

ch15

Student: _____

1. It's a common belief that half of the money spent on advertising and sales promotion is wasted.
True False
2. International dimensions do not affect sales promotion decisions, because consumers throughout the world have the same responses to sales promotion methods.
True False
3. The basic strategy planning decisions for advertising and sales promotion are the same regardless of where in the world the target market is located.
True False
4. By 2008, advertising expenditures in the United States were about \$271 billion.
True False
5. Total advertising spending in other countries is much lower than in the U.S.
True False
6. During the last decade, the rate of advertising spending has increased in the U.S., but it has decreased in the rest of the world.
True False
7. Advertising in the U.S. accounts for over 40 percent of worldwide advertising spending.
True False
8. Advertising in Europe accounts for roughly half of worldwide ad spending.
True False
9. The main problem with advertising is that it costs so much--on average about one third of sales dollars for U.S. companies.
True False
10. On average, U.S. corporations spend only about 2.5 percent of their sales on advertising.
True False
11. Producers of business products generally spend a larger percent on advertising than do producers of consumer products.
True False

12. Games and toys producers spend a higher percentage of their sales on advertising than do footwear producers.

True False

13. Motor vehicles producers spend a higher percentage of their sales on advertising than do perfumes and cosmetics producers.

True False

14. Furniture stores spend a higher percentage of their sales on advertising than do grocery stores.

True False

15. Videotape/DVD rental stores spend a higher percentage of their sales on advertising than do amusement parks.

True False

16. Although advertising expenditures in the United States by 2008 were around \$271 billion, the major expense was for media time and space--not payroll expense to people who worked in the advertising industry.

True False

17. The largest share of total advertising expenditures in the United States goes for TV (including cable) advertising.

True False

18. The largest share of total advertising expenditures in the United States goes for newspaper advertising.

True False

19. The U.S. has about 460,000 people working directly in the advertising industry, and half of them work for advertising agencies.

True False

20. On average, the 500,000 advertising agencies in the United States are large, employing about 200 people each.

True False

21. Advertising objectives should be very specific, even more specific than personal selling objectives.

True False

22. Marketing managers should set overall advertising objectives, but then it's usually the advertising manager's job to set specific objectives for each ad.

True False

23. Product advertising tries to sell a specific product, while institutional advertising tries to promote an organization rather than a specific product.
- True False
24. The basic job of pioneering advertising is to persuade, not inform.
- True False
25. Competitive advertising is typically used in the market introduction stage of the product life cycle--to develop primary demand.
- True False
26. Competitive advertising tries to develop selective demand for a specific brand.
- True False
27. When a firm's advertising says "our motorcycles will outperform any other brand," it is using competitive advertising to develop selective demand.
- True False
28. The direct type of competitive advertising tries to obtain immediate buying action.
- True False
29. Indirect competitive advertising aims for immediate buying action while direct competitive advertising aims for future buying action.
- True False
30. When a retailer advertises a "special 24-hour sale on GE brand air conditioners," direct competitive advertising is being used.
- True False
31. Comparative advertising makes specific brand comparisons using actual product names.
- True False
32. Comparative advertising has been banned by the Federal Trade Commission because it was so effective in winning sales from competing products named in ads.
- True False
33. Many countries forbid comparative advertising, but it is now legal in the U.S.
- True False
34. Comparative advertising tries to keep the product's name before the public.
- True False

35. Reminder advertising is most likely to be useful in the market maturity or sales decline stages of the product life cycle--especially when the product has achieved brand insistence or brand preference.
- True False
36. Reminder advertising is likely to be most useful in the market growth stage of the product life cycle.
- True False
37. Institutional advertising may try to inform, persuade, or remind, but it usually focuses on the name and prestige of an organization or industry.
- True False
38. Institutional advertising emphasizes a particular product and plays down the name of the company.
- True False
39. Product advertising is aimed at final consumers; institutional advertising is aimed at intermediaries.
- True False
40. Institutional advertising is advertising aimed at business customers and intermediaries.
- True False
41. A chemical company might use institutional ads to highlight its concern for the environment.
- True False
42. An insurance company might use institutional ads to highlight its concern for safe driving.
- True False
43. Advertising allowances are price reductions given to firms further along in the channel to encourage them to advertise or otherwise promote a producer's products locally.
- True False
44. Cooperative advertising involves intermediaries and producers sharing in the cost of ads.
- True False
45. Cooperative advertising is not very economical--because media rate structures usually require local firms to pay more for local advertising than the same ad would cost a national advertiser.
- True False
46. A cooperative advertising program can help a producer achieve coordination and integration of ad messages in the channel of distribution.
- True False

47. Producers can help prevent misuse of advertising allowances by setting the allowance amount as a percent of the retailer's actual purchases and insisting on proof that the advertising was really done.

True False

48. Manufacturers who use cooperative advertising should insist on proof that allowances have been used for advertising purposes.

True False

49. The effectiveness of an advertising medium depends on how well it fits with the rest of the particular marketing strategy.

True False

50. The best advertising medium is television, but some advertisers must use other media because they do not have enough money for TV.

True False

51. If the objective of an ad is to inform, telling a detailed story and using precise pictures, then print advertising is right.

True False

52. To guarantee good media selection, the advertiser must specify its target market and then choose media that will reach these target customers.

True False

53. To guarantee good media selection, the advertiser first must clearly specify its target market.

True False

54. One advantage of the major mass media is that the advertiser does not have to pay for the whole audience the media delivers, but instead just pays based on the number of potential customers in the audience.

True False

55. The medium with the lowest "cost per 1,000 people" has the greatest potential to reach the advertiser's target market at the lowest cost.

True False

56. Even though the cost per person may be higher and the number of persons reached may be smaller, specialized media is sometimes more effective than mass media.

