**Chapter 1 - The World of Advertising and Integrated Brand Promotion**

**TRUE/FALSE**

 1. In the new world of advertising, mass media are just about dead and gone.

ANS: F DIF: Easy REF: p. 7 OBJ: 1-Intro

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 2. One ongoing change in today’s promotions can be seen in the way that the lines between information, entertainment, networking, and commercial messages are blurring.

ANS: T DIF: Easy REF: p. 7 OBJ: 1-Intro

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 3. Today, unlike years past, if a company produces and disseminates enough digital, mobile, online, and even traditional advertising for its offering, even a brand that does not meet consumers needs can succeed.

ANS: F DIF: Moderate REF: p. 8 OBJ: 1-Intro

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 4. The company or organization that pays for an advertisement is referred to as the client or sponsor.

ANS: T DIF: Easy REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 5. Brad Pitt is interviewed on the red carpet walk to the Academy Awards about his latest movie, for which he has been nominated for an Oscar. TV cameras and reporters zoom in to catch his comments. This is a form of advertising.

ANS: F DIF: Moderate REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 6. A commercial created by the Partnership for a Drug-Free America shows eggs dropping into a frying pan, with the caption, “This is your brain on drugs.” It is aired on three major television networks for free. Though this sounds like a public service message, it is actually an advertisement.

ANS: F DIF: Moderate REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 7. A firm that manufactures a device that alleviates sleep apnea produces a print ad and a television commercial that have the stated purpose of simply delivering straight information about the product. Therefore, it is *not* an attempt to persuade.

ANS: F DIF: Moderate REF: p. 12 OBJ: 1-1

NAT: AACSB Ethics | CB&C Model Strategy TYP: Application

 8. The marketers at Apple use a number of communication methods—including advertising in many forms of media, personal selling, public relations, event sponsorship, corporate advertising, social networking, and point-of-purchase, among others—in a coordinated process to build and maintain brand exposure. The Apple promoters are demonstrating a form of integrated brand promotion (IBP).

ANS: T DIF: Moderate REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 9. Essentially, the idea behind integrated brand promotion (IBP) is to pay for the use of many tools, including advertising, and coordinate them to launch products and boost sales.

ANS: F DIF: Moderate REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 10. A single ad—or a series of coordinated ads with a similar look, feel, and message—that revolves around one consistent theme is called a promotion.

ANS: F DIF: Moderate REF: p. 14 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 11. Mass-mediated communication has three major components: production, reception and distribution.

ANS: F DIF: Easy REF: p. 16 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 12. All the consumers who ultimately see an advertisement or an advertising campaign are considered its target audience.

ANS: F DIF: Easy REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Customer TYP: Knowledge

 13. Government buyers are the most conspicuous audience today, in that most mass media advertising is directed at them.

ANS: F DIF: Moderate REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Customer TYP: Comprehension

 14. A producer of educational materials wants to deliver an advertising message to a professional audience of teachers, principals, and school administrators. In this case, a trade journal would *not* be an appropriate medium to use.

ANS: F DIF: Difficult REF: p. 19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 15. A well-known computer manufacturer runs a worldwide advertising campaign for its desktops, laptops, notebooks, and other computer equipment in an attempt to provide a common theme and presentation in all markets including consumers in North America, Europe, Asia, Africa, Australia and South America. This is an example of an international advertising campaign.

ANS: F DIF: Moderate REF: p. 20-21 OBJ: 1-3

NAT: AACSB Communication | CB&C Model International Perspective

TYP: Application

 16. A large retail chain sells groceries through its stores in 31 Western, Northwestern, Midwestern, and Southern states. However, it would not use national advertising to reach its target market.

ANS: T DIF: Easy REF: p. 21 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 17. The marketing mix involves four areas of responsibility—conceiving, pricing, promoting, and distributing—involved in the promotion of goods, services, or even ideas.

ANS: T DIF: Moderate REF: p. 22-23 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 18. Advertising is only one area of the marketing mix, and it represents only one of many different IBP tools used in the marketing mix.

ANS: T DIF: Moderate REF: p. 23 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 19. A brand variant is created when a company adapts and expands its current brand into a totally new product area.

ANS: T DIF: Easy REF: p. 25-26 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 20. The set of assets linked to a brand that is built over time—such as its name, symbol, logo, etc.—is considered its brand equity.

ANS: T DIF: Moderate REF: p. 26 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 21. Consumers’ perceptions can be based on tangible differences or on image and style factors with brand differentiation.

ANS: T DIF: Moderate REF: p. 28 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Customer TYP: Comprehension

 22. A kitchen appliance manufacturer attempts to create a distinctive competitive position based on design features, pricing, distribution, and promotion or advertising strategy. In this way, the company is making an external-positioning decision.

ANS: T DIF: Moderate REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 23. Emphasizing performance features of a product through advertising is rarely enough to create a difference in the mind of the consumer between an organization’s brands and its competitors.

ANS: F DIF: Moderate REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 24. The fundamental purpose of marketing (and the advertising that is used in marketing) is to generate revenue.

ANS: T DIF: Easy REF: p. 30 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 25. When an organization creates large-scale demand for its brand, the quantity of product produced is increased, and unit production costs increase.

ANS: F DIF: Easy REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 26. Organizations that have tried to stimulate primary demand in mature product categories have had considerable success.

ANS: F DIF: Easy REF: p. 32 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion

 27. A late-night television commercial for kitchen knives urges viewers to “call this toll-free number in the next 30 minutes to receive a free cutting board” and assures them that “operators are on duty.” This is an example of a direct response ad.

ANS: T DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 28. Delayed response advertising attempts to develop recognition and approval of a brand over time, relying on imagery and message themes that emphasize the benefits and satisfying characteristics of a brand.

ANS: T DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 29. Gross domestic product, or GDP, is the measure of the total value of goods and services produced by a given company.

ANS: F DIF: Moderate REF: p. 34 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Product TYP: Knowledge

 30. In some indirect ways, advertising can affect gross domestic product. It acts to increase product demand when it helps to introduce new products, thereby increasing sales, which in turn affects GDP.

ANS: T DIF: Difficult REF: p. 34 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Product TYP: Knowledge

 31. When a brand is perceived by consumers as providing some form of satisfaction that is beyond the cost to purchase the brand, it is said to have brand equity.

ANS: F DIF: Moderate REF: p. 35 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 32. Essentially, the difference between *value* and *symbolic value* is that the first term refers to ads aimed at consumers, and the second term refers to ads aimed at businesses.

