***Exam-4 (Final)***

***Study Guide***

***Dec. 6th, 2012 (11:30 am - 12:30 pm)***

***Chapter 15:***

1. Different stages of the evolution of a mass medium: novelty/development, entrepreneurial, and mass medium.
   1. Novelty / Development – Inventors and technicians solve a particular problem like transmitting messages aboard ships, making pictures move, or sending mail electronically.
   2. Entrepreneurial – Inventors and investors determine a practical and marketable use for the device. Example: A decentralized communications system that could survive a nuclear war.
   3. Mass Medium – Businesses market the device as a consumer product.
2. Differences between the Internet and traditional media.
   1. Cost of time and/or space
      1. Traditional: 30 sec TV spot on prime time -> $$$
      2. Internet: Vast space and inexpensive
   2. Consumption of Content
      1. Traditional: Consumption is typically done through an appointment viewing mode
      2. Internet: Consumption is ‘on demand’ E.g. Hulu
3. Know these terms:
   1. World Wide Web
      1. Distributed network of content providers and users
   2. *HTML*
      1. *Hyper-text markup language.*
   3. Web browser
      1. Software that interprets HTML code and helps view web pages
   4. *Web 2.0*
      1. Represents the idea that the future of the web is in companies that encourage user sharing and collaboration. E.g. Blogs, gmail, and Youtube.
4. What are cookies? What do they help store (visit frequency, ad calls, clicks, etc.)?
   1. Cookies are small text files that store user information and preferences
   2. Many sites use cookies to customize and improve functionality on repeat visits to the site.
5. What are third-party ad servers?
   1. Central source, ad rotation, ad distribution, tracking, ISP identity, and behavioral targeting.
6. What is behavioral targeting? How does it work?
   1. Advertisers have an agreement with the publisher and he places a code on his website.
   2. ***Problem with behavioral targeting.***
   3. ***What is the FTC’s solution?***
   4. ***What are the positive impacts of behavioral targeting? (\*http://mashable.com/2011/04/26/behavioral-targeting/)***
7. ***Measuring the Internet audience:***
   1. Ad impressions
      1. When an individual ad is displayed on your website.
   2. Ad request
      1. Number of ads actually delivered to a user’s screen. (Ad server -> Browser)
      2. Advertisers have no way of knowing if the user actually saw the ad or not.
   3. Click rate or click-through rate
      1. Frequency by which the user tries to obtain additional information about a product by clicking on an advertisement.
   4. Cost per click (CPC)
      1. Pay only for clicks.
   5. CPM
      1. Cost per 1,000 impressions.
8. ***Difference between corporate and commerce Websites.***
9. Know these terms:
   1. Websites
      1. Web pages, images, video, data on web server
   2. Micro-sites
      1. Singular-focus supplement on a separate page. (Burton Bags example)
   3. Landing pages
      1. Gateway to deeper areas of a website (ad or direct)
10. What is Google Pagerank? How does it work?
    1. Sites that many other sites link to (quantity of votes) and Google search also analyzes the websites that gave the votes (quality of votes)
11. What are sponsored links?
    1. Paid ads through Adwords.
12. How is revenue generated in Google AdWords and AdSense?
    1. Adwords - Advertisers pay Google to have their links and.or ads placed in search results (sponsored links). Further payment is made when the ads are clicked on.
    2. AdSense – Advertisers pay Google when links and/or ads placed on relevant web pages are clicked on. Publisher earns money from google when ads are clicked on.
13. ***What are banners and buttons?***
14. What is the difference between interstitial, superstitial, and pre-roll?
    1. Interstitial – Visible Download – Ads appear in a separate (‘pop up’) window while a webpage is loading or are inserted between pages.
    2. Superstitial - Invisible Download – Uses ‘polite download’ technology to download ads when bandwidth is idle and the ad plays when the mouse is clicked.
    3. Pre-roll – Short video ad, 15-30 second (from TV) that plays before the video you selected.
15. ***Benefit of sponsorship.***
16. ***What is spam and how can advertisers distinguish their ads from spam?***
17. ***Pros and cons of Internet advertising.***

***Chapter 16:***

1. Why use outdoor advertising?
   1. To reach those people in the target audience that primary media (TV, print, etc) may not have effectively reached and to reinforce, or support, their messages.
2. What are plants and plant operators?
   1. Plants – Out of home advertising companies
   2. Plant Operators – Find Locations -> Buy Property -> Erect Building Structures -> Contract with Advertisers
3. ***Difference between:***
   1. Bulletin structures
      1. Largest standard-size and located in highly visible locations like expressways. Offers exposure during heavy traffic.
   2. Posters
      1. Smaller than bulletins and are used to target specific segments. Typically used for new product campaigns, seasonable events, and time sensitive promotions.
   3. Junior posters
      1. Smaller posters positioned close to street level. Targets pedestrian traffic and found in places where bulletins and posters are not permitted. They also help reach hard-to-get audience members.
   4. Spectaculars
      1. Characterized by tremendous size, technology, special effects/applications, and/or locations.
4. ***Buying outdoor advertising:***
   1. What is GRP?
      1. 100 showings or 100 gross rating points
   2. What does have a GRP of 100 showing?
      1. Ad will appear on as many billboards to provide daily exposure equal to the total population.
      2. 100% GRP = Reach of 88.1% of the population in 30 days.
      3. Formula: Total Circulation (Impressions) within a campaign period / base population \* 100.
   3. Daily-estimated circulation (DEC)
      1. Number of people that pass by a billboard.
5. *Outdoor advertising regulation:*
   1. *Highway Beautification Act.*
      1. *To protect natural and scenic beauty along federal-aid highways by, among other things, controlling billboards in rural, scenic and agricultural areas.*
   2. Scenic Byways Amendment.
      1. Prohibits the erection of new billboards on state designated scenic byways, which are part of the interstate or primary system.
6. Transit advertising types:
   1. Terminal posters
      1. Found in bus or airplane terminals.
   2. Transit shelters
      1. Found in the area where you wait for a bus
   3. Inside cards
      1. Placed above the seats and luggage areas of buses or trains
   4. Outside posters
      1. May appear on the sides, back, and/or roof of buses, taxis, trains, subways, and trolley cars.
7. What does a full (100) showing in transit advertising mean?
   1. 1 Ad in each vehicle in the system
8. Special transit buys:
   1. Basic bus
      1. One advertiser buys the entire space throughout a bus
   2. Bus-o-Rama
      1. On roof but on the sides, old school
   3. Bus wrap
      1. Wraps the whole bus
   4. Brand train
      1. Same as total bus but for trains
   5. Take ones
      1. Take an envelope to take one and mail in your donation.
9. Pros and cons of outdoor advertising.
   1. Pros: Wide local coverage, high frequency, geographic flexibility, creativity, creation of awareness, cost efficiency, increases sales, and production capability
   2. Cons: Waste coverage, limited message capability, high cost, measurement problems, and wearout leads to boredom.
10. Why are yellow pages seen as a directional medium?
    1. It tells you how to make the sale.

***Chapter 17:***

1. What are the main functions of direct marketing?
   1. Generates direct orders, prompts information requests, generates store or business traffic, and builds and maintains a customer base.
2. Pros and cons of direct marketing.
   1. Pros: Helps to develop a good database, people see themselves as unique, campaigns have a tangible response, cost effective, personal, and targeted.
   2. Cons: Negative, sales-oriented reputation of direct marketing, enjoyment of visiting retail stores is gone, hesitation to buy goods not seen, touched, or tried, privacy concerns, clutter, and lack of prestige of direct marketing.
3. What is direct sales?
   1. Personal direct selling
      1. Face-to-face selling away from a fixed location. E.g. Amway and Avon
   2. Telemarketing (also study its advantages)
      1. Selling and prospecting via telephone.
4. What is direct-response advertising?
   1. Definition: Advertising that requires feedback from the viewer, listener, or reader.
   2. Direct-mail
      1. Advertising sent direct to prospects via USPS, UPS, or electronic mail delivery services.
5. Types of direct mail:
   1. E-mail
      1. Valid email, opt-out option, and “this email is an advertisement”
   2. Sales letters
      1. Persuade in absence of a salesman
      2. Mailed with brochures, price lists, or reply card, and envelope.
   3. Postcards
      1. To announce sales, discounts, or generate customer traffic.
   4. Business reply mail
      1. Customers can respond without paying for postage
      2. Advertisers pay postage and handling fees when a response is received.
   5. Self-mailers
      1. Direct mail without an envelope.
   6. Statement stuffers
      1. Ads enclosed in monthly customer statements from department stores, banks, etc
   7. House organs
      1. Internal publications that communicate organization news and activities to employees and select external audience.
      2. E.g. Stockholder reports, newsletters, consumer magazines, etc.
6. What are the four communication functions of sales representatives (personal selling)?
   1. Interpersonal communication process by which a seller ascertains and then satisfies the needs of a buyer, to the mutual, long-term benefit of both parties.
   2. Gather information for the company, provide information to customers, fulfill customer orders, and build client relationships.
7. Pros and cons of personal selling.
   1. Pros: Most persuasive, best way to establish a relationship, and interactive
   2. Cons: Labor intensive, cost, reputation, and easy to ruin a relationship.
8. **What is sales promotion?**
   1. Value-added tool to accelerate product’s movement from producer to consumer.
   2. Examples: Rebates, coupons, sweepstakes or contest, special pricing, sponsorships, and freebies
   3. How does it impact brand volume?
      1. It increases volume
   4. How does it impact brand value? (Negative impact of excessive promotions)
      1. It decreases brand value, as customers will not buy the product without a discount.
      2. Lowers the brand value in consumer minds, low brand value results in lower volume of sales.
      3. Promotion at the expense of advertising hurts profits
9. What is a push strategy?
   1. Pushing the product from the manufacturer to the retailer to the consumer.
   2. *Types of trade promotions:*
      1. Slotting allowance
         1. Picking the shelf that would be used.
      2. Display allowance
         1. Self explanatory
      3. Buyback allowance
         1. Buys back their old stuff, so the shelf space is gone so they can put their new product back in
      4. Dealer premiums and contests
         1. Motivate the retailers to sell their product faster. If you sell X shoes we’ll give you X amount of money. This is a flat amount.
      5. Co-op advertising
         1. Retailers and manufacturer make the advertising together. Primarily in the automotive industry
      6. Push money or spiffs
         1. Providing commissions to the actual sales person. Commission based
      7. Meeting and conventions
         1. Self explanatory
10. What is a pull strategy?
    1. End User (Requests Product) -> Resellers (Requests Products) -> Product, which markets the product towards the end user.
    2. *Types:*
       1. P-O-P materials
          1. Point of purchase materials. Displays that are put near a cashier. Candy, Coke, Pepsi, etc.
       2. Refunds and rebates
       3. Sampling
          1. Dunkin donuts for example. Come by the galleria to try the new dunkin donuts coffee.
       4. Sweepstakes
       5. Coupons
       6. Premiums
          1. When you get a free gift or a low price.

***Chapter 18:***

1. ***What are the three objectives of PR?***
2. Differences between advertising and PR.
   1. Advertising uses simple fixed messages, transmitted directly to the public through the purchase of ads and part of the marketing communication
   2. PR is complex messages that evolve over time, transmitted indirectly to the public often through external media (news), and part of corporate communications.
3. What kinds of research methods are used by PR practitioners?
   1. Uses mail, telephone, internet surveys, focus groups, and interviews to understand audience perception of a product, issue, policy, program, or image.
4. What is publicity and press agentry?
   1. Publicity – The generation of news about a person, product, or service that appears in print or electronic media
   2. Press Agentry – The planning and staging of events to generate publicity
5. ***Understand PR’s role in crisis communication (e.g. British Petroleum).***
6. Role of PR in community involvement:
   1. Communities
      1. Sustain close ties with their communities and neighbors helps to enhance their image and attract customers.
   2. Consumers
      1. Good customer service and satisfied customers lead to repeat business and new business through word of mouth.
7. Difference between sponsorship and philanthropy.
   1. Sponsorship – Cash or in-kind payment for a commercial opportunity
   2. Philanthropy – Support a cause without commercial incentive.
8. ***Pros and cons of sponsorships.***
   1. ***Pros:***
   2. ***Cons:***
9. *Difference between special events and pseudo-events.*
   1. Special Events – Help raise the profile of corporate, organizational, or government clients.
   2. Pseudo-events – Created to gain media coverage.
10. ***PR tools:***
    1. Press release
       1. Announcements written in the style of news reports that give information about an individual company, or an organization and pitch a story idea to the news media.
    2. Video news release
       1. 30-90 second video press release that mimics a broadcast news reports.
    3. Public service announcements
       1. 15-60 second audio or video report that promote government programs, educational, projects, volunteering, or social reform.
    4. ***Social media (Electronic Arts, Samsung, and KLM)***
11. What are the three goals of corporate advertising?
    1. Improve public relations, establish corporate identity, and recruit new employees.
12. ***Understand the differences and the examples for each:***
    1. ***PR advertising***
    2. ***Institutional advertising***
    3. ***Corporate identity advertising***
    4. ***Recruitment advertising***