

Chapter 01 Test Bank

Student: _____

1. Digital/online advertising account for the majority of companies' marketing communications expenditures.

True False

2. Not all marketing transactions involve the exchange of money for a product or service.

True False

3. The status gained from owning a particular brand is an example of a functional benefit.

True False

4. As marketers embraced the concept of integrated marketing communications, they began to rely primarily on media advertising.

True False

5. The integrated marketing communications approach calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning.

True False

6. The goal of integrated marketing communications (IMC) is to generate both short-term financial returns and build long-term brand and shareholder value.

True False

7. One reason marketers are adopting the IMC approach is they understand the value of strategically integrating the various communications functions.

True False

8. There has been an evolution to micromarketing as the mass audience assembled by network television and augmented by other mass media is fragmenting at an accelerating rate.

True False

9. Traditional print advertising is expected to increase by 45 percent from 2016 to 2020.

True False

10. Most consumers in the millennial generation age cohort are very receptive to traditional advertising.

True False

11. Implicit communication has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

True False

12. The nonpersonal nature of advertising means that there is generally ample opportunity for immediate feedback from the message recipient.

True False

13. Media advertising is still the most cost-effective way to reach large numbers of consumers with an advertising message.

True False

14. Primary-demand advertising focuses on creating demand for a specific company's brands.

True False

15. Business-to-business advertising is limited to industrial goods; services such as insurance and finance and banking are not included in this category.

True False

16. Advertising targeted to professionals such as doctors, lawyers, dentists, engineers, or professors to encourage them to use a company's product in their business operations is referred to as trade advertising.

True False

17. Traditionally, direct selling via independent contractors has been the primary medium for direct-response advertising.

True False

18. Omnichannel retailing involves using a combination of physical or offline channels as well as digital or online channels to influence a customer's shopping experience, including research before a purchase and service after a sale.

True False

19. When Bumble Bee Tuna participates in a trade show to encourage retailers to stock and promote its products, it is engaged in a consumer-oriented sales promotion.

True False

20. An advantage of publicity over other forms of promotion is its credibility.

True False

21. Publicity is always under the control of an organization, so the organization can make sure it is positive.

True False

22. Unexpected touch points are unanticipated references or information about a company or brand that a customer or prospect receives that is beyond the control of the organization.

True False

23. Earned media refers to channels of marketing communication that a company controls, such as its websites, blogs, and mobile apps as well as social media channels such as Facebook, Twitter, Instagram, and YouTube.

True False

24. The first step in the IMC planning process is to review the marketing plan and objectives.

True False

25. Companies or brands that are new to the market or those for whom perceptions are negative should focus on the benefits or attributes of the specific product or service, and not on their image.

True False

26. Analysis of the communication process may involve preliminary discussions on media-mix options and their cost implications.

True False

27. Which of the following is an example of a marketing exchange?

A. The waitress gave Cyrus a menu and he placed his food order.

B. Griffin helped Mandy replace the air filter in her lawn mower.

C. Ken and Maggie gave their son an MP3 player for his birthday.

D. Mrs. Maloney gave Larry a box of homemade fudge in return for painting her fence.

E. Jenny asked Melisa if she could borrow her pen for a while since her pen had stopped working.

28. According to the American Marketing Association's definition of marketing, which of the following statements is true?
- A. Most marketers are seeking a one-time exchange or transaction with their customers.
 - B. The focus of production-driven companies is on developing and sustaining relationships with their customers.
 - C. Successful companies recognize that creating and delivering value to their customers is extremely important.
 - D. Though marketing plays an important role in developing relationships with customers, it does not help in maintaining them.
 - E. By definition, a marketing transaction has to involve the exchange of money.

29. Which of the following statements best defines value?

- A. the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea
- B. the combination of factors like name, logo, design, and packaging that comes to mind when consumers think about a brand
- C. the desire and ability of two or more parties to exchange something of importance with one another
- D. the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it
- E. the amount of funds invested by the shareholders of a company in promoting its product portfolio

30. Product, price, promotion, and _____ are the four Ps of the marketing mix.

- A. people
- B. place
- C. package
- D. print
- E. privilege

31. Price, product, place, and promotion together form the

- A. points-of-parity.
- B. promotional mix.
- C. marketing mix.
- D. supply chain components.
- E. exchange mix.

32. Prior to the development of integrated marketing communications, the promotional function in most companies was dominated by

- A. mass-media advertising.
- B. sales promotion.
- C. public relations.
- D. publicity.
- E. direct marketing.

33. CL Inc., a new firm, used mass media to gain traction among customers. The company used sales promotions and public relations to achieve the long-term targets and goals identified by the top management. It also opted for direct marketing on a project-to-project basis. The assimilation of these various promotional tools is commonly referred to as

- A. mobile marketing.
- B. sales promotion activities.
- C. integrated marketing communications.
- D. omnichannel retailing.
- E. search advertising

34. The process of assimilating mass-media advertisements with other promotional elements such as direct marketing, public relations, and sales promotion is known as

- A. media fragmentation.
- B. micromarketing.
- C. integrated marketing communications.
- D. social media.
- E. digital advertising

35. Which of the following best defines integrated marketing communications?

- A. It is a term used in cause marketing that speaks about the degree of control customers hold over the cause they choose to support.
- B. It involves coordinating the various promotional elements and other marketing activities that interact with a firm's customers.
- C. It is software that gathers and analyzes information about customer interactions with all the employees of a company.
- D. It is a collection of informational resources that describes a company's products and services and assists in marketing the same.
- E. It involves dividing the customers into similar subgroups based on media usage, demographics, psychographics, and product usage.

36. Which of the following is true of integrated marketing communication?

- A. It does not include sales promotion.
- B. It calls for a "big picture" approach to promotional activities.
- C. It segregates and highlights various independent promotional activities.
- D. It is also typically referred to as mobile marketing.
- E. It relies on mass-media advertising.

37. The central theme of the concept of _____ is that all of an organization's promotional elements and marketing activities reach out consistently and in a unified manner with its customers.

- A. the marketing mix
- B. exchange
- C. integrated marketing communications
- D. the promotional mix
- E. cumulative prospect theory

38. According to the American Association of Advertising Agencies, _____ is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic role of a variety of communication disciplines and combines them to provide clarity, consistency, and maximum impact.

- A. brand equity
- B. local advertising
- C. selective demand marketing communications
- D. integrated marketing communications
- E. professional advertising

39. In the advertising industry, terms such as *new advertising*, *orchestration*, and *seamless communication* were used to describe the concept of

- A. positioning.
- B. integration.
- C. channel conflict.
- D. relationship marketing.
- E. diffusion.

40. In the 4As' definition of integrated marketing communications, the focus is on

- A. the organizations creating a sustainable supply chain for developing a socially responsible business.
- B. the fact that nonpersonal communications must be totally avoided for a better communications impact.
- C. the employees keeping track of future prospects by maintaining a customer interaction tracker.
- D. the development of bait-and-switch marketing activities in all organizations.
- E. the process of using all forms of promotion to achieve maximum communication impact.

41. The primary goal of an integrated marketing communications program is to

- A. have a company's entire marketing and promotional activities project a consistent, unified image to its customers.
- B. control all facets of a product's distribution.
- C. communicate with customers primarily through mass-media advertising.
- D. have complete control over all the channel partners in the distribution channel and to slow down the rate of diffusion of a new product among the customers.
- E. create a strong distribution network, via marketing, that is capable of destabilizing any competition.

42. According to the definition of integrated marketing communications (IMC) given by Don Schultz, which of the following is true of IMC?

- A. It is a tactical separation of various communication activities.
- B. It does not view the audience as an important part of the IMC process.
- C. It does not view the employees as an important part of the IMC process.
- D. It is viewed as an ongoing strategic business process.
- E. It simply involves bundling promotional mix elements together.

43. Montblanc uses classic design, a distinctive brand name, a focused distribution strategy to exclusive retailers, and celebrities in its advertising to position its watches as high-quality, high-status products. This is an example of a(n) _____ approach.
- A. direct marketing
 - B. mobile marketing
 - C. integrated marketing communications
 - D. old generation marketing
 - E. mass media
44. _____ has been described as one of the "new-generation" marketing approaches being used by companies to better focus their efforts in acquiring, retaining, and developing relationships with customers and other stakeholders.
- A. Decentralized communication systems
 - B. Bait-and-switch marketing approach
 - C. Integrated marketing communications
 - D. Mass-media advertising
 - E. Customer newsletter service
45. To respond to media fragmentation, marketers are increasing their spending on _____.
- A. mass-media communication.
 - B. television advertising.
 - C. micromarketing.
 - D. mass production.
 - E. product packaging.
46. Ultra-Long deodorant's tagline is "Timely strength for the match of life." Ads for the product feature a baseball star saying, "You need extra muscle when your day goes into extra time." These ads appear regularly on television and in print media. At the same time, Ultra-Long runs a sweepstakes contest for its customers. To enter the contest, customers have to fill out a \$1-off coupon. Through the use of IMC, Ultra-Long is hoping to primarily create _____ for its new product, which is the combination of many factors, including the name, logo, symbols, design, packaging, and performance of the product.
- A. brand evangelism
 - B. brand dilution
 - C. brand language
 - D. brand identity
 - E. brand repositioning
47. _____ is the sum of all points of encounter or contact that consumers have with the brand, and it extends beyond the experience or outcome of using it.
- A. Brand evangelism
 - B. Brand identity
 - C. Brand extension
 - D. Brand differentiation
 - E. Brand engagement

48. The chief marketing officer who noted that “the future of marketing isn’t about getting people to buy your brand, but to buy into your brand,” recognized that marketing is now in the _____ era, and companies must connect with consumers based on trust, transparency, engagement, and authenticity.

- A. relationship
- B. cynicism
- C. promotion
- D. mobile
- E. sustainability

49. _____ has long been the cornerstone of brand-building efforts for many companies.

- A. Interactive media
- B. Mass-media advertising
- C. Online marketing
- D. Product placement
- E. Personal selling

50. _____ is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services.

- A. Branding
- B. Product distribution
- C. Pricing
- D. Promotion
- E. Market segmentation

51. Traditionally, which of the following has been considered an element of the promotional mix?

- A. packaging
- B. advertising
- C. direct marketing
- D. interactive media
- E. branding

52. Which of the following elements of the promotional mix is defined as a paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor using predominantly mass media?

- A. advertising
- B. branding
- C. packaging
- D. publicity
- E. sales promotion

53. Advertising is defined as any

- A. paid form of nonpersonal communication about a product, service, or company.
- B. form of media communication that provides an opportunity for immediate feedback.
- C. communication that moves a product from one level to another level of the distribution channel.
- D. personal communication from a company's representative to prospective buyers.
- E. nonpersonal communication about a product or service that is not paid for or run under identified sponsorship.

54. The basic elements that are used to accomplish an organization's marketing communication objectives are referred to as

- A. the marketing mix.
- B. marketing strategy tools.
- C. the growth-share matrix.
- D. the promotional mix.
- E. the hype cycle.

55. Which the following factors is generally neglected through the use of advertising?

- A. ability to reach mass markets
- B. low cost per contact
- C. ability to create brand images and symbolism
- D. immediate feedback
- E. control of message content and media placement

56. Which of the following is true of advertising as a form of promotion?

- A. low cost per contact
- B. nonpaid form of promotion
- C. sponsor or advertiser not identified
- D. immediate feedback and capability to close sales
- E. makes use of nontraditional media

57. Clave Inc., a large soap manufacturing firm, has introduced a new soap known as Honeydew. It wants to promote the soap to broad audiences across various countries in a persuasive and cost-effective manner. At the same time, it also wants to enhance the overall company image. It has a promotional budget of about \$1,000,000. Which of the following forms of promotion should Clave make use of for the promotion of Honeydew?