ANS: F DIF: Moderate REF: p. 35-36 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 33. In the advertising industry, the term *social meaning* refers to the perception by consumers that a brand provides satisfaction that is greater than the cost incurred to acquire the product or service.

ANS: F DIF: Moderate REF: p. 36 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 34. Nowadays, advertising is virtually the only promotional tool that is used to attract, impress, and persuade consumers.

ANS: F DIF: Easy REF: p. 37 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 35. To survive in today’s marketplace, contemporary businesses and organizations are strongly focusing on one single concept—communication.

ANS: F DIF: Moderate REF: p. 37-38 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

**MULTIPLE CHOICE**

 1. It is evident that firms have *not* fully exploited all the opportunities that \_\_\_\_ marketing has to offer via communication through devices like smartphones and digital tablet-like devices.

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| --- | --- |
| a. | direct |
| b. | mobile |
| c. | local  |
| d. | trade channel |

ANS: B DIF: Moderate REF: p. 8 OBJ: 1-Intro

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 2. Which of the following is true regarding advertising?

|  |  |
| --- | --- |
| a. | Advertising is a universal communication beyond language and culture. |
| b. | Advertising has as its main responsibility the increase of product sales. |
| c. | Advertising plays a pivotal role in world commerce and the way we experience life. |
| d. | Advertising rarely generates revenue. |

ANS: C DIF: Moderate REF: p. 10 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 3. KidsCause, a metropolitan outreach organization that collects and donates toys for needy children, buys airtime on WXXY (a local TV station) to promote its annual toy collection. Amazing Ads, a local ad agency, shoots the video and produces the 30-second commercial and Downtown Deli donates sandwiches for volunteers on the days they collect, wrap, and distribute toys. In this promotional effort, who is the client?

|  |  |
| --- | --- |
| a. | Amazing Ads |
| b. | Downtown Deli |
| c. | WXXY |
| d. | KidsCause |

ANS: D DIF: Moderate REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Strategy TYP: Application

 4. The mayor of a midsize Southern city appears on local television, saying that she should be re-elected because she has brought jobs to the metropolitan area. Obviously, this effort is mass-mediated and is an attempt to persuade. But for it to be considered advertising, which other condition must be met?

|  |  |
| --- | --- |
| a. | The message must be received by a target audience.  |
| b. | There must be a public service announcement included. |
| c. | The airtime must be paid for. |
| d. | The claim must involve a product or service.  |

ANS: C DIF: Moderate REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 5. Public service announcements (PSAs)

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| --- | --- |
| a. | are a type of advertising run by nonprofit organizations. |
| b. | use copy and visuals in ways very different from traditional advertising.  |
| c. | attempt only to inform and not necessarily to persuade. |
| d. | are not paid for like an ad.  |

ANS: D DIF: Easy REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 6. The American Academy of Pediatrics (AAP) wants to launch a message to inform citizens about dangerous crib structures and recalled products. It hires a firm called American Message, which has expertise in working with nonprofit organizations, to create a series of television commercials around this primary theme. There is no charge for airtime on the many syndicated networks on which the ad will be broadcast. In this instance,

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| --- | --- |
| a. | the AAP is considered the client because it hired an agency. |
| b. | the syndicated networks are considered the trade channel. |
| c. | American Message is considered the sponsor because the AAP is a nonprofit organization.  |
| d. | the AAP is running a public service announcement.  |

ANS: D DIF: Difficult REF: p. 11 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 7. For a communication to be classified as advertising, which of the following criteria does *not* have to be met?

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| --- | --- |
| a. | It must be paid for. |
| b. | It must be mass-mediated rather than face-to-face. |
| c. | It must promote a product. |
| d. | It must attempt to persuade. |

ANS: C DIF: Moderate REF: p. 11-12 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 8. Based on the criteria that defines the concept of advertising, which of the following communication efforts would be considered advertising?

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| --- | --- |
| a. | a candidate for city council going door-to-door urging people to vote for her  |
| b. | a television message from a national trade group reminding people to eat pork  |
| c. | a public service announcement about the dangers of texting while driving  |
| d. | an actor being interviewed on TV about his campaign to aid disabled veterans  |

ANS: B DIF: Moderate REF: p. 11-12 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 9. YouTrade, an online broker, purchases a 60-second television commercial to be telecast during the Major League playoffs and the World Series. The commercial touts the reliability of YouTrade’s advice, expertise, and personal attention in assisting Internet customers with stock portfolio creation and management. The spot created by YouTrade is

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| --- | --- |
| a. | not an advertisement since it does not involve a product.  |
| b. | a promotion aimed at a trade channel.  |
| c. | an unpaid public service announcement. |
| d. | an advertisement promoting a service.  |

ANS: D DIF: Difficult REF: p. 11-12 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 10. Integrated brand promotion (IBP) is

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| --- | --- |
| a. | closely monitored and regulated on a federal level by the Federal Trade Commission.  |
| b. | the coordination of a number of promotional tools to create widespread brand exposure.  |
| c. | the use of more than one media format to deliver a commercial message.  |
| d. | a unique concept mainly seen in national advertising campaigns. |

ANS: B DIF: Easy REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 11. EcoNature is a small manufacturing firm distributing a new line of eco-friendly household cleaning products in Western and Southwestern states. To raise awareness and encourage consumers to trial its products, it buys advertising time on cable TV, places ads in regional issues of women’s magazines, and offers coupons via a number of metropolitan newspapers. Each new communication undergoes a review process to ensure that it displays the new “green” brand logo and carries the same message. Overall, EcoNature is

|  |  |
| --- | --- |
| a. | segmenting its target audience. |
| b. | running corporate advertising.  |
| c. | creating primary demand.  |
| d. | managing the IBP process. |

ANS: D DIF: Moderate REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Strategy TYP: Application

 12. Farm Fresh Market, a local grocery store chain, has decided to run a series of advertisements. For this to be considered an advertising campaign, the Farm Fresh Market ads must

|  |  |
| --- | --- |
| a. | focus on store products rather than store services.  |
| b. | target a number of segmented audiences. |
| c. | appear in multiple forms of media. |
| d. | communicate a cohesive and integrated idea or theme. |

ANS: D DIF: Difficult REF: p. 14 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 13. What are the two major components of the mass-mediated communication model, each representing a somewhat independent process?

|  |  |
| --- | --- |
| a. | primary demand and selective demand |
| b. | advertiser and consumer |
| c. | internal position and external position |
| d. | production and reception  |

