

Principles of Marketing, 17e, Global Edition (Kotler/Armstrong)

Chapter 14 Engaging Consumers and Communicating Customer Value: Integrated Marketing Communications Strategy

1) A company's total marketing communications mix consists of a specific blend of advertising, sales promotion, public relations, personal selling, and direct-marketing tools that the company uses to communicate customer value and build customer relationships. Which of the following terms best describes this set of communications tools?

- A) the product mix
- B) product line filling
- C) the promotion mix
- D) the price mix
- E) horizontal diversification

Answer: C

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

2) Which of the following is one of the five major promotion tools?

- A) market penetration
- B) strategic positioning
- C) product line filling
- D) market diversification
- E) direct and digital marketing

Answer: E

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

3) Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor is called _____ and includes broadcast, mobile, print, and online forms.

- A) sales promotion
- B) advertising
- C) direct and digital marketing
- D) personal selling
- E) public relations

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

4) The use of short-term incentives to encourage the purchase or sale of a product or service is called _____.

- A) direct and digital marketing
- B) sales promotion
- C) personal selling
- D) public relations
- E) publicity

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

5) Which of the following promotion tools involves building up a good corporate image and handling unfavorable stories and events?

- A) sales promotion
- B) personal selling
- C) direct and digital marketing
- D) public relations
- E) advertising

Answer: D

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

6) Which of the following promotion categories is most likely to include the use of displays, discounts, coupons, and demonstrations?

- A) sales promotion
- B) direct and digital marketing
- C) horizontal diversification
- D) public relations
- E) advertising

Answer: A

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

7) _____ includes sales presentations, trade shows, and incentive programs.

- A) Direct and digital marketing
- B) Sales promotion
- C) Personal selling
- D) Public relations
- E) Advertising

Answer: C

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

8) Extel Inc., a home appliance manufacturer, uses sales representatives to sell its products to wholesalers and individual customers. This is an example of _____.

- A) sales promotion
- B) personal selling
- C) public relations
- D) direct and digital marketing
- E) advertising

Answer: B

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Moderate

9) Which major promotion category uses catalogs, direct mail, e-mail, mobile marketing and social media?

- A) sales promotion
- B) direct and digital marketing
- C) horizontal diversification
- D) public relations
- E) advertising

Answer: B

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

10) Which of the following promotion categories is most likely to use the promotion tools of press releases, sponsorships, events, and Web pages?

- A) sales promotion
- B) direct and digital marketing
- C) advertising
- D) public relations
- E) horizontal diversification

Answer: D

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

11) In addition to the specific promotion tools, marketing communication requires _____ for greatest impact.

- A) the engineering and manufacturing departments work together
- B) the sales force lead the communication process
- C) the advertising be developed with the manufacturers' representatives
- D) the public relations staff work closely with the sales force
- E) the promotion, product, price, and place be coordinated

Answer: E

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Challenging

12) Advertising involves a personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.

Answer: FALSE

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

13) Sales promotion involves building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

Answer: FALSE

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

14) Direct and digital marketing involves engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.

Answer: TRUE

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Easy

15) Direct and digital marketing includes catalogs, e-mail, direct mail, social media, and mobile marketing.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Moderate

16) A company's marketing communications mix—also called its promotion mix—blends five different components. List and define these components.

Answer: Advertising is any paid-for or nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor. Sales promotion includes short-term incentives to encourage the purchase or sale of a product or service. Public relations includes building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, or events. Personal selling includes a personal presentation by the firm's sales force for the purpose of making sales and building customer relationships. Direct marketing includes direct connections with carefully targeted individual consumers to obtain an immediate response and cultivate lasting customer relationships.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.1: Define the five promotion mix tools for communicating customer value.

Difficulty: Moderate

17) Changes to the marketing communications model include that consumers are changing and are better informed, that marketing strategies are changing and are moving from mass marketing, and that _____.

A) manufacturing processes are becoming more efficient

B) distribution of products worldwide is more feasible and cost-effective

C) segmenting and targeting of consumers are more detailed than ever before

D) digital technologies are changing the ways companies and customers communicate

E) retailing is more competitive with more sources of products available for consumers

Answer: D

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

18) Today's consumers do not need to rely on marketer-supplied information about products and services because they can use _____ to seek out a wealth of information.

- A) push strategies
- B) direct and digital marketing
- C) the Internet
- D) personal selling
- E) public relations

Answer: C

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

19) Which of the following statements is true regarding today's marketing communications?

- A) More marketers are shifting away from narrowly defined micromarkets and moving toward mass marketing.
- B) More customers have started relying on marketer-supplied information rather than finding out information on their own.
- C) Network television, magazines, newspapers, and other traditional mass media continue to increase their dominance.
- D) Focused marketing programs, which are designed to build closer relationships with customers in more narrowly defined micromarkets, are no longer used by marketers.
- E) Today's consumers are better informed about products and services.

Answer: E

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

20) Shifting away from mass marketing, marketers are developing _____ which are designed to build relationships with customers in more narrowly defined micromarkets.

- A) focused marketing programs
- B) horizontal diversification programs
- C) backward integration strategies
- D) new pull strategies
- E) new push strategies

Answer: A

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

21) Which of the following is a specialized and highly targeted media selection that an advertiser might use to reach smaller customer segments with personalized content?

- A) radio
- B) magazines
- C) newspapers
- D) network television
- E) online social networks

Answer: E

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

22) Companies are doing less _____ and more _____ as a result of the explosive developments in communication technologies to better target smaller customer segments.

- A) personal selling; digital activities
- B) public relations activities; digital activities
- C) digital activities; mass marketing
- D) mass marketing; digital marketing
- E) viral marketing; word-of-mouth marketing

Answer: D

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

23) Which of the following statements is true regarding the old mass-media communications model?