True False

57. Even with specialized media, consumers may selectively tune out ads that don't interest them.

True False

58. In general, advertising media are becoming more targeted in that they aim for more narrowly defined market segments.
- True False
59. Some advertising media are "must buys" because they are obvious choices to reach the target audience.
- True False
60. Many Internet users in the U.S. spend more time surfing the Web than they do watching television, listening to radio, or reading newspapers and magazines.
- True False
61. Most Internet ads seek a delayed response.
- True False
62. "Clickthrough" is the number of people who actually click on the Internet ad and link to the advertiser's website.
- True False
63. The purpose of an Internet banner ad is to encourage the target market to visit the advertiser's website for more information.
- True False
64. Pop-up ads are small rectangular boxes that usually include text, graphics, and sometimes video to create interest.
- True False
65. Instead of trying to force consumers to view unwanted ads, marketing-oriented firms should try to do a better job of targeting.
- True False
66. With Internet advertising, noncompeting firms that share a similar target market can post ads on each other's website.
- True False
67. Although there are millions of websites on the Internet, some are better than others for reaching target customers.
- True False
68. Search ads already know what customers are looking for.
- True False
69. Cookies give customers information about advertisers.
- True False

70. Because of cookies, some advertisers already know where customers have been on the Web and what they did there.

True False

71. Cookies are a cost-effective way for advertisers to target ads and boost online sales.

True False

72. Pay-per-click advertising means advertisers only pay if the customer clicks on the ad and links to the advertiser's website.

True False

73. At some websites, Internet ads are free if the ads don't get results.

True False

74. A lot more firms will put ads on websites if there is a direct relationship between costs and results.

True False

75. In an attempt to target individual customers more effectively, many firms are using customized landing pages that automatically adjust to each customer.

True False

76. Website ads tend to be more interactive than traditional ads.

True False

77. Copy thrust is what the words and illustrations should communicate.

True False

78. "Copy thrust" refers to the choice of media to deliver a message to the target audience.

True False

79. The AIDA model can help plan messages for advertisements.

True False

80. Advertising can be useful in a marketing strategy for getting attention, holding interest, arousing desire, and obtaining action.

True False

81. Getting attention to a particular advertisement is always easy.

True False

82. One of the big problems with using an advertising agency is that the advertiser must stick with the agency for a long time even if the agency's work is not satisfactory.

True False

83. The vast majority of advertising agencies are small, with 10 or fewer employees.

True False

84. The vast majority of advertising agencies are large (20 or more employees), but the smaller, more creative agencies account for most of the billings.

True False

85. The growth of mega-agencies has been prompted by large corporations who need to advertise worldwide.

True False

86. The American Association of Advertising Agencies requires that all agencies be compensated based on a standard 15 percent commission system.

True False

87. Advertising agencies usually earn a 15 percent commission on all the media they buy for local advertisers.

True False

88. The advertising agency gets a 15 percent commission on local rates but not on national rates.

True False

89. Local retailers seldom use advertising agencies because the agencies don't get discounts from the rates charged to local advertisers.

True False

90. The fixed commission system of advertising agency compensation is more favored by local retailers than by producers and national intermediaries.

True False

91. Some firms would like to base advertising agency compensation on results achieved, but that would be illegal.

True False

92. A number of advertisers now grade the work done by their agencies and the agencies' pay depends on the grade.

True False

93. Advertising effectiveness is usually very difficult to measure because sales result from the total marketing mix, not just advertising.

True False

94. When measuring an advertising campaign, success depends on the total marketing mix.

True False

95. Looking at sales volume is usually the easiest and best method of determining the degree of success for an advertising campaign.
- True False
96. The effectiveness of advertising is best measured by relying on the judgment of creative people and advertising "experts."
- True False
97. To evaluate the effectiveness of advertising, it's better to rely on the judgment of the creative people in ad agencies than to rely on the results of advertising research.
- True False
98. The U.S. is one of only a few countries in the world where the government takes an active role in deciding what kinds of advertising are allowable, fair, or appropriate.
- True False
99. Though it is common in the U.S. to use cartoon characters in advertising to children, both Japan and France limit that practice, and Canada bans any advertising targeted directly at children.
- True False
100. Because of different advertising rules in different countries, it's best for a marketing manager to get help from local advertising experts.
- True False
101. In the U.S., the regulation of "deceptive" and "unfair" advertising is the responsibility of the Federal Trade Commission.
- True False
102. The Federal Trade Commission can require firms to use "corrective advertising" or "affirmative disclosures," if it decides a particular advertisement is unfair or deceptive.
- True False
103. Corrective advertising corrects deceptive advertising.
- True False
104. In general, sales promotion tries to spark immediate interest, trial, or purchase.
- True False
105. Sales promotions can usually get sales results sooner than advertising.
- True False
106. Advertising can usually get sales results sooner than sales promotion.
- True False

107.Sales promotion is generally used instead of other promotion methods.

True False

108.Spending on sales promotion exceeds spending on advertising.

True False

109.In total, advertising costs less than sales promotion.

True False

110.More money (in the U.S.) is spent on advertising than on sales promotion.

True False

111.Producers of consumer packaged goods typically stop using sales promotion when their product-markets mature.

True False

112.Because consumers are becoming less and less price-sensitive, the use of sales promotion is increasing.

True False

113.Procter & Gamble is an example of a consumer packaged goods firm that has dramatically increased its use of trade promotion in the promotion blend.

True False

114.Most M&M's are sold as consumer products, but M&M's printed with special messages or brand logos have become an effective (and sweet) sales promotion tool for business customers.

True False

115.Sales promotion problems are likely to be greater when an advertising or sales manager, instead of a sales promotion manager, has responsibility for sales promotion.

True False

116.Much of the sales promotion aimed at final consumers or users tries to increase demand, perhaps temporarily, or speed up the time of purchase.

True False

117.Only about one percent of all sales promotion coupons are ever redeemed.

True False

118.A sales promotion can cost more than it adds in sales.

True False

119.It is against the law for industrial buyers to accept promotion items from suppliers.

True False

120. Trade promotion usually stresses price-related matters.

True False

121. Sales promotion aimed at company's own sales force is sometimes called trade promotion.

True False

122. Sales promotion directed at employees is especially popular with service-oriented firms.

True False

123. Mass selling:

- A. makes widespread distribution possible--by reaching many potential customers at the same time.
- B. alternatives do not vary much in cost (and results) when target market preferences are considered.
- C. alternatives do not vary much from one country to another.
- D. All of the above are true.
- E. None of the above is true.

