alternatives is more likely to result in better customer service than a marketplace with little competition.

ANS: T

TOP: A-head: The Ways in Which Consumers are Treated

21. A market-oriented firm stresses the importance of creating value for customers among all employees.

ANS: T

TOP: A-head: The Ways in Which Consumers are Treated

22. Mass media and trade organizations are two of the primary stakeholders of a firm.

ANS: F

Secondary stakeholders include the mass media and trade organizations.

STA:

TOP: A-head: The Ways in Which Consumers are Treated

23. Relationship marketing is based on the belief that firm performance is enhanced through repeat business.

ANS: T

TOP: A-head: The Ways in Which Consumers are Treated

24. Interaction points refer to direct contacts between the firm and a customer.

ANS: F

Touchpoints refer to direct contacts between the firm and a customer.

TOP: A-head: The Ways in Which Consumers are Treated

25. A market orientation represents a much narrower focus than a strategic orientation that focuses more solely on production.

ANS: F

A market orientation represented a less narrow focus than a strategic orientation that focused more solely on production.

STA:

TOP: A-head: The Ways in Which Consumers are Treated

26. The resource advantage theory primarily explains the manner in which human resources must be managed in a company.

ANS: F

The resource-advantage theory explains why companies succeed or fail and describes how the firm goes about obtaining resources from and in turn using those resources to gain advantages in physical and intellectual capital.

TOP: A-head: The CB Field's Role in Business, Society and Consumers

27. A product is a potentially valuable bundle of benefits.

ANS: T

STA: DISC: Product

TOP: A-head: The CB Field's Role in Business, Society and Consumers

28. Touchpoints are the physical parts of a product.

ANS: F

Attributes are the physical parts of a product.

STA: DISC: Product

TOP: A-head: The CB Field's Role in Business, Society and Consumers

29. Undifferentiated marketing means that the same basic product is offered to all customers.

ANS: T

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

30. Undifferentiated marketers generally adopt a market orientation.

ANS: F

Undifferentiated marketers generally adopt a product orientation.

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

31. A market orientation means innovation is geared primarily toward making the production process as efficient and economic as possible.

ANS: F

In production orientation, innovation is geared primarily toward making the production process as efficient and economic as possible.

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

32. Undifferentiated marketing adopts the consumer orientation.

ANS: F

Undifferentiated marketers generally adopt a production orientation, wherein innovation is geared primarily toward making the production process as efficient and economic as possible.

STA: | DISC: Customer

TOP: A-head: The CB Field's Role in Business, Society and Consumers

33. One-to-one marketing treats each customer as a segment of one.

ANS: T

STA: | DISC: Customer

TOP: A-head: The CB Field's Role in Business, Society and Consumers

34. Niche marketers specialize in serving one market segment with unique demand characteristics.

ANS: T

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

35. Researchers agree that the interpretive approach is the best approach to study consumer behavior.

ANS: F

Consumer researchers have many tools and approaches with which to study consumer behavior, and researchers don’t always agree on which approach is the best.

TOP: A-head: Different Approaches to Studying Consumer Behavior

36. Interpretive research seeks to explain the inner meanings associated with specific consumption experiences.

ANS: T

| DISC: Research

TOP: A-head: Different Approaches to Studying Consumer Behavior

37. The phenomenological researcher relies on experimentation to establish causal relationships in the area of consumer behavior.

ANS: F

The phenomenological research relies on casual interviews.

TOP: A-head: Different Approaches to Studying Consumer Behavior

38. Qualitative research tools gather data in a highly structured way.

ANS: F

Qualitative research tools include things such as case analyses, clinical interviews, focus group interviews, and other tools in which data are gathered in a relatively unstructured way.

TOP: A-head: Different Approaches to Studying Consumer Behavior

39. Data generated from qualitative research are considered researcher independent.

ANS: F

Data generated from qualitative research are considered researcher dependent.

TOP: A-head: Different Approaches to Studying Consumer Behavior

40. Two common interpretative orientations are psychology and sociology.

ANS: F

Two common interpretative orientations are phenomenology and ethnography.

TOP: A-head: Different Approaches to Studying Consumer Behavior

41. An ethnographic approach to studying consumer behavior often involves analyzing the artifacts associated with consumption.

ANS: T

TOP: A-head: Different Approaches to Studying Consumer Behavior

42. Netnography applies ethnographic tools to study the behavior of online cultures and communities.

ANS: T

TOP: A-head: Different Approaches to Studying Consumer Behavior

43. A researcher measuring consumers’ attitudes toward different brands on a scale ranging from 1 (very negative) to 5 (very positive) is using qualitative research.

ANS: F

Quantitative research uses numerical measurement and analysis tools.

TOP: A-head: Different Approaches to Studying Consumer Behavior

44. Interpretation of quantitative research data is a function of the researcher’s opinion.

ANS: F

Unlike qualitative data, quantitative data are not researcher dependent, that is, the interpretation of the data is not a matter of opinion.

TOP: A-head: Different Approaches to Studying Consumer Behavior

45. Interpretive research better enables researchers to test hypotheses as compared to quantitative research.

ANS: F

Quantitative research better enables researchers to test hypotheses as compared to interpretive research.