- A) Mass-media costs are decreasing.
- B) Mass-media audiences are increasing.
- C) Many viewers are gaining control of message exposure through DVRs and video streaming.
- D) Ad clutter is decreasing.
- E) Internet ad spending has stagnated and more marketers are shifting toward TV advertising.

Answer: C

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

24) Of the various digital marketing categories, _____ is the fastest-growing category.

- A) blogs
- B) e-mail
- C) social media
- D) mobile
- E) brand Web sites

Answer: D

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

25) The key is to _____ traditional mass media with online, mobile and social media to best engage customers, communicate the brand message, and enhance the customer's brand experiences.

- A) prioritize
- B) integrate
- C) utilize
- D) design
- E) spend on

Answer: B

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

26) Marketers now view themselves as _____ that create and share brand messages and conversations with and among customers across a mix of paid, owned, earned, and shared communication channels.

- A) promotion managers
- B) public relations managers
- C) sales managers
- D) content marketing managers
- E) account managers

Answer: D

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

- 27) Companies often fail to integrate their various messages to consumers because _____.
A) historically, consumers have been able to distinguish between message sources
B) advertising departments are reluctant to work with public relations professionals
C) communications often come from different parts of the company
D) personal selling and sales promotion are in direct conflict
E) firms have overemphasized the concept of brand contact

Answer: C

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

- 28) Consumers today receive commercial messages from a broad range of sources. However, consumers _____ the way marketers do.

- A) don't distinguish between message sources
- B) never pay attention to sales promotions
- C) don't care about buzz marketing
- D) are not able to block out messages
- E) block out all media messages

Answer: A

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

- 29) Today, most companies are adopting the concept of _____, which carefully combines and coordinates the company's many communication channels to deliver a clear, consistent, and compelling message about the organization and its brands.

- A) integrated marketing communications
- B) pull strategy
- C) vertical diversification
- D) nonpersonal communication channels
- E) buzz marketing

Answer: A

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

30) Integrated marketing communications require a company's mass-market advertisements, Web site, e-mail, and personal selling communications to all _____.

- A) have equal portions of the advertising budget
- B) use independent communications directors
- C) develop separate marketing objectives
- D) engage the same target audience
- E) deliver a clear, consistent, and compelling message

Answer: E

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

31) Delia's is a clothing retailer that targets teenage girls. The company runs coordinated promotions for its catalogs, Web site, and retail outlets. It uses the same models in its catalog, print ads, and Web site. Delia's works to make sure its public relations activities as well as its sales promotions harmonize with its advertising in all aspects. From this information, we can infer that Delia's is using _____.

- A) buzz marketing
- B) experiential marketing
- C) integrated marketing communication
- D) word-of-mouth marketing
- E) database marketing

Answer: C

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Challenging

32) Excel Enterprises uses a Web site, online social networks, and print advertisements to promote its products. Since Excel Enterprises practices integrated marketing communications, all these different brand contacts maintain _____ in design and tone.

- A) variety
- B) simplicity
- C) creativity
- D) consistency
- E) flexibility

Answer: D

AACSB: Written and oral communication

Skill: Application

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

33) To carefully integrate and coordinate the company's many communications channels and produce greater sales impact, some companies appoint a(n) _____.

- A) idea champion
- B) marketing communications director
- C) sales representative
- D) business analyst
- E) media planner

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

34) Direct marketing includes catalogs, direct-response TV, kiosks, the Internet, and mobile marketing.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

35) As mass markets have fragmented, marketers have shifted away from mass marketing.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

36) Communications technologies such as cell phones and the Internet give companies new media for interacting with targeted consumers, but these technologies also give consumers more control over the advertising messages they receive.

Answer: TRUE

AACSB: Information technology

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

37) Mass marketers can expect consumers to distinguish between commercial message sources to maintain a clear image of a company and its brands.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

38) The integrated marketing concept ties together all of the company's messages and images.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

39) Integrated marketing communications calls for recognizing all communications channels where the customer may encounter the company and its brands.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

40) The shift toward digital communication allows companies to keep control of message exposure.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

41) A marketing communications director has overall responsibility for the company's communications efforts.

Answer: TRUE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Easy

42) Why should a company be concerned about integrating communications from different sources within the company?

Answer: Customers won't separate conflicting or varying messages from different sources within a company, so failing to integrate communications could lead to blurred consumer brand perceptions.

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

43) How do integrated marketing communications build brand identity?

Answer: IMC builds brand identity and strong customer relationships by tying together all of the company's messages and images.

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

44) Why are profound changes in marketing communications creating both exciting and scary times for marketing communicators?

Answer: In the past, marketers relied heavily on mass marketing. Today, however, mass markets have fragmented, consumers are better informed, and sweeping changes in technology have changed how companies and consumers communicate with each other. These three factors have led to a new marketing communications model that is specialized to reach smaller customer segments with messages that are more personalized. Mass marketing can no longer be solely relied upon to deliver a marketer's message. Although these changes may frighten marketing communicators, these changes afford tremendous opportunities to reach new customers and strengthen relationships with existing customers.

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Challenging

45) Explain the concept of integrated marketing communications (IMC).

Answer: IMC calls for recognizing all touch points where the customer may encounter the company and its brands. While implementing IMC, the company's goal should be to deliver a consistent and positive message at each contact. Integrated marketing communications ties together all of the company's messages and images. Its television and print ads have the same brand message, look, and feel as its e-mail and personal selling communications. And its PR materials project the same image as its Web site, online social networks, or mobile marketing efforts.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.2: Discuss the changing communications landscape and the need for integrated marketing communications.

Difficulty: Moderate

46) In order to avoid shortsightedness, today marketers are moving toward viewing communications as managing the _____.