124. Planning for mass selling involves strategy decisions about:

- A. what is to be said to the target customers.
- B. how target customers are to be reached.
- C. who is the target audience.
- D. what kind of advertising is to be used.
- E. All of the above.

125. Which of the following is NOT an advertising decision?

- A. Who the target audience is.
- B. What kind of advertising to use.
- C. Who will do the work.
- D. Which media to use.
- E. What types of coupons will be used.

126. By 2008, advertising spending in the United States was about:

- A. \$171 billion.
- B. \$271 billion.
- C. \$371 billion.
- D. \$37 billion.
- E. \$3.7 billion.

127. Total advertising expenditures by 2006:

- A. were about 15 percent of all firms' sales.
- B. were larger in Europe than in the U.S.
- C. were larger in Asia than in the U.S.
- D. were about \$271 billion.
- E. were under \$27 billion.

128. Advertising spending

- A. by U.S. corporations averages about 25 percent of their sales dollars.
- B. exceeded \$1.5 trillion in 2008.
- C. represents only a small portion of what people pay for products.
- D. in the U.S. accounts for roughly 25 percent of worldwide advertising spending.
- E. All of the above are true.

129. U.S. corporations spend about _____ percent of their sales on advertising.

- A. 25
- B. 35
- C. 15
- D. 2.5
- E. 7.5

130. Advertising expenditures by U.S. corporations:

- A. average only about 2.5 percent of sales.
- B. must be approved by an advertising agency that is registered with the Federal Trade Commission.
- C. are higher for newspaper advertising than television advertising.
- D. are lower than in other countries.
- E. are highest for business product companies (as a percent of sales).

131. Advertising spending as a percent of sales dollars is largest for:

- A. soap and detergent.
- B. perfumes and cosmetics.
- C. sporting and athletic goods.
- D. soft drinks and water.
- E. motor vehicles.

132. Advertising spending as a percent of sales dollars is largest for:

- A. computers.
- B. business services.
- C. toys.
- D. motor vehicles.
- E. malt beverages.

133. Advertising spending as a percent of sales dollars is lowest for:

- A. shoes.
- B. investment advice.
- C. plastics.
- D. soft drinks.
- E. perfume.

134. Advertising spending as a percent of sales dollars is lowest for:

- A. watches.
- B. cars.
- C. cable TV.
- D. computers.
- E. games.

135. Which of the following retailers spend more on advertising as a percent of sales?

- A. Grocery stores.
- B. Hotels and motels.
- C. Women's clothing stores.
- D. Amusement parks.

136. Which of the following retailers spent the LEAST amount on advertising as a percentage of sales?

- A. Amusement parks.
- B. Catalog merchants.
- C. Furniture stores.
- D. Grocery stores.
- E. Women's clothing stores.

137. The largest share of total U.S. advertising expenditures is for:

- A. advertising agency personnel costs.
- B. creating and producing ads.
- C. media time and space.
- D. advertising to business customers.
- E. None of the above is true.

138. The largest share of total advertising expenditures in the United States goes for:

- A. Internet advertising.
- B. television and cable advertising.
- C. magazine advertising.
- D. direct-mail advertising.
- E. radio advertising.

139. The largest share of U.S. advertising money goes for:

- A. radio.
- B. newspapers.
- C. magazines.
- D. direct mail.
- E. television (including cable).

140. In the U.S., the largest share of advertising expenditures is spent on:

- A. direct mail.
- B. radio.
- C. TV (including cable).
- D. billboards.
- E. newspapers.

141. Advertising objectives should be:

- A. more specific than personal selling objectives.
- B. decided by the creative experts who work with advertising agencies.
- C. quite general to allow for creativity.
- D. set by the advertising manager--not the marketing manager.
- E. determined by the kind of advertising that is required.

142. Advertising objectives should

- A. be specific, but not as specific as the objectives for the personal selling effort.
- B. be set by the specialists--the creative people at the advertising agency.
- C. be quite general so that ads will appeal to the largest possible audience.
- D. determine the kinds of advertising needed.
- E. be more specific for institutional advertising than for direct-type competitive advertising.

143. Which of the following statements about advertising objectives is FALSE?

- A. They should be as specific as possible.
- B. They should be more specific than personal selling objectives.
- C. They should be left to creative ad agencies, not the marketing manager.
- D. They should flow from the overall marketing strategy.
- E. They should set the framework for an advertising campaign.

144. All of the following are specific objectives a marketing manager might give an advertising manager except

- A. position the firm's brand or marketing mix by informing and persuading target customers or intermediaries about its benefits.
- B. introduce existing products to nonspecific target markets.
- C. obtain desirable outlets and tell customers where they can buy a product.
- D. maintain relationships with satisfied customers and encourage more purchases.
- E. get immediate buying action.

145. Which of the following advertising objectives is the BEST example of a specific advertising objective?

- A. To increase a firm's market share by 20 percent--this year.
- B. To increase consumer awareness of the product.
- C. To help attract new retailers on the West Coast.
- D. To sell the company "image" to senior citizens.
- E. To increase store traffic.

146. Which of the following is the BEST example of an advertising objective?

- A. "We want 35 percent of our target customers to be aware of our new product within the next two months."
- B. "We want to generate enough interest in our product that intermediaries will be willing to stock it."
- C. "We want to make older consumers aware of our product--since they have the greatest need."
- D. "We want to increase profits--and that will require significantly expanding sales of our product."
- E. "We want to win an advertising industry artistic award for the creative effort on the ad."

147. Which of the following is the LEAST appropriate advertising objective?

- A. To increase sales by 20 percent this year.
- B. To improve consumer goodwill and help sell the product.
- C. To increase target customers' brand awareness by 50 percent this year.
- D. To increase a brand's market share by 10 percent.
- E. To obtain 20 new accounts in the Oakland Bay area.