TOP: A-head: Different Approaches to Studying Consumer Behavior

46. Quantitative research is more likely to stand on its own and does not require deep interpretation.

ANS: T

TOP: A-head: Different Approaches to Studying Consumer Behavior

47. Companies must deal only with geographical distances when operating in different countries.

ANS: F

Companies must deal with cultural distances as well.

STA:

TOP: A-head: Consumer Behavior is Dynamic

48. The Internet has made geographical distance almost a non-issue.

ANS: T

NAT: BUSPROG: Technology STA:

TOP: A-head: Consumer Behavior is Dynamic

49. Changing demographics have no impact on consumer behavior.

ANS: F

Notable demographic trends have shaped consumer behavior patterns greatly.

TOP: A-head: Consumer Behavior is Dynamic

50. One demographic trend shaping consumer behavior is the decreasing birth rates in the U.S. and Europe.

ANS: T

TOP: A-head: Consumer Behavior is Dynamic

**MULTIPLE CHOICE**

1. From which of the following pairs of perspectives can consumer behavior be defined?

|  |  |
| --- | --- |
| a. | Primary and secondary |
| b. | Human thought and behavior, and as a field of study |
| c. | Social and psychological |
| d. | Inputs and outcomes |
| e. | Needs and wants |

ANS: B

2. A market researcher focuses on the psychological process, including thoughts, feelings, and behavior that people experience once they realize that they have an unmet need. The human behavior that constitutes this set of value-seeking activities that the researcher is examining is best described as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | opportunistic behavior |
| b. | consumer behavior |
| c. | cognitive psychology |
| d. | social interaction |
| e. | deviant behavior |

ANS: B

3. The first step in the basic consumption process is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | cost and benefit analysis |
| b. | purchase decision |
| c. | value assessment |
| d. | want specification |
| e. | need realization |

ANS: E

4. What is the last step in the basic consumption process?

|  |  |
| --- | --- |
| a. | Exchange |
| b. | Value perception |
| c. | Need realization |
| d. | Want specification |
| e. | Experience costs and benefits |

ANS: B

5. A(n) \_\_\_\_\_ is a specific desire that spells out a way a consumer can go about addressing a recognized need.

|  |  |
| --- | --- |
| a. | touchpoint |
| b. | exchange |
| c. | want |
| d. | reaction |
| e. | attribute |

ANS: C

6. Renee Samson has been invited to take part in a formal dance programme next month. Though she has a lot of gowns, she decides to go shopping for a new one that she had seen at a sale. The gown is an example of a(n) \_\_\_\_\_ in the basic consumption process.

|  |  |
| --- | --- |
| a. | need |
| b. | want |
| c. | reaction |
| d. | outcome |
| e. | touchpoint |

ANS: B

KEY:

7. The acting out of a decision to give something up in return for something of greater value is known as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | exchange |
| b. | touchpoint |
| c. | differentiation |
| d. | showrooming |
| e. | alternative evaluation |

ANS: A

8. Customers pay money for those products that they believe to be useful in satisfying their needs and wants. This transfer of money for goods or services is best described as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | benefits |
| b. | segmentation |
| c. | transformational marketing |
| d. | exchange |
| e. | cost behavior analysis |

ANS: D

9. \_\_\_\_\_ can be thought of as negative results of consumption.

|  |  |
| --- | --- |
| a. | Wants |
| b. | Exchanges |
| c. | Costs |
| d. | Benefits |
| e. | Stimuli |

ANS: C

10. Dana and John are expecting their first child and therefore decide to furnish their baby’s nursery. They browse over the Internet, read parents’ magazines, look out for advertisements, and visit child-care stores to purchase reasonable and good quality furniture. Their effort to ensure they make the right purchase decisions can be described as a \_\_\_\_\_ associated with the consumption process.

|  |  |
| --- | --- |
| a. | cost |
| b. | reaction |
| c. | value outcome |
| d. | touchpoint |
| e. | satisfier |

ANS: A

KEY:

11. Positive outcomes of consumption are referred to as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | motivators |
| b. | hygiene factors |
| c. | benefits |
| d. | exchanges |
| e. | costs |

ANS: C

12. \_\_\_\_\_ represents the process by which goods, services or ideas are used and transformed into value.

|  |  |
| --- | --- |
| a. | Value transfer |
| b. | Cost conversion |
| c. | Benefits conversion |
| d. | Consumption |
| e. | Utilization analysis |

ANS: D

13. Apple sold more than 7 million iPads within months of launching the product. Prices for this product ranged from $499 to more than $800, and Apple had difficulty keeping up with the demand. Obviously, the \_\_\_\_\_ outweighed the \_\_\_\_\_ for this product.

|  |  |
| --- | --- |
| a. | satisfaction; demand |
| b. | need; want |
| c. | consumption; need |
| d. | costs; benefits |
| e. | supply; demand |

ANS: D

KEY:

14. When consumers recognize they have an unmet need, they usually seek out specific products or services that they believe will satisfy that need and provide value to them. They are willing to give up something, such as money and effort, to find the products or services that will provide the benefits they seek. This process that consumers go through to satisfy their needs is best described as the \_\_\_\_\_ process.

|  |  |
| --- | --- |
| a. | branding |
| b. | consumption |
| c. | exchange |
| d. | positioning |
| e. | advertising |