- A) organizational culture
- B) nonpersonal communication channels
- C) word-of-mouth influence
- D) ongoing customer relationships with the company
- E) product life cycle

Answer: D

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

47) Communications programs need to be developed for specific niches, individuals, and _____.

- A) genders
- B) countries
- C) departments
- D) products
- E) segments

Answer: D

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

48) While using integrated marketing communications, the communications process should start with a(n) _____.

- A) advertising strategy
- B) competitive-parity analysis
- C) long-term public relations plan
- D) audit of all potential customer touch points
- E) strategy for implementing a social media presence

Answer: D

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

49) Which of the following is one of the four major communication functions?

- A) coordination
- B) distribution
- C) noise
- D) response
- E) preference

Answer: D

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

50) _____ refers to the process of putting thought into symbolic form.

- A) Sending
- B) Encoding
- C) Decoding
- D) Receiving
- E) Feedback

Answer: B

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

51) HP's advertising agency assembles words and illustrations into an advertisement that conveys the company's intended brand message. In the context of the communication process, HP is _____.

- A) messaging
- B) decoding
- C) sending
- D) encoding
- E) responding

Answer: D

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

52) The decision to use an NBA star player to communicate the desirability of Nike basketball shoes represents the _____ process of the communication model.

- A) sourcing
- B) messaging
- C) acknowledging
- D) decoding
- E) encoding

Answer: E

AACSB: Application of knowledge; Written and oral communication

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

53) A(n) _____ is a set of symbols that the sender transmits.

- A) encoder
- B) feedback loop
- C) message
- D) media
- E) decoder

Answer: C

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

54) In the communication process, an actual HP printer/fax machine advertisement would be considered _____.

- A) encoding
- B) decoding
- C) the product
- D) the message
- E) the medium

Answer: D

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

55) Which of the following terms best represents the communication channel that a company uses to move its advertising messages from sender to receiver?

- A) decoder
- B) media
- C) encoder
- D) communicator
- E) feedback loop

Answer: B

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

56) In a communication process, a receiver assigns meaning to the symbols encoded by a company in its advertisements through a process known as _____.

- A) integrating
- B) reciprocating
- C) acknowledging
- D) decoding
- E) coordinating

Answer: D

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

57) In the communication process, the reaction of the receiver after being exposed to a message is called the _____.

- A) response
- B) disturbance
- C) noise
- D) code
- E) distortion

Answer: A

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

58) When a customer lets a producer know something about its products or advertising, the customer is providing _____.

- A) decoding
- B) noise
- C) feedback
- D) encoding
- E) reverse marketing

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

59) A consumer is reading a magazine with an advertisement, but due to a loud sound he is distracted from reading the advertisement and is not able to grasp its key points. In the context of the communication process, this unplanned static or distortion is called _____.

- A) noise
- B) encoding
- C) feedback
- D) response
- E) decoding

Answer: A

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

60) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Gigi Hadid and offered readers a \$2-off coupon when they tried the new makeup. In terms of the communication model, the sender of this message is _____.

- A) Gigi Hadid
- B) *Ladies' Home Journal*
- C) readers who redeem the \$2-off coupon
- D) Maybelline
- E) the target market to which Gigi Hadid appeals

Answer: D

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

61) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Gigi Hadid and offered readers a \$2-off coupon when they tried the new makeup. In terms of the communication model, the medium of this ad is _____.

- A) Gigi Hadid
- B) *Ladies' Home Journal*
- C) readers who redeem the \$2-off coupon
- D) Maybelline
- E) the target market to which Gigi Hadid appeals

Answer: B

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

62) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Gigi Hadid and offered readers a \$2-off coupon when they tried the new makeup. In the context of the communication model, measuring which of the following would be the best way for the source to measure feedback?

- A) the number of subscribers to *Ladies' Home Journal*
- B) the number of people who make up the target market
- C) the number of people who redeem the coupon
- D) the number of people who have purchased Maybelline products in the past
- E) the number of people to whom Gigi Hadid is an appealing spokesperson

Answer: C

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

63) In the communication process, the more the sender's field of experience _____ that of the receiver, the more _____ the message is likely to be.

- A) varies from; distinguishable
- B) overlaps with; effective
- C) connects with; ineffective
- D) coincides with; creative
- E) departs from; direct

Answer: B

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

64) The AIDA model identifies the characteristics of an effective _____.

- A) advertising budget
- B) channel of communication
- C) marketing message
- D) marketing mix
- E) marketing response

Answer: C

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

65) To communicate effectively, a marketing communicator should most likely _____.

- A) ensure that the encoding and decoding processes are different
- B) encode and decode the message personally and frequently
- C) understand the consumer's field of experience
- D) foresee unplanned static or distortion
- E) use familiar words and symbols

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

66) Marketing communicators must be good at _____ messages that take into account how the target audience _____ them.

- A) delivering; encodes
- B) sending; encodes
- C) encoding; decodes
- D) retrieving; perceives
- E) decoding; receives

Answer: C

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

67) Marketing communicators must know what _____ and what _____.

- A) products they wish to sell; audiences they want to target
- B) distribution channel(s) they wish to use; timing they need
- C) advertising media they will use; message they will send
- D) audiences they wish to reach; responses they want
- E) message they will send; feedback they expect

Answer: D

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

68) Which of the following is the first step in developing an effective integrated communications and promotion program?

- A) designing a message
- B) identifying the target audience
- C) determining the communication objectives
- D) collecting feedback
- E) choosing the media through which to send a message

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

69) While developing an effective integrated communication, once the target audience has been defined, marketers must do all these steps EXCEPT _____.

- A) determine the desired response
- B) collect feedback
- C) choose the media through which to send a message
- D) identify potential distractions
- E) design a message

Answer: D

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

70) Based on the target audience, the communicator makes decisions regarding what will be said, who will say it, when it will be said, where it will be said, and _____.