148. Which of the following is the LEAST appropriate advertising objective?

- A. "We want our ads to increase traffic in our retail outlets by 10 percent."
- B. "We want our TV ads to really promote the product."
- C. "We want the ad campaign to increase our market share by 3 percent."
- D. "We want distribution in 30 percent of the desirable retail outlets."
- E. None of the above, i.e., all are equally appropriate.

149. Which of the following is the WORST example of an advertising objective?

- A "We want to increase awareness among the members of the target audience by 10 percent within three . months after the start of our advertising campaign."
- B "We want 50 percent of the television audience for the Super Bowl to recall having seen a commercial . for our product during the game."
- C. "We want our advertising to create favorable word-of mouth promotion for our product."
- D "We want our banner ad on the Yahoo! homepage to generate 50,000 page views (hits) on our corporate . website within the first week that it appears on the World Wide Web."
- E "We want our infomercial running on cable television stations to generate 10,000 orders for the . advertised product within one month after it starts."

150. Which of the following would be a type of advertising used in the awareness stage of the adoption process?

- A. Flash ads
- B. Testimonials
- C. Teaser campaigns
- D. Point-of-purchase ads
- E. Persuasive copy

151. Reminder ads come under which stage of the adoption process in advertising?

- A. Awareness
- B. Interest
- C. Evaluation and trial
- D. Confirmation
- E. Decision

152. Which of the following would be a type of advertising used in the evaluation and trial stage of the adoption process?

- A. Competitive ads
- B. Flash ads
- C. Informative "why" ads
- D. Pioneering ads
- E. Viral advertising

153. "Pioneering advertising" tries to:

- A. develop goodwill toward a company.
- B. develop primary demand.
- C. build a brand image.
- D. develop selective demand.
- E. build demand for a specific brand.

154. Advertising which tries to develop primary demand for a product category rather than a specific brand is called _____ advertising.

- A. comparative
- B. institutional
- C. competitive
- D. pioneering
- E. persuading

155. _____ advertising tries to develop primary demand for a product category rather than demand for a specific brand.

- A. Reminder
- B. Institutional
- C. Pioneering
- D. Competitive
- E. Comparative

156. Pioneering advertising is often needed during the _____ stage of the product life cycle.

- A. Sales decline
- B. Turbulence
- C. Market maturity
- D. Market growth
- E. Market introduction

157. Which of the following is true of pioneering advertising?

- A. It helps turn potential customers into adopters.
- B. It tries to develop selective demand for a specific brand.
- C. It points out product advantages to affect future buying decisions.
- D. It tries to keep the product's name before the public.
- E. It is used primarily to reinforce previous promotion.

158. Which of the following advertising headlines is MOST oriented toward stimulating PRIMARY demand?

- A. "See your Hewlett Packard dealer to learn how an affordable portable printer can make business travel easier."
- B. "Panasonic is the value leader."
- C. "IBM printers set the quality standard."
- D. "Buy Quality. Buy from an authorized Epson dealer."
- E. "Canon portable computers are lighter to carry than any other brand."

159. The message "Drink milk every day" is an example of which type of advertising?

- A. Pioneering
- B. Competitive
- C. Indirect action
- D. Reminder
- E. Direct action

160. Kodak has developed a revolutionary new kind of electronic color camera that does not require film. People will need to adjust their thinking about how a camera works. The "camera" will cut the cost of color pictures by 50 percent--if the market accepts the idea. Kodak is about to advertise this product to inform potential customers about what it does and how it works. The campaign should emphasize:

- A. pioneering advertising.
- B. institutional advertising.
- C. competitive advertising.
- D. reminder advertising.
- E. None of the above.

161. A farmer's cooperative in California is sponsoring TV ads aimed at getting Americans to eat more garlic. The ads don't mention any brand names. This is an example of _____ advertising.

- A. competitive
- B. pioneering
- C. indirect competitive
- D. reminder
- E. comparative

162. Faced with a decline in red meat consumption, the American Beef Association is sponsoring an advertising campaign to increase consumption of beef by stressing new research results about beef's nutritional benefits. This is an example of:

- A. competitive advertising.
- B. reminder advertising.
- C. comparative advertising.
- D. indirect action advertising.
- E. pioneering advertising.

163. Boomerang, Inc. has created a really new product and the firm's marketing manager is worried that consumers may not buy the product because it is such a different way of satisfying the basic need. The promotion blend for the new product probably should emphasize _____ during market introduction.

- A. comparative advertising
- B. institutional advertising
- C. reminder advertising
- D. pioneering advertising
- E. competitive advertising

164. When personal computers were in the market introduction stage of their product life cycle, advertising had to help consumers understand why they needed to own a computer and what a computer could do. Now that personal computers are mature products and have wide acceptance among business and home users, the advertising is focused more on trying to get consumers to purchase a particular brand of computer. So, personal computer advertising used to be _____ advertising in market introduction, but is now _____ advertising in market maturity.

- A. Comparative; pioneering.
- B. Pioneering; institutional.
- C. Competitive; pioneering.
- D. Pioneering; competitive.
- E. Comparative; reminder.

165. Using advertising to develop selective demand:

- A. may become necessary as a firm's product moves through its product life cycle.
- B. should only be tried with selective distribution.
- C. is needed when consumers do not know a new product is available.
- D. is intended to produce immediate buying action.
- E. is needed when a firm has a monopoly.

166. "Competitive advertising" tries to:

- A. develop selective demand rather than primary demand.
- B. keep a product's name before the public.
- C. promote the competitive products of an industry rather than a particular firm.
- D. build demand for a product category.
- E. create goodwill for a firm.

167. Advertising which tries to develop selective demand for a specific brand rather than a product category is called _____ advertising.

- A. institutional
- B. competitive
- C. indirect reminder
- D. direct pioneering
- E. primary

168. Competitive advertising

- A. tries to develop primary demand for a product category rather than demand for a specific brand.
- B. tries to keep the product's name before the public.
- C. is used to present the company in a favorable light, perhaps to overcome image problems.
- D. may be useful when the product has achieved brand preference or insistence.
- E. tries to develop selective demand for a specific brand.