ANS: B

15. Which of the following statements is true of consumer behavior as a field of study?

|  |  |
| --- | --- |
| a. | Consumer behavior traces its roots back to the 1700s when the first book in this field was published. |
| b. | Consumer behavior shares strong interdisciplianry connections with economics, psychology, and marketing. |
| c. | Consumer behavior excludes from its purview the influence of human sciences like psychology and sociology to maintain its scientific nature. |
| d. | Consumer behavior allows little scope for conducting original research. |
| e. | Consumer behavior uses quantitative research methods like experimentation and correlation exclusively. |

ANS: B

16. Which discipline is often defined as the study of production and consumption?

|  |  |
| --- | --- |
| a. | Philosophy |
| b. | Psychology |
| c. | Economics |
| d. | Management |
| e. | Anthropology |

ANS: C

17. Juan Chavez is majoring in a discipline that examines the production and consumption of goods and services. Which of the following best describes Juan’s major?

|  |  |
| --- | --- |
| a. | Economics |
| b. | Accounting |
| c. | Anthropology |
| d. | Psychology |
| e. | Production management |

ANS: A

NAT: BUSPROG: Reflective Thinking | BUSPROG: Analytic

18. Which of the following disciplines studies human reactions to their environment?

|  |  |
| --- | --- |
| a. | Marketing |
| b. | Economics |
| c. | Psychology |
| d. | Anthropology |
| e. | Operations management |

ANS: C

19. Marian Carter takes an aptitude test offered by the career services department at her school to decide on a particular discipline for her majors. The results indicate that she fared better in topics related to human reactions to their environment, human thoughts, feelings, and behaviors. Which of the following disciplines should Marian pursue?

|  |  |
| --- | --- |
| a. | Accounting |
| b. | Economics |
| c. | Anthropology |
| d. | Psychology |
| e. | Biology |

ANS: D DIF: Difficulty: Challenging

NAT: BUSPROG: Reflective Thinking | BUSPROG: Analytic

20. Social psychologists focus on the \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | intricacies of mental reactions involved in information processing |
| b. | production and consumption of goods and services |
| c. | value-producing activities that facilitate exchanges between buyers and sellers |
| d. | relationships between people and their possessions |
| e. | thoughts, feelings and behaviors that people have as they interact with other people |

ANS: E

NAT: BUSPROG: Reflective Thinking | BUSPROG: Analytic

21. John Cameron is a psychologist and he analyzes the thoughts, feeling and behaviors that people have as they interact with other people in groups. John is a \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | evolutionary psychologist |
| b. | forensic psychologist |
| c. | quantitative psychologist |
| d. | cognitive psychologist |
| e. | social psychologist |

ANS: E

NAT: BUSPROG: Reflective Thinking | BUSPROG: Analytic

22. Marie Johns is a psychologist who studies consumer behavior. She specializes in the mental reactions involved in consumer information processing, such as how advertisements persuade consumers to buy a product. Which field of psychology is Marie practicing?

|  |  |
| --- | --- |
| a. | Forensic psychology |
| b. | Evolutionary psychology |
| c. | Quantitative psychology |
| d. | Cognitive psychology |
| e. | Social psychology |

ANS: D

KEY:

23. \_\_\_\_\_ involves the multitude of value-producing seller activities that facilitate exchanges between buyers and sellers.

|  |  |
| --- | --- |
| a. | Operations management |
| b. | Sociology |
| c. | Marketing |
| d. | Psychology |
| e. | Economics |

ANS: C

24. Cognitive psychology differs from social psychology in that cognitive psychology:

|  |  |
| --- | --- |
| a. | focuses on the thoughts, feelings, and behaviors that people have as they interact with other people. |
| b. | focuses exclusively on group interactions and group behavior. |
| c. | applies psychological principles and research methods to the work place in the interest of improving productivity and the quality of work life. |
| d. | deals with the intricacies of mental reactions involved in information processing. |
| e. | focuses on the psychological development of the human being that takes place throughout life. |

ANS: D

25. Karen Suthers, an academician and researcher, works primarily in the area of group interactions within a society. The discipline that most closely corresponds to this study is \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | economics |
| b. | sociology |
| c. | philosophy |
| d. | cognitive psychology |
| e. | operations mangement |

ANS: B

KEY:

26. Which discipline has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate?

|  |  |
| --- | --- |
| a. | Economics |
| b. | Sociology |
| c. | Anthropology |
| d. | Cognitive psychology |
| e. | Operations management |

ANS: C

27. Organizations must consider the competitiveness of the marketing environment and the \_\_\_\_\_, when they try to understand the importance of serving customers well.

|  |  |
| --- | --- |
| a. | price charged for the product or service |
| b. | income level of customers |
| c. | social impact of the product or service |
| d. | dependency of the marketer on repeat business |
| e. | objectives of the marketer |

ANS: D

TOP: A-head: The Ways in Which Consumers are Treated

28. Kim Mathews, a retired school teacher, recently relocated to her old neighborhood. She called the trash collection company of her new neighborhood to enter her address but was dismayed to learn that they charged an extra $10 compared to the other companies in other areas. She complained to the company manager but was told that she had to either pay the bill or dispose the trash on her own. Kim had no other option but to pay the bill. Which of the following is the reason why Kim was treated so poorly by the company?

