**Chapter 6: THE IMPORTANCE OF MARKET RESEARCH**

1. Which of the following is true of market research:

*A: It should be conducted by larger companies with research budgets*

*B: It should be conducted when a new product is being introduced*

*C: It is primarily a critical tool for market analysis*

*D: It is necessary for understanding specific events not ongoing operations*

*E: Study findings are only relevant with profits drop significantly*

Answer: C

2. Applied research in tourism and hospitality can be grouped into eight categories. Which of the following would NOT be included as one of those eight categories:

*A: Research on the physical environment*

*B: Research on promotion*

*C: Research on competition*

*D: Research on a destination*

*E. Research on place and distribution*

Answer: A

3. A Net Promoter Score calculates which of the following:

*A: Net profits pre and post promotions*

*B: Marketing budgets to increase net gains*

*C: Market gains based upon internet promotions*

*D: Net promoters versus detractors in a customer base*

*E: Net profits based upon internet sales*

Answer: D

4. Competitor intelligence should be undertaken for which of the following reasons:

*A: To track what competitors are doing*

*B: To identify who the competition is*

*C: To identify how the competition operates*

*D: To compare service standards*

*E: All of the above*

Answer: E

5. Benchmarking is a management technique that facilitates which of the following:

*A: Performance comparisons relative to baseline indicators*

*B: Performance comparisons relative to competitors*

*C: Performance comparisons relative to overall market performance*

*D: Performance measures relative to target goals or benchmarks*

*E: All of the above*

Answer: B

6. Customers have preconceived service expectations that are influenced by which of the following:

*A: Past experience*

*B: Group needs*

*C: Personal needs*

*D: External communications*

*E: All of the above*

Answer: E

7. The Gaps Model of Service Quality (Parasuraman, Zeithaml & Berry, 1985) defines customer satisfaction as the gap between:

*A: Service quality and customer expectations*

*B: Expected delivery and service quality*

*C: Expected and perceived service*

*D: Service delivery and external communications*

*E: Service quality and value for money*

Answer: C

8. According to the Gap Model, managers may be unaware of customer needs and expectations for all of the following reasons EXCEPT:

*A: Managers may not interact directly with customers*

*B: Customers may be unwilling to provide them with information*

*C: Managers may be unprepared to address customer needs*

*D: Managers may not have conducted adequate research*

*E: There may be a lack upward communication within a company*

Answer: B

9. A major benefit of Importance–performance analysis (IPA) is that policy makers and managers are able to do quickly assess which of the following based on customer priorities:

*A: Managerial roles and responsibilities*

*B: Areas of potential growth*

*C: Areas where resources should be concentrated*

*D: Areas where competitors are strongest*

*E: All of the above*

Answer: C

10. Comment cards are the most common method for gathering feedback in the service industry. Which of the following may be argued about this kind of performance-based measurement tool:

*A: Based on methods of return, they are usually highly effective*

*B: They effectively measure SERVQUAL dimensions*

*C: Feedback may serve as an important diagnostic tool*

*D: They are especially useful given their general availability*

*E: All of the above*

Answer: C

11. The difference between SERVPERF and SERVQUAL is that SERVPERF:

*A: Measures perceptions only*

*B: Measures expectations only*

*C: Measures both expectations and performance*

*D: Measures performance only*

*E: Measures both service and performance*

Answer: D

12. The critical incident technique (CIT) is a qualitative interview procedure in which customers are asked to provide:

*A: Verbatim stories about service encounters*

*B: Feedback on service expectations*

*C: Perceptions of service standards*

*D: Personal opinions on service quality*

*E: Descriptions of service preferences*

Answer: A

13. Research that involves seeking out customers who have dropped a company’s service to inquire about their reasons for leaving is referred to as:

*A: Service recovery research*

*B: Customer feedback research*

*C: Lost customer research*

*D: Dropped service research*

*E: Service gap research*

Answer: C

14. Using social media to gather consumer insights that may suggest improvements in business practices is referred to as:

*A: Online research*

*B: Crowdsourcing*

*C: Virtual focus groups*

*D: Online ‘chat’ sessions*

*E: Virtual worlds*

Answer: B

15. Common research errors typically include each of the following EXCEPT:

*A: Improper interpretation of study results*

*B: Not collecting and including qualitative information*

*C: The improper use of sophisticated statistical analysis*

*D: Improper channels for the dissemination of study findings*

*E: Failure to have a representative study sample*