

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 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) configurations.                      B) core values.                      C) physiognomies.                      D) psychographics.

Answer: D

- 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 post purchase issue.                      B) a purchase issue.  
C) merchandising complexity.                      D) a loss leader.

Answer: B

- 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) prepurchase issue.  
C) demographic problem.                      D) post purchase issue.

Answer: D

- 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 consumption process.                      B) the pre-sell strategy.  
C) the strategic focus.                      D) the value.

Answer: A

- 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) brand competition.                      B) consumption community.  
C) marketplace competition.                      D) lifestyle discussion.

Answer: B

- 6) If a product succeeds in satisfying needs and is purchased over and over again, it most likely has attained:  
A) purchase conception.                      B) product separation.  
C) lifestyle variation.                      D) brand loyalty.

Answer: D

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer: True  False

- 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  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 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 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?

- 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, purchase, and post purchase issues.

- 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.

- 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.

- 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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 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) consumer behaviour.
  - C) relationship marketing.
  - D) market research.

Answer: B

- 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) marketing segmentation.
  - B) demographics.
  - C) subculture.
  - D) a typical male Canadian consumer of burgers.

Answer: A

- 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) psychographics.
  - B) demographics.
  - C) physiology.
  - D) personal profiles.

Answer: B

- 17) Which of the following is NOT an example of a demographic variable?
- A) lifestyle
  - B) ethnicity
  - C) geography
  - D) age

Answer: A

- 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) not all 18- to 34-year-old males share the same lifestyle.
  - B) television commercials are not effective for advertising medical insurance.
  - C) she should have also segmented based on ethnicity.
  - D) 18- to 34-year-old males are not interested in medical insurance.

Answer: A

- 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) market segmentation.
  - B) brand loyalty.
  - C) relationship marketing.
  - D) psychographic segmentation.

Answer: C

- 20) Recently marketers have come to realize the value of relationship marketing. In marketing terms, "relationship marketing" means:
- A) instituting practices that show companies' awareness of their responsibilities to the environment and society.
  - B) 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.
  - C) building bonds between brands and customers that will last over time.
  - D) developing friendships with foreign governments so that American products can be sold in their countries at a fair price.

Answer: C

- 21) Tony Roma's restaurant sends regular customers a coupon for a free meal on their birthdays. This is an example of:
- A) a social networking process.
  - B) relationship marketing.
  - C) a company seeking to attract lost clients back to base.
  - D) a loss-leading promotion campaign.

Answer: B

- 22) The collection and analysis of extremely large data sets:
- A) have declined in recent years.
  - B) are called big data.
  - C) do not aid with relationship marketing.
  - D) result in delays in the development of marketing strategies.

Answer: B

- 23) In which relationship type do users see the product as a part of their daily routine?
- A) love
  - B) interdependence
  - C) self-concept attachment
  - D) nostalgic attachment

Answer: B

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer: True  False

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

Answer: True  False

- 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  False

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

Answer:  True  False

- 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  False

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

Answer: True  False

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

Answer:  True  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 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.

- 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.

- 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.

- 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.

- 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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 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) promise.                      B) mean.                      C) look like.                      D) cost.

Answer: B

- 37) While marketers cannot create needs, they:

A) are close to being able to create needs in the next five years.  
B) may affect an environment in which specific needs may be activated.  
C) can always sell to somebody.  
D) control the mass media—almost the same thing.

Answer: B

- 38) Popular culture is both a \_\_\_\_\_ of and an inspiration to \_\_\_\_\_.
- A) product; consumers
  - B) market; advertisers
  - C) market; consumers
  - D) product; marketers

Answer: D

- 39) The growth of the Web has created thousands of online consumption communities. What is the biggest danger of such communities?
- A) The members of have no sense of mission.
  - B) The members will become frustrated in their communication efforts.
  - C) The members will receive bad information.
  - D) The members will feel pressure to conform to certain types of purchase behaviour.

Answer: D

- 40) Doritos has capitalized on \_\_\_\_\_ by using video created by the market in their memorable Superbowl ads.
- A) spokes characters
  - B) green marketing
  - C) consumer-generated content
  - D) social marketing

Answer: C

- 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) social marketing.
  - C) green marketing.
  - D) consumer-generated content.