|  |  |
| --- | --- |
| a. | The trash company was dependent on her repeat business. |
| b. | The trash company had no other competitors providing this service. |
| c. | It was a regulated service funded by the city’s authorities. |
| d. | The trash company didn’t want to serve retired individuals. |
| e. | The trash company served only the higher-income households. |

ANS: B DIF: Difficulty: Challenging

TOP: A-head: The Ways in Which Consumers are Treated KEY:

29. Which orientation refers to a way of doing business in which the actions and decision making of the institution prioritize consumer value and satisfaction above all other concerns?

|  |  |
| --- | --- |
| a. | Product orientation |
| b. | Production orientation |
| c. | Consumer orientation |
| d. | Sales orientation |
| e. | Benefit orientation |

ANS: C

STA:

TOP: A-head: The Ways in Which Consumers are Treated

30. A \_\_\_\_\_ orientation apart from understanding customers, stresses the need to monitor and understand competitor actions in the marketplace and the need to communicate information about customers and competitors throughout the organization.

|  |  |
| --- | --- |
| a. | consumer |
| b. | product |
| c. | production |
| d. | market |
| e. | stakeholder |

ANS: D

STA: | DISC: Customer

TOP: A-head: The Ways in Which Consumers are Treated

31. A popular hotel in New Jersey has a culture that requires all employees to focus on creating value for guests. One way this is implemented is by giving the front desk employees the authority to rectify a problem presented by a guest without requesting for approval from managers. Which type of orientation does his company embrace?

|  |  |
| --- | --- |
| a. | Customer orientation |
| b. | Profit orientation |
| c. | Production orientation |
| d. | Sales orientation |
| e. | Technical orientation |

ANS: A

STA:

TOP: A-head: The Ways in Which Consumers are Treated KEY:

32. Which of the following is based on the belief that firm performance is enhanced through repeat business?

|  |  |
| --- | --- |
| a. | Cause marketing |
| b. | Transaction marketing |
| c. | Internal marketing |
| d. | Test marketing |
| e. | Relationship marketing |

ANS: E

STA:

TOP: A-head: The Ways in Which Consumers are Treated

33. \_\_\_\_\_ refer to direct contacts between the firm and a customer.

|  |  |
| --- | --- |
| a. | Touchpoints |
| b. | Intersections |
| c. | Target segments |
| d. | Exchanges |
| e. | Counterpoints |

ANS: A

TOP: A-head: The Ways in Which Consumers are Treated

34. In which of the following situations is there an indirect contact between a firm and a customer?

|  |  |
| --- | --- |
| a. | A consumer placing an order over the telephone |
| b. | A customer asking an attendant for directions at an amusement park |
| c. | A consumer replying to a request sent in an email by a company |
| d. | A consumer watching a television commercial |
| e. | A guest checking into a hotel |

ANS: D

TOP: A-head: The Ways in Which Consumers are Treated KEY:

35. Consumer orientation primarily emphasizes:

|  |  |
| --- | --- |
| a. | the need to monitor and understand competitor actions in the marketplace and organization. |
| b. | the need for secondary stakeholders in the company’s functioning. |
| c. | the need for consumer value and satisfaction above all other parameters of success. |
| d. | the need to communicate information about customers and competitors throughout the organization as the key to success. |
| e. | the need to consider the company’s bottomline over its customer base. |

ANS: C

STA:

TOP: A-head: The Ways in Which Consumers are Treated

36. Which of the following is a category of secondary stakeholders?

|  |  |
| --- | --- |
| a. | Customers |
| b. | Managers |
| c. | Mass media |
| d. | Suppliers |
| e. | Regulating agencies |

ANS: C

STA:

TOP: A-head: The Ways in Which Consumers are Treated

37. Which of the following is true of the stakeholder marketing orientation?

|  |  |
| --- | --- |
| a. | Firms with this type of orientation recognize that more than just the buyer and seller are involved in the marketing process. |
| b. | It is a way of doing business in which the actions and decision making of the institution prioritize consumer value and satisfaction above all other concerns. |
| c. | It is an organizational culture that embodies the importance of creating value for customers among all employees. |
| d. | It stresses solely on the need to monitor and understand competitor actions in the marketplace and the need to communicate information about competitors throughout the organization. |
| e. | In this type of orientation, innovation is geared primarily toward making the production process as efficient and economic as possible. |

ANS: A

STA:

TOP: A-head: The Ways in Which Consumers are Treated

38. Obtaining resources from consumers in return for the value they create is a basic tenet of the \_\_\_\_\_, which is a theory explaining why companies succeed or fail.

|  |  |
| --- | --- |
| a. | cognitive resource theory |
| b. | resource-advantage theory |
| c. | need hierarchy theory |
| d. | resource curse theory |
| e. | resource-elaboration theory |

ANS: B

TOP: A-head: The CB Field's Role in Business, Society and Consumers

39. The physical parts of a product are known as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | benefits |
| b. | elements |
| c. | attributes |
| d. | resources |
| e. | components |

ANS: C

STA: DISC: Product

TOP: A-head: The CB Field's Role in Business, Society and Consumers

40. According to Theodore Levitt, marketing researchers should ideally focus on \_\_\_\_\_ when promoting a product.

|  |  |
| --- | --- |
| a. | the physical parts of the product |
| b. | the features of the product |
| c. | the benefits arising from the product |
| d. | the profits from the sale of the product |
| e. | the inputs required to manufacture the product |