ANS: D DIF: Moderate REF: p. 16 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 14. In the model of mass-mediated communication, the

|  |  |
| --- | --- |
| a. | producers of the message control the reception of the content. |
| b. | producers of the message control the interpretation of the content. |
| c. | audience members can interpret advertising any way they want. |
| d. | audience members interpret information the same way. |

ANS: C DIF: Moderate REF: p. 17 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 15. A husband and wife are watching a cable news program when a commercial comes on that they’ve never seen before. He thinks that the spokesperson in the ad is pretty funny. She thinks the spokesperson is just plain stupid. This is an example of

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| --- | --- |
| a. | the creation of different meanings based on social and cultural context. |
| b. | a failure to reach a target audience.  |
| c. | an ad that is not effective. |
| d. | one person not exercising intent of interpretation. |

ANS: A DIF: Difficult REF: p. 17 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 16. During the NCAA championships, a national sports equipment manufacturer runs an edgy, fast-paced commercial featuring a well-known hip hop artist. A group of guys watching in a fraternity house seem to interpret the commercial in roughly the same way. When members of an audience share a similar interpretation of an ad like this, it is most likely the result of the

|  |  |
| --- | --- |
| a. | backgrounds and value systems of audience members. |
| b. | frequency of the commercial. |
| c. | content of the commercial.  |
| d. | characteristics of the product being advertised. |

ANS: A DIF: Moderate REF: p. 17 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Customer TYP: Application

 17. A particular group of consumers that is singled out by an organization for its advertising or IBP campaign is called a(n)

|  |  |
| --- | --- |
| a. | target audience. |
| b. | trade channel. |
| c. | household. |
| d. | organization. |

ANS: A DIF: Easy REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Customer TYP: Knowledge

 18. A marketer is asked to analyze her company’s advertising industry expenditures by target market. She wants to start with the broad market that is most often selected by advertisers. She begins her work by looking at

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| --- | --- |
| a. | members of trade channels.  |
| b. | government employees. |
| c. | professionals. |
| d. | household consumers. |

ANS: D DIF: Moderate REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 19. A well-known manufacturer of office machines needs to hire a new product manager for its line of high-end copying machines for office use. The human resources associate is aware that the new manager she hires will most likely need to

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| --- | --- |
| a. | rely on consumer advertising to reach as many people as possible.  |
| b. | use both personal selling and advertising. |
| c. | eliminate government organizations as a potential target market. |
| d. | ignore not-for-profit businesses.  |

ANS: B DIF: Difficult REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 20. FoodPro is a manufacturer of innovative versions of traditional small kitchen appliances like toasters, can openers, and blenders. Because it competes with national giants like GE and Sunbeam, the firm decides to launch ads designed to get the attention of shippers, handlers, brokers, and store managers who carry, deliver, distribute, and display its products. Taken together, the retailers, wholesalers, and distributors targeted by FoodPro comprise its

|  |  |
| --- | --- |
| a. | professional segment.  |
| b. | trade channel.  |
| c. | marketing mix.  |
| d. | target audience.  |

ANS: B DIF: Moderate REF: p. 18-19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 21. A medical equipment supplier is targeting a number of healthcare professionals (doctors, nurses, physical therapists) with its latest advertising. This firm should be aware that the advertising is attempting to reach an audience that

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| --- | --- |
| a. | has little real purchasing power within this industry.  |
| b. | can best be found through general interest magazines. |
| c. | has the same broad and generalized needs as the rest of the population. |
| d. | relies on specific language, images, and terminology. |

ANS: D DIF: Difficult REF: p. 19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Customer TYP: Application

 22. Which of the following would be considered a trade journal?

|  |  |
| --- | --- |
| a. | a financial publication like *The* *Wall Street Journal*  |
| b. | a publication written for health professionals like *Nursing*  |
| c. | a magazine aimed at fitness enthusiasts like *Runners World*   |
| d. | a metropolitan newspaper like *The* *Boston Globe* |

ANS: B DIF: Moderate REF: p. 19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 23. The advertising aimed at government officials and bureaucrats who have big budgets to spend usually centers around

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| --- | --- |
| a. | local and regional television commercials.  |
| b. | pitches in national magazines and city trade journals.  |
| c. | direct mail, catalogs, and Web ads.  |
| d. | public relations promotions.  |

ANS: C DIF: Moderate REF: p. 19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 24. A marketing manager for a giant beverage firm has been put in charge of all advertising for a new soft drink that appears to have a common appeal in different cultures around the world. This manager will most likely engage in

|  |  |
| --- | --- |
| a. | national advertising. |
| b. | international advertising. |
| c. | multicultural advertising.  |
| d. | global advertising. |

ANS: D DIF: Moderate REF: p. 19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model International Perspective

TYP: Application

 25. Which of the following is an example of international advertising?

|  |  |
| --- | --- |
| a. | Gatorade promoting its new line of six-pack drinks at the Olympics |
| b. | Sony advertising its flat-screen TVs around the world  |
| c. | Procter & Gamble creating different versions of its Tide ad for various countries |
| d. | Nike featuring its “swish” logo on gear worn by tennis players at Wimbledon |

ANS: C DIF: Moderate REF: p. 20 OBJ: 1-3

NAT: AACSB Communication | CB&C Model International Perspective

TYP: Application

 26. A furniture retailer establishes itself in the Pacific Northwest with massive stores in Seattle and Portland. Over the years it expands into the West and Northwest, with large outlets in Billings, Fargo, and Denver. Its promotions throughout these locations would be considered \_\_\_\_ advertising.

|  |  |
| --- | --- |
| a. | national  |
| b. | corporate  |
| c. | business-to-business |
| d. | regional  |

ANS: D DIF: Easy REF: p. 21 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 27. A family-owned butcher shop has expanded to four locations within the St. Louis metropolitan area and suburbs, running regular promotions in the daily editions of *The* *Kansas City Star*. These newspaper ads forms of \_\_\_\_ advertising.

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| --- | --- |
| a. | local |
| b. | trade |
| c. | regional |
| d. | cooperative |

ANS: A DIF: Easy REF: p. 21-22 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 28. When national companies and local merchants share advertising expenses, they are taking part in \_\_\_\_ advertising.

