
QUESTIONS CHAPTER SEVEN

1. A large international rental-car company decides to develop a retention program that would provide incentives for its heavy users to continue their loyalty to the company. You, as a consultant, are asked to design a retention program that will accomplish this purpose.
2. Before putting your recommended retention program in operation, the company asks you to prepare a marketing research project that will test the viability of your proposal.
3. A local theater company wants to know whether current season ticket holders would prefer more comedies or more serious dramas next season. Because program decisions must be made soon, the information must be collected quickly. But the research budget is limited. Which survey questioning method (i.e., mail, phone, personal interviews) would you recommend using to collect the information? What limitations might that method impose on the study?
4. The household detergents division of a large household products company with worldwide distribution is planning a research study among women 21 years and over to determine their attitudes toward home laundering and the products and brands used in such activities. Studies are to be carried out in a variety of countries in the Far East, Middle East, Africa, Western Europe, Eastern Europe, and South America. What data-collection problems would you expect to experience in doing this research across a variety of countries?
5. A company making high-speed modems—devices that cover signals from one type of machine (computer) to a form compatible with another (telephone)—was concerned that its latest modem, which had just been introduced to the market in the previous month, would soon be upstaged by yet a faster device produced by a major competitor. Your marketing research company has been hired to profile data about this competitor regarding its objectives (short-term/long-term), its R&D capabilities, and the likelihood of its introducing a higher-speed modem than yours in the immediate future. You ask the research firm to present a plan for obtaining such data. Outline the major parts of your proposed plan including the data you want and how you will obtain it.
6. After accepting your proposed retention program, the car rental firm (see questions 1 and 2) asks your marketing-research firm to develop a major study designed to provide detailed information about the extent to which their customers are satisfied with the service they receive. You are expected to indicate what customer-satisfaction measures you plan to use, the information you intend to obtain, and the sample you will use (both in terms of the type of respondents and how they will be selected).
7. Given that absolute market potential almost always exceeds actual industry sales, why do marketers bother to make potential estimates? Discuss four decisions that a marketer of industrial grinding machinery might make based on such potential estimates.
8. To more effectively allocate promotion expenditures and sales efforts, the marketing manager for a company marketing frozen food entrees would like to know

the relative market potential for such products in every county in the United States. What variables would you include in a multifactor index for measuring relative potential? Explain your rationale for including each variable. Where might you find up-to-date information about each of the variables in your index?

9. A small snowmobile manufacturer wants to add two new dealerships in a northern region of a midwestern state. Given the following information about the counties in the region, where would you recommend locating the two new dealerships?

County	Population (000)	Total sales (\$)	County sales (\$)
A	161.3	\$ 1,400.5	\$ 93.1
B	13.4	70.0	19.0
C	72.0	227.5	36.0
D	361.7	1,417.5	180.5
E	16.2	875.0	418.0
F	56.2	1,155.0	77.5
Total:			
County	680.8	\$ 5,144.5	\$ 824.1
State	3,583.4	\$14,000	\$1,600.0

10. What are the dangers involved in using sales force estimates to forecast a product's future sales? Under which conditions are such estimates most likely to be accurate and useful?