ANS: C

STA: DISC: Product

TOP: A-head: The CB Field's Role in Business, Society and Consumers

41. A product is defined as \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | a potentially valuable bundle of benefits |
| b. | the physical effort required in the purchase |
| c. | the attributes of an item a customer buys |
| d. | the resource allocated toward satisfying a felt need |
| e. | the cost associated with buying the physical parts of a product |

ANS: A

STA: DISC: Product

TOP: A-head: The CB Field's Role in Business, Society and Consumers

42. Walmart’s supply chain is as efficient and as economic as possible, which allows it to offer lower prices than competing retailers. With only a few exceptions, Walmart offers the same basic products in all of its stores, worldwide. What orientation does this illustrate?

|  |  |
| --- | --- |
| a. | Market orientation |
| b. | Customer orientation |
| c. | Production orientation |
| d. | Segmentation |
| e. | Differentiation |

ANS: C

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

43. Which type of business orientation offers the same basic product to all customers?

|  |  |
| --- | --- |
| a. | Undifferentiated marketing |
| b. | Differentiated marketing |
| c. | Niche marketing |
| d. | Ambush marketing |
| e. | One-to-one marketing |

ANS: A

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

44. A company embracing differentiated marketing will \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | offer the same basic product to all market segments |
| b. | adopt innovative production processes to gain efficiency and economies of scale |
| c. | specialize in serving segments in which consumers do not have specific desires |
| d. | focus marketing efforts on serving very large market segments |
| e. | serve multiple market segments each with a unique product offering |

ANS: E

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

45. Procter & Gamble sells six different brands of laundry detergent, each with a unique offering for different market segments. Which business orientation does this illustrate?

|  |  |
| --- | --- |
| a. | Undifferentiated marketing |
| b. | Differentiated marketing |
| c. | Direct marketing |
| d. | Ambush marketing |
| e. | Viral marketing |

ANS: B

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

46. Some marketers offer each individual customer a different product, so each customer is essentially treated as a segment of one. Which way of doing business does this represent?

|  |  |
| --- | --- |
| a. | Undifferentiated marketing |
| b. | Direct marketing |
| c. | Ambush marketing |
| d. | One-to-one marketing |
| e. | Niche marketing |

ANS: D

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

47. Lane Bryant is a women’s clothing store specializing in stylish clothing and flattering fits for plus-size women. Which business orientation best describes Lane Bryant’s approach?

|  |  |
| --- | --- |
| a. | Niche marketing |
| b. | One-to-one marketing |
| c. | Mass marketing |
| d. | Ambush marketing |
| e. | Undifferentiated marketing |

ANS: A

STA:

TOP: A-head: The CB Field's Role in Business, Society and Consumers

48. Niche marketing differs from one-to-one marketing in that niche marketing:

|  |  |
| --- | --- |
| a. | offers a unique product to each individual customer. |
| b. | treats each customer as a segment of one. |
| c. | offers the same basic product to all customers. |
| d. | focuses on serving very large segments in which consumers do not have specific desires. |
| e. | serves one market segment with particularly unique demand characteristics. |

ANS: E

TOP: A-head: The CB Field's Role in Business, Society and Consumers

49. In which research approach to understanding consumer behavior, do researchers derive meaning from talking to people and observing behavior rather than analyzing data?

|  |  |
| --- | --- |
| a. | Interpretive research |
| b. | Quantitative research |
| c. | Archival research |
| d. | Metanalytic research |
| e. | Grounded theory research |

ANS: A

TOP: A-head: Different Approaches to Studying Consumer Behavior

50. Kayla Smith is engaged in research that seeks to explain inner meanings and motivations associated with customers’ purchase of clothing. She records customers’ words and observes their interactions as they shop. From her observations, she develops an understanding of what motivates shoppers. What type of research is Kayla performing?

|  |  |
| --- | --- |
| a. | Quantitative research |
| b. | Interpretive research |
| c. | Grounded theory research |
| d. | Clinical research |
| e. | Archival research |

ANS: B

TOP: A-head: Different Approaches to Studying Consumer Behavior

51. The research results are said to be researcher dependent when:

|  |  |
| --- | --- |
| a. | the design of the research is a function of the researcher’s skills and training. |
| b. | the research results are generalizable to other research situations. |
| c. | an unstructured research design was used and the results cannot be replicated by other researchers. |
| d. | the results are only significant if the researcher validates them. |
| e. | the interpretation of the results is a matter of the researcher’s opinion until corroborate by other findings. |

ANS: E

TOP: A-head: Different Approaches to Studying Consumer Behavior

52. Which type of research includes tools such as case analyses, clinical interviews, focus group interviews, and other tools in which data are gathered in a relatively unstructured way?

|  |  |
| --- | --- |
| a. | Quantitative research |
| b. | Qualitative research |
| c. | Survey research |
| d. | Unobtrusive research |
| e. | Secondary research |

ANS: B

TOP: A-head: Different Approaches to Studying Consumer Behavior

53. Two common interpretive research orientations are \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | regression and cluster analysis |
| b. | psychology and sociology |
| c. | phenomenology and ethnography |
| d. | primary and secondary |
| e. | qualitative and quantitative |