169. Which of the following is true of competitive advertising?

- A. It informs potential customers about the new product and turns them into adopters.
- B. It means making specific brand comparisons using actual product names.
- C. It tries to develop selective demand for a specific brand.
- D. It tries to keep the product's name before the public.
- E. It is usually done in the early stages of the product life cycle.

170. An ad stressing the advantages of one brand of cookware--compared to similar (but unnamed) competitive products--is an example of _____ advertising.
- A. institutional
 - B. comparative
 - C. pioneering
 - D. primary
 - E. competitive
171. Which kind of advertising should a manufacturer of paper towels (that are basically similar to competitive products) use if it wants to increase its market share?
- A. Reminder
 - B. Competitive
 - C. Institutional
 - D. Primary demand
 - E. Pioneering
172. DIRECT competitive advertising:
- A. aims for immediate buying action.
 - B. tries to develop primary demand.
 - C. is only seen in newspapers.
 - D. only uses direct mail.
 - E. stresses specific product advantages--so the target customers will buy the advertised brand when they are ready to buy.
173. The _____ type of competitive advertising aims for immediate buying action.
- A. direct
 - B. interactive
 - C. indirect
 - D. strategic
 - E. identity
174. A typical retailer's newspaper ad stressing "today's" sale prices on "regular" stock is an example of _____ advertising.
- A. reminder
 - B. direct competitive
 - C. pioneering
 - D. institutional
 - E. indirect competitive
175. A supermarket manager should use _____ advertising to increase store traffic during the middle of the week.
- A. institutional
 - B. indirect competitive
 - C. pioneering
 - D. reminder
 - E. direct competitive

176. Glitter, Inc. advertises its "gold-tone" jewelry on TV, along with a toll free number and the message that "operators are standing by now to take your credit card order." This is an example of:

- A. direct type competitive advertising.
- B. pioneering advertising.
- C. primary advertising.
- D. comparative advertising.
- E. indirect type competitive advertising.

177. INDIRECT competitive advertising seeks:

- A. to develop primary demand.
- B. immediate buying action.
- C. to develop goodwill for a company--so target customers will eventually buy one or more of its products.
- D. to develop selective demand--to affect future buying decisions.
- E. None of the above.

178. The _____ type of competitive advertising points out product advantages to affect future buying decisions.

- A. direct
- B. interactive
- C. indirect
- D. strategic
- E. phonetic

179. A manufacturer of computer printers has decided to add scanners to its line. Which kind of advertising should it stress if it wants to persuade consumers to buy its brand of more or less similar scanners?

- A. Reminder
- B. Cooperative
- C. Pioneering
- D. Institutional
- E. Indirect competitive

180. Best Sound, Inc. placed a full-page color ad in Car Talk magazine--stressing the better sound available with its car stereo product as compared to similarly priced products--to try to affect its target market's future buying decisions. This is an example of:

- A. reminder advertising.
- B. pioneering advertising.
- C. direct competitive advertising.
- D. institutional advertising.
- E. indirect competitive advertising.

181. Sears advertises its "DieHard" auto batteries as "even better than your original battery." The ads tell possible customers to get a DieHard at their Sears auto center the next time they need one. This is an example of

- A. institutional advertising.
- B. the indirect type of competitive advertising.
- C. the direct type of competitive advertising.
- D. comparative advertising.
- E. reminder advertising.

182. Competitive advertising which makes specific brand comparisons--using actual names--is _____ advertising.
- A. direct competitive
 - B. cooperative
 - C. comparative
 - D. pioneering
 - E. institutional
183. Nissan's Altima advertises the performance of its new luxury sedan by showing it side-by-side with competing brands, like Lexus and BMW. This is:
- A. primary advertising.
 - B. institutional advertising.
 - C. reminder advertising.
 - D. comparative advertising.
 - E. selective advertising.
184. In its ads, Clorox touts the effectiveness of its Disinfecting Wipes by claiming that they disinfect better than those made by Windex, a competing brand. This is:
- A. reminder advertising.
 - B. comparative advertising.
 - C. selective advertising.
 - D. institutional advertising.
 - E. primary advertising.
185. In its ads, General Mills highlights the advantages of its Milk 'n Cereal breakfast bars over Kellogg's breakfast bars. This is:
- A. comparative advertising.
 - B. primary advertising.
 - C. selective advertising.
 - D. reminder advertising.
 - E. institutional advertising.
186. An ad for Toyota's lowest priced truck claimed that it "is tougher, gives better mileage, and costs less than any other truck"--and specifically named the directly competitive trucks. This is:
- A. institutional advertising.
 - B. comparative advertising.
 - C. cooperative advertising.
 - D. direct competitive advertising.
 - E. pioneering advertising.
187. "Comparative advertising":
- A. is usually ignored by consumers.
 - B. is illegal--according to the FTC.
 - C. should be supported by research evidence.
 - D. must focus on major consumer benefits to be legal.
 - E. None of the above.

188.Many countries forbid this form of advertising.

- A. Comparative advertising
- B. Pioneering advertising
- C. Competitive advertising
- D. Reminder advertising
- E. Institutional advertising

189.A major difference between reminder advertising and pioneering advertising is that:

- A. reminder advertising focuses on selective demand, while pioneering advertising tries to develop primary demand.
- B. reminder advertising is less likely to use "soft sell" ads.
- C. reminder advertising is emphasized in the early stages of the product life cycle and pioneering advertising is emphasized later.
- D. All of the above are true.
- E. None of the above is true.

190.Reminder advertising

- A. tries to develop primary demand for a product category rather than demand for a specific brand.
- B. tries to keep the product's name before the public.
- C. means making specific brand comparisons using actual product names.
- D. tries to develop selective demand for a specific brand.
- E. informs potential customers about the new product and helps turn them into adopters.

191.This advertising type may be useful when the product has achieved brand preference or insistence, perhaps in the market maturity or sales decline stages.

- A. Comparative advertising
- B. Pioneering advertising
- C. Competitive advertising
- D. Reminder advertising
- E. Institutional advertising

192.When a producer has won brand preference for its product--but is entering the sales decline stage of its life cycle--it probably should use:

- A. pioneering advertising.
- B. competitive advertising.
- C. primary advertising.
- D. reminder advertising.
- E. institutional advertising.

193.When a producer has won brand insistence in its target market--and just wants to keep the product's name before the public--it can use:

- A. reminder advertising.
- B. pioneering advertising.
- C. direct-action advertising.
- D. comparative advertising.
- E. institutional advertising.

194. All of the following are product-based advertising except

- A. institutional advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. comparative advertising.
- E. competitive advertising.

195. Institutional advertising:

- A. tries to stimulate primary demand rather than selective demand.
- B. involves no media costs.
- C. tries to develop goodwill for a company or even an industry.
- D. tries to keep a product's name before the public.
- E. is always aimed at final consumers or users.

196. All of the following are true of institutional advertising except

- A. focuses on the name and prestige of an organization or industry.
- B. seeks to inform, persuade, or remind.
- C. tries to keep the product's name before the public.
- D. develops goodwill or improves an organization's relations with various groups.
- E. advocates a specific cause or idea.

197. _____ advertising tries to develop goodwill for a company or even an industry--instead of a specific product.

- A. Primary demand
- B. Selective demand
- C. Institutional
- D. Persuading
- E. Pioneering

198. Focusing a company's advertising on its name and prestige is called _____ advertising.

- A. reminder
- B. primary
- C. institutional
- D. competitive
- E. pioneering

199. Institutional advertising:

- A. may try to improve a firm's image with shareholders.
- B. may seek to inform, persuade, or remind.
- C. may try to improve a firm's image with the general public.
- D. focuses on the name and prestige of a company or industry.
- E. All of the above.

200. When a firm's president appears in TV testimonial ads to assure customers, employees, and stockholders that the firm is making a fast recovery from some problem, this is:

- A. institutional advertising.
- B. reminder advertising.
- C. competitive advertising.
- D. comparative advertising.
- E. pioneering advertising.

201. Which of the following is the BEST example of "institutional advertising?"

- A. "I'd walk a mile for a Pepsi"
- B. "IBM is THE standard for personal computers"
- C. "Mobil gas makes your car perform better"
- D. "Promise her anything but give her Obsession"
- E. "Better living through research"

202. The National Cheese Association's ad theme "We are making better cheese for you" is an example of:

- A. institutional advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. competitive advertising.
- E. reminder advertising.

203. A firm that uses advertising that tells customers that the firm focuses on "Better things for better living through chemistry" illustrates:

- A. pioneering advertising.
- B. reminder advertising.
- C. competitive advertising.
- D. institutional advertising.
- E. cooperative advertising.

204. Archer Daniels Midland (ADM) is a producer of food ingredients, sweeteners, cocoa, flours, vegetable oils, and protein products that are used in the manufacture of processed foods. ADM does not make products that are typically sold to final consumers; it makes business-to-business products. However, ADM is a major advertiser on news and public affairs programs that appear on national television networks. The main objective of ADM's television commercials is to build goodwill for the company and to improve relations with current and prospective shareholders. ADM is engaged in:

- A. Product advertising.
- B. Institutional advertising.
- C. Pioneering advertising.
- D. Competitive advertising.
- E. Reminder advertising.

205. Price reductions given to channel members to encourage them to advertise or otherwise promote a firm's products locally are:

- A. quantity discounts.
- B. brokerage allowances.
- C. push money allowances.
- D. advertising allowances.
- E. trade incentives.

206. Advertising allowances

- A. are price reductions to firms further along in the channel to encourage them to advertise or otherwise promote the firm's products locally.
- B. involve intermediaries and producers sharing in the cost of ads.
- C. allow for coordination and integration of ad messages in the channel.
- D. set the allowance amount as a percent of the retailer's actual purchases.
- E. offer incentives that encourage retailers to stock up on a product.

207. Cooperative advertising is:

- A. advertising by several producers of the same product type--to stimulate primary demand.
- B. encouraged by the Federal Trade Commission.
- C. the opposite of competitive advertising.
- D. a way for a producer to get more promotion for its advertising dollar.
- E. None of the above is true.

208. "Cooperative advertising" involves producers:

- A. paying for intermediaries' total advertising costs.
- B. agreeing with competitors to limit advertising spending.
- C. doing some advertising and expecting their intermediaries to provide the rest of the promotion blend.
- D. and intermediaries sharing in the cost of advertising placed in national media.
- E. and intermediaries sharing in the cost of local advertising.

209. A producer and intermediaries sharing the cost of ads in local media is called:

- A. comparative advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. campaign advertising.
- E. institutional advertising.

210. "Cooperative" advertising refers to the practice of:

- A. producers and intermediaries sharing in the cost of advertising that is done by the producer.
- B. producers doing some advertising and expecting their intermediaries to cooperate by providing the rest of the promotion blend.
- C. the producer paying for all of the advertising which is done by its intermediaries.
- D. wholesalers and retailers doing advertising which is partially paid for by the producer.
- E. wholesalers and retailers picking up the promotion theme of the producer and carrying it through.

211. Producers do cooperative advertising with retailers because:

- A. media rate structures give local firms lower rates than national firms.
- B. the FTC requires it.
- C. retailers create better ads than producers.
- D. retailers are more likely to follow through when they are paying a share of the cost.
- E. Both A and D.

212. A producer of country music CDs pays a share of local retailers' costs--to get them to promote its new releases. This is an example of:

- A. pioneering advertising.
- B. institutional advertising.
- C. comparative advertising.
- D. cooperative advertising.
- E. selective advertising.

213. A manufacturer of lawn mowers pays for and provides local dealers with professionally-produced commercials for its products. A dealer can pay to have its name, address, and telephone number appear at the end of the commercial. The commercials are much higher quality ads than most local lawn mower dealers could afford by themselves. These commercials provided by the manufacturer for local use are an example of:

- A. Advertising allowances.
- B. Cooperative advertising.
- C. Vertical communication.
- D. Horizontal integration.
- E. None of the above.

214. Which of the following is NOT a concern in selecting the advertising media to use?

- A. the advertising budget.
- B. the nature of the media.
- C. the target market.
- D. the advertising objective.
- E. all of the above are relevant concerns.

215. Selecting the most effective advertising media depends on the:

- A. nature of the media--i.e. reach, frequency, impact and cost.
- B. firm's target market.
- C. funds available for advertising.
- D. firm's promotion objectives.
- E. All of the above.

216. To choose the best advertising medium, you have to:

- A. decide what target market(s) should be reached.
- B. decide on promotion objectives.
- C. know the cost of alternative media.
- D. decide what must be said.
- E. all of the above.

217. Effectiveness of an advertising medium depends on all of the following except

- A. promotion objectives.
- B. funds available for advertising.
- C. nature of the product.
- D. markets targeted.
- E. who the media reaches.

218. Regarding media selection:

- A. the media available in a country may limit the choices.
- B. the low cost of television makes it a "must buy."
- C. the use of "mass market magazines" is growing in popularity--to cut costs.
- D. the only advertising medium available for direct-response ads is mail.
- E. All of the above.

219. Which of the following advertising media would be best for achieving the widest reach?

- A. Newspaper.
- B. Direct mail.
- C. Television.
- D. Outdoor.
- E. Magazines.

220. The advertising medium of _____ has a wide reach, is good for getting attention and for demonstrations, but it is expensive, has a lot of clutter, and in many cases has a less selective audience.

- A. Direct mail
- B. Yellow Pages
- C. Television and cable
- D. Internet
- E. Outdoor

221. The advertising medium of _____ reaches local customers seeking purchase information, but differentiation is hard because many other competitors are listed in the same place.

- A. Radio
- B. Yellow Pages
- C. Television and cable
- D. Magazine
- E. Internet

222. When considering the advertising medium of magazine, which of the following advantages and disadvantages apply?

- A. Very targeted, good detail, good "pass along," but inflexible and long lead times.
- B. Flexible, timely, local market, but may be expensive, have short life, and no "pass along."
- C. Flexible, repeat exposure, inexpensive, but "mass market" and very short exposure.
- D. Selected audience, flexible, can be personalized, but relatively expensive per contact and hard to retain attention.
- E. Demonstrations, good attention, and wide reach, but expensive in total, has a lot of clutter, and not always selective audience.

223. When considering the advertising medium of outdoor, which of the following advantages and disadvantages apply?
- A. Very targeted, good detail, good "pass along," but inflexible and long lead times.
 - B. Flexible, timely, local market, but may be expensive, have a short life, and no "pass along."
 - C. Selected audience, flexible, can be personalized, but relatively expensive per contact and hard to retain attention.
 - D. Demonstrations, good attention, and wide reach, but expensive in total, has a lot of clutter, and not always selective audience.
 - E. Flexible, repeat exposure, inexpensive, but "mass market" and very short exposure.
224. To guarantee good media selection, the advertiser FIRST must clearly specify its
- A. promotion objectives.
 - B. target market.
 - C. budget.
 - D. advertising campaign.
225. Regarding advertising media selection, which of the following is the best advice?
- A. "There is no such thing as a must buy."
 - B. "Be sure the media match your target market."
 - C. "Avoid the local media."
 - D. "Make sure your first media choice reaches the whole target market."
 - E. "Set very general promotion objectives to stay flexible."
226. When selecting advertising media, a good advertising manager knows that:
- A. TV typically reaches more targeted markets than radio.
 - B. direct-response ads are not a good alternative unless you already have your own mailing list.
 - C. big national magazines, like TIME, may have wide circulation, but are not practical for reaching regional markets.
 - D. Magazines can't be used for reaching specific business or trade audiences.
 - E. objective measures--like "cost per thousand"--can be misleading.
227. Which of the following statements is NOT good advice for a marketing manager regarding media selection?
- A. "The advertising media should support the promotion objectives."
 - B. "Choose media that reaches the target market."
 - C. "Remember that not all media are equally effective."
 - D. "Target the mass market whenever possible."
 - E. All of the above statements are good advice.
228. Good media buyers know that:
- A. website advertising is increasingly a "must buy" for business firms in international markets.
 - B. the most targeted medium is newspapers.
 - C. media costs generally have little relation to audience size or circulation.
 - D. television is superior to newspapers or radio.
 - E. All of the above.

229. A media buyer knows that:

- A. the local newspaper will probably be a must buy for a retailer targeting local consumers.
- B. many consumer and trade magazines serve only special-interest groups.
- C. a Yellow Pages listing will probably be a must buy for a service firm serving customers in a local market.
- D. website advertising will probably be a must buy for firms targeting business buyers in overseas markets.
- E. All of the above.

230. _____ ads are small rectangular boxes that usually include text, graphics, and sometimes video to create interest.

- A. Pop-up
- B. Banner
- C. Pop-under
- D. Hover
- E. Virtual

231. Advertising on the Internet:

- A. Is growing fast, but still accounts for a small proportion of total ad spending.
- B. Takes a variety of forms, such as banners and pop-ups.
- C. May be annoying to consumers if it interferes with what they want to do on the Internet.
- D. Is usually aimed at getting consumers to click through to the advertiser's website.
- E. All of the above.

232. Regarding Internet advertising:

- A. Most ads are seeking a direct response.
- B. All three types of ads (banner, pop-up, and pop-under) encourage viewers to visit the advertiser's website for more information.
- C. Some websites are better than others for reaching target customers.
- D. At some websites, ads are free if they don't get results.
- E. All of the above.

233. Behavioral targeting

- A. tries to place ads on websites that are designed to appeal to the firm's target market.
- B. decides how the messages will reach the target audience.
- C. allows advertisers to pay only when a customer clicks on the ad and links to the advertiser's website.
- D. tries to reach target customers who are actually interested in what the firm has to communicate.
- E. delivers ads to consumers based on previous websites the customer has visited.

234. Regarding Internet advertising:

- A. Search ads know what customers are looking for based on the keywords that customers use in a search.
- B. Ads can be delivered to customers based on which other websites customers have visited.
- C. Most ads try to get customers to click-through to the firm's website.
- D. Ads are much more interactive than traditional ads and may include video, sound, and more.
- E. All of the above.

235. Which of the following statements about advertising on the Internet is(are) true?

- A. When a website sets fees based on actual sales, it is setting fees in the same manner as traditional media.
- B. Content on a website is similar to traditional advertising.
- C. As with traditional media, getting lots of exposure is all that matters.
- D. All of the above are true.
- E. None of the above is true.

236. Instead of linking to a firm's home page, some Internet ads link to customized landing pages that reflect the customer's

- A. search term.
- B. language.
- C. Internet connection speed.
- D. local currency.
- E. any of the above.

237. Which of the following statements about Internet-based advertising is FALSE?

- A. Most Internet ads seek a delayed response.
- B. Some search engines know customers' interests based on the keywords they use in a search.
- C. Many websites charge advertisers a fee based on how frequently or how long an ad is shown.
- D. A customized "landing page" helps keep customers at the site by increasing their interest and desire.
- E. Competition for advertisers has prompted pay-per-click advertising.

238. In addition to text and pictures, Internet ads may include:

- A. videos.
- B. sounds.
- C. product databases.
- D. customer reviews.
- E. any of the above.

239. "Copy thrust" refers to:

- A. competitors who make similar claims in their ads.
- B. an FTC challenge to the claims made by an advertiser.
- C. all the advertising copy prepared for a particular brand.
- D. what is to be communicated by the words and illustrations.
- E. how much the audience believes what the advertiser says.

240. _____ are the words and illustrations of an ad message that actually communicate information to the target customer.

- A. Copy text.
- B. Copy thrust.
- C. Copy edits.
- D. Copy proof.
- E. Copy objective.

241.Regarding message planning:

- A. a specific message usually can be used for several target markets.
- B. communication may be poor if there is not a common frame of reference.
- C. behavioral research shows that most consumers cannot "tune out" advertising messages.
- D. advertising is more suitable for changing behavior than attitudes.
- E. All of the above.

242.What does the AIDA concept stand for?

- A. Attention, Interest, Desire, Action
- B. Alertness, Interest, Develop, Appeal
- C. Attention, Involvement, Desire, Action
- D. Alertness, Involvement, Desire, Appeal
- E. Action, Involvement, Desire, Attention

243.What is the first job of an advertisement?

- A. Getting action
- B. Holding interest
- C. Getting attention
- D. Arousing desire
- E. Creating awareness

244.Regarding message planning and the AIDA model:

- A. "getting action" is the final and easiest step in the process.
- B. focusing on one unique selling proposition is one way to arouse desire.
- C. a successful attention-getting device assures "holding interest."
- D. "arousing desire" is the first and hardest step in the process.
- E. All of the above are true.

245.David Oreck advertises Oreck vacuum cleaners via commercials that run on national radio programs. He encourages consumers to "...try my 8-pound Oreck vacuum for free for 30 days," and to return it if they aren't satisfied. He then provides an easy-to-remember toll-free telephone number that consumers can use to place orders. Regarding the AIDA model, the free-trial period and availability of a toll-free number are devices used mainly to:

- A. Get attention.
- B. Hold interest.
- C. Arouse desire.
- D. Obtain action.
- E. Gain confirmation.

246.Regarding advertising and the AIDA model, which of the following is the best example of advertising aimed at obtaining action?

- A. A TV ad at 10:00 PM for the luncheon buffet at a local restaurant.
- B. A car at an auto junk yard--with the operating hours painted on the side.
- C. An ad for a restaurant in the Yellow Pages.
- D. A classified ad in a newspaper with the word "SEX" in bold print and then the name and telephone number of a dry cleaner.
- E. None of the above.

247. An ad which offers the consumer \$1.00 off on his next grocery store visit is most likely aimed at:

- A. arousing desire.
- B. obtaining action.
- C. getting attention.
- D. holding interest.
- E. none of the above.

248. A single global advertising message used all around the world:

- A. May be done as a cost-saving measure.
- B. Provides one global copy thrust.
- C. Works for some firms, such as Coca-Cola.
- D. Does not work well for most firms.
- E. All of the above.

249. An advertising manager's job is to:

- A. manage the firm's advertising effort.
- B. plan creative marketing strategies.
- C. develop the firm's marketing mix.
- D. develop the firm's promotion blend.
- E. both A and D.

250. Advertising agencies:

- A. usually require advertisers to sign long-term contracts.
- B. prefer to work with local advertisers rather than national advertisers.
- C. compete against the national media for the business of big advertisers.
- D. do little more than sell media time or space to advertisers.
- E. are specialists in planning and handling mass selling details.

251. Advertising agencies:

- A. may do a better job at less cost than firms' own advertising departments because they are specialists with an outside viewpoint.
- B. earn a mandatory 15 percent commission on all local media buys.
- C. usually do marketing strategy planning for their clients.
- D. obtain most of their income from advertisers--as service fees.
- E. All of the above.

252. Which of the following statements about advertising agencies is FALSE?

- A. Advertising agencies are specialists with an outside view that work for advertisers.
- B. Most advertising agencies are small--with 10 or fewer employees.
- C. The largest advertising agencies account for most of the billings.
- D. All of the above are false.
- E. None of the above is false.

253. Which of the following observations about advertising agencies is FALSE?

- A. They are specialists in planning and handling mass-selling details for advertisers.
- B. They are dependent on the advertiser and have a mixed viewpoint.
- C. They may be full-service agencies who handle any activities related to advertising, publicity, or sales promotion.
- D. They may even handle overall marketing strategy planning.
- E. They can often do the job more economically than a company's own department.

254. Advertising agencies are:

- A. Large organizations employing many creative people.
- B. Generalists in planning and handