



Reading > Lesson 8: Completing Summaries/Charts > Exercise 8.1

FOCUS: Recognizing the most important topics and ideas of paragraphs and answering complete-the-summary questions.

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DIRECTIONS: Read each passage. As you are reading, take brief notes on the main idea of each paragraph. At the end of the passage, you will find the introductory sentence for a brief summary of the passage. Complete the summary by dragging **three** of the answer choices that express the most important ideas of the passage next to the bullet points in the box. Three answer choices will not be used. *On an actual test, these questions would be worth 2 points each.*



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Products and Market Research



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In a given year, firms may offer more than 20,000 new products. The vast majority of these products will be discontinued within six months. These statistics suggest how difficult it is to create new products that will be successful. Nevertheless, the profits from a single successful product may offset the losses resulting from several failed products. A new product does not have to represent a famous invention. Most new products are simply improvements of existing products. Existing products become obsolete, or less useful than in the past, for two reasons. They may experience fashion obsolescence. For example, the demand for some types of clothes declines over time because the fashion goes out of style. Alternatively, products may experience technological obsolescence and be inferior to new products that are technologically more advanced. For example, when a large computer company creates faster printers, the existing models are subject to technological obsolescence.

Some products are created as an addition to the existing product line, rather than as a replacement for existing products. For example, a coffee company periodically adds new flavors to its existing coffee list, and a soft-drink producer periodically adds new soft drinks to its existing product line. Many additional products are created in response to customer feedback. For example, when customers frequently order a type of product that a firm does not sell, these requests prompt the firm to add that type of product to its product line. Clothing manufacturers rely heavily on customer requests to determine the types of new clothing that they produce. Many service firms expand their services in response to requests by customers.

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When firms develop products, they assess the market to monitor the marketing strategies of their competitors. However, merely monitoring competitors may cause the firm to be a follower rather than a leader. Many firms prefer to make product decisions that are more innovative than those of their competitors. To obtain more insight on what consumers want, firms use marketing research, which is the accumulation and analysis of data in order to make a particular marketing decision. Marketing research is useful for making product decisions. A marketing survey may find that many consumers desire a specific product that is not available. It may also identify deficiencies in the firm's existing products; this information can then be used to correct these deficiencies. The design and quality of a product may be revised to accommodate consumer preferences. For example, computer firms build computers and automobile manufacturers design their new cars to accommodate their perception of what consumers want. Firms' perceptions of consumer preferences are more accurate when backed by marketing research.

Both new and revised products may be tested with marketing research. The products are given to prospective customers who are asked to assess various features of the products. This type of research allows firms to make further revisions that will satisfy customers. To enable a firm to have confidence in the data obtained from marketing research, sample groups of consumers who represent the target market are studied. Many marketing research studies result in a marketing decision that will cost millions of dollars. If the marketing research leads to incorrect conclusions, the decision could result in a large loss for the firm. One limitation of using marketing research to identify consumer preferences is that tastes change rapidly. Products, such as clothing, that were popular when the marketing research was conducted may be out of style by the time they are designed and distributed to the market.

[View Text](#)[Review](#)[Continue](#)**1 Developing effective products relies on consumer input.**

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Fashion obsolescence is a key factor in the development of or improvement to products.

●

An increase in profits often enables companies to undertake expensive research marketing for its products.

●

Outdated products may be enhanced in order to keep up with the latest scientific discoveries and trends.

Consumer requests and market research can help companies improve their products and create new ones.

Companies can effectively determine consumer preferences without the aid of market research.

The process of conducting market research can be

The process of conducting market research can be costly but also may enable a company to successfully market a product.