ANS: C

TOP: A-head: Different Approaches to Studying Consumer Behavior

54. \_\_\_\_\_ represents the study of consumption as a “lived experience” and relies on casual interviews with consumers from whom the researcher has won confidence and trust.

|  |  |
| --- | --- |
| a. | Unobtrusive research |
| b. | Archival research |
| c. | Ethnography |
| d. | Phenomenology |
| e. | Netnography |

ANS: D

TOP: A-head: Different Approaches to Studying Consumer Behavior

55. \_\_\_\_\_ has roots in anthropology and involves analyzing the artifacts associated with consumption.

|  |  |
| --- | --- |
| a. | Factor analysis |
| b. | Phenomenology |
| c. | Ethnography |
| d. | Action research |
| e. | Epidemiology |

ANS: C

TOP: A-head: Different Approaches to Studying Consumer Behavior

56. Clark Mathews is a college student and has been hired by a consumer research firm to help a pizza restaurant learn more about the college market. Part of his job entails hanging out with other students and observing how they decide when to order pizza, which pizza restaurants they order from, how they eat it, and what they do with the leftovers, if any. Clark learned from his observations that some students like to put French dressing on their pizza, which led the pizza restaurant to advertise and offer the dressing with orders. Which interpretive orientation does this best illustrate?

|  |  |
| --- | --- |
| a. | Ethnography |
| b. | Quantitative research |
| c. | Correlation |
| d. | Experimentation |
| e. | Surveys |

ANS: A

TOP: A-head: Different Approaches to Studying Consumer Behavior

57. A consumer research study analyzes the factors, such as age, income, and stage of family life cycle, predicting a consumer’s likelihood to purchase a 3-D television. Data were collected from 3,000 consumers using a structured questionnaire. Which type of research does this represent?

|  |  |
| --- | --- |
| a. | Qualitative |
| b. | Interpretive |
| c. | Quantitative |
| d. | Ethnographic |
| e. | Phenomenological |

ANS: C

TOP: A-head: Different Approaches to Studying Consumer Behavior

58. \_\_\_\_\_ research addresses questions about consumer behavior using numerical measurement and analysis tools.

|  |  |
| --- | --- |
| a. | Quantitative |
| b. | Qualitative |
| c. | Interpretive |
| d. | Ethnographic |
| e. | Historical |

ANS: A

TOP: A-head: Different Approaches to Studying Consumer Behavior

59. Netnography:

|  |  |
| --- | --- |
| a. | studies the evolution of human beings. |
| b. | studies different kinds of computer software. |
| c. | studies human material remains. |
| d. | studies the growth of information technology. |
| e. | studies the behavior of online cultures and communities. |

ANS: E

TOP: A-head: Different Approaches to Studying Consumer Behavior

60. Which of the following is a quantitative research tool?

|  |  |
| --- | --- |
| a. | Case study |
| b. | Focus group interview |
| c. | Clinical interview |
| d. | Participatory action research |
| e. | Surveys |

ANS: E

TOP: A-head: Different Approaches to Studying Consumer Behavior

61. What is the difference between qualitative and quantitative research?

|  |  |
| --- | --- |
| a. | Qualitative research better enables researchers to test hypothesis as compared to quantitative research. |
| b. | Quantitative research gathers data in an unstructured way, while qualitative research gathers data in a structured way. |
| c. | Qualitative research data is researcher dependent, while quantitative research data is not. |
| d. | Quantitative research data is unstructured and ambiguous, while qualitative research exemplifies scientific and objective research. |
| e. | Quantitative research requires deep interpretation, but qualitative research does not. |

ANS: C

TOP: A-head: Different Approaches to Studying Consumer Behavior

62. Berne Retail plans to introduce new private-label brands for beverages. The marketing team will undertake a survey to obtain feedback on these brands through a test marketing exercise. The data collected in this research study will be collated in terms of frequencies and subjected to statistical analysis to determine the brands that earned the most. The best-performing new brands will be then chosen for a full-scale rollout. This scenario illustrates an instance of \_\_\_\_\_.

|  |  |
| --- | --- |
| a. | quantitative research |
| b. | metanalytic reserach |
| c. | grounded theory reserach |
| d. | archival research |
| e. | qualitative research |

ANS: A

TOP: A-head: Different Approaches to Studying Consumer Behavior

63. Which of the following is an economic trend shaping the value received by consumers today?

|  |  |
| --- | --- |
| a. | Internationalization |
| b. | Online shopping |
| c. | Decrease in family size |
| d. | Advent of private-label brands |
| e. | Widespread use of Facebook |

ANS: D

TOP: A-head: Consumer Behavior is Dynamic

64. Which of the following is a demographic trend shaping consumer behavior patterns?

|  |  |
| --- | --- |
| a. | Increasing family size |
| b. | Increasing households having two primary income providers |
| c. | Increasing birthrates in the U.S. and Europe |
| d. | Lower levels of consumer affluence in the U.S. |
| e. | Decreasing life expectancy in the U.S. |

ANS: B

TOP: A-head: Consumer Behavior is Dynamic

**RESTAURANT RESEARCH SCENARIO**

Insight Research, a marketing research company, has been hired by a national chain of family restaurants to help them better understand their customers and their preferences. The restaurant chain has several competitors competing for the same customer segments and has experienced sales declines in the past few years. Researchers go “under cover” and pretend to be customers so that they will fit in while they observe the interactions between customers and the wait staff. Subsequently, they write a report of their interpretations of what they experienced personally while pretending to be a customer. They also add in details of what they saw regarding interactions of other customers with each other and with the employees of the restaurant. Some conclusions drawn were that the employees were not especially attentive to the customers and that customers were overheard saying they didn’t intend to return. Some researchers also noted that the food was not very good and they saw several customers return orders.