- A. mass advertising
- B. direct marketing
- C. personal selling
- D. sales promotion
- E. publicity

58. Which of the following features of direct-response advertising differentiates it from other forms of advertising?

- A. It provides for immediate feedback from the message recipient.
- B. It makes use of only magazines as a primary medium of advertising.
- C. It is a form of nonpersonal mass-media communication.
- D. It is most widely used because of its pervasiveness.
- E. It is a paid form of mass-media communication.

59. The best-known and most widely discussed form of promotion is

- A. personal selling.
- B. sales promotion.
- C. direct marketing.
- D. advertising.
- E. publicity/public relations.

60. Which promotional mix element would best suit a firm that wants to reach a large consumer audience while keeping the cost per contact low and creating a symbolic image or appeal for a new brand?

- A. advertising
- B. personal selling
- C. sampling
- D. couponing
- E. door-to-door selling

61. Which of the following is true of advertising?

- A. Advertising attempts to create a personal relationship with the consumers.
- B. The nature and purpose of advertising is usually the same across various industries.
- C. Advertising is a valuable tool for building brand and company equity.
- D. Advertising is used only for the promotion of mass consumer products.
- E. One disadvantage of advertising is that it is extremely personal to consumers.

62. With respect to consumer markets, advertising done by manufacturers of well-known brands on a countrywide basis or in most regions of the country is known as _____ advertising.

- A. professional
- B. trade
- C. business-to-business
- D. national
- E. direct-response

63. Stylo, a perfume manufacturing company, spends about \$1,000,000 annually on advertising. The company seeks to remind its customers in the United States about the brand and its features, benefits, and uses. It primarily strives to reinforce its image and initiate product purchase. In the context of the types of advertising to consumer markets, Stylo is using
- A. national advertising.
 - B. primary demand advertising.
 - C. trade advertising.
 - D. business-to-business advertising.
 - E. professional advertising
64. _____ advertising is done by local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment.
- A. Trade
 - B. Professional
 - C. Direct-response
 - D. Retail
 - E. National
65. A to Z, a supermarket in New Jersey, placed a weekly advertisement in the local newspapers. The advertisement stated that A to Z would provide its customers all vegetables at a flat rate of \$5 from Monday to Wednesday between 1 p.m. and 3 p.m. at select locations in the state. A to Z most likely used
- A. national advertising.
 - B. trade advertising.
 - C. retail advertising.
 - D. primary-demand advertising.
 - E. direct-response advertising.
66. Advertising done for the purpose of building store traffic and encouraging consumers to make a purchase takes the form of _____ advertising.
- A. trade
 - B. facultative
 - C. professional
 - D. direct-action
 - E. B2B
67. Which of the following is true of retail advertising?
- A. It is done by large companies on a nationwide basis or in most regions of the country.
 - B. It takes the form of direct-response advertising.
 - C. It is done to build store traffic and sales.
 - D. It is designed to stimulate demand for the general product class or an entire industry.
 - E. It is targeted at marketing channel members such as wholesalers, distributors, and suppliers.

68. Retail or local advertising often takes the form of

- A. trade advertising.
- B. selective-demand advertising.
- C. bait-and-switch advertising.
- D. direct-action advertising.
- E. indirect-response advertising.

69. Primary-demand advertising is designed to

- A. influence the purchase of only industrial goods and services.
- B. stimulate demand for a general product class or entire industry.
- C. help launch a specific line extension.
- D. stimulate demand for existing products that are "dying."
- E. create a market share gain for the industry leader.

70. In the context of advertising for consumer markets, _____ advertising focuses on creating demand for a specific company's brand.

- A. primary-demand
- B. selective-demand
- C. trade
- D. professional
- E. industrial

71. Munroe Dairy, Inc., a manufacturer of dairy products, has come up with new global ads that promote the benefits of drinking milk as well as demonstrate the various uses of milk. This is an example of

- A. trade advertising.
- B. primary-demand advertising.
- C. secondary-demand advertising.
- D. retail advertising.
- E. professional advertising.

72. The National Egg Association has been promoting the benefits of eggs for many years. It aims to educate customers about the nutritional values of eggs through ads which are aired in several states. It is making use of

- A. direct-response advertising.
- B. professional advertising.
- C. primary-demand advertising.
- D. selective-demand advertising.
- E. trade advertising.

73. Which of the following best describes selective-demand advertising?

- A. It focuses on creating demand for a specific company's brands.
- B. It is done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment.
- C. It focuses on creating demand for an entire industry.
- D. It focuses on targeting individuals who buy or influence the purchase of industrial goods or services for their companies.
- E. It is one of the four Ps of the marketing mix.

74. Which of the following is an example of retail advertising?

- A. Advertisement of a health drink that compares its benefits to its competitor's
- B. Advertising done by the Beef Council to stimulate the demand for beef
- C. Advertisement for Fizzy Cola placed in a trade magazine to promote it to food store managers
- D. Advertisement for Pink Airlines that appears in newspapers all across the country
- E. Newspaper advertisement for a discount at a restaurant located on the outskirts of San Diego

75. _____ advertising is targeted at individuals who influence the purchase of goods and services used to make other products.

- A. Professional
- B. Primary-demand
- C. Retail
- D. Business-to-business
- E. Direct-response

76. Advertisements for CL brake products, True spark plugs, AM chassis parts, and Stone wheels featured in *Tire Review*, a journal for owners/operators of auto shops, are examples of _____ advertising.

- A. retail
- B. direct-response
- C. business-to-business
- D. direct-mail
- E. primary-demand

77. DocStock Inc., a company that manufactures stethoscopes, has placed an ad in *MediMag*, a magazine primarily read by doctors. The company is trying to improve sales by directly reaching out to its primary market segment. This is an example of

- A. business-to-business advertising.
- B. trade advertising.
- C. professional advertising.
- D. primary-demand advertising.
- E. direct-action advertising.

78. _____ advertising is targeted at marketing channel members such as wholesalers, distributors, and retailers in order to encourage them to stock more of a particular brand.

- A. National
- B. Selective-demand
- C. Professional
- D. Trade
- E. Retail

79. Which of the following is an example of trade advertising?

- A. Mars Inc. is using print advertising to attract supply managers from other companies.
- B. Pluto Inc., a toothpaste manufacturer, places an ad in *Tooth Daily*, a magazine frequently circulated among dentists.
- C. CL Inc., a chocolate manufacturer, hopes to attract wholesalers and retailers by placing an ad in *NextMag*, a weekly hotel magazine.
- D. James, a doctor, places an ad in a local newspaper to advertise his new clinic.
- E. The State Egg Federation runs a series of television ads that educate people about the nutritional value of eggs.

80. Which of the following statements is true of direct marketing?

- A. Traditionally, it has not been considered an element of the promotional mix.
- B. It is synonymous with direct mail.
- C. The rapid growth of the Internet is discouraging the growth of direct marketing.
- D. It is seldom, if ever, used by companies that have an external sales force.
- E. It is less direct when compared to mail-order catalogs.

81. Venus Corp. is a company that sells collectible plates. If you order one plate from the company, you will receive multiple mailings each month providing you with information relating to new products and offers. Which promotional element is Venus Corp. using in this scenario?

- A. advertising
- B. sales promotion
- C. direct marketing
- D. publicity
- E. pricing

82. One of the major tools of straight-to-consumer marketing is _____ advertising, where a product is promoted through an ad that encourages the consumer to purchase straight from the manufacturer.

- A. direct-response
- B. primary-demand
- C. business-to-business
- D. trade
- E. selective-demand

83. Which of the following is true of direct-response advertising?
- A. It encourages consumers to purchase straight from the manufacturer.
 - B. It targets wholesalers, retailers, and other members of the supply chain.
 - C. It is also known as primary-demand advertising.
 - D. It primarily targets professionals such as doctors, lawyers, and engineers.
 - E. It does not use the Internet as a means of advertising.
84. _____ is a tool of direct marketing that is used to call customers directly and attempts to sell them products and services or qualify them as sales leads.
- A. Bait advertising
 - B. Buzz marketing
 - C. Telemarketing
 - D. Switch marketing
 - E. B2B marketing
85. Which of the following is true of the Internet as a marketing medium?
- A. It is considered to be a traditional medium.
 - B. It does not facilitate two-way communication.
 - C. It enables marketers to gather valuable personal information from customers.
 - D. It does not enable real time adjustment of offers.
 - E. It cannot be integrated with other media programs such as direct mail and telemarketing.
86. _____ includes those marketing activities that provide extra value or incentives for purchasing a product, such as coupons and premiums.
- A. Direct marketing
 - B. Advertising
 - C. Public relations
 - D. Sales promotion
 - E. Publicity
87. Sales promotions targeted at the ultimate users of a product, such as sampling, coupons, contests, or sweepstakes, are part of
- A. consumer-oriented sales promotion.
 - B. trade-oriented sales promotion.
 - C. buzz promotion.
 - D. bait-and-switch sales promotion.
 - E. channel-initiated sales promotion.
88. Foodie Inc. includes monthly coupons in its magazine advertisements. This is an example of
- A. consumer-oriented sales promotion.
 - B. industrial sales promotion.
 - C. business-oriented sales promotion.
 - D. trade-oriented sales promotion.
 - E. service-oriented sales promotion.

89. Which of the following is true of trade-oriented sales promotion?

- A. It is also known as buzz promotion.
- B. It targets members of the supply chain.
- C. It is targeted at the ultimate user of a product.
- D. It uses rebates and couponing.
- E. It includes sweepstakes and premiums.

90. Sales promotion programs targeted at marketing intermediaries such as wholesalers, distributors, and retailers are part of

- A. consumer-oriented sales promotion.
- B. trade-oriented sales promotion.
- C. user-oriented sales promotion.
- D. intrinsic sales promotion.
- E. bait-and-switch sales promotion.

91. _____ refers to nonpersonal communication regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship.

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Public relations
- E. Telemarketing

92. Which of the following is a primary difference between publicity and advertising?

- A. Unlike advertising, publicity is done only by retailers.
- B. Unlike publicity, advertising does not utilize mass media.
- C. Unlike advertising, publicity is not paid for by the sponsoring organization.
- D. Unlike advertising, publicity is institutional in character.
- E. Unlike publicity, advertising leads to less skepticism among consumers.

93. Which of the following is a similarity between publicity and advertising?

- A. Both are nonpaid forms of communication.
- B. Both are run by an unidentified sponsor.
- C. Both involve nonpersonal communication to a mass audience.
- D. Both are not directly paid for by the company.
- E. Both frequently provide an opportunity for immediate feedback.

94. One of the primary advantages inherent in the use of publicity is its

- A. ability to be personalized.
- B. credibility.
- C. negligible variable costs.
- D. tangibility.
- E. ability to be closely controlled.