- A) whether it will be said
- B) how it will be said
- C) what noise to anticipate
- D) how much it will cost to prepare the message
- E) how frequently it will be said

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

71) In which step of the communication process does the marketing communicator need to know the buyer-readiness stage of the target audience?

- A) designing the message
- B) choosing the media through which to send the message
- C) determining communication objectives
- D) collecting feedback
- E) selecting the message source

Answer: C

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

72) The six stages consumers normally pass through on their way to making a purchase are known as the _____ stages.

- A) personal-readiness
- B) buyer-readiness
- C) objective-readiness
- D) market-readiness
- E) supplier-readiness

Answer: B

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

73) Among the buyer-readiness stages, the first stage is _____.

- A) preference
- B) knowledge
- C) liking
- D) awareness
- E) insistence

Answer: D

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

74) Boson Corp. is introducing consumers to its new car with the help of an advertisement campaign. This introductory campaign most likely aims to affect the _____ stage of buyer-readiness.

- A) liking
- B) awareness
- C) preference
- D) insistence
- E) conviction

Answer: B

AACSB: Application of knowledge; Written and oral communication

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

75) Which buyer-readiness stage are consumers in when they are feeling favorable about the product?

- A) preference
- B) conviction
- C) knowledge
- D) purchasing
- E) liking

Answer: E

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

76) Using the AIDA model, an effective marketing message should get attention, hold interest, _____, and obtain action.

- A) create differences
- B) enhance doubts
- C) double interest levels
- D) arouse desire
- E) minimize dismay

Answer: D

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

77) Which of the following statements is true about personal communication channels?

- A) A magazine advertisement exemplifies the use of a personal communication channel.
- B) All personal communication channels are directly controlled by a company.
- C) Personal communication channels do not allow sending and receiving of feedback.
- D) word-of-mouth influence uses a personal communication channel.
- E) A billboard message exemplifies the use of a personal communication channel.

Answer: D

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

78) A message showing a product's quality, economy, value, or performance is an example of a(n) _____ appeal.

- A) structural
- B) rational
- C) emotional
- D) moral
- E) standard

Answer: B

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

79) An appeal that attempts to stir up either negative or positive sentiments that can motivate purchase is called a(n) _____ appeal.

- A) rational
- B) structural
- C) emotional
- D) moral
- E) standard

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

80) _____ involves cultivating opinion leaders and getting them to spread information about a product or a service to others in their communities.

- A) Sales promotion
- B) Indirect marketing
- C) Buzz marketing
- D) Stealth marketing
- E) Public relations

Answer: C

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

81) Which of the following appeals is based on the idea that consumers often feel before they think?

- A) emotional appeal
- B) rational appeal
- C) structural appeal
- D) standardized appeal
- E) integrated appeal

Answer: A

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

82) Moral appeals _____.

- A) relate to the audience's self-interest by showing that the product will produce the desired benefits
- B) attempt to stir up either negative or positive emotions that can motivate purchase
- C) range from love, joy, and humor to fear and guilt
- D) are directed to an audience's sense of what is "right" and "proper"
- E) are based on the idea that practical benefits are more important for consumers than emotions

Answer: D

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

83) A charitable trust's appeal which states, "While you are trying to figure out what to get the man who has everything, don't forget the man who has nothing" is an example of a(n) _____ appeal.

- A) structural
- B) awareness
- C) rational
- D) moral
- E) standard

Answer: D

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

84) Display media includes _____.

- A) newspapers
- B) magazines
- C) television
- D) company Web sites
- E) billboards

Answer: E

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

85) One of the message structure issues that a marketer must handle is whether to _____.

- A) present the strongest arguments first or last
- B) make a moral appeal or not
- C) use the pull strategy or push strategy
- D) diversify vertically or horizontally
- E) use mass marketing or niche marketing

Answer: A

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

86) A(n) _____ argument is most likely to be effective when the audience is highly educated or likely to hear opposing claims.

- A) one-sided
- B) two-sided
- C) moral
- D) emotional
- E) structured

Answer: B

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

87) Which of the following advertising slogans most likely represents a two-sided argument?

- A) Breakfast of champions
- B) Good to the last drop
- C) A diamond is forever
- D) The ultimate driving machine
- E) The next big thing is already here

Answer: E

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

88) A marketer making decisions about the headline, copy, illustration, and colors for a print ad is determining the message _____.

- A) structure
- B) content
- C) medium
- D) channel
- E) format

Answer: E

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

89) Which of the following terms best describes the channels through which two or more people communicate directly with each other, including face-to-face, mail, e-mail, texting, or an Internet chat?

- A) shared communication channel
- B) earned communication channel
- C) personal communication channel
- D) nonverbal communication channel
- E) owned communication channel

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

90) Communication through a telephone call is considered a part of a(n) _____ communication channel.

- A) online
- B) nonverbal
- C) personal
- D) nonpersonal
- E) unidirectional

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

91) Personal communications about a product between target buyers and neighbors, friends, family members, associates, and other consumers, are known as _____.

- A) personal selling
- B) direct marketing
- C) public relations
- D) buzz marketing
- E) word-of-mouth influence

Answer: E

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

92) A manufacturer of a variety of technological devices asked its marketing department to develop inexpensive methods of building and maintaining brand awareness and excitement. The marketing department then recruited consumers who were early adopters of technological devices to spread the word about the company's new products. This is an example of _____.

- A) a reverse marketing activity
- B) nonpersonal marketing
- C) sales promotion
- D) buzz marketing
- E) direct marketing

Answer: D

AACSB: Application of knowledge; Written and oral communication

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

93) Nonpersonal communication channels include major media, _____, and events.

- A) sales calls
- B) atmospheres
- C) buzz marketing
- D) word-of-mouth influence
- E) phone calls

Answer: B

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

94) Many firms hire celebrities to appear in their advertisements. Which step of the communication process is represented?

- A) collecting feedback
- B) designing a message
- C) selecting the message source
- D) determining the communication objectives
- E) choosing the media

Answer: C

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

95) To _____, a marketer would most likely ask target audience members whether they remember the message, how many times they saw it, and what points they remember.

- A) select a message source
- B) collect feedback
- C) select a message channel
- D) plan a media purchase
- E) design a marketing appeal

Answer: B

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

Refer to the scenario below to answer the following question(s).

John Mayes opened Sparkle Janitorial in 2005. John began his business by acquiring two contracts for office cleaning services from two local manufacturing facilities. For two years, John and his wife, Barb, performed the cleaning services alone. After acquiring three additional cleaning contracts in 2007, John hired two employees. "Up to that point, we had room to grow but we really had no advertising plan," John stated. "We were relying mostly on word-of-mouth."

By 2010, Barb hired another two full-time employees to begin Sparkle's new endeavor: carpet cleaning in homes and offices. "Competition was getting tough for both of our services at that point," Barb added. "We ran a local radio spot three times each week. Then we had an advertiser print coupons on placemats. That gave us a little more exposure."

John and Barb Mayes admit that they did not realize the value of a sound promotional plan earlier. "We wish we would have put together something catchy with a jingle long before now," they said.

96) In a recent radio spot, John and Barb gave a quick explanation of Sparkle's cleaning process and a description of the value consumers receive for their money. This is an example of a(n) _____ appeal.

- A) emotional
- B) standard
- C) rational
- D) moral
- E) social

Answer: C

AACSB: Application of knowledge; Written and oral communication

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

97) John and Barb could have drawn attention to their services in several ways by using effective integrated marketing communications. Which of the following is NOT a part of an IMC strategy?

- A) public relations
- B) personal selling
- C) direct marketing
- D) strategic planning
- E) sales promotion

Answer: D

AACSB: Application of knowledge; Written and oral communication

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

98) The communications process should start with mass media advertising in order to reach a large number of consumers.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

99) The four major communication functions are encoding, decoding, response, and noise.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

100) Encoding is the process by which the receiver assigns meaning to symbols.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

101) Decoding is the process by which a sender puts his or her thoughts into a symbolic form.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

102) A good marketing message will try to move consumers through several steps of the buyer-readiness stages in a single message.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

103) Good marketing communications can speed the demise of a poor product.

Answer: TRUE

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

104) Rational appeals are often used to urge people to support social causes, such as a cleaner environment or helping the disadvantaged.

Answer: FALSE

AACSB: Ethical understanding and reasoning

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

105) The "Stop. Think. Tylenol." ad slogan is an example of a moral appeal.

Answer: FALSE

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

106) All personal communication channels are controlled directly by the company.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

107) Advertisements for prescription drugs often feature potential benefits and negative side effects that consumers may experience with use of the medication. These ads present two-sided arguments.

Answer: TRUE

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

108) Buzz marketing involves cultivating opinion leaders and getting them to spread information about a product or service to others in their communities.

Answer: TRUE

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Easy

109) What are the four major communication functions?

Answer: The four major communication functions are encoding, decoding, response, and feedback. Encoding is the process of putting thought into symbolic form. Decoding is the process by which the receiver assigns meaning to the symbols encoded by the sender. In addition, response refers to the reactions of the receiver after being exposed to the message. Feedback is the part of the receiver's response communicated back to the sender.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

110) Why is the consumer's field of experience important to a marketer?

Answer: The marketing communicator must understand the consumer's field of experience in order to create promotional messages that will be decoded as the sender intends them to be understood.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

111) In the communication process, what is noise and what is its significance?

Answer: Noise is the unplanned static or distortion during the communication process, which results in the receiver getting a different message than the one the sender sent. Due to the noise, the consumer can get distracted and might miss the key point.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

112) Describe the three types of appeals that marketers use.

Answer: Rational appeals relate to the consumer's self-interest; emotional appeals attempt to stir up either positive or negative emotions; moral appeals are directed to the consumer's sense of what is "right" and "proper."

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

113) What role does message format play in print advertisements?

Answer: In a print ad, for example, the headline, copy, illustrations, and color are critical. To attract attention, the advertiser may use novelty, contrasts, or eye-catching headlines.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

114) Why do marketers value opinion leaders?

Answer: Opinion leaders are people whose opinions are sought by others. Marketers rely on opinion leaders to positively influence the spread of product or service acceptance through a market.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

115) Explain how the message source affects consumers' perceptions of the message.

Answer: The message source will affect how the consumer perceives the message. For example, highly credible sources—such as certain newspapers or professionals such as doctors and dentists—will be more persuasive. In some cases, the use of celebrity testimonials works well to persuade consumers to make the purchase.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

116) The background for the QuickRelief allergy medication ad appearing in the magazine *Better Homes and Gardens* shows green grass and lovely flowers. The headline states "QuickRelief is 54% more effective than the leading prescription." At the bottom of the ad, in small print, is an explanation of how the effectiveness of QuickRelief was determined. The ad also shows a package of QuickRelief so consumers can easily recognize it at the store. Identify the different components of the communication model for this advertisement.

Answer: The marketers of QuickRelief are the sender. These marketers encoded their ideas into the actual message, which includes the images and text of the advertisement. The medium for this communication is the page in *Better Homes and Gardens*. The receiver is anyone reading the magazine who sees this page of advertising; the receiver may or may not decode the message in the way the marketers intended. Noise could pop up at any stage of the communication process.

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Challenging

117) Outline the steps in developing effective marketing communications.