65. Refer to Restaurant Research Scenario. Which of the following is the best reason why this restaurant chain should be concerned about customer satisfaction?

|  |  |
| --- | --- |
| a. | Because all restaurants should be concerned about customer satisfaction |
| b. | Because treating customers well is the concern of all businesses |
| c. | Because the marketplace is competitive and the restaurant is dependent on repeat business |
| d. | Because serving customers well is a part of the training module for the new employees at the restaurant |
| e. | Because performance incentives are closely tied to customer satisfaction in this chain of restaurants |

ANS: C DIF: Difficulty: Challenging

STA:

TOP: A-head: The Ways in Which Consumers are Treated KEY:

66. Refer to Restaurant Research Scenario. What are the interactions between the customers and the wait staff called?

|  |  |
| --- | --- |
| a. | Attributes |
| b. | Interactions |
| c. | Process nodes |
| d. | Touchpoints |
| e. | Intersections |

ANS: D

TOP: A-head: The Ways in Which Consumers are Treated KEY:

67. Refer to Restaurant Research Scenario. Which of the following can be a criticism of the research approach used by Insight Research?

|  |  |
| --- | --- |
| a. | It does not providing useful information to the restaurant. |
| b. | The results are objective. |
| c. | The results are researcher dependent. |
| d. | The presence of the researcher could have influenced the actions of consumers. |
| e. | Interpretive research is not an acceptable approach for understanding consumer behavior. |

ANS: C DIF: Difficulty: Challenging

TOP: A-head: Different Approaches to Studying Consumer Behavior

68. Refer to Restaurant Research Scenario. Which research approach is Insight Research using to better understand this restaurant’s customers?

|  |  |
| --- | --- |
| a. | Quantitative research |
| b. | Survey research |
| c. | Secondary research |
| d. | Online research |
| e. | Qualitative research |

ANS: E

TOP: A-head: Different Approaches to Studying Consumer Behavior

69. Refer to Restaurant Research Scenario. Which of the following demographic trends would result in the restaurant experiencing an increase in sales?

|  |  |
| --- | --- |
| a. | Rise in households with stay-at-home moms |
| b. | Rise in households with two primary income providers |
| c. | Decreasing birth rates |
| d. | Increasing unemployment rate |
| e. | Advances in technology |

ANS: B DIF: Difficulty: Challenging

TOP: A-head: Consumer Behavior is Dynamic KEY:

**ESSAY**

1. Compare and contrast the concepts consumption and consumer behavior.

ANS:

Consumption represents the process by which goods, services, or ideas are used and transformed into value. It is a value producing process in which the marketer and the consumer interact to produce value.

Consumer behavior can be defined from two different perspectives. They are:

1. Human thought and action involved in consumption, and

2. A field of study (human inquiry) that is developing an accumulated body of knowledge.

Consumer behavior is the set of value-seeking activities that take place as people go about addressing realized needs. And, consumer behavior as a field of study represents the study of consumers as they go about the consumption process.

2. Discuss the relevant contributions of one other discipline to the study of consumer behavior.

ANS:

Consumer behavior has roots in several other disciplines, such as economics, psychology (social psychology and cognitive psychology), marketing, sociology, and anthropology. Students can discuss any one of these.

**Economics** - the study of production and consumption. Marketing has its origins in economics, particularly with respect to the production and distribution of goods. By definition, economics also involves consumption. However, the economist’s focus on consumer behavior is generally a broad, or macro perspective. Consumer behavior researchers generally study consumer behavior at a more micro level, often focusing on individual consumer behavior.

**Psychology** - the study of human reactions to their environment. Social psychology (group behavior) and cognitive psychology (mental reactions), in particular, are highly relevant to consumer behavior. Consumer behavior most often takes place in some type of social settings; thus, social psychology and consumer behavior overlap significantly. Every time a consumer evaluates a product, sees an advertisement, or reacts to product consumption, information is processed. Thus, cognitive psychology is also very relevant to consumer behavior.

**Marketing** - involves the multitude of value-producing seller activities that facilitate exchanges between buyers and sellers. Consumer behavior and marketing are very closely related. Exchange is intimately involved in marketing and is central to consumer behavior too. Marketing actions are targeted at and affect consumers while consumer actions affect marketers.

**Sociology** - focuses on the study of groups of people within a society. This has relevance for consumer behavior because consumption often takes place within group settings or is in one way or another affected by group behavior.

**Anthropology** - has contributed to consumer behavior research by allowing researchers to interpret the relationships between consumers and the things they purchase, the products they own, and the activities in which they participate.

3. Explain why consumers get treated differently in different types of exchange environments.

ANS:

Two questions help explain how important serving customers well should be to any given organization:

1. How competitive is the marketing environment?

2. How dependent is the marketer on repeat business?

A business operating in a market with little or no competition and a captive audience can still survive no matter how poor the service because they know consumers will return to do more business if that is the only option available (e.g., driver’s license bureau). On the other hand, a business operating in a highly competitive marketplace in which consumers have many alternatives practically insures good customer service.