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| --- | --- |
| a. | external |
| b. | local |
| c. | cooperative |
| d. | selective |

ANS: C DIF: Easy REF: p. 22 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 29. A marketer has been given the task of monitoring all the elements of the marketing mix for a large Oregon winery. He has many responsibilities, but one aspect that he is *not* concerned with is the \_\_\_\_ of the winery’s products.

|  |  |
| --- | --- |
| a. | production  |
| b. | conception  |
| c. | pricing  |
| d. | promotion  |

ANS: A DIF: Moderate REF: p. 22 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 30. Which of the following is the result of a company creating a brand extension?

|  |  |
| --- | --- |
| a. | a public service announcement run by the NFL during *Monday Night Football* telecasts |
| b. | a new type of dog collar advertised in *Dog World* and other magazines for pet owners |
| c. | a women’s fragrance imitating a popular Calvin Klein cologne  |
| d. | a candy bar created with Oreos and launched by Nabisco  |

ANS: D DIF: Moderate REF: p. 26 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 31. Market segmentation is the process of

|  |  |
| --- | --- |
| a. | creating a perceived difference between the brand of one firm and the brand of a competitor.  |
| b. | adding a level of value and meaning to a product’s identity. |
| c. | breaking down a large heterogeneous market into homogeneous submarkets. |
| d. | identifying a competitive niche for a brand. |

ANS: C DIF: Moderate REF: p. 28 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 32. What is the term for the effort to create a perceived distinction between an organization's brand and the competition's brand?

|  |  |
| --- | --- |
| a. | internal positioning |
| b. | external positioning |
| c. | market segmentation |
| d. | differentiation |

ANS: D DIF: Difficult REF: p. 28 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 33. EarthWorld, a manufacturer of camping gear and apparel, sells several lines of sleeping bags that are very similar to each other. The company does not want one line of sleeping bags to steal market share from the others. To protect against this, EarthWorld must be concerned with the effective use of

|  |  |
| --- | --- |
| a. | economies of scale. |
| b. | internal positioning. |
| c. | primary demand stimulation. |
| d. | institutional advertising. |

ANS: B DIF: Difficult REF: p. 30 OBJ: 1-4

NAT: AACSB Analytic | CB&C Model Strategy TYP: Application

 34. Effective \_\_\_\_\_\_\_\_ positioning is accomplished by either developing vastly different products *within* the firm’s own product line or creating advertising messages that appeal to different consumer needs and desires.

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| --- | --- |
| a. | external |
| b. | cross- |
| c. | perceptual |
| d. | internal |

ANS: D DIF: Easy REF: p. 30 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Strategy

 35. A manufacturer creates massive demand for its new plastic sandal and greatly increases its production level. Over time, its high-volume production brought on by demand stimulation results in lower costs. This is an example of

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| --- | --- |
| a. | inelasticity of demand. |
| b. | economies of scale. |
| c. | brand loyalty. |
| d. | symbolic value. |

ANS: B DIF: Difficult REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Pricing TYP: Application

 36. When the advertising of Brandmoor’s, a regional department store, is created to encourage and maintain brand loyalty, it supports successful price increases. Economists would call this department store’s strategy an example of

|  |  |
| --- | --- |
| a. | direct response advertising. |
| b. | selective demand stimulation. |
| c. | primary demand stimulation.  |
| d. | inelasticity of demand. |

ANS: D DIF: Difficult REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 37. A manufacturer of a new electronic device launches a campaign to create demand for the entire product category, since it is new to the public. This is known as

|  |  |
| --- | --- |
| a. | selective demand stimulation. |
| b. | latent demand stimulation.  |
| c. | elastic demand stimulation.  |
| d. | primary demand stimulation. |

ANS: D DIF: Moderate REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 38. When consumers are brand loyal, the term *inelasticity of demand* is often used. This means that

|  |  |
| --- | --- |
| a. | consumers won’t accept price increases for a particular product category. |
| b. | consumers are less sensitive to price increases for a brand they like. |
| c. | firms have the flexibility to lower prices if this will increase sales.  |
| d. | firms may decrease production in order to increase demand.  |

ANS: B DIF: Moderate REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 39. The advertising for a snow blower points out a brand’s unique benefits compared to the snow blowers offered by the competition. This is known as

|  |  |
| --- | --- |
| a. | selective demand stimulation. |
| b. | primary demand stimulation. |
| c. | corporate advertising.  |
| d. | direct response advertising.  |

ANS: A DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 40. The attempt to develop brand awareness and preference over time, as well as emphasize the benefits of using that brand is called

|  |  |
| --- | --- |
| a. | delayed response advertising. |
| b. | selective demand stimulation. |
| c. | corporate advertising.  |
| d. | primary demand stimulation. |

ANS: A DIF: Difficult REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 41. Which slogan is an example of corporate advertising rather than brand advertising?

|  |  |
| --- | --- |
| a. | “Mmm-mmm good” (Campbell’s) |
| b. | “The quicker picker-upper” (Bounty) |
| c. | “Snap! Crackle! Pop!” (Kellogg) |
| d. | “We bring good things to life” (General Electric) |

ANS: D DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 42. What type of advertising communicates the specific features, values, and benefits of a product offered by a particular company?

|  |  |
| --- | --- |
| a. | internal advertising |
| b. | corporate advertising |
| c. | brand advertising |
| d. | institutional advertising |

ANS: C DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Product TYP: Application

 43. As the holidays approach, corporate advertising is placed in a trade channel by large retailers such as JCPenney, Macy’s, Sears, and Dillard’s. Their main objective is to get people into their stores and get into the mood to shop rather than to look for a particular item or brand. This is an example of \_\_\_\_ advertising.

|  |  |
| --- | --- |
| a. | institutional  |
| b. | direct response |
| c. | external |
| d. | professional |

ANS: A DIF: Moderate REF: p. 34 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Product TYP: Application

 44. The demand for goods and services is stimulated by advertising in a small Caribbean nation. The economic system of the country should benefit by a(n)

|  |  |
| --- | --- |
| a. | increase in the gross domestic product. |
| b. | reduction of expenses needed to compete within that product category. |
| c. | lessening of inelasticity of demand. |
| d. | expansion of institutional advertising.  |

ANS: A DIF: Moderate REF: p. 34 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 45. A critic of advertising tells you that the costs of advertising are built into the costs for products, which are then passed on to the consumer. You have decided to argue the issue. You can make many points, but which argument should you *not* present?

|  |  |
| --- | --- |
| a. | The increased demand for products that results from advertising can lower the cost of the production of the products.  |
| b. | Economies of scale spread fixed costs over a large number of production units. |
| c. | The cost of advertising is usually not built into the cost of products. |
| d. | This must be balanced against the time it would take a person if he or she had to search for information about products without advertising.  |

ANS: C DIF: Difficult REF: p. 35 OBJ: 1-4

NAT: AACSB Analytic | CB&C Model Pricing TYP: Application

 46. A brand of soup is perceived by consumers as a “good deal,” one that provides a certain level of comfort and satisfaction that goes well beyond just the money it takes to purchase a few cans. In this way, the soup is said to have

|  |  |
| --- | --- |
| a. | demand stimulation.  |
| b. | inelastic demand. |
| c. | positioning. |
| d. | value. |