Answer: In preparing marketing communications, the marketer's first task is to identify the target audience and its characteristics. Next, the marketer has to determine the communication objectives and define the response sought, whether it is awareness, knowledge, liking, preference, conviction, or purchase. Then a message should be constructed with an effective content and structure. Media must be selected, both for personal and nonpersonal communication. The marketer should find highly credible sources to deliver messages. Finally, the communicator must collect feedback by watching how much of the market becomes aware, tries the product, and is satisfied in the process.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

118) Describe the six buyer-readiness stages along with the marketing strategies used at each stage.

Answer: The six buyer-readiness stages are awareness, knowledge, liking, preference, conviction, and purchase. A marketer might use teaser ads to create interest, anticipation, and curiosity at the awareness stage. Next, marketers want to inform potential buyers of the product's high quality and its many features. Beyond knowledge, marketers want to move consumers to have stronger feelings about the product, going from liking to preference to conviction, or believing that a product is the best for them. A combination of promotion tools can be used to create positive feelings and a customer connection with the brand. The final stage is purchase, which marketers may influence through the use of premiums, upgrades, or rebates.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.3: Outline the communication process and the steps in developing effective marketing communications.

Difficulty: Moderate

119) While using the _____ method for setting an advertising budget, a company starts with total revenues, deducts operating expenses and capital outlays, and then devotes some portion of the remaining funds to advertising.

- A) integrated
- B) moving-average
- C) competitive-parity
- D) percentage-of-sales
- E) affordable

Answer: E

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

120) Which of the following statements is true regarding the affordable method for setting a promotion budget?

- A) It is mostly used by large businesses.
- B) It completely ignores the effects of promotion on sales.
- C) It tends to place promotion first among spending priorities.
- D) It leads to a certain annual promotion budget.
- E) It almost always results in overspending.

Answer: B

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

121) Though the _____ method of setting an advertising budget is simple to use and helps management think about the relationships among promotion spending, selling price, and profit per unit, it wrongly views sales as the cause of promotion rather than the result.

- A) percentage-of-sales
- B) integrated
- C) competitive-parity
- D) objective-and-task
- E) regression

Answer: A

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

122) Which of the following methods is used by companies to set their advertising budgets based on the industry average?

- A) percentage-of-sales method
- B) affordable method
- C) competitive-parity method
- D) objective-and-task method
- E) regression method

Answer: C

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

123) Sam, the owner of a small company, learned that a competitor was planning to spend \$150,000 on promotion in the next financial year. As soon as he learned this, Sam called his finance manager and said, "I want to spend \$150,000 on promotion next year." In this case, which method of promotional budgeting does Sam use?

- A) the objective-and-task method
- B) the competitive-parity method
- C) the percentage-of-sales method
- D) the affordable method
- E) the pull-push method

Answer: B

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

124) Which of the following statements is most likely true regarding the competitive-parity method?

- A) This method involves starting with total revenues, deducting operating expenses and capital outlays, and then devoting some portion of the remaining funds to advertising.
- B) It is based on the availability of funds rather than on opportunities.
- C) It wrongly views sales as the cause of promotion rather than as the result.
- D) In this method, promotion budgets are set to match competitors' outlays.
- E) This method involves setting the promotion budget at a certain percentage of current or forecasted sales.

Answer: D

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

125) Which of the following is the most logical budget-setting method?

- A) percentage-of-sales method
- B) affordable method
- C) competitive-parity method
- D) objective-and-task method
- E) push method

Answer: D

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

126) Which budgeting method entails defining specific promotion goals, determining the necessary tasks, and estimating the costs to determine a promotion budget?

- A) percentage-of-sales method
- B) objective-and-task method
- C) affordable method
- D) exponential task method
- E) competitive-parity method

Answer: B

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

127) Which of the following statements is most likely true regarding the objective-and-task method of budget setting?

- A) It forces management to spell out its assumptions about the relationship between the money spent and promotion results.
- B) It is the simplest and least time consuming method to use.
- C) It is the least logical budget-setting method.
- D) It involves setting the promotion budget to match competitors' outlays.
- E) It wrongly views sales as the cause of promotion rather than as the result.

Answer: A

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

128) Using a(n) _____ strategy, the producer directs its marketing activities toward final consumers to induce them to buy the product.

- A) pull
- B) blitz
- C) push
- D) buzz
- E) pulse

Answer: A

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

129) Which of the following is most likely a shortcoming of advertising?

- A) It is the most expensive promotion tool.
- B) It cannot reach masses of geographically dispersed buyers.
- C) It is impersonal and lacks the direct persuasiveness of company salespeople.
- D) It cannot trigger quick sales.
- E) It cannot be used to build up a long-term image for a product.

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

130) Which of the following is a strength of advertising?

- A) It is the most inexpensive promotion tool.
- B) It reaches masses of geographically dispersed buyers at low cost per exposure
- C) It is impersonal and lacks the direct persuasiveness of company salespeople.
- D) It cannot trigger quick sales.
- E) It cannot be used to build up a long-term image for a product.

Answer: B

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

131) In most cases, what is the most expensive promotion tool?

- A) advertising
- B) personal selling
- C) mass media
- D) public relations
- E) publicity

Answer: B

AACSB: Analytical thinking

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

132) Which of the following promotional tools is the most effective in building up buyers' preferences, convictions, and actions?

- A) mass-market advertising
- B) sales promotion
- C) segmented advertising
- D) personal selling
- E) public relations

Answer: D

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

133) _____ consists of strong short-term incentives that invite and reward quick responses from customers.

- A) Public relations
- B) Personal selling
- C) Advertising
- D) Sales promotion
- E) Direct marketing

Answer: D

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

134) Suppose Amazon.com has offered you free shipping on your next purchase of more than \$35. This offer is an example of _____.

- A) sales promotion
- B) personal selling
- C) a public relations strategy
- D) horizontal diversification
- E) a pull strategy

Answer: A

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

135) _____ is very believable because news stories, features, sponsorships, and events seem more real and believable to readers than ads do.

- A) Differentiated marketing
- B) Public relations
- C) Direct marketing
- D) Sales promotion
- E) Personal selling

Answer: B

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

136) A newspaper article announced that Connect Wireless, the sixth-largest wireless carrier in a country, was changing its name to M-Mobile and that to begin the makeover process it had replaced spokesperson Robert Garmon with Catherine Naylor. Which of the following elements of a promotion mix is represented in this example?

- A) sales promotion
- B) advertising
- C) public relations
- D) personal selling
- E) direct marketing

Answer: C

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

137) Which promotional tool is the most immediate, customized, and interactive?

- A) segmented advertising
- B) sales promotion
- C) direct marketing
- D) horizontal diversification
- E) public relations

Answer: C

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

138) Under which promotional mix strategy does the producer direct its marketing activities toward channel members to induce them to carry the product and promote it to final consumers?

- A) pull strategy
- B) blitz strategy
- C) push strategy
- D) buzz strategy
- E) pulse strategy

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

139) The manufacturer of Crest toothpaste provides free samples of its toothpaste to dentists and encourages them to distribute these samples to their patients and to inform the patients about advantages of using Crest. The manufacturer of Crest toothpaste is using _____.

- A) sales promotion
- B) direct marketing
- C) a push strategy
- D) a pull strategy
- E) a vertical diversification strategy

Answer: C

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

140) Glasis is a type of paint made specifically for use on cars. An ad in *Motor Trend* magazine advising consumers to request their auto body shops to use Glasis paint is an example of how a company uses _____.

- A) word-of-mouth influence
- B) public relations
- C) buzz marketing
- D) a push strategy
- E) a pull strategy

Answer: E

AACSB: Application of knowledge

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

141) Business-to-consumer companies are more likely to emphasize a _____ promotion strategy, while business-to-business companies are more likely to emphasize a _____ promotion strategy.

- A) pull; push
- B) push; pull
- C) pulse; pull
- D) blitz; pull
- E) push; blitz

Answer: A

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

142) John Deere does very little promoting of its lawn mowers and garden tractors to final consumers. Instead, John Deere's sales force works with Lowe's, Home Depot, independent dealers, and other channel members, who in turn sell John Deere products to final consumers. According to this information, which of the following promotion mix strategies is being used by John Deere?

- A) public relations strategy
- B) direct marketing strategy
- C) push strategy
- D) blitz strategy
- E) pull strategy

Answer: C

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

143) Which of the following would be classified as bait-and-switch advertising?

- A) advertising a cheaper brand but making only a more expensive one available to customers
- B) advertising the advantages of a product by comparing it to its competitors
- C) providing free samples of a product
- D) providing discount coupons with a product
- E) favoring certain customers over others through trade promotions

Answer: A

AACSB: Ethical understanding and reasoning

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

144) The FTC has adopted a three-day cooling-off rule to give special protection to _____.

- A) customers who purchased because of deceptive advertising
- B) customers who purchased because of bait-and-switch tactics
- C) customers who were not seeking a product
- D) resellers who do not receive proportionately equal treatment from manufacturers
- E) resellers who are not covered by the Robinson-Patnam Act

Answer: C

AACSB: Ethical understanding and reasoning

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

145) Of the following actions, which is permitted in personal selling activities?

- A) obtain or use trade secrets
- B) criticize competitors by using inaccurate information
- C) bribes to those who can influence a sale
- D) offer incentives such as discounts based on size of an order
- E) stretching the truth when describing advantages of a product

Answer: D

AACSB: Ethical understanding and reasoning

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

Refer to the scenario below to answer the following question(s).

John Mayes opened Sparkle Janitorial in 2005. John began his business by acquiring two contracts for office cleaning services from two local manufacturing facilities. For two years, John and his wife, Barb, performed the cleaning services alone. After acquiring three additional cleaning contracts in 2007, John hired two employees. "Up to that point, we had room to grow but we really had no advertising plan," John stated. "We were relying mostly on word-of-mouth."

By 2010, Barb hired another two full-time employees to begin Sparkle's new endeavor: carpet cleaning in homes and offices. "Competition was getting tough for both of our services at that point," Barb added. "We ran a local radio spot three times each week. Then we had an advertiser print coupons on placemats. That gave us a little more exposure."

John and Barb Mayes admit that they did not realize the value of a sound promotional plan earlier. "We wish we would have put together something catchy with a jingle long before now," they said.

146) When starting their business, John and Barb would most likely have benefitted from understanding _____.

- A) social media
- B) buzz marketing
- C) public relations campaigns
- D) network television advertising
- E) integrated marketing communications

Answer: E

AACSB: Analytical thinking

Skill: Application

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

147) The affordable method of setting advertising budgets takes into consideration the effects of promotion on sales.

Answer: FALSE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

148) The affordable method of setting advertising budgets more frequently results in overspending, rather than in underspending.

Answer: FALSE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

149) The percentage-of-sales method wrongly views sales as the cause of promotion rather than as the result.

Answer: TRUE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

150) The percentage-of-sales budget is based on the availability of funds rather than on opportunities.

Answer: TRUE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

151) The affordable method involves setting promotion budgets to match competitors' outlays.

Answer: FALSE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

152) Large-scale advertising conveys a positive message about the seller's size, popularity, and success.

Answer: TRUE

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

153) If the pull strategy is effective, then consumers will demand the product from channel members, who will in turn demand it from producers.

Answer: TRUE

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Challenging

154) Using a push strategy, the producer directs its marketing activities (primarily advertising and consumer promotion) toward final consumers to induce them to buy the product.

Answer: FALSE

AACSB: Application of knowledge

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

155) Integrating the promotion mix starts with suppliers.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

156) Because personal selling involves developing relationships, it is acceptable for salespeople to stretch claims they make about a product's advantages.

Answer: FALSE

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Easy

157) Discuss sales promotion.

Answer: Sales promotion includes a wide assortment of tools—coupons, contests, discounts, premiums, and others—all of which have many unique qualities. They attract consumer attention, offer strong incentives to purchase, and can be used to dramatize product offers and boost sagging sales. Sales promotions invite and reward quick response. Whereas advertising says, "Buy our product," sales promotion says, "Buy it now." Sales promotion effects are often short-lived, however, and often are not as effective as advertising or personal selling in building long-run brand preference and customer relationships.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

158) Describe the significance of public relations as a promotion tool.

Answer: Public relations is very believable—news stories, features, sponsorships, and events seem more real and believable to readers than ads do. PR can also reach many prospects who avoid salespeople and advertisements—the message gets to buyers as "news" rather than as a sales-directed communication. And, as with advertising, public relations can dramatize a company or product. Marketers tend to underuse public relations or use it as an afterthought. Yet a well-thought-out public relations campaign used with other promotion mix elements can be very effective and economical.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

159) Discuss direct marketing.

Answer: Although there are many forms of direct marketing—direct mail and catalogs, online marketing, mobile marketing, social media and others—they all share four distinctive characteristics. Direct marketing is less public: The message is normally directed to a specific person. Direct marketing is immediate and customized: Messages can be prepared very quickly and can be tailored to appeal to specific consumers. Finally, direct marketing is interactive: It allows a dialogue between the marketing team and the consumer, and messages can be altered depending on the consumer's response. Thus, direct marketing is well suited to highly targeted marketing efforts and building one-to-one customer relationships.

AACSB: Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

160) When is it advisable to predominantly use sales promotions in a promotion mix?

Answer: Sales promotions are used to invite and reward quick response. Sales promotions are short-lived; therefore, sales promotions are used when the marketer intends to make a quick, dramatic impact on an intended audience with the use of coupons, samples, contest, etc.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

161) Marketers can choose from two basic promotion mix strategies—push promotion or pull promotion. Compare these two strategies.

Answer: Using the pull strategy, the producer directs its marketing activities toward final consumers to induce them to buy the product; if the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers. Using a push strategy, the producer focuses instead on the channel members, persuading them to carry the product and promote it to final consumers.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

162) What is the FTC three-day cooling off rule? What purpose does the rule serve?

Answer: The three-day cooling-off rule gives special protection to customers who are not seeking products. Under this rule, customers who agree in their own homes to buy something costing more than \$25 have 72 hours in which to cancel a contract or return merchandise and get their money back, no questions asked.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

163) Discuss the percentage-of-sales method used for setting the total budget for advertising.

Answer: The percentage-of-sales method involves setting the promotion budget at a certain percentage of current or forecasted sales. The percentage-of-sales method is simple to use and helps management think about the relationships between promotion spending, selling price, and profit per unit. It wrongly views sales as the cause of promotion rather than as the result. Thus, the percentage-of-sales budget is based on the availability of funds rather than on opportunities. It may prevent the increased spending sometimes needed to turn around falling sales. Finally, the method does not provide any basis for choosing a specific percentage, except what has been done in the past or what competitors are doing.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

164) Discuss the affordable method of setting the total budget for advertising.

Answer: Some companies use the affordable method: They set the promotion budget at the level they think the company can afford. Small businesses often use this method, reasoning that the company cannot spend more on advertising than it has. They start with total revenues, deduct operating expenses and capital outlays, and then devote some portion of the remaining funds to advertising.

Unfortunately, this method of setting budgets completely ignores the effects of promotion on sales. It tends to place promotion last among spending priorities, even in situations in which advertising is critical to the firm's success. It leads to an uncertain annual promotion budget, which makes long-range market planning difficult. Although the affordable method can result in overspending on advertising, it more often results in underspending.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

165) What is personal selling? What are the advantages and disadvantages of a firm using personal selling to promote a product or service?

Answer: Personal selling is the most effective tool at certain stages of the buying process, particularly in building up buyers' preferences, convictions, and actions. It involves personal interaction between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments. Personal selling also allows all kinds of customer relationships to spring up, ranging from matter-of-fact selling relationships to personal friendships. An effective salesperson keeps the customer's interests at heart to build a long-term relationship by solving a customer's problems. Finally, with personal selling, the buyer usually feels a greater need to listen and respond, even if the response is a polite "No thank-you." These unique qualities come at a cost, however. A sales force requires a longer-term commitment than does advertising—although advertising can be turned up or down, the size of a sales force is harder to change. Personal selling is also the company's most expensive promotion tool, costing companies on average \$600 or more per sales call, depending on the industry.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate

166) Discuss the advantages and disadvantages of advertising.

Answer: Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. Beyond its reach, large-scale advertising says something positive about the seller's size, popularity, and success. Because of advertising's public nature, consumers tend to view advertised products as more legitimate. Advertising is also very expressive; it allows the company to dramatize its products through the artful use of visuals, print, sound, and color.

Advertising also has some shortcomings. Although it reaches many people quickly, advertising is impersonal and lacks the direct persuasiveness of company salespeople. For the most part, advertising can carry on only a one-way communication with an audience, and the audience does not feel that it has to pay attention or respond. In addition, advertising can be very costly.

AACSB: Application of knowledge; Written and oral communication

Skill: Concept

Objective: LO 14.4: Explain the methods for setting the promotion budget and factors that affect the design of the promotion mix.

Difficulty: Moderate