TOP: A-head: The Ways in Which Consumers are Treated

4. How will a company with a consumer orientation differ from a company with a stakeholder orientation?

ANS:

Students’ answers will vary. There are three types of firm orientations. They are consumer, market and stakeholder orientations. Consumer (customer) orientation prioritizes consumer value and satisfaction above all other concerns. Firms with a consumer orientation may be more likely to focus on the consumer to the exclusion of all the other parties involved in the process. Under the stakeholder orientation, firms recognize that more than just the buyer and seller are involved in the marketing process. The primary stakeholders of a firm include customers, employees, owners (or shareholders), suppliers and regulating agencies and secondary stakeholders that include the mass media and trade organizations. This orientation recognizes that all stakeholders are involved in and/or are affected by the firm’s marketing in some way. Firms with a stakeholder orientation might pay more attention to the welfare of thier employees and other publics. They are likely to emphasize ethical relationships with their suppliers and distributors and pay attention to the social and environmental impact of their operations.

STA:

TOP: A-head: The Ways in Which Consumers are Treated

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5. Explain the role of consumer behavior in business and society.

ANS:

Consumer behavior (CB) is important in at least three ways:

1. CB provides an input to business/marketing strategy.

2. CB provides a force that shapes society.

3. CB provides an input to making responsible decisions as a consumer.

Consumer behavior influences the way a company will do business. Undifferentiated marketing means that the same basic product is offered to all customers. Differentiated marketers serve multiple market segments each with a unique product offering. Niche marketing is practiced by firms that specialize in serving one market segment with particularly unique demand characteristics. Understanding customers and potential customers guides marketers to the appropriate way of doing business for a given situation.

The things that people buy and consume end up determining the type of society in which we live. Things like customs, manners, and rituals all involve consumption-value producing activities. Therefore, our collective choices as consumers shape the societies in which we live.

Finally, when consumers study consumer behavior, they should come to make better decisions. Several topics can be particularly helpful in enlightening consumers including:

1. Consequences associated with poor budget allocation.

2. The role of emotions in consumer decision making.

3. Avenues for seeking redress for unsatisfactory purchases.

4. Social influences on decision making, including peer pressure.

5. The effect of the environment on consumer behavior.

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TOP: A-head: The CB Field's Role in Business, Society and Consumers

6. Describe the two basic approaches for studying consumer behavior. Give examples of the different situations for which each type is better suited.

ANS:

Student’s answers will vary. Qualitative researchtools include things such as case analyses, clinical interviews, focus group interviews and other tools in which data are gathered in a relatively unstructured way. Data of this type requires that the researcher interprets its meaning. Therefore, the data are considered “researcher-dependent.” Interpretive research, which seeks to explain the inner meanings and motivations associated with specific consumption experiences, falls into the category of qualitative research. Two common interpretive orientations are phenomenology and ethnography.

Quantitative research addresses questions about consumer behavior using numerical measurement and analysis tools. The measurement is usually structured, meaning that the consumer will simply choose a response from among alternatives supplied by the researcher. Unlike qualitative research, the data are not researcher dependent. This type of research better enables researchers to test hypotheses as compared to interpretive research. Quantitative research is more likely to stand on its own and not require deep interpretation.

TOP: A-head: Different Approaches to Studying Consumer Behavior

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7. Describe the two common interpretative orientations in the study of consumer behavior.

ANS:

The two common interpretative orientations are phenomenology and ethnography. Phenomenology represents the study of consumption as a “lived experience.” The phenomenological researcher relies on casual interviews with consumers with whom the researcher has won confidence and trust. This may be supplemented with various other ways that the consumer can tell a story. Ethnography has roots in anthropology and often involves analyzing the artifacts associated with consumption. An ethnographer may decide to go through trash or ask to see the inside of a consumer’s refrigerator in an effort to learn about the consumer.

TOP: A-head: Different Approaches to Studying Consumer Behavior

8. Briefly discuss the recent trends shaping consumer behavior.

ANS:

Some of the trends that are shaping the value received by consumers today are: (1) internationalization, (2) technological changes, (3) changing communications, (4) changing demographics, (5) changing economy.

**Internationalization** - While businesses are expanding worldwide, companies must deal not only with geographical distances, but with cultural distances as well. The international focus of today’s modern company places a greater demand on consumer behavior research. Every culture’s people will interpret products and behaviors differently. The meanings these consumers perceive will determine the success or failure of the product being offered.

**Technology** - The Internet has made geographical distance almost a non-issue, consumers can shop on his or her own schedule, and communication technology has also advanced tremendously.

**Communications** - Technology is changing how consumers communicate with each other. Electronic communications are replacing face-to-face communications, with older consumers embracing email and younger ones relying on social media.

**Demographics** - In most of the western world, notable demographic trends have shaped consumer behavior patterns greatly. First, households increasingly include two primary income providers. Second, family size is decreasing throughout the U.S. and Europe. China and India offer opportunities due to their large populations.

**Economy** - High unemployment rate and financial market turmoil have led consumers to be more cautious and react favorably to price-cutting policies. Consumers perceive lower discretionary income.

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TOP: A-head: Consumer Behavior is Dynamic