Answer: D

- 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) interpretivism.
  - C) database marketing.
  - D) consumer-generated content.

Answer: D

- 43) If you listed your collection of NHL rookie cards on eBay, you would be engaging in which type of commerce?
- A) B2C
  - B) transactional
  - C) C2C
  - D) psychographic

Answer: C

- 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) B2C commerce.
  - B) M2M
  - C) B2B commerce.
  - D) horizontal flow.

Answer: B

- 45) Virtual consumption has greatly facilitated \_\_\_\_\_ activity.
- A) B2C
  - B) e-tailing
  - C) U-commerce
  - D) C2C

Answer: D

- 46) The multiplayer online game "League of Legends" is a good example of:
- A) a virtual brand community.
  - B) consumer-generated content.
  - C) the dark side of consumerism.
  - D) anti-consumption.

Answer: A

- 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) product organizations.
  - D) consumer networks.

Answer: B

- 48) Underlying values that drive consumers toward certain products and services and away from others is also known as:
- A) culture of participation.
  - B) U-commerce.
  - C) the internet of things.
  - D) consumer trends.

Answer: D

- 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) utilitarian consumption.
  - B) a consumption community.
  - C) a synchronous interaction.
  - D) an asynchronous interaction.

Answer: C

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer: True  False

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

Answer: True  False

- 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  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 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.

- 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.

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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

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) bribery.                                      B) competition.                                      C) sharing economy.                                      D) segmentation.

Answer: C

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

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.

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 know 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 group members (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 communal decisions.

Healthy & ethical living: A continued focus on wellness, physical fitness and environmental sustainability 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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

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) the information provided reduces search time.  
C) it offers entertainment value.                                      D) it reduces consumerism.

Answer: B



- 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) American and Canadian companies are more respectful than Mexican companies.
  - B) business practices can be unethical without being illegal.
  - C) cultural values and beliefs are important for determining what is considered ethical.
  - D) social marketing is not important in Mexico.

Answer: C

- 61) The fact that bribery in business is acceptable in some countries but not in others demonstrates that:
- A) practices can be unethical without being illegal.
  - B) ethics are incompatible with social marketing.
  - C) ethics are relative to the situation in which business persons find themselves.
  - D) cultural jamming has been successfully practiced in some countries.

Answer: A

- 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 reason for this?
- A) Ethical companies do not make good-quality products.
  - B) Consumers lie on surveys about ethical companies to appear like they care.
  - C) Products made by ethical companies are hard to find for consumers.
  - D) Sometimes consumers' buying behaviour is not consistent with their positive attitudes about ethical products.

Answer: D

- 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) 30 percent.
  - B) 20 percent.
  - C) 10 percent.
  - D) 40 percent.

Answer: C

- 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) *Consumer Packaging and Labelling Act*
  - B) *National Trademark and True Labelling Act*
  - C) *Hazardous Products Act*
  - D) *Canada Competition Act*

Answer: D

- 65) Which of the following pieces of legislation is intended to protect the consumer and to prevent the sale of dangerous products?
- A) *Food and Drugs Act*
  - B) *Hazardous Products Act*
  - C) *Textile Labelling Act*
  - D) *Canada Consumer Product Safety Act*

Answer: D

- 66) When companies make false or exaggerated claims about how environmentally friendly their products are, it is known as:
- A) greenwashing.
  - B) consumer trending.
  - C) social marketing.
  - D) relationship marketing.

Answer: A

- 67) Firms that are interested in voluntarily protecting or enhancing their positive social and environmental impacts are engaged in:
- A) corporate social responsibility.
  - B) green marketing.
  - C) relationship marketing.
  - D) transformative consumer research.

Answer: A

- 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) corporate giving.
  - B) database marketing.
  - C) irresponsible practices.
  - D) lifestyle segmentation.

Answer: A

- 69) To reduce waste associated with their Downy fabric softener, Procter & Gamble introduced refillable containers. This is an example of:
- A) ethical marketing.
  - B) anticonsumption.
  - C) culture jamming.
  - D) green marketing.

Answer: D

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer:  True  False

- 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  False

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

Answer:  True  False

- 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:  True  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 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.

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).

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.

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.

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.

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).

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.

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. Getting "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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

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) social marketing.
- B) brand loyalty.
- C) consumer addiction.
- D) psychological marketing.

Answer: C

83) Serial wardrobers have been known to:

- A) return to the same store to shoplift.
- B) buy an outfit, wear it once, and return it.
- C) work at retailers they can easily steal from.
- D) rebel against consumerism.

Answer: B

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) not all consumer behaviour or marketing activity is necessarily beneficial to society.
- B) understanding consumption for its own sake should be the focus of research rather than for the sake of making money.
- C) it is difficult to measure the contribution of the "art" of consumer behaviour research to the corporate bottom line.
- D) many consumer behaviour findings are being stolen by competitors via computers.

Answer: A

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

- A) obsession.
- B) addiction.
- C) gratification.
- D) conditioning.

Answer: B

- 86) Mrs. Brown has an obsessive need to shop every day to relieve depression and boredom. Her behaviour is termed:
- A) compulsive consumption.
  - B) a spending spree.
  - C) impulse buying.
  - D) consumer behaviour.

Answer: A

- 87) Counterfeiting, a widespread problem, is a term that describes:
- A) changing price tags on items.
  - B) rebelling against an idea.
  - C) sale of fake versions of real products.
  - D) shoplifting for a thrill.

Answer: C

- 88) The main difference between impulse buying and compulsive consumption is:
- A) impulse buying occurs at a particular moment, while compulsive consumption is an enduring behaviour.
  - B) impulse buying only occurs for certain types of products, while compulsive consumption can occur for any product.
  - 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: A

- 89) The term *shrinkage* is an industry term for:
- A) inventory and cash losses due to shoplifting and employee theft.
  - B) the fragmentation of consumer needs caused by the Internet.
  - C) reductions in waste resulting from product usage.
  - D) a North American consumer trend associated with paying less for products.

Answer: A

- 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) anticonsumption.
  - B) anticommunication.
  - C) shrinkage.
  - D) addictive consumption.

Answer: A

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer:  True  False

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

Answer:  True  False

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

Answer:  True  False

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

Answer:  True  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

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.

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.

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.

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 add 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.

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.*

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.

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

101) An example of qualitative research is:

- A) role-playing.                      B) survey research.                      C) experimentation.                      D) ethnography.

Answer: A

102) Gaining consumer insights:

- A) involves only looking at secondary research.  
B) involves manipulating the dependent variable.  
C) involves probing deeper to understand the underlying motivations for a given behaviour.  
D) is the first step to determining the required research method to use.

Answer: C

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

- A) primary research.                      B) exploratory research.  
C) quantitative research.                      D) secondary research.

Answer: A

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

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

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

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

- A) Survey research                      B) Focus group research  
C) Interviews                      D) Observational research

Answer: D

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

- A) survey research.
- B) focus group research.
- C) observational research.
- D) experimental research.

Answer: C

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

- A) a projective technique.
- B) role playing.
- C) an experiment.
- D) random assignment.

Answer: A

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) personal care items.
- B) the presence or absence of a bonus.
- C) the proportion of people that purchase the product.
- D) gender.

Answer: C

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) personal care items.
- B) the proportion of people that purchase the product.
- C) the presence or absence of a bonus.
- D) gender.

Answer: C

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

- A) conducting qualitative research.
- B) tracking data on digital networking behaviour.
- C) conducting observational research.
- D) conducting experimental research.

Answer: C

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 observational research.
- C) tracking data on digital networking behaviour.
- D) conducting experimental research.

Answer: B

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

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

Answer: True  False



- 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  False
- 116) Focus groups usually involve small group sessions with approximately 6 to 12 consumer participants.  
Answer:  True  False
- 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  False
- 118) Techniques such as storytelling are examples of quantitative research.  
Answer:  True  False
- 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  False
- 120) Data collected by a researcher specifically for the research question at hand is known as informal research.  
Answer:  True  False
- 121) One of the goals of primary research is to uncover hidden messaging.  
Answer:  True  False
- 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  False

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 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 or product is being tested, or the researchers want to generate new ideas for what strategic direction to take. 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.

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.

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.

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.

127) What is observational research? Give an example.

Answer: Another technique commonly employed by marketers is *observational research*. In this type of research, consumer behaviours are directly observed either in a natural context (e.g., at the mall) or controlled setting (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.

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.