95. Because of the perceived objectivity of the source, which element of the promotional mix is usually regarded as most credible?
- A. advertising
 - B. publicity
 - C. packaging
 - D. sales promotion
 - E. direct marketing
96. Which of the following statements about publicity is true?
- A. Publicity is a form of communication that is directly run under an identified sponsorship.
 - B. Publicity is the only tool used in a firm's public relations efforts.
 - C. Publicity usually comes in the form of a news story or an editorial.
 - D. Publicity has more of a long-term, ongoing purpose than public relations.
 - E. Publicity refers to personal communications regarding an organization and its products.
97. A local newspaper published an article about Pluto Inc.'s latest line of shoes. The shoes were made with used clothing sourced from households across the country. The article also included select photographs and offered consumers a "sneak peek" into the manufacturing process. This form of nonpersonal marketing communication is known as
- A. sales promotion.
 - B. digital marketing.
 - C. personal selling.
 - D. public relations.
 - E. publicity.
98. A review of a movie in a local magazine or on a popular daily television show is an example of
- A. personal selling.
 - B. publicity.
 - C. direct marketing.
 - D. public relations.
 - E. sales promotion.
99. Which of the following statements describes a disadvantage of publicity?
- A. Publicity is expensive to implement as it is directly paid for and run under identified sponsorship.
 - B. Publicity has relatively low credibility.
 - C. Publicity is not always under the control of an organization and is sometimes unfavorable.
 - D. Publicity is not useful with a market segmentation strategy.
 - E. Publicity makes a market aggregation strategy ineffective.

100. A lawsuit charged a mortgage lender with racism because it allegedly charged African-American borrowers higher rates than other borrowers. News of the lawsuit was reported by the wire service, and it appeared in several newspapers. This is an example of

- A. sales detraction.
- B. negative advertising.
- C. cause selling.
- D. negative publicity.
- E. bait-and-switch advertising.

101. DG Loans, a mortgage lender, was charged with a discrimination lawsuit. It alleged that the company was offering loans at higher rates of interest to African-American consumers. In response to these allegations, DG Loans sent out e-mail queries to its African-American customers to get feedback on their experiences with the firm's lending offices. This feedback was subsequently collected and released to the news media. This is an example of

- A. public relations.
- B. advertising.
- C. publicity.
- D. sales promotion.
- E. cause marketing.

102. When an organization systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is engaging in a function known as

- A. buzz marketing.
- B. reactive disinformation.
- C. bait-and-switch marketing.
- D. public relations.
- E. sales promotion.

103. Which of the following is true of public relations?

- A. It is synonymous with sales promotions.
- B. It is narrower in perspective than publicity.
- C. It includes fund-raising, sponsorship of special events, and special publications.
- D. It avoids using advertising as a tool to enhance an organization's image.
- E. It refers to personal communications regarding an organization and its products.

104. _____ is a form of one-on-one communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea.

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Interactive marketing
- E. Personal selling

105. _____ is a promotional mix element that allows for direct contact between a buyer and seller and allows a message to be modified according to the needs or reactions of the customer.

- A. Advertising
- B. Sales promotion
- C. Public relations
- D. Publicity
- E. Personal selling

106. Which of the following statements accurately describes how personal selling differs from advertising?

- A. Unlike advertising, personal selling does not result in direct sales.
- B. Unlike advertising, personal selling can be tailored to meet customers' specific needs.
- C. Unlike advertising, personal selling can attract mass attention.
- D. Unlike advertising, personal selling tends to have a lower cost per individual.
- E. Unlike advertising, personal selling does not provide accurate feedback.

107. The promotional mix element that allows for the most immediate and precise feedback from the customer is

- A. advertising.
- B. sales promotion.
- C. public relations.
- D. publicity.
- E. personal selling.

108. Which of the following promotional tools best suits a business-to-business marketer who sells expensive, risky, and often complex products?

- A. print advertising
- B. sales promotion
- C. public relations
- D. personal selling
- E. publicity

109. What is the major advantage of personal selling over advertising as a communication method?

- A. Personal selling involves the usage of mass media, whereas advertising does not.
- B. Personal selling improves the image of the firm, whereas advertising does not.
- C. Personal selling activates the receiver's selective processes, whereas advertising does not.
- D. Personal selling results in sales responses that are difficult to measure, whereas advertising results in immediate feedback.
- E. Personal selling involves direct contact between the buyer and seller, whereas advertising deals with indirect contact.

110. Greg called Marsha on the telephone to present information about a meal plan package his company was offering. Marsha responded unfavorably to his description of the offer, so Greg modified the message. Which characteristic of personal selling did Greg benefit from in this scenario?

- A. the ability to target specific markets
- B. the ability to target specific customer types
- C. autonomy from the advertising or marketing department
- D. the ability to respond to immediate feedback
- E. indirect contact between the buyer and the seller

111. A(n) _____ refers to each and every opportunity the customer has to see or hear about the company and/or its brands or have an encounter or experience with it.

- A. service point
- B. inference point
- C. reference point
- D. touch point
- E. display point

112. According to Tom Duncan's basic categories of contact or touch points, which of the following best describes planned marketing communication messages created by an organization such as advertisements, websites and social media sites, news/press releases, packaging, brochures, and sale promotions?

- A. channel-created touch points
- B. unexpected touch points
- C. company-created touch points
- D. intrinsic touch points
- E. customer-initiated touch points

113. According to Tom Duncan's basic categories of contact or touch points, which of the following best describes interactions that occur with a company or brand during the process of buying or using the product or service?

- A. intrinsic touch points
- B. company-created touch points
- C. unexpected touch points
- D. customer-initiated touch points
- E. distributive touch points

114. Which of the following touch points relates to unanticipated references or information about a company or brand that a customer or prospect receives from sources that are beyond the control of the organization?

- A. company-created touch point
- B. intrinsic touch point
- C. user-created touch point
- D. unexpected touch point
- E. customer-initiated touch point

115. Juan goes to a large electronics retailer to get information on an upcoming television purchase. He discusses his purchase with a retail salesperson who is not under the direct control of the television manufacturer. Which of the four basic categories of touch points does the retail salesperson represent?

- A. company-created touch point
- B. planned touch point
- C. intrinsic touch point
- D. unexpected touch point
- E. customer-initiated touch point

116. Joy calls a mobile phone store to inquire about a new phone available in the market. The customer service operator sends her an e-mail with the product details along with other specifications Joy requested. Which of the following types of touch points is illustrated in this scenario?

- A. company-created touch point
- B. intrinsic touch point
- C. extrinsic touch point
- D. unexpected touch point
- E. customer-initiated touch point

117. How does the integrated marketing communications (IMC) plan approach differ from traditional approaches to promotion?

- A. IMC puts more emphasis on advertising and less on sales promotion.
- B. IMC puts more emphasis on sales promotion and less on public relations and publicity.
- C. IMC recognizes that marketers must be able to use a wide range of marketing and promotional tools to present a consistent image to target audiences.
- D. IMC places barriers around the various marketing and promotional functions and requires that they be planned and managed separately.
- E. IMC predominately makes use of mass-media communications in order to attract and retain customers.

118. _____ involves the process for planning, executing, evaluating, and controlling the use of various promotional-mix elements to effectively reach target audiences.

- A. Marketing information system management
- B. Integrated marketing communications management
- C. Customer relationship management
- D. Differential communications management
- E. Communications process accounting

119. The first step in the IMC planning process is

- A. the analysis of the communication process.
- B. the determination of a budget.
- C. the review of the marketing plan.
- D. the development of an advertising message.
- E. the distribution of sales promotion materials.

120. Typically, a marketing plan usually includes

- A. a corporate mission statement.
- B. individual job specifications.
- C. a media schedule.
- D. a detailed situation analysis.
- E. articles of incorporation.

121. The stage of the IMC planning process which comes immediately after the overall marketing plan is reviewed is the

- A. integration and implementation of marketing communications strategies.
- B. development of marketing job descriptions.
- C. promotional program situation analysis.
- D. budget determination.
- E. analysis of market forecasts.

122. According to an integrated marketing communications planning model, which of the following activities is best associated with the review of the marketing plan step?

- A. integrating promotional mix strategies
- B. analyzing source, message, and channel factors
- C. assessing environmental influences
- D. setting direct-marketing objectives
- E. purchasing media time and space

123. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "integrate and implement marketing communications strategies"?

- A. purchasing media time and space
- B. analyzing source, message, and channel factors
- C. allocating tentative budgets
- D. identifying niche market segments
- E. establishing communication goals and objectives

124. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "analysis of promotional program situation"?

- A. developing selling roles and responsibilities
- B. setting advertising objectives
- C. analyzing consumer behavior
- D. purchasing media time and space
- E. setting a tentative marketing communications budget

125. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "analysis of communications process"?
- A. allocating tentative budgets
 - B. analyzing source, message, and channel factors
 - C. competitive analysis
 - D. designing and implementing direct-marketing programs
 - E. external analysis
126. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "developing integrated marketing communications program"?
- A. examining overall marketing plan and objectives
 - B. internal analysis
 - C. analyzing receiver's response processes
 - D. determining advertising budget
 - E. external analysis
127. Which of the following is an area of focus of internal analysis?
- A. product/service offering
 - B. positioning strategies
 - C. competitors
 - D. market segments
 - E. consumer buying patterns
128. Which of the following is a question that firms are likely to ask during an external analysis?
- A. What are the strengths and weaknesses of our product or service?
 - B. Who influences the decision to buy our product?
 - C. How does our product or service compare with competition?
 - D. What are our product's key benefits?
 - E. Does our product have unique selling points?
129. What is the next stage in the IMC planning process, once marketing and communication objectives have been set?
- A. budget determination
 - B. developing the advertising message
 - C. reviewing the marketing plan
 - D. recruitment of marketing and promotion personnel
 - E. development of the IMC program
130. The development of the advertising message that the marketer wants to convey to its target audience is called the
- A. creative strategy.
 - B. media strategy.
 - C. distribution strategy.
 - D. channel strategy.
 - E. user strategy.

131. _____ involves determining which communication channels will be used to deliver the advertising message to the target audience.

- A. Media strategy
- B. Creative strategy
- C. Reactionary strategy
- D. Intrinsic strategy
- E. User strategy

132. Which of the following is the final stage in the integrated marketing communications (IMC) planning process?

- A. reviewing the marketing plan and situation analysis
- B. determining the promotional budget
- C. monitoring, evaluating, and controlling the promotional program
- D. developing the integrated marketing communications program
- E. determining the media strategy

133. Which of the following is true of the final stage of the integrated marketing communications (IMC) planning process?

- A. It involves deciding the role of each promotional-mix element.
- B. It involves determining the importance of each promotional-mix element.
- C. It involves finding out the coordination between all of the promotional-mix elements.
- D. It involves monitoring, evaluating, and controlling the promotional program.
- E. It involves performing activities to implement the promotional program.

134. Rebecca is engaged in a process where she is assessing the strengths and weaknesses of her brand from an image perspective. She is in which stage of the integrated marketing communication planning process?

- A. internal analysis
- B. external analysis
- C. communication process analysis
- D. communication objectives
- E. budget determination

Chapter 01 Test Bank Key

1. Digital/online advertising account for the majority of companies' marketing communications expenditures.

FALSE

By 2016, \$127 billion was being spent on traditional media advertising (television, radio, magazines, newspapers, outdoor, cinema), while only \$68 billion was being spent on digital/online advertising. Total digital advertising is expected to reach \$100 billion by 2020, at which point it will represent 45 percent of all media advertising spending.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Role of Advertising*

2. Not all marketing transactions involve the exchange of money for a product or service.

TRUE

Not all marketing transactions involve the exchange of money for a product or service. Nonprofit organizations such as various causes, charities, religious groups, the arts, and colleges and universities receive millions of dollars in donations every year. Many nonprofit organizations use ads to solicit contributions from the public.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

3. The status gained from owning a particular brand is an example of a functional benefit.

FALSE

Value is the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it. Benefits can be functional (the performance of the product), experiential (what it feels like to use the product), and/or psychological (feelings such as self-esteem or status that result from owning a particular brand).