ANS: D DIF: Moderate REF: p. 35 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Customer TYP: Application

 47. A greeting card manufacturer runs a commercial indicating that people who receive greeting cards appreciate them much more when they see its company name on the back. This is an example of a company focusing on

|  |  |
| --- | --- |
| a. | symbolic value. |
| b. | direct response. |
| c. | primary demand stimulation.  |
| d. | mobile marketing. |

ANS: A DIF: Difficult REF: p. 36 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 48. Products that signify a certain class membership for those who purchase them—or hope to purchase them—are said to carry a certain level of \_\_\_\_ with their name and brand*.*

|  |  |
| --- | --- |
| a. | symbolic value |
| b. | social meaning |
| c. | differentiation |
| d. | brand equity  |

ANS: B DIF: Difficult REF: p. 36 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Customer TYP: Application

 49. By about 1990, the idea of combining various promotional tools came to be known as \_\_\_\_, though over the past two decades this phrase has shifted and evolved, giving way to a new term.

|  |  |
| --- | --- |
| a. | integrated marketing communications  |
| b. | marketing mix |
| c. | integrated brand promotion |
| d. | economies of scale |

ANS: A DIF: Moderate REF: p. 37-38 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 50. The reality of today’s promotions, beyond all else, centers around a strong emphasis onthe

|  |  |
| --- | --- |
| a. | communication.  |
| b. | corporation. |
| c. | media.  |
| d. | brand.  |

ANS: D DIF: Easy REF: p. 38 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Comprehension

 51. Which acronym refers to the broad concept that defines today’s emphasis on building awareness and preference for brands, beyond merely communicating about products?

|  |  |
| --- | --- |
| a. | IMC |
| b. | GDP |
| c. | IBP |
| d. | PSA |

ANS: C DIF: Easy REF: p. 38 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 52. What three elements do today’s marketers want to build and maintain through their promotional efforts?

|  |  |
| --- | --- |
| a. | awareness, identity, and preference |
| b. | attention, interest, and response |
| c. | demand, value, and loyalty |
| d. | information, message, and communication  |

ANS: A DIF: Easy REF: p. 38 OBJ: 1-5

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

**Scenario 1-1**

In 1996, University of Maryland grad Kevin Plank founded Under Armour, a performance apparel company that now competes with some of the top apparel brands in the industry. During its first ten years of operations, the company was known primarily for its sweat-wicking clothing line. In late 2010, however, Under Armour released its first line of basketball shoes since the company’s inception. Along with the new product line, says Plank, needs to come a new brand image. “I called our marketing team and said go through this building and find anything that says we are only an apparel brand and throw it away.” The company has also pulled all advertisements carrying the word “apparel,” and will begin exploring new ways to promote the brand. The company hopes its new efforts will allow the company to be viewed as an overall “performance” company, which will ultimately enable it to compete with footwear from powerhouses Nike and Adidas, and will help increase its current 1.1 percent market share.

 53. (Scenario 1-1) One of Under Armour’s new retail outlets in the U.S. sends a direct mail piece to 500 households within a one mile radius of the new store. In the flyer, the store announces the introduction of its new line of basketball shoes and offers several incentives to any customers that may come in to purchase a pair of shoes from the new line. This direct mail piece

|  |  |
| --- | --- |
| a. | is paid for, mass mediated, and an attempt to persuade; therefore, it should be considered advertising. |
| b. | is paid for and an attempt to persuade; however, it is only distributed locally and therefore cannot be considered advertising. |
| c. | is not received by a large enough number of people to be considered advertising. |
| d. | is not part of a campaign, and thus is not considered advertising. |

ANS: A DIF: Moderate REF: p. 11-12 OBJ: 1-1

NAT: AACSB Reflective Thinking | CB&C Model Strategy TYP: Application

 54. (Scenario 1-1) Under Armour hopes changing the company’s image from an apparel company to a “performance” brand will help increase footwear sales. To make consumers aware of the change, Under Armour designs a number of commercials, print ads, and Internet advertisements all focusing around the company’s new motto, and immediately begin to apply them. All of these elements make up a(n)

|  |  |
| --- | --- |
| a. | communication process. |
| b. | IBP campaign. |
| c. | advertising campaign. |
| d. | promotional mix. |

ANS: C DIF: Moderate REF: p. 14 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 55. (Scenario 1-1) One person receives a direct mail piece from Under Armour that offers a free poster of basketball star Brandon Jennings wearing a pair of the company’s new shoes and thinks the offer is pretty cool. Another person receives the same direct mail piece and immediately throws the offer in the trash. The differing interpretations are most likely the result of

|  |  |
| --- | --- |
| a. | differing content. |
| b. | the salient social networks of the recipients. |
| c. | incorrect target marketing. |
| d. | the rules and regulations of the direct mail medium. |

ANS: B DIF: Moderate REF: p. 17 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 56. (Scenario 1-1) To promote Under Armour’s new brand image, the company creates a number of print ads, and intends to distribute them to markets all over the world (with only a few minor changes for different markets). This is an example of

|  |  |
| --- | --- |
| a. | international advertising |
| b. | global advertising. |
| c. | regional advertising. |
| d. | national advertising. |

ANS: B DIF: Moderate REF: p. 19 OBJ: 1-3

NAT: AACSB Reflective Thinking | CB&C Model Strategy TYP: Application

 57. (Scenario 1-1) Under Armour decides to sponsor a youth basketball camp to help promote brand awareness for its new shoes. Along with this sponsorship, Under Armour designs new advertisements for the shoes, and even redesigns its website. However, the company soon realizes it has not been sending a consistent message through the various mediums. This attempt at integrated brand promotion will likely be unsuccessful because

|  |  |
| --- | --- |
| a. | it is not utilizing social media sites such as Facebook and Twitter. |
| b. | sponsoring a youth basketball camp is not the right target market. |
| c. | the campaign lacks coordination, which is essential to any IBP effort. |
| d. | the brand was successful before, and redesigning the company website will cause older customers to grow frustrated with the new direction of the company. |

ANS: C DIF: Moderate REF: p. 38 OBJ: 1.5

NAT: AACSB Reflective Thinking | CB&C Model Strategy TYP: Application

**Scenario 1-2**

Chug Enterprises is considering entering the already-crowded sports drink market with a line of products. The first brand will be advertised to teenagers as being the best-tasting sports drink on the market. The second brand will be advertised to adults as being the lowest calorie sports drink you can buy. The third brand will be advertised to senior citizens as containing calcium, a mineral needed to maintain a healthy bone structure. Each brand will have separate, distinctive packaging. However, the drinks inside are actually identical to one another.

 58. (Scenario 1-2) To help build brand awareness, preference and loyalty, Chug Enterprises plans a coordinated campaign using a variety of promotional tools including advertising. This process of combining coordinated communication to help customers identify and evaluate the relevance of Chug Enterprises products to their lives and value systems is considered

|  |  |
| --- | --- |
| a. | delayed response advertising. |
| b. | integrated brand promotion. |
| c. | indirect response advertising. |
| d. | institutional advertising.  |

ANS: B DIF: Moderate REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 59. (Scenario 1-2) To be successful, Chug Enterprises believes it must convince grocery store chains to carry all three brands. If Chug Enterprises uses what is generally considered to be the major promotional tool available to accomplish this, it will engage in a program that emphasizes

|  |  |
| --- | --- |
| a. | personal selling. |
| b. | free sampling.  |
| c. | consumer promotions. |
| d. | trade advertising. |

ANS: A DIF: Moderate REF: p. 18-19 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 60. (Scenario 1-2) If the brand aimed at senior citizens is successful in the U.S. market, Chug Enterprises plans to introduce it worldwide. However, appropriate images of senior citizens vary from culture to culture. Therefore, Chug Enterprises would be wise to engage in

|  |  |
| --- | --- |
| a. | local advertising. |
| b. | international advertising. |
| c. | national advertising. |
| d. | regional advertising.  |

ANS: B DIF: Easy REF: p. 20 OBJ: 1-3

NAT: AACSB Reflective Thinking | CB&C Model International Perspective

TYP: Application

 61. (Scenario 1-2) Chug Enterprises chose the positions of the three products to appeal to separate target markets. This was done to keep its brands from competing for market share with one another. This shows that Chug Enterprises understands the importance of

|  |  |
| --- | --- |
| a. | internal positioning. |
| b. | external positioning.  |
| c. | inelasticity of demand. |
| d. | primary demand.  |

ANS: A DIF: Moderate REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 62. (Scenario 1-2) What would most likely be the *least* effective strategy Chug Enterprises could pursue in marketing its product to consumers?

|  |  |
| --- | --- |
| a. | to focus on integrated brand promotion  |
| b. | to use delayed response advertising |
| c. | to stimulate primary demand |
| d. | to attempt to increase elasticity of demand  |

ANS: C DIF: Moderate REF: p. 31 OBJ: 1-4

NAT: AACSB Analytic | CB&C Model Strategy TYP: Application

**Scenario 1-3**

In 2006, gaming giant Nintendo launched an innovative motion-sensing gaming console called the Wii. The Wii quickly took over as the leading gaming console because of its unique activity-enabling qualities, and for nearly four years, dominated hardware sales in the gaming industry as any true competition for the product was yet to be introduced. However, this changed in late 2010 as Sony introduced its own motion-detecting gaming system to the market, the Playstation Move. Sony has marketed the product as a superior product to Nintendo’s, claiming it is more precise and flaunting the Playstation’s high-quality graphics. Sony’s Move has been a topic of great debate, but the reception of the product over the long haul has yet to be seen. To dethrone the Wii, Sony will need to find a way to appeal to those that have not yet bought into “motion-gaming.” And of course, it wouldn’t hurt if Sony somehow found a way to entice Nintendo followers to switch over to its newest addition to the gaming industry.

 63. (Scenario 1-3) Through various studies, Sony discovers that 40 percent of U.S. households do not own a Nintendo Wii, so it purchases advertising to directly target those households. The 40 percent to which the advertising is aimed is best described as the

|  |  |
| --- | --- |
| a. | potential client.  |
| b. | target audience. |
| c. | receiver. |
| d. | client. |

ANS: B DIF: Easy REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Customer TYP: Application

 64. (Scenario 1-3) To have the greatest opportunity for success in selling the Playstation Move, Sony must rely on a number of different tools available in the marketing mix. Which one of the following is true?

|  |  |
| --- | --- |
| a. | Instructions for the use of the Move are not considered part of the product in the marketing mix. |
| b. | Advertising is considered one of the four main categories of Sony's marketing mix.  |
| c. | The primary job of Sony's marketing mix is to support the advertising. |
| d. | Sony's product distribution should be considered part of the marketing mix. |

ANS: D DIF: Moderate REF: p. 22 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Distribution TYP: Application

 65. (Scenario 1-3) The fundamental purpose of marketing the Playstation Move as a superior gaming console to the Wii because of its increased precision and improved graphics is to

|  |  |
| --- | --- |
| a. | differentiate Sony from other entertainment options such as Nintendo and the Microsoft Xbox. |
| b. | create and increase the awareness of Sony. |
| c. | support the promotional mix behind Sony. |
| d. | establish primary demand stimulation for the Move. |

ANS: A DIF: Moderate REF: p. 28 OBJ: 1-4

NAT: AACSB Analytic | CB&C Model Promotion TYP: Application

 66. (Scenario 1-3) If the advertisements aimed at consumers who do not currently have a gaming system are successful, it may result in the Move being thought of as the best option for today's gaming entertainment at the expense of the Wii. This is an example of

|  |  |
| --- | --- |
| a. | successful product positioning for Sony. |
| b. | primary demand stimulation on the part of Sony. |
| c. | an integrated marketing communications plan. |
| d. | achievement of internal positioning by Sony. |

ANS: A DIF: Difficult REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Product TYP: Application

**Scenario 1-4**

At Target, a global discount retailer, sales are around $65 billion a year and rising. In addition, the company employs more than 360,000 people worldwide. Target stores carry just about every major brand imaginable. In addition, Target carries a number of its own brands including Market Pantry, Archer Farms, and Up and Up. Each of the brand labels appears on different products throughout the store—for example, The Archer Farms label appears on the retailer’s highest quality foods. The Market Pantry label appears on food items as well, however these items are often sold at a significantly lower price. The Up and Up label is on a large range of products ranging from paper products to household cleaning supplies.

 67. (Scenario 1-4) The goal is for a product with any one of Target’s in-house brand labels on it to come to be known by consumers for the values of the brand—both tangible and intangible. And, through integrated brand promotions, Target will provide extra incentives to consumers to

|  |  |
| --- | --- |
| a. | sample and test new competitors’ products. |
| b. | seek out the best prices, regardless of the brand. |
| c. | remain brand loyal. |
| d. | stimulate latent promotion. |

ANS: C DIF: Moderate REF: p. 26 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 68. (Scenario 1-4) In one city, Walmart, a competing retail outlet, opens a store across the street from Target and a battle for business ensues. To distinguish their stores from one another, both retailers create a series of new commercials to help promote their brand. Target’s commercials stress the fast, fun and friendly service it provides all of its guests, and uses several celebrity endorsements. Meanwhile,Walmart runs three different commercials that stress the point that it has very low prices. This is an example of

|  |  |
| --- | --- |
| a. | corporate advertising.  |
| b. | internal positioning. |
| c. | external positioning. |
| d. | product placement. |

ANS: C DIF: Moderate REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 69. (Scenario 1-4) In a majority of Target’s promotions, the store is marketed as somewhat “upscale,” and this is demonstrated through its prices, which are generally higher than its biggest competitor, Walmart. Still, even in times of recession, Target continues to increase its annual revenues and retain many of its customers. This can be attributed to

|  |  |
| --- | --- |
| a. | Target’s emphasis on economies of scale. |
| b. | the inelasticity of demand shown by many of the company’s customers. |
| c. | Target’s increase in gross domestic product (GDP). |
| d. | the elasticity of demand shown by many of the company’s customers. |

ANS: B DIF: Difficult REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 70. (Scenario 1-4) In a local newspaper, Target purchases and runs a message that does not refer to any of the products it carries. Instead, it mentions that employees from each of its national stores contribute both the store's resources and their own free time to community projects such as United Way. This is an example of

|  |  |
| --- | --- |
| a. | corporate advertising. |
| b. | a public service announcement. |
| c. | delayed response advertising. |
| d. | a message designed to persuade. |

ANS: A DIF: Difficult REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

**Scenario 1-5**

Exodus Moving is a small business that was created to serve local furniture stores’ delivery needs in the Boulder Colorado area. They have specialized equipment that allows them to lift and transfer large and bulky pieces of furniture with less risk of damage than most traditional movers. Many of these furniture stores do not sell enough volume to keep their own trucks and drivers busy all of the time, so Exodus fills a real market need. As a result, most such stores are very interested in outsourcing delivery service needs. Exodus has attracted many customers from these stores by guaranteeing 48 hour delivery within a 50 mile radius of any of the stores they serve. Eventually, Exodus hopes to attract the business of other retailers who might require delivery services, such as electronics or appliance stores.

 71. (Scenario 1-5) Exodus marketers limit their current advertising to furniture store publications, because they perceive that readers of these publications are

|  |  |
| --- | --- |
| a. | their target audience. |
| b. | their trade channel. |
| c. | household consumers.  |
| d. | professionals and business organizations. |

ANS: A DIF: Easy REF: p. 18 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 72. (Scenario 1-5) Exodus advertises in the trade magazine *Western Interiors*, which is read by furniture retailers and interior decorators throughout twelve Western states. Which of the following best describes this type of advertising?

|  |  |
| --- | --- |
| a. | national advertising  |
| b. | regional advertising |
| c. | institutional advertising |
| d. | corporate advertising |

ANS: B DIF: Moderate REF: p. 21 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 73. (Scenario 1-5) In all of the promotional materials, Exodus Moving uses the slogan “Swift, Yet Gentler.” This process of creating a distinct place relative to other movers in the market is known as

|  |  |
| --- | --- |
| a. | positioning. |
| b. | global advertising. |
| c. | an advertising campaign. |
| d. | product differentiation.  |

ANS: A DIF: Moderate REF: p. 29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 74. (Scenario 1-5) Exodus has learned that the more furniture moving volume it has, the lower the cost per item. This has encouraged the president of Exodus to do more advertising so that they can achieve \_\_\_\_ as they get more stores to use their services.

|  |  |
| --- | --- |
| a. | brand loyalty |
| b. | economies of scale |
| c. | inelasticity of demand |
| d. | elasticity of demand  |

ANS: B DIF: Moderate REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 75. (Scenario 1-5) Exodus Moving's advertising is designed to convince managers of local furniture stores that they should consider outsourcing their delivery needs instead of using their own in-house trucks and drivers. Which of the following best describes the types of advertising that Exodus is using based on functional goals?

|  |  |
| --- | --- |
| a. | corporate advertising |
| b. | primary demand stimulation |
| c. | direct response advertising |
| d. | selective demand stimulation  |

ANS: B DIF: Moderate REF: p. 31 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

**Scenario 1-6**

Gillette M3Power—a MACH3 razor innovation—is a groundbreaking, powered wet shaving system for men that delivers a totally new shaving experience resulting in Gillette’s best shave ever. M3Power builds on the heritage of MACH3 and combines Gillette’s latest and best razor and blade technologies. M3Power outperforms all other blades and razors in closeness, comfort and safety during and after the shave. Gillette M3Power features other innovations beyond power: new blades featuring PowerGlide™—an enhanced blade coating for incredible glide and maximum comfort, a moisturizing Indicator® Lubrastrip™ and a technologically-advanced handle (www.Gillette.com). Recently, Gillette Co. direct-mailed users of competing male products, throughout the United States, a free MACH3Power razor with blades and a coupon offer. In addition, a series of coordinated advertisements to male consumers were developed to increase awareness of this product. Gillette said that its goal was to have a market awareness rate of 70 percent within four months.

 76. (Scenario 1-6) Gillette advertises to consumers, retailers, and even wholesalers with the slogan “The Best a Man Can Get” to encourage more distribution of its products. It also has personal salespeople meeting with retailers and wholesalers on a regular basis. Gillette offers promotional items in stores for consumers and is known to sponsor events like NASCAR races. This emphasis on the brand and not just communication is known as

|  |  |
| --- | --- |
| a. | integrated brand promotion. |
| b. | selective demand stimulation. |
| c. | primary demand stimulation.  |
| d. | advertising. |

ANS: A DIF: Moderate REF: p. 13 OBJ: 1-1

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 77. (Scenario 1-6) Gillette Co. considers the model of mass-mediated communication when developing its consumer advertising. For example, Gillette always tests \_\_\_\_, to learn whether individual audience members understand the advertisement.

|  |  |
| --- | --- |
| a. | accommodation |
| b. | reception |
| c. | negotiation |
| d. | production |

ANS: B DIF: Difficult REF: p. 16 OBJ: 1-2

NAT: AACSB Communication | CB&C Model Research TYP: Application

 78. (Scenario 1-6) Gillette's direct mail advertising campaign is best considered \_\_\_\_ advertising.

|  |  |
| --- | --- |
| a. | global |
| b. | international |
| c. | regional  |
| d. | national |

ANS: D DIF: Easy REF: p. 21 OBJ: 1-3

NAT: AACSB Communication | CB&C Model Promotion TYP: Application

 79. (Scenario 1-6) The functional goal for Gillette's advertising of the Mach3Power razor is to get male consumers to shift their preferences from other brands. This is known as

|  |  |
| --- | --- |
| a. | corporate advertising. |
| b. | direct response advertising.  |
| c. | selective demand stimulation. |
| d. | primary demand stimulation. |

ANS: C DIF: Moderate REF: p. 33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Customer TYP: Application

**ESSAY**

 1. What is advertising? Give a brief definition. What are the three criteria that must be met for a communication to be considered an advertisement? How does a public service announcement differ from advertising in the ways that it meets, or fails to meet, each of these criteria? What about a publicity event or other public relations effort?

ANS:

Advertising is a paid attempt to reach often large numbers of people through mass media, a communication from a company or organization that wants to persuade a population by having its message disseminated.

The three criteria that must be met for a communication to be considered an advertisement are that it must be paid for, it must be mass mediated, and it must be an attempt to persuade.

A public service advertisement is mass mediated and an attempt to persuade. However, by definition, a public service announcement is not paid for and cannot be considered advertising.

A public relations effort in the form of a publicity event, like a celebrity promoting his latest movie on a talk show, also attempts to persuade and uses mass media, but it is not paid for so is not advertising.

DIF: Moderate REF: p. 11-12 OBJ: 1-1

NAT: AACSB Analytic | CB&C Model Promotion TYP: Comprehension

 2. What is an audience? A target audience? Of the five broad audience categories that are commonly used in advertising, name as many as you can, and add a very brief description of each.

ANS:

An audience is a group of individuals—any large group of people—who receive and interpret messages sent from companies and organizations.

A target audience is a certain group of individuals or consumers who are singled out by a business or organization for its ad or IBP campaign, usually because they are known to like the product category and may be attracted by this particular brand within that category. However, they are always considered as only a potential audience because it cannot be guaranteed that the message actually gets through to them as intended.

Five broad audience categories are commonly used in advertising:

Household consumers. Ordinary members of the population, grouped by household, are the most conspicuous audience because most mass media advertising is directed at them.

Members of business organizations. People who represent businesses are targeted by advertising for business and industrial goods and services, office equipment and supplies, and computer hardware and software.

Members of trade channels. Retailers, wholesalers, and distributors are targeted by producers of household and business goods and services.

Professionals. Specialized target audiences are made up of doctors, lawyers, accountants, teachers, and others belonging to professional groups that require special training or certification, and therefore have specialized needs and interests.

Government officials and employees. Federal, state, and local bureaucrats and other employees make up a target category largely due to the massive amount of spending and purchasing involved in running government departments and services.

DIF: Moderate REF: p. 18-19 OBJ: 1-3

NAT: AACSB Analytic | CB&C Model Consumer TYP: Knowledge

 3. What is the definition of a brand? Why is so much emphasis put on “brands” and “branding” in today’s marketing?

ANS:

A brand is a name, term, sign, symbol, or any other feature that identifies one seller’s goods or service as different and distinct from those offered by other sellers.

Today’s advertising and promotion put significant emphasis on creating, developing, and communicating about their brands because a brand represents the image and identity of the organization. In many ways, a brand is the most valuable and the precious business asset owned by a company, because it allows an organization to communicate efficiently and consistently within the marketplace. A brand can be at a serious disadvantage in the competitive marketplace if it doesn’t have effective advertising to identify and promote it.

DIF: Moderate REF: p. 23-24 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 4. A brand is greatly shaped and impacted by advertising in five important ways. Name at least three of these ways that advertising influences brand management, and explain briefly.

ANS:

Advertising can affect a brand in five broad ways:

By informing and persuading -- using message to inform or persuade audiences about values and benefits of the brand

By introducing new brands or brand extensions -- getting the word out about new goods or services, or adaptations of current goods or services

By building and maintaining loyalty among consumers -- aiming at repeat purchases of the brand by the consumer to the exclusion of other brands

By creating an image and meaning for a brand -- describing how a brand not only fulfills needs and desires, but is linked to the larger social or cultural environment

By building and maintaining brand loyalty within the trade -- gaining support from those who distribute and sell the product to favor the brand over all others in their handling, delivery, and display of the product

DIF: Moderate REF: p. 24-27 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 5. Define and briefly explain the concepts of market segmentation, differentiation, and positioning.

ANS:

Advertising can help a firm by providing each of these aspects.

Market segmentation is the process of breaking down a large and widely varied market (a heterogeneous market) into many smaller sub-markets or segments (homogeneous markets) based on certain consumer characteristics. Its strategy is based on the supposition that consumers have many wants, differ among each other regarding their wants, and can change their wants based on various circumstances. It identifies various segments of the population that, for various reasons, want to buy certain goods or services.

Differentiation is the process of creating in the mind of the consumer the perception of a clear difference -- whether concrete and tangible, or emotional and intangible -- between an organization’s brand and that of its competitors. Its strategy revolves around the emphasis on having the consumer perceive a difference between brands, of course referring to a positive difference for the organization’s brand.

Positioning is the process of designing a brand so it can occupy a distinct and valued place in the consumer’s mind and communicating this distinction to the consumer. Its strategy revolves around the perceptual space created in the minds of consumers that encompasses all possible brands they might consider purchasing, and giving the brand a prominent position in that space when compared with others.

DIF: Moderate REF: p. 28-29 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge

 6. Consider the various types of advertising and the ways that advertising messages can be categorized. Then explain in a few words how the following marketing concepts help to categorize advertising into various types: primary demand stimulation versus selective demand stimulation, direct response advertising versus delayed response advertising, and corporate advertising versus brand advertising.

ANS:

Advertising can be categorized by these three sets of criteria depicting fundamental approaches to communication:

Primary demand stimulation is an attempt to create demand for an entire product category, a costly process that is often used for launching totally new innovations or inventions on the market. Selective demand stimulation points out the brand’s unique benefits compared to those of competing products or services.

Direct response advertising asks consumers to act now, to make the purchase immediately. Delayed response advertising develops awareness and preference for a brand over time.

Corporate advertising communicates a favorable view toward a business or organization as a whole. Brand advertising communicates specific values, features, and benefits of a specific product or service offered by the business or organization.

DIF: Moderate REF: p. 31-33 OBJ: 1-4

NAT: AACSB Communication | CB&C Model Promotion TYP: Knowledge