

## SAMPLE MIDTERM

### Part I: Multiple Choice

1. Focus groups are well suited for:
  - a. Finding out what kinds of issues to be explored in more detail.
  - b. Finding out relatively specific information, such as how much consumers are willing to pay for a product.
  - c. Exploring consumer reactions to new products.
  - d. Both (a) and (b).
  - e. Both (a) and (c).
  
2. In general, two-sided arguments:
  - a. Seem to be more effective than one-sided ones.
  - b. Tend to be effective for tangible products, but not for services.
  - c. Should not be used in comparative advertising.
  - d. Both (a) and (c).
  - e. All of the above.
  
3. It makes sense to regard marketing research as:
  - a. A relatively unwise use of money.
  - b. An investment.
  - c. A way to ensure that the product will succeed in the market.
  - d. A step that is best postponed until the product is on the market, since only then will the firm know which questions it faces.
  - e. None of the above.
  
4. The Means-End chain can best be used to:
  - a. Determine how much consumers are willing to pay for a product.
  - b. Explore consumer motivations for purchasing products.
  - c. Increase the amount of attention consumers give to processing advertisements.
  - d. Determine whether research should take the form of a focus group or mail surveys.
  - e. None of the above.

5. (An) advantage(s) of mail surveys, relative to focus groups is/are:
  - a. Relatively high response rates.
  - b. Relatively low cost.
  - c. Relatively quick availability of results.
  - d. Both (a) and (b).
  - e. Both (b) and (c).
  
6. The lowest step of a Means-End chain tends to refer to \_\_\_\_\_, while the higher levels tend to concern \_\_\_\_\_:
  - a. Deeply held individual beliefs; product features.
  - b. Concrete product features (e.g., engine size); cost effectiveness.
  - c. Concrete product features (e.g., engine size); desired outcomes or values.
  - d. Stronger kinds of metal; weaker kinds of metal.
  - e. Metal; plastic.
  
7. In a focus group, the moderator:
  - a. Should try to get as much specific information as possible from respondents.
  - b. Will generally start out with broad questions and gradually move toward the specific product of interest.
  - c. Should talk as much as possible so that he or she can gain credibility by showing his or her expertise.
  - d. Both (a) and (c).
  - e. Both (b) and (c).
  
8. The case of "The Pentagon Declares War on Rush Limbaugh" demonstrated:
  - a. The need for very large sample sizes to make accurate inferences.
  - b. That very misleading survey results are often reported.
  - c. That consumer research frequently cannot effectively address certain important questions.
  - d. Both (a) and (c).
  - e. None of the above.
  
9. Reference groups:
  - a. Consist of people who look up information in encyclopedias.
  - b. Are the people against one compares oneself.
  - c. Come in several different forms.
  - d. Both (b) and (c).
  - e. None of the above.

10. A focus group would be best suited for:
- Finding out how much consumers will pay for an alarm clock.
  - Finding out what kinds of general issues surrounding children's snack consumption that mothers care about.
  - Finding out about illegal drug use.
  - Determining whether consumers would prefer a soft drink containing four percent sugar or one containing ten percent.
  - None of the above.
11. According to the text:
- On the average, the U.S. population is getting older.
  - Although there is a large proportion of older Americans on the East Coast, the average age of Americans has stayed relatively constant during the last fifty years.
  - The most rapidly growing age group in the U.S. is children between ages of 8-14.
  - Immigration has caused the average age in the U.S. to increase significantly.
  - None of the above.
12. The evoked set involves:
- The tendency of television viewers to watch more than one television program at the same time.
  - The variables that most consumers consider in making choices between different brands.
  - The timing of product purchases.
  - The alternatives that are considered by a given consumer in a given product category.
  - None of the above.
13. Maslow's Hierarchy of Needs suggests that:
- Most consumers are self actualized.
  - Consumers today tend to reject convenience products.
  - As people mature, they tend to focus on lower level needs.
  - All of the above.
  - None of the above.
14. The text suggests that although there are great differences within each ethnic group, African-American consumers:
- Tend to spend more money than Caucasian consumers in some product categories.
  - Tend to shop primarily in discount stores.
  - Tend not to be influenced by advertising.
  - All of the above.
  - None of the above.

15. According to the text, derived demand involves
- A demand determined through the application of integral calculus.
  - Use of computer technology to manage production scheduling.
  - The reality that the demand for many industrial goods results from a demand for consumer goods.
  - The use of reciprocity in the selection of industrial suppliers.
  - None of the above.
16. According to the text, trend extrapolation:
- Is a very accurate method of predicting future demand for a product.
  - Is most effective in predicting the spread of discontinuous innovations.
  - Is estimated based on supply and demand curves.
  - Both (b) and (c)
  - None of the above.
17. Secondary data:
- Is most useful for marketing research relating to industrial products.
  - Is usually too expensive to be cost effective.
  - Tends to be readily available to competitors.
  - All of the above.
  - None of the above.
18. The most effective way to stop a charging rhino is to:
- Cancel its credit cards.
19. The main purpose of antitrust law is to:
- Make sure that the public can hold confidence in leaders of companies.
  - Ensure that products are adequately labeled.
  - Maintain fair competition between firms.
  - Regulate the sale of industrial products.
  - None of the above.
20. Under conditions of oligopoly:
- Prices are usually set by the government.
  - One firm has at least 80% of total market share.
  - Firms face pure competition.
  - All of the above.
  - None of the above.

21. The Boston Consulting Group Matrix:
- Suggests that a business is best off by having only business units falling into the "star" category.
  - Classifies business units based on market share and market growth.
  - Suggests that a company must have at least twice as many "dogs" as "stars."
  - Both (a) and (b).
  - Both (a) and (c).
22. A two sided appeal:
- Is based on changing behavior rather than beliefs.
  - Is based on classical conditioning.
  - Requires that at least two arguments be made why the recommended brand is better than competing brands.
  - Both (a) and (b).
  - None of the above.
23. Intel would like to sell video game consoles, manufactured in the United States, in Latin America. For this purpose, the most appropriate measure of consumer wealth in these countries:
- Is nominal income.
  - Is purchasing power parity adjusted income.
  - Depends on whether the product is customized or standardized.
  - Depends on whether the product is durable or non-durable.
  - None of the above.
24. The family life cycle tends to influence:
- The country's economic cycle.
  - The amount of discretionary income that a household has to spend.
  - The types of products purchased.
  - Both (a) and (b).
  - Both (b) and (c).
25. Anti-Boycott laws:
- Make it illegal for American firms to pay bribes abroad.
  - Prohibit U.S. firms from certifying that they do not do business with Israel or Israeli firms.
  - Prohibit the sale of sensitive technology to Libya.
  - Both (a) and (c).
  - None of the above.

26. A firm that wants to sell a product abroad:
- a. Should almost always completely customize the product for each market.
  - b. May need to consider both physical and communications adaptations to a product.
  - c. Should charge the same price in each market.
  - d. All of the above.
  - e. None of the above.
27. The purpose of experimentation is to:
- a. Find out detailed information about consumer attitudes.
  - b. Isolate which variables (e.g., advertising, shelf space) tend to cause results (e.g., unit sales).
  - c. Interpret scanner data.
  - d. Both (b) and (c).
  - e. None of the above.
28. Which of the following types of survey questions can cause problems?
- a. Leading.
  - b. Two questions in one.
  - c. Non-mutually exclusive.
  - d. Both (b) and (c).
  - e. None of the above.
29. Projective techniques are used:
- a. Because they are cheaper to administer than surveys.
  - b. When a respondent may be uncomfortable admitting something about themselves.
  - c. To analyze results of focus groups.
  - d. Both (a) and (c).
  - e. None of the above.
30. Scanner data is used to:
- a. Determine how long a consumer takes to make a decision.
  - b. Assess the effect of factors such as whether a product was on sale and whether the consumer was exposed to an advertisement for the product.
  - c. Assess the impact of demographic variables on sales of a product.
  - d. Both (a) and (b).
  - e. Both (b) and (c).

Part II: Short answer. Using the space provided on the exam, please answer any two of the following three questions.

1. According to the text, what does a social audit involve?

2. Please draw a means-end chain for a diet soda.

3. In attitude change, what are some alternatives to trying to change a consumer's currently held beliefs? Why would one want to consider these alternatives?

**SAMPLE ANSWERS WILL BE POSTED ON THE BLACKBOARD.**