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

4. As marketers embraced the concept of integrated marketing communications, they began to rely primarily on media advertising.

FALSE

As marketers embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising. A number of companies also began to look beyond traditional advertising agencies and use other types of promotional specialists.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC*

5. The integrated marketing communications approach calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning.

TRUE

The integrated marketing communications approach seeks to have all of a company's marketing and promotional activities project a consistent, unified image to the marketplace. It recognizes that every customer interaction with a company or brand across a host of contact points represents an opportunity to deliver on the brand promise, strengthen customer relationships, and deepen loyalty.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC*

6. The goal of integrated marketing communications (IMC) is to generate both short-term financial returns and build long-term brand and shareholder value.

TRUE

Integrated marketing communications is a strategic business process used to plan, develop, execute, and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates, and other targeted relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC*

7. One reason marketers are adopting the IMC approach is they understand the value of strategically integrating the various communications functions.

TRUE

The IMC approach to marketing communications planning and strategy is being adopted by both large and small companies because they prefer to integrate communications functions instead of having them operate autonomously. By coordinating marketing communication efforts, companies can avoid duplication, take advantage of synergy among promotional tools, and develop more efficient and effective marketing communication programs.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC*

8. There has been an evolution to micromarketing as the mass audience assembled by network television and augmented by other mass media is fragmenting at an accelerating rate.

TRUE

Viewing audiences are moving from the traditional broadcast networks to more narrowly targeted programs on cable networks and to other forms of entertainment.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC*

9. Traditional print advertising is expected to increase by 45 percent from 2016 to 2020.

FALSE

Traditional print advertising is expected to decline by 2 percent annually.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC*

10. Most consumers in the millennial generation age cohort are very receptive to traditional advertising.

FALSE

Many consumers in the millennial generation age cohort are very skeptical of traditional advertising. Having grown up in an even more media-saturated and brand-conscious world than their parents did, they respond to advertising differently and prefer to encounter marketing messages in different places and from different sources.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC*

11. Implicit communication has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

FALSE

Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea. Implicit communication occurs through the various elements of the marketing mix, but most of an organization's communications with the marketplace take place as part of a carefully planned and controlled promotional program.

AACSB: Analytical Thinking

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

12. The nonpersonal nature of advertising means that there is generally ample opportunity for immediate feedback from the message recipient.

FALSE

The nonpersonal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising). Therefore, before the message is sent, the advertiser must consider how the audience will interpret and respond to it.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

13. Media advertising is still the most cost-effective way to reach large numbers of consumers with an advertising message.

TRUE

Advertising remains an important part of many marketers' IMC programs because it is an effective way to reach large numbers of consumers with an advertising message. Television, in particular, is an excellent way for marketers to reach mass markets.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

14. Primary-demand advertising focuses on creating demand for a specific company's brands.

FALSE

Primary-demand advertising is designed to stimulate demand for the general product class or entire industry. Selective-demand advertising focuses on creating demand for a specific company's brands. Most advertising for products and services is concerned with stimulating selective demand and emphasizes reasons for purchasing a particular brand.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

15. Business-to-business advertising is limited to industrial goods; services such as insurance and finance and banking are not included in this category.

FALSE

Business-to-business advertising is targeted at individuals who buy or influence the purchase of industrial goods or services for their companies. Business services such as insurance, finance and banking, and telecommunications are also included in this category because they are marketed to both business customers and consumers.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

16. Advertising targeted to professionals such as doctors, lawyers, dentists, engineers, or professors to encourage them to use a company's product in their business operations is referred to as trade advertising.

FALSE

Advertising targeted to professionals such as doctors, lawyers, dentists, engineers, or professors to encourage them to use a company's product in their business operations is referred to as professional advertising.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

17. Traditionally, direct selling via independent contractors has been the primary medium for direct-response advertising.

FALSE

Traditionally, direct mail has been the primary medium for direct-response advertising, although television and the Internet have become increasingly important media.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

18. Omnichannel retailing involves using a combination of physical or offline channels as well as digital or online channels to influence a customer's shopping experience, including research before a purchase and service after a sale.

TRUE

Companies that use an omnichannel retailing strategy sell their products through multiple distribution channels, including retail stores, online, catalogs, and mobile apps. These companies try to influence the customer's shopping experience throughout the purchase process.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

19. When Bumble Bee Tuna participates in a trade show to encourage retailers to stock and promote its products, it is engaged in a consumer-oriented sales promotion.

FALSE

Consumer-oriented sales promotions are targeted to the ultimate user of the product or service—in this case, Bumble Bee Tuna. On the other hand, trade-oriented sales promotions are targeted to the marketing intermediaries, like wholesalers, distributors, and retailers. Trade shows, promotional and merchandising allowances, price deals, and sales contests are all examples of trade-oriented sales promotions, which are designed to encourage trade partners to stock and promote a company's products.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply*

*Difficulty: 2 Medium
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

20. An advantage of publicity over other forms of promotion is its credibility.

TRUE

Consumers generally tend to be less skeptical toward favorable information about a product or service when it comes from a source they perceive as unbiased.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

21. Publicity is always under the control of an organization, so the organization can make sure it is positive.

FALSE

Publicity is not always under the control of an organization and is sometimes unfavorable. Negative stories about a company and/or its products can be very damaging.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

22. Unexpected touch points are unanticipated references or information about a company or brand that a customer or prospect receives that is beyond the control of the organization.

TRUE

Unexpected touch points are unanticipated references or information about a company or brand that a customer or prospect receives that is beyond the control of the organization. Probably the most influential type of unexpected contact is a word-of-mouth message, which refers to a personal communication that comes from friends, associates, neighbors, co-workers, or family members.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Difficulty: 1 Easy
Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

23. Earned media refers to channels of marketing communication that a company controls, such as its websites, blogs, and mobile apps as well as social media channels such as Facebook, Twitter, Instagram, and YouTube.

FALSE

Earned media is exposure for a company or brand that it did not have to pay for and is generated by outside entities such as the media or the general public. On the other hand, owned media refers to channels of marketing communication that the company controls, such as its websites, blogs, and mobile apps as well as social media channels such as Facebook, Twitter, Instagram, and YouTube.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

24. The first step in the IMC planning process is to review the marketing plan and objectives.

TRUE

The first step in the IMC planning process is to review the marketing plan and objectives. Before developing a promotional plan, marketers must understand where the company (or the brand) has been, its current position in the market, where it intends to go, and how it plans to get there.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: IMC*

25. Companies or brands that are new to the market or those for whom perceptions are negative should focus on the benefits or attributes of the specific product or service, and not on their image.

FALSE

Companies or brands that are new to the market or those for whom perceptions are negative may have to concentrate on their images, not just the benefits or attributes of the specific product or service. On the other hand, a firm with a strong reputation and/or image is already a step ahead when it comes to marketing its products or services.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium*

*Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: IMC*

26. Analysis of the communication process may involve preliminary discussions on media-mix options and their cost implications.

TRUE

When a firm is in the stage of analyzing the communication process of the promotional planning process, it examines how effectively it can communicate with consumers in its target markets. Preliminary discussion of media-mix options (print, TV, radio, digital, direct marketing) and their cost implications might also occur at this stage.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: IMC*

27. Which of the following is an example of a marketing exchange?

- A. The waitress gave Cyrus a menu and he placed his food order.
- B. Griffin helped Mandy replace the air filter in her lawn mower.
- C. Ken and Maggie gave their son an MP3 player for his birthday.
- D.** Mrs. Maloney gave Larry a box of homemade fudge in return for painting her fence.
- E. Jenny asked Melisa if she could borrow her pen for a while since her pen had stopped working.

Mrs. Maloney giving Larry a box of homemade fudge in return for painting her fence is an example of a marketing exchange. For exchange to occur there must be two or more parties with something of value to one another, a desire and ability to give up that something to the other party, and a way to communicate with each other. Not all marketing transactions involve the exchange of money for a product or service.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

28. According to the American Marketing Association's definition of marketing, which of the following statements is true?

- A. Most marketers are seeking a one-time exchange or transaction with their customers.
- B. The focus of production-driven companies is on developing and sustaining relationships with their customers.
- C.** Successful companies recognize that creating and delivering value to their customers is extremely important.
- D. Though marketing plays an important role in developing relationships with customers, it does not help in maintaining them.
- E. By definition, a marketing transaction has to involve the exchange of money.

The revised definition of marketing given by the American Marketing Association (AMA) is viewed as being more reflective of the role of nonmarketers to the marketing process. It also recognizes the important role marketing plays in the process of creating, communicating, and delivering value to customers, as well as society at large.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

29. Which of the following statements best defines value?

- A. the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea
- B. the combination of factors like name, logo, design, and packaging that comes to mind when consumers think about a brand
- C. the desire and ability of two or more parties to exchange something of importance with one another
- D.** the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it
- E. the amount of funds invested by the shareholders of a company in promoting its product portfolio

Value is the customer's perception of all of the benefits of a product or service weighed against all the costs of acquiring and consuming it.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

30. Product, price, promotion, and _____ are the four Ps of the marketing mix.

- A. people
- B.** place
- C. package
- D. print
- E. privilege

The four Ps—product, price, place (distribution), and promotion—are elements of the marketing mix.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

31. Price, product, place, and promotion together form the

- A. points-of-parity.
- B. promotional mix.
- C.** marketing mix.
- D. supply chain components.
- E. exchange mix.

The four Ps—product, price, place (distribution), and promotion—are elements of the marketing mix.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-01 Describe the role of advertising and other promotional elements in marketing.
Topic: Strategic Marketing Planning*

32. Prior to the development of integrated marketing communications, the promotional function in most companies was dominated by

- A. mass-media advertising.
- B. sales promotion.
- C. public relations.
- D. publicity.
- E. direct marketing.

For many years, the promotional function in most companies was dominated by mass-media advertising. Companies relied primarily on their advertising agencies for guidance in nearly all areas of marketing communication.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

33. CL Inc., a new firm, used mass media to gain traction among customers. The company used sales promotions and public relations to achieve the long-term targets and goals identified by the top management. It also opted for direct marketing on a project-to-project basis. The assimilation of these various promotional tools is commonly referred to as

- A. mobile marketing.
- B. sales promotion activities.
- C. integrated marketing communications.
- D. omnichannel retailing.
- E. search advertising

In the above scenario, the assimilation of the various promotional tools is referred to as integrated marketing communications. During the 1980s, firms began moving toward the process of integrated marketing communications (IMC), which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers. As marketers embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

34. The process of assimilating mass-media advertisements with other promotional elements such as direct marketing, public relations, and sales promotion is known as

- A. media fragmentation.
- B. micromarketing.
- C. integrated marketing communications.
- D. social media.
- E. digital advertising

During the 1980s, firms began moving toward the process of integrated marketing communications (IMC), which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

35. Which of the following best defines integrated marketing communications?

- A. It is a term used in cause marketing that speaks about the degree of control customers hold over the cause they choose to support.
- B.** It involves coordinating the various promotional elements and other marketing activities that interact with a firm's customers.
- C. It is software that gathers and analyzes information about customer interactions with all the employees of a company.
- D. It is a collection of informational resources that describes a company's products and services and assists in marketing the same.
- E. It involves dividing the customers into similar subgroups based on media usage, demographics, psychographics, and product usage.

During the 1980s, firms began moving toward the process of integrated marketing communications (IMC), which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

36. Which of the following is true of integrated marketing communication?

- A. It does not include sales promotion.
- B.** It calls for a "big picture" approach to promotional activities.
- C. It segregates and highlights various independent promotional activities.
- D. It is also typically referred to as mobile marketing.
- E. It relies on mass-media advertising.

Advocates of the integrated marketing communications (IMC) concept noted that the process of integrated marketing communications calls for a "big-picture" approach to planning marketing and promotion programs and coordinating the various communication functions. It requires that firms develop a total marketing communications strategy that recognizes how all of a firm's marketing activities, not just promotion, communicate with its customers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

37. The central theme of the concept of _____ is that all of an organization's promotional elements and marketing activities reach out consistently and in a unified manner with its customers.

- A. the marketing mix
- B. exchange
- C.** integrated marketing communications
- D. the promotional mix
- E. cumulative prospect theory

The integrated marketing communications approach seeks to have all of a company's marketing and promotional activities project a consistent, unified image to the marketplace. It calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

38. According to the American Association of Advertising Agencies, _____ is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic role of a variety of communication disciplines and combines them to provide clarity, consistency, and maximum impact.

- A. brand equity
- B. local advertising
- C. selective demand marketing communications
- D. integrated marketing communications**
- E. professional advertising

A task force from the American Association of Advertising Agencies (the "4As") developed one of the first definitions of integrated marketing communications: a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—for example, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communications impact.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

39. In the advertising industry, terms such as *new advertising*, *orchestration*, and *seamless communication* were used to describe the concept of

- A. positioning.
- B. integration.**
- C. channel conflict.
- D. relationship marketing.
- E. diffusion.

The advertising industry recognized that integrated marketing communications (IMC) was more than just a fad. Terms such as *new advertising*, *orchestration*, and *seamless communication* were used to describe the concept of integration.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

40. In the 4As' definition of integrated marketing communications, the focus is on

- A. the organizations creating a sustainable supply chain for developing a socially responsible business.
 - B. the fact that nonpersonal communications must be totally avoided for a better communications impact.
 - C. the employees keeping track of future prospects by maintaining a customer interaction tracker.
 - D. the development of bait-and-switch marketing activities in all organizations.
 - E.** the process of using all forms of promotion to achieve maximum communication impact.
- The 4As' definition, the focus is on the process of using all forms of promotion to achieve maximum communication impact.

However, advocates of the integrated marketing communications (IMC) concept argued for an even broader perspective that considers all sources of brand or company contact that a customer or prospect has with a product or service.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

41. The primary goal of an integrated marketing communications program is to

- A.** have a company's entire marketing and promotional activities project a consistent, unified image to its customers.
- B. control all facets of a product's distribution.
- C. communicate with customers primarily through mass-media advertising.
- D. have complete control over all the channel partners in the distribution channel and to slow down the rate of diffusion of a new product among the customers.
- E. create a strong distribution network, via marketing, that is capable of destabilizing any competition.

The integrated marketing communications approach seeks to have a company's entire marketing and promotional activities project a consistent, unified image to the marketplace.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

42. According to the definition of integrated marketing communications (IMC) given by Don Schultz, which of the following is true of IMC?

- A. It is a tactical separation of various communication activities.
- B. It does not view the audience as an important part of the IMC process.
- C. It does not view the employees as an important part of the IMC process.
- D.** It is viewed as an ongoing strategic business process.
- E. It simply involves bundling promotional mix elements together.

IMC is viewed as an ongoing strategic business process rather than just tactical integration of various communication activities.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC

43. Montblanc uses classic design, a distinctive brand name, a focused distribution strategy to exclusive retailers, and celebrities in its advertising to position its watches as high-quality, high-status products. This is an example of a(n) _____ approach.

- A. direct marketing
- B. mobile marketing
- C. integrated marketing communications**
- D. old generation marketing
- E. mass media

Montblanc uses an integrated communications strategy with a variety of marketing-mix elements, including price, product design, brand name, and distribution strategy, to create a high-quality, upscale image for its watches.

*AACSB: Reflective Thinking
Blooms: Apply*

Difficulty: 2 Medium

*Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC*

44. _____ has been described as one of the "new-generation" marketing approaches being used by companies to better focus their efforts in acquiring, retaining, and developing relationships with customers and other stakeholders.

- A. Decentralized communication systems
- B. Bait-and-switch marketing approach
- C. Integrated marketing communications**
- D. Mass-media advertising
- E. Customer newsletter service

Integrated marketing communications (IMC) has been described as one of the "new-generation" marketing approaches being used by companies to better focus their efforts in acquiring, retaining, and developing relationships with customers and other stakeholders.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation*

Blooms: Remember

Difficulty: 1 Easy

*Learning Objective: 01-02 Discuss the evolution of the integrated marketing communications (IMC) concept.
Topic: IMC*

45. To respond to media fragmentation, marketers are increasing their spending on

- A. mass-media communication.
- B. television advertising.
- C. micromarketing.**
- D. mass production.
- E. product packaging.

To respond to the media fragmentation, marketers are increasing their spending on media that are more targeted and can reach specific market segments. There appears to be no stopping the fragmentation of the consumer market as well as the proliferation of media. The success of marketing communication programs will depend on how well companies make the transition from the fading age of mass marketing to the new era of micromarketing.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation*

Blooms: Understand

Difficulty: 2 Medium

*Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC*

46. Ultra-Long deodorant's tagline is "Timely strength for the match of life." Ads for the product feature a baseball star saying, "You need extra muscle when your day goes into extra time." These ads appear regularly on television and in print media. At the same time, Ultra-Long runs a sweepstakes contest for its customers. To enter the contest, customers have to fill out a \$1-off coupon. Through the use of IMC, Ultra-Long is hoping to primarily create _____ for its new product, which is the combination of many factors, including the name, logo, symbols, design, packaging, and performance of the product.

- A. brand evangelism
- B. brand dilution
- C. brand language
- D. brand identity**
- E. brand repositioning

In the above scenario, Ultra-Long is hoping to create brand identity for its new product. Brand identity is a combination of many factors, including the name, logo, symbols, design, packaging, and performance of a product or service as well as the image or type of associations that comes to mind when consumers think about a brand.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC

47. _____ is the sum of all points of encounter or contact that consumers have with the brand, and it extends beyond the experience or outcome of using it.

- A. Brand evangelism
- B. Brand identity**
- C. Brand extension
- D. Brand differentiation
- E. Brand engagement

Brand identity is the sum of all points of encounter or contact that consumers have with the brand, and it extends beyond the experience or outcome of using it.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.
Topic: IMC

48. The chief marketing officer who noted that “the future of marketing isn’t about getting people to buy your brand, but to buy into your brand,” recognized that marketing is now in the _____ era, and companies must connect with consumers based on trust, transparency, engagement, and authenticity.

- A.** relationship
- B. cynicism
- C. promotion
- D. mobile
- E. sustainability

Brands are becoming less about the actual product or service and more about how people relate to them. Consumers may view brands as a form of self-expression.

*AACSB: Analytical Thinking
Blooms: Understand
Difficulty: 2 Medium
Topic: IMC*

Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.

49. _____ has long been the cornerstone of brand-building efforts for many companies.

- A. Interactive media
- B.** Mass-media advertising
- C. Online marketing
- D. Product placement
- E. Personal selling

For many companies, mass-media advertising has long been the cornerstone of their brand-building efforts.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Topic: IMC*

Learning Objective: 01-03 Explain the increasing value of the IMC perspective in advertising and promotional programs.

50. _____ is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services.

- A. Branding
- B. Product distribution
- C. Pricing
- D.** Promotion
- E. Market segmentation

Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion in order to sell goods and services or promote an idea.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

51. Traditionally, which of the following has been considered an element of the promotional mix?

- A. packaging
- B. advertising**
- C. direct marketing
- D. interactive media
- E. branding

Traditionally the promotional mix has included four elements: advertising, sales promotion, publicity/public relations, and personal selling.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

52. Which of the following elements of the promotional mix is defined as a paid form of nonpersonal presentation of ideas, goods, or services by an identified sponsor using predominantly mass media?

- A. advertising**
- B. branding
- C. packaging
- D. publicity
- E. sales promotion

Advertising is defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

53. Advertising is defined as any

- A. paid form of nonpersonal communication about a product, service, or company.**
- B. form of media communication that provides an opportunity for immediate feedback.
- C. communication that moves a product from one level to another level of the distribution channel.
- D. personal communication from a company's representative to prospective buyers.
- E. nonpersonal communication about a product or service that is not paid for or run under identified sponsorship.

Advertising is defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

54. The basic elements that are used to accomplish an organization's marketing communication objectives are referred to as

- A. the marketing mix.
- B. marketing strategy tools.
- C. the growth-share matrix.
- D.** the promotional mix.
- E. the hype cycle.

The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix. Traditionally, the promotional mix has included four elements: advertising, sales promotion, publicity/public relations, and personal selling.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

55. Which the following factors is generally neglected through the use of advertising?

- A. ability to reach mass markets
- B. low cost per contact
- C. ability to create brand images and symbolism
- D.** immediate feedback
- E. control of message content and media placement

The nonpersonal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

56. Which of the following is true of advertising as a form of promotion?

- A.** low cost per contact
- B. nonpaid form of promotion
- C. sponsor or advertiser not identified
- D. immediate feedback and capability to close sales
- E. makes use of nontraditional media

Advertising is defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor. There are several reasons why advertising is such an important part of many marketers' IMC programs. One of the reasons is that media advertising is still the most cost-effective way to reach large numbers of consumers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

57. Clave Inc., a large soap manufacturing firm, has introduced a new soap known as Honeydew. It wants to promote the soap to broad audiences across various countries in a persuasive and cost-effective manner. At the same time, it also wants to enhance the overall company image. It has a promotional budget of about \$1,000,000. Which of the following forms of promotion should Clave make use of for the promotion of Honeydew?

- A.** mass advertising
- B. direct marketing
- C. personal selling
- D. sales promotion
- E. publicity

In the above scenario, Clave Inc. should make use of mass advertising to promote Honeydew. Advertising is defined as any paid form of nonpersonal communication about an organization, product, service, or idea by an identified sponsor. Advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness. Advertising is an important part of a marketer's IMC as it is the most cost-effective way to reach large numbers of consumers.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

58. Which of the following features of direct-response advertising differentiates it from other forms of advertising?

- A.** It provides for immediate feedback from the message recipient.
- B. It makes use of only magazines as a primary medium of advertising.
- C. It is a form of nonpersonal mass-media communication.
- D. It is most widely used because of its pervasiveness.
- E. It is a paid form of mass-media communication.

The nonpersonal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising).

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

59. The best-known and most widely discussed form of promotion is

- A. personal selling.
- B. sales promotion.
- C. direct marketing.
- D.** advertising.
- E. publicity/public relations.

Advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

60. Which promotional mix element would best suit a firm that wants to reach a large consumer audience while keeping the cost per contact low and creating a symbolic image or appeal for a new brand?

- A.** advertising
- B. personal selling
- C. sampling
- D. couponing
- E. door-to-door selling

Advertising is also a valuable tool for building company or brand equity as it is a powerful way to provide consumers with information as well as to influence their perceptions. Advertising is an important part of a marketer's IMC as it is the most cost-effective way to reach large numbers of consumers.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

61. Which of the following is true of advertising?

- A. Advertising attempts to create a personal relationship with the consumers.
- B. The nature and purpose of advertising is usually the same across various industries.
- C.** Advertising is a valuable tool for building brand and company equity.
- D. Advertising is used only for the promotion of mass consumer products.
- E. One disadvantage of advertising is that it is extremely personal to consumers.

Advertising is a valuable tool for building company or brand equity as it is a powerful way to provide consumers with information as well as to influence their perceptions.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

62. With respect to consumer markets, advertising done by manufacturers of well-known brands on a countrywide basis or in most regions of the country is known as _____ advertising.

- A. professional
- B. trade
- C. business-to-business
- D.** national
- E. direct-response

National advertising is advertising done by large companies on a nationwide basis or in most regions of the country. Most of the ads for well-known companies and brands that are seen on prime-time TV or in other major national or regional media are examples of national advertising.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

63. Stylo, a perfume manufacturing company, spends about \$1,000,000 annually on advertising. The company seeks to remind its customers in the United States about the brand and its features, benefits, and uses. It primarily strives to reinforce its image and initiate product purchase. In the context of the types of advertising to consumer markets, Stylo is using\

- A. national advertising.
- B. primary demand advertising.
- C. trade advertising.
- D. business-to-business advertising.
- E. professional advertising

In the above scenario, Stylo is making use of national advertising. National advertising is advertising done by large companies on a nationwide basis or in most regions of the country. The goals of national advertisers are to inform or remind consumers of the company or brand and its features, benefits, advantages, or uses and to create or reinforce its image so that consumers will be predisposed to purchase it.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

64. _____ advertising is done by local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment.

- A. Trade
- B. Professional
- C. Direct-response
- D. Retail
- E. National

Retail, or local advertising, is advertising done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

65. A to Z, a supermarket in New Jersey, placed a weekly advertisement in the local newspapers. The advertisement stated that A to Z would provide its customers all vegetables at a flat rate of \$5 from Monday to Wednesday between 1 p.m. and 3 p.m. at select locations in the state. A to Z most likely used

- A. national advertising.
- B. trade advertising.
- C.** retail advertising.
- D. primary-demand advertising.
- E. direct-response advertising.

In the above scenario, A to Z made use of retail advertising. Retail or local advertising is advertising done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment. Retail or local advertising tends to emphasize specific patronage motives such as price, hours of operation, service, atmosphere, image, or merchandise assortment.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

66. Advertising done for the purpose of building store traffic and encouraging consumers to make a purchase takes the form of _____ advertising.

- A. trade
- B. facultative
- C. professional
- D.** direct-action
- E. B2B

Retail or local advertising is advertising done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment. Retailers are concerned with building store traffic, so their promotions often take the form of direct-action advertising designed to produce immediate store traffic and sales.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

67. Which of the following is true of retail advertising?

- A. It is done by large companies on a nationwide basis or in most regions of the country.
- B. It takes the form of direct-response advertising.
- C.** It is done to build store traffic and sales.
- D. It is designed to stimulate demand for the general product class or an entire industry.
- E. It is targeted at marketing channel members such as wholesalers, distributors, and suppliers.

Retail advertising is advertising done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment. Retailers are concerned with building store traffic, so their promotions often take the form of direct-action advertising designed to produce immediate store traffic and sales.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

68. Retail or local advertising often takes the form of

- A. trade advertising.
- B. selective-demand advertising.
- C. bait-and-switch advertising.
- D.** direct-action advertising.
- E. indirect-response advertising.

Retailers are concerned with building store traffic, so their promotions often take the form of direct-action advertising designed to produce immediate store traffic and sales.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

69. Primary-demand advertising is designed to

- A. influence the purchase of only industrial goods and services.
- B.** stimulate demand for a general product class or entire industry.
- C. help launch a specific line extension.
- D. stimulate demand for existing products that are "dying."
- E. create a market share gain for the industry leader.

Primary-demand advertising is designed to stimulate demand for the general product class or entire industry. Primary-demand advertising is often used as part of a promotional strategy to help a new product gain market acceptance, since the challenge is to sell customers on the product concept as much as to sell a particular brand.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

70. In the context of advertising for consumer markets, _____ advertising focuses on creating demand for a specific company's brand.

- A. primary-demand
- B. selective-demand**
- C. trade
- D. professional
- E. industrial

Selective-demand advertising focuses on creating demand for a specific company's brands. Most advertising for products and services is concerned with stimulating selective demand and emphasizes reasons for purchasing a particular brand.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

71. Munroe Dairy, Inc., a manufacturer of dairy products, has come up with new global ads that promote the benefits of drinking milk as well as demonstrate the various uses of milk. This is an example of

- A. trade advertising.
- B. primary-demand advertising.**
- C. secondary-demand advertising.
- D. retail advertising.
- E. professional advertising.

The above scenario is an example of primary-demand advertising. Primary-demand advertising is designed to stimulate demand for the general product class or entire industry. Primary-demand advertising is often used as part of a promotional strategy to help a new product gain market acceptance, since the challenge is to sell customers on the product concept as much as to sell a particular brand. An advertiser might concentrate on stimulating primary demand when its brand dominates a market and will benefit the most from overall market growth.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

72. The National Egg Association has been promoting the benefits of eggs for many years. It aims to educate customers about the nutritional values of eggs through ads which are aired in several states. It is making use of

- A. direct-response advertising.
- B. professional advertising.
- C. primary-demand advertising.**
- D. selective-demand advertising.
- E. trade advertising.

The National Egg Association is making use of primary-demand advertising. Primary-demand advertising is designed to stimulate demand for the general product class or entire industry. An advertiser might concentrate on stimulating primary-demand when its brand dominates a market and will benefit the most from overall market growth.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

73. Which of the following best describes selective-demand advertising?

- A. It focuses on creating demand for a specific company's brands.
- B. It is done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment.
- C. It focuses on creating demand for an entire industry.
- D. It focuses on targeting individuals who buy or influence the purchase of industrial goods or services for their companies.
- E. It is one of the four Ps of the marketing mix.

Selective-demand advertising focuses on creating demand for a specific company's brands. Most advertising for products and services is concerned with stimulating selective demand and emphasizes reasons for purchasing a particular brand.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

74. Which of the following is an example of retail advertising?

- A. Advertisement of a health drink that compares its benefits to its competitor's
- B. Advertising done by the Beef Council to stimulate the demand for beef
- C. Advertisement for Fizzy Cola placed in a trade magazine to promote it to food store managers
- D. Advertisement for Pink Airlines that appears in newspapers all across the country
- E. Newspaper advertisement for a discount at a restaurant located on the outskirts of San Diego

Retail advertising is advertising done by retailers or local merchants to encourage consumers to shop at a specific store, use a local service, or patronize a particular establishment is called retail advertising.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

75. _____ advertising is targeted at individuals who influence the purchase of goods and services used to make other products.

- A. Professional
- B. Primary-demand
- C. Retail
- D. Business-to-business
- E. Direct-response

Business-to-business advertising is advertising targeted at individuals who buy or influence the purchase of industrial goods or services for their companies.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

76. Advertisements for CL brake products, True spark plugs, AM chassis parts, and Stone wheels featured in *Tire Review*, a journal for owners/operators of auto shops, are examples of _____ advertising.

- A. retail
- B. direct-response
- C. business-to-business**
- D. direct-mail
- E. primary-demand

The above scenario is an example of business-to-business advertising. Business-to-business advertising is advertising targeted at individuals who buy or influence the purchase of industrial goods or services for their companies.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

77. DocStock Inc., a company that manufactures stethoscopes, has placed an ad in *MediMag*, a magazine primarily read by doctors. The company is trying to improve sales by directly reaching out to its primary market segment. This is an example of\

- A. business-to-business advertising.
- B. trade advertising.
- C. professional advertising.**
- D. primary-demand advertising.
- E. direct-action advertising.

The above scenario is an example of professional advertising—advertising targeted to professionals such as doctors, lawyers, dentists, engineers, or professors to encourage them to use a company's product in their business operations. It might also be used to encourage professionals to recommend or specify the use of a company's product by end-users.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

78. _____ advertising is targeted at marketing channel members such as wholesalers, distributors, and retailers in order to encourage them to stock more of a particular brand.

- A. National
- B. Selective-demand
- C. Professional
- D. Trade**
- E. Retail

Trade advertising is targeted to marketing channel members such as wholesalers, distributors, and retailers. The goal is to encourage channel members to stock, promote, and resell the manufacturer's branded products to their customers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

79. Which of the following is an example of trade advertising?

- A. Mars Inc. is using print advertising to attract supply managers from other companies.
- B. Pluto Inc., a toothpaste manufacturer, places an ad in *Tooth Daily*, a magazine frequently circulated among dentists.
- C.** CL Inc., a chocolate manufacturer, hopes to attract wholesalers and retailers by placing an ad in *NextMag*, a weekly hotel magazine.
- D. James, a doctor, places an ad in a local newspaper to advertise his new clinic.
- E. The State Egg Federation runs a series of television ads that educate people about the nutritional value of eggs.

CL Inc., a chocolate manufacturer, hoping to attract wholesalers and retailers by placing an ad in *NextMag*, a weekly hotel magazine, is an example of trade advertising. Trade advertising is advertising targeted to marketing channel members such as wholesalers, distributors, and retailers. The goal is to encourage channel members to stock, promote, and resell the manufacturer's branded products to their customers.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

Blooms: Apply

Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

80. Which of the following statements is true of direct marketing?

- A.** Traditionally, it has not been considered an element of the promotional mix.
- B. It is synonymous with direct mail.
- C. The rapid growth of the Internet is discouraging the growth of direct marketing.
- D. It is seldom, if ever, used by companies that have an external sales force.
- E. It is less direct when compared to mail-order catalogs.

Traditionally, direct marketing has not been considered an element of the promotional mix. However, because it has become such an integral part of the integrated marketing communications (IMC) program of many organizations and often involves separate objectives, budgets, and strategies, we view direct marketing as a component of the promotional mix.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

81. Venus Corp. is a company that sells collectible plates. If you order one plate from the company, you will receive multiple mailings each month providing you with information relating to new products and offers. Which promotional element is Venus Corp. using in this scenario?

- A. advertising
- B. sales promotion
- C. direct marketing**
- D. publicity
- E. pricing

In the above scenario, Venus Corp. is making use of direct marketing. Direct marketing is much more than direct mail and mail-order catalogs. It involves a variety of activities, including database management, direct selling, telemarketing, and direct-response ads through direct mail, the Internet, and various broadcast and print media.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

82. One of the major tools of straight-to-consumer marketing is _____ advertising, where a product is promoted through an ad that encourages the consumer to purchase straight from the manufacturer.

- A. direct-response**
- B. primary-demand
- C. business-to-business
- D. trade
- E. selective-demand

One of the major tools of direct marketing is direct-response advertising, whereby a product is promoted through an ad that encourages the consumer to purchase directly from the manufacturer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

83. Which of the following is true of direct-response advertising?

- A. It encourages consumers to purchase straight from the manufacturer.**
- B. It targets wholesalers, retailers, and other members of the supply chain.
- C. It is also known as primary-demand advertising.
- D. It primarily targets professionals such as doctors, lawyers, and engineers.
- E. It does not use the Internet as a means of advertising.

One of the major tools of direct marketing is direct-response advertising, whereby a product is promoted through an ad that encourages the consumer to purchase directly from the manufacturer.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

84. _____ is a tool of direct marketing that is used to call customers directly and attempts to sell them products and services or qualify them as sales leads.

- A. Bait advertising
- B. Buzz marketing
- C. Telemarketing**
- D. Switch marketing
- E. B2B marketing

Direct marketing plays a big role in the integrated marketing communications programs of consumer-product companies and business-to-business marketers. They use telemarketing to call customers directly and attempt to sell them products and services or qualify them as sales leads.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

85. Which of the following is true of the Internet as a marketing medium?

- A. It is considered to be a traditional medium.
- B. It does not facilitate two-way communication.
- C. It enables marketers to gather valuable personal information from customers.**
- D. It does not enable real time adjustment of offers.
- E. It cannot be integrated with other media programs such as direct mail and telemarketing.

The interactive nature of the Internet is one of its major advantages. This capability enables marketers to gather valuable personal information from customers and prospects and to adjust their offers accordingly, in some cases in real time.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

86. _____ includes those marketing activities that provide extra value or incentives for purchasing a product, such as coupons and premiums.

- A. Direct marketing
- B. Advertising
- C. Public relations
- D. Sales promotion**
- E. Publicity

Sales promotion is generally defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

87. Sales promotions targeted at the ultimate users of a product, such as sampling, coupons, contests, or sweepstakes, are part of

- A. consumer-oriented sales promotion.
- B. trade-oriented sales promotion.
- C. buzz promotion.
- D. bait-and-switch sales promotion.
- E. channel-initiated sales promotion.

Consumer-oriented sales promotion is targeted to the ultimate user of a product or service and includes couponing, sampling, premiums, rebates, contests, sweepstakes, and various point-of-purchase materials.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

88. Foodie Inc. includes monthly coupons in its magazine advertisements. This is an example of

- A. consumer-oriented sales promotion.
- B. industrial sales promotion.
- C. business-oriented sales promotion.
- D. trade-oriented sales promotion.
- E. service-oriented sales promotion.

The above scenario is an example of consumer-oriented sales promotion. Consumer-oriented sales promotion is targeted to the ultimate user of a product or service and includes couponing, sampling, premiums, rebates, contests, sweepstakes, and various point-of-purchase materials.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

89. Which of the following is true of trade-oriented sales promotion?

- A. It is also known as buzz promotion.
- B. It targets members of the supply chain.
- C. It is targeted at the ultimate user of a product.
- D. It uses rebates and couponing.
- E. It includes sweepstakes and premiums.

Trade-oriented sales promotion is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers. Promotional and merchandising allowances, price deals, sales contests, and trade shows are some of the promotional tools used to encourage the trade to stock and promote a company's products.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

90. Sales promotion programs targeted at marketing intermediaries such as wholesalers, distributors, and retailers are part of

- A. consumer-oriented sales promotion.
- B.** trade-oriented sales promotion.
- C. user-oriented sales promotion.
- D. intrinsic sales promotion.
- E. bait-and-switch sales promotion.

Trade-oriented sales promotion is targeted toward marketing intermediaries such as wholesalers, distributors, and retailers.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

91. _____ refers to nonpersonal communication regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship.

- A. Advertising
- B. Sales promotion
- C.** Publicity
- D. Public relations
- E. Telemarketing

Publicity refers to nonpersonal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

92. Which of the following is a primary difference between publicity and advertising?

- A. Unlike advertising, publicity is done only by retailers.
- B. Unlike publicity, advertising does not utilize mass media.
- C.** Unlike advertising, publicity is not paid for by the sponsoring organization.
- D. Unlike advertising, publicity is institutional in character.
- E. Unlike publicity, advertising leads to less skepticism among consumers.

Publicity refers to nonpersonal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.

Topic: The Promotion Mix

93. Which of the following is a similarity between publicity and advertising?

- A. Both are nonpaid forms of communication.
- B. Both are run by an unidentified sponsor.
- C.** Both involve nonpersonal communication to a mass audience.
- D. Both are not directly paid for by the company.
- E. Both frequently provide an opportunity for immediate feedback.

Like advertising, publicity involves nonpersonal communication to a mass audience, but unlike advertising, publicity is not directly paid for by the company.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

94. One of the primary advantages inherent in the use of publicity is its

- A. ability to be personalized.
- B.** credibility.
- C. negligible variable costs.
- D. tangibility.
- E. ability to be closely controlled.

An advantage of publicity over other forms of promotion is its credibility. Consumers generally tend to be less skeptical toward favorable information about a product or service when it comes from a source they perceive as unbiased.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

95. Because of the perceived objectivity of the source, which element of the promotional mix is usually regarded as most credible?

- A. advertising
- B.** publicity
- C. packaging
- D. sales promotion
- E. direct marketing

An advantage of publicity over other forms of promotion is its credibility. Consumers generally tend to be less skeptical toward favorable information about a product or service when it comes from a source they perceive as unbiased.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

96. Which of the following statements about publicity is true?

- A. Publicity is a form of communication that is directly run under an identified sponsorship.
- B. Publicity is the only tool used in a firm's public relations efforts.
- C.** Publicity usually comes in the form of a news story or an editorial.
- D. Publicity has more of a long-term, ongoing purpose than public relations.
- E. Publicity refers to personal communications regarding an organization and its products.

Publicity refers to nonpersonal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship. It usually comes in the form of a news story, editorial, or announcement about an organization and/or its products and services.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

97. A local newspaper published an article about Pluto Inc.'s latest line of shoes. The shoes were made with used clothing sourced from households across the country. The article also included select photographs and offered consumers a "sneak peek" into the manufacturing process. This form of nonpersonal marketing communication is known as

- A. sales promotion.
- B. digital marketing.
- C. personal selling.
- D. public relations.
- E.** publicity.

The above scenario is an example of publicity. Publicity refers to nonpersonal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship. It usually comes in the form of a news story, editorial, or announcement about an organization and/or its products and services.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

98. A review of a movie in a local magazine or on a popular daily television show is an example of

- A. personal selling.
- B.** publicity.
- C. direct marketing.
- D. public relations.
- E. sales promotion.

The above scenario is an example of publicity. Publicity refers to nonpersonal communications regarding an organization, product, service, or idea not directly paid for or run under identified sponsorship. It usually comes in the form of a news story, editorial, or announcement about an organization and/or its products and services.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

99. Which of the following statements describes a disadvantage of publicity?

- A. Publicity is expensive to implement as it is directly paid for and run under identified sponsorship.
- B. Publicity has relatively low credibility.
- C.** Publicity is not always under the control of an organization and is sometimes unfavorable.
- D. Publicity is not useful with a market segmentation strategy.
- E. Publicity makes a market aggregation strategy ineffective.

Publicity is not always under the control of an organization and is sometimes unfavorable. Negative stories about a company and/or its products can be very damaging.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

100. A lawsuit charged a mortgage lender with racism because it allegedly charged African-American borrowers higher rates than other borrowers. News of the lawsuit was reported by the wire service, and it appeared in several newspapers. This is an example of

- A. sales detraction.
- B. negative advertising.
- C. cause selling.
- D.** negative publicity.
- E. bait-and-switch advertising.

The above scenario is an example of negative publicity. Publicity is not always under the control of an organization and is sometimes unfavorable. Negative stories about a company and/or its products can be very damaging. For example, recently the food and beverage industry has received a great deal of negative publicity regarding the nutritional value of their products as well as their marketing practices, particularly those targeting young people.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

101. DG Loans, a mortgage lender, was charged with a discrimination lawsuit. It alleged that the company was offering loans at higher rates of interest to African-American consumers. In response to these allegations, DG Loans sent out e-mail queries to its African-American customers to get feedback on their experiences with the firm's lending offices. This feedback was subsequently collected and released to the news media. This is an example of

- A.** public relations.
- B. advertising.
- C. publicity.
- D. sales promotion.
- E. cause marketing.

Public relations is defined as "a strategic communication process that builds mutually beneficial relationships between organizations and their publics." It involved managing relationships with a number of important audiences, including consumers.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

102. When an organization systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is engaging in a function known as

- A. buzz marketing.
- B. reactive disinformation.
- C. bait-and-switch marketing.
- D.** public relations.
- E. sales promotion.

When an organization systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is really engaging in a function known as public relations.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

103. Which of the following is true of public relations?

- A. It is synonymous with sales promotions.
- B. It is narrower in perspective than publicity.
- C.** It includes fund-raising, sponsorship of special events, and special publications.
- D. It avoids using advertising as a tool to enhance an organization's image.
- E. It refers to personal communications regarding an organization and its products.

Public relations uses publicity and a variety of other tools—including special publications, participation in community activities, fund-raising, sponsorship of special events, and various public affairs activities—to enhance an organization's image.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 1 Easy

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

104. _____ is a form of one-on-one communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea.

- A. Advertising
- B. Sales promotion
- C. Publicity
- D. Interactive marketing
- E.** Personal selling

The final element of an organization's promotional mix is personal selling, a form of person-to-person communication in which a seller attempts to assist and/or persuade prospective buyers to purchase the company's product or service or to act on an idea.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix

105. _____ is a promotional mix element that allows for direct contact between a buyer and seller and allows a message to be modified according to the needs or reactions of the customer.

- A. Advertising
- B. Sales promotion
- C. Public relations
- D. Publicity
- E. Personal selling**

Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales. The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

106. Which of the following statements accurately describes how personal selling differs from advertising?

- A. Unlike advertising, personal selling does not result in direct sales.
- B. Unlike advertising, personal selling can be tailored to meet customers' specific needs.**
- C. Unlike advertising, personal selling can attract mass attention.
- D. Unlike advertising, personal selling tends to have a lower cost per individual.
- E. Unlike advertising, personal selling does not provide accurate feedback.

Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales. This interaction gives the marketer communication flexibility; the seller can see or hear the potential buyer's reactions and modify the message accordingly.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

107. The promotional mix element that allows for the most immediate and precise feedback from the customer is

- A. advertising.
- B. sales promotion.
- C. public relations.
- D. publicity.
- E. personal selling.**

Personal selling also involves more immediate and precise feedback because the impact of the sales presentation can generally be assessed from the customer's reactions. If the feedback is unfavorable, the salesperson can modify the message.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

108. Which of the following promotional tools best suits a business-to-business marketer who sells expensive, risky, and often complex products?

- A. print advertising
- B. sales promotion
- C. public relations
- D. personal selling**
- E. publicity

The personal, individualized communication in personal selling allows the seller to tailor the message to the customer's specific needs or situation. Personal-selling efforts can also be targeted to specific markets and customer types that are the best prospects for the company's product or service.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

109. What is the major advantage of personal selling over advertising as a communication method?

- A. Personal selling involves the usage of mass media, whereas advertising does not.
- B. Personal selling improves the image of the firm, whereas advertising does not.
- C. Personal selling activates the receiver's selective processes, whereas advertising does not.
- D. Personal selling results in sales responses that are difficult to measure, whereas advertising results in immediate feedback.
- E. Personal selling involves direct contact between the buyer and seller, whereas advertising deals with indirect contact.**

Unlike advertising, personal selling involves direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

110. Greg called Marsha on the telephone to present information about a meal plan package his company was offering. Marsha responded unfavorably to his description of the offer, so Greg modified the message. Which characteristic of personal selling did Greg benefit from in this scenario?

- A. the ability to target specific markets
- B. the ability to target specific customer types
- C. autonomy from the advertising or marketing department
- D. the ability to respond to immediate feedback**
- E. indirect contact between the buyer and the seller

The salesperson benefited from the ability to respond to immediate feedback, which is unique to personal selling.

*AACSB: Reflective Thinking
Blooms: Apply
Difficulty: 2 Medium*

*Learning Objective: 01-04 Identify the elements of the promotional mix.
Topic: The Promotion Mix*

111. A(n) _____ refers to each and every opportunity the customer has to see or hear about the company and/or its brands or have an encounter or experience with it.

- A. service point
- B. inference point
- C. reference point
- D. touch point**
- E. display point

A touch point, or audience contact, refers to each and every opportunity the customer has to see or hear about the company and/or its brands or have an encounter or experience with it.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

112. According to Tom Duncan's basic categories of contact or touch points, which of the following best describes planned marketing communication messages created by an organization such as advertisements, websites and social media sites, news/press releases, packaging, brochures, and sale promotions?

- A. channel-created touch points
- B. unexpected touch points
- C. company-created touch points**
- D. intrinsic touch points
- E. customer-initiated touch points

Company-created touch points are planned marketing communication messages created by the company such as advertisements, websites and social media sites, news/press releases, packaging, brochures and collateral material, sale promotions, and point-of-purchase displays along with other types of in-store décor.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

113. According to Tom Duncan's basic categories of contact or touch points, which of the following best describes interactions that occur with a company or brand during the process of buying or using the product or service?

- A. intrinsic touch points**
- B. company-created touch points
- C. unexpected touch points
- D. customer-initiated touch points
- E. distributive touch points

Intrinsic touch points are interactions that occur with a company or brand during the process of buying or using the product or service such as discussions with retail sales personnel or customer service representatives.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

114. Which of the following touch points relates to unanticipated references or information about a company or brand that a customer or prospect receives from sources that are beyond the control of the organization?

- A. company-created touch point
- B. intrinsic touch point
- C. user-created touch point
- D. unexpected touch point**
- E. customer-initiated touch point

Unexpected touch points are unanticipated references or information about a company or brand that a customer or prospect receives that are beyond the control of the organization.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

115. Juan goes to a large electronics retailer to get information on an upcoming television purchase. He discusses his purchase with a retail salesperson who is not under the direct control of the television manufacturer. Which of the four basic categories of touch points does the retail salesperson represent?

- A. company-created touch point
- B. planned touch point
- C. intrinsic touch point**
- D. unexpected touch point
- E. customer-initiated touch point

Intrinsic touch points are interactions that occur with a company or brand during the process of buying or using the product or service such as discussions with retail sales personnel or customer service representatives.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 2 Medium*

Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.

116. Joy calls a mobile phone store to inquire about a new phone available in the market. The customer service operator sends her an e-mail with the product details along with other specifications Joy requested. Which of the following types of touch points is illustrated in this scenario?

- A. company-created touch point
- B. intrinsic touch point
- C. extrinsic touch point
- D. unexpected touch point
- E. customer-initiated touch point**

The above scenario exemplifies a customer-initiated touch point. Customer-initiated touch points are interactions that occur whenever a customer or prospect contacts a company. Most of these contacts involve inquiries or complaints consumers might have regarding the use of a product or service and occur through calls made directly to the company, via e-mails, or through specific sections of websites to which customers are directed.

*AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
Difficulty: 3 Hard*

*Learning Objective: 01-05 Identify the contact points between marketers and their target audiences.
Topic: The Communication Process*

117. How does the integrated marketing communications (IMC) plan approach differ from traditional approaches to promotion?

- A. IMC puts more emphasis on advertising and less on sales promotion.
- B. IMC puts more emphasis on sales promotion and less on public relations and publicity.
- C.** IMC recognizes that marketers must be able to use a wide range of marketing and promotional tools to present a consistent image to target audiences.
- D. IMC places barriers around the various marketing and promotional functions and requires that they be planned and managed separately.
- E. IMC predominately makes use of mass-media communications in order to attract and retain customers.

Integrated marketing communications management involves the process of planning, executing, evaluating, and controlling the use of the various promotional-mix elements to effectively communicate with target audiences.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: IMC

118. _____ involves the process for planning, executing, evaluating, and controlling the use of various promotional-mix elements to effectively reach target audiences.

- A. Marketing information system management
- B.** Integrated marketing communications management
- C. Customer relationship management
- D. Differential communications management
- E. Communications process accounting

Integrated marketing communications management involves the process of planning, executing, evaluating, and controlling the use of the various promotional-mix elements to effectively communicate with target audiences.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy
Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: IMC

119. The first step in the IMC planning process is

- A. the analysis of the communication process.
- B. the determination of a budget.
- C.** the review of the marketing plan.
- D. the development of an advertising message.
- E. the distribution of sales promotion materials.

The first step in the integrated marketing communications planning process is to review the marketing plan. Before developing a promotional plan, marketers must understand where the company (or the brand) has been, its current position in the market, where it intends to go, and how it plans to get there.

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120. Typically, a marketing plan usually includes

- A. a corporate mission statement.
- B. individual job specifications.
- C. a media schedule.
- D.** a detailed situation analysis.
- E. articles of incorporation.

Marketing plans can take several forms but generally include five basic elements—a detailed situation analysis, specific marketing objectives, a marketing strategy, a program for implementing the marketing strategy, and a process for monitoring and evaluating performance and providing feedback.

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Difficulty: 1 Easy*

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121. The stage of the IMC planning process which comes immediately after the overall marketing plan is reviewed is the

- A. integration and implementation of marketing communications strategies.
- B. development of marketing job descriptions.
- C.** promotional program situation analysis.
- D. budget determination.
- E. analysis of market forecasts.

In an IMC planning model, the review of the marketing plan is usually followed by the analysis of the promotional program situation.

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Blooms: Remember
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*Learning Objective: 01-06 Describe the steps in the IMC planning process.
Topic: The Steps in an Advertising Campaign*

122. According to an integrated marketing communications planning model, which of the following activities is best associated with the review of the marketing plan step?

- A. integrating promotional mix strategies
- B. analyzing source, message, and channel factors
- C.** assessing environmental influences
- D. setting direct-marketing objectives
- E. purchasing media time and space

Assessment of environmental influences is one of the activities included in the review of the marketing plan step. Reviewing the marketing plan and objectives is the first step in the IMC planning process.

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123. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "integrate and implement marketing communications strategies"?

- A.** purchasing media time and space
- B. analyzing source, message, and channel factors
- C. allocating tentative budgets
- D. identifying niche market segments
- E. establishing communication goals and objectives

Purchase of media time and space is one of the activities included in the "integrate and implement marketing communication strategies" step. While the marketer's advertising agencies may be used to perform some of the other IMC functions, they may also hire other communication specialists such as direct-marketing and interactive and/or sales promotion agencies, as well as public relations firms.

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124. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "analysis of promotional program situation"?

- A. developing selling roles and responsibilities
- B. setting advertising objectives
- C.** analyzing consumer behavior
- D. purchasing media time and space
- E. setting a tentative marketing communications budget

Analysis of consumer behavior is one of the activities included in the step "analysis of promotional program situation." After the overall marketing plan is reviewed, the next step in developing a promotional plan is to conduct the situation analysis.

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Blooms: Understand
Difficulty: 2 Medium*

*Learning Objective: 01-06 Describe the steps in the IMC planning process.
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125. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "analysis of communications process"?

- A. allocating tentative budgets
- B.** analyzing source, message, and channel factors
- C. competitive analysis
- D. designing and implementing direct-marketing programs
- E. external analysis

Analysis of the source, message, and channel factors is one of the activities included in the step "analysis of communication process." This stage of the promotional planning process examines how the company can effectively communicate with consumers in its target markets.

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Difficulty: 2 Medium*

*Learning Objective: 01-06 Describe the steps in the IMC planning process.
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126. According to an integrated marketing communications planning model, which of the following activities is best associated with the step "developing integrated marketing communications program"?

- A. examining overall marketing plan and objectives
- B. internal analysis
- C. analyzing receiver's response processes
- D.** determining advertising budget
- E. external analysis

Determination of advertising budget is one of the activities included in the step "develop integrated marketing communications program." Developing the IMC program is generally the most involved and detailed step of the promotional planning process.

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Blooms: Understand
Difficulty: 2 Medium*

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127. Which of the following is an area of focus of internal analysis?

- A.** product/service offering
- B. positioning strategies
- C. competitors
- D. market segments
- E. consumer buying patterns

The internal analysis assesses relevant areas involving the product/service offering and the firm itself. The capabilities of the firm and its ability to develop and implement a successful promotional program, the organization of the promotional department, and the successes and failures of past programs should be reviewed.

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128. Which of the following is a question that firms are likely to ask during an external analysis?

- A. What are the strengths and weaknesses of our product or service?
- B.** Who influences the decision to buy our product?
- C. How does our product or service compare with competition?
- D. What are our product's key benefits?
- E. Does our product have unique selling points?

The external analysis focuses on factors such as characteristics of the firm's customers, market segments, positioning strategies, and competitors. During the external analysis, firms are likely to inquire about the external influences that drive people to buy their products.

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129. What is the next stage in the IMC planning process, once marketing and communication objectives have been set?

- A. budget determination
- B. developing the advertising message
- C. reviewing the marketing plan
- D. recruitment of marketing and promotion personnel
- E. development of the IMC program

After the communication objectives are determined, attention turns to the promotional budget. Two basic questions are asked at this point: What will the promotional program cost? How will the money be allocated?

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130. The development of the advertising message that the marketer wants to convey to its target audience is called the

- A. creative strategy.
- B. media strategy.
- C. distribution strategy.
- D. channel strategy.
- E. user strategy.

Message development, often referred to as creative strategy, involves determining the basic appeal and message the advertiser wishes to convey to the target audience.

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131. _____ involves determining which communication channels will be used to deliver the advertising message to the target audience.

- A. Media strategy
- B. Creative strategy
- C. Reactionary strategy
- D. Intrinsic strategy
- E. User strategy

Two important aspects of the advertising program are development of the message and the media strategy. Message development, often referred to as creative strategy, involves determining the basic appeal and message the advertiser wishes to convey to the target audience.

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132. Which of the following is the final stage in the integrated marketing communications (IMC) planning process?

- A. reviewing the marketing plan and situation analysis
- B. determining the promotional budget
- C.** monitoring, evaluating, and controlling the promotional program
- D. developing the integrated marketing communications program
- E. determining the media strategy

The final stage of the IMC planning process is monitoring, evaluating, and controlling the promotional program. It is important to determine how well the IMC program is meeting communication objectives and helping the firm accomplish its overall marketing goals and objectives.

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*Learning Objective: 01-06 Describe the steps in the IMC planning process.
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133. Which of the following is true of the final stage of the integrated marketing communications (IMC) planning process?

- A. It involves deciding the role of each promotional-mix element.
- B. It involves determining the importance of each promotional-mix element.
- C. It involves finding out the coordination between all of the promotional-mix elements.
- D.** It involves monitoring, evaluating, and controlling the promotional program.
- E. It involves performing activities to implement the promotional program.

The final stage of the IMC planning process is monitoring, evaluating, and controlling the promotional program. It is important to determine how well the IMC program is meeting communications objectives and helping the firm accomplish its overall marketing goals and objectives. The IMC planner wants to know not only how well the promotional program is doing but also why.

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134. Rebecca is engaged in a process where she is assessing the strengths and weaknesses of her brand from an image perspective. She is in which stage of the integrated marketing communication planning process?

- A.** internal analysis
- B. external analysis
- C. communication process analysis
- D. communication objectives
- E. budget determination

Assessing the strengths and weaknesses of the firm or the brand from an image perspective is an aspect of internal analysis. The brand image of a firm can have a significant impact on the way the firm can advertise and promote itself as well as its various products and services.

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Blooms: Apply
Difficulty: 2 Medium*

*Learning Objective: 01-06 Describe the steps in the IMC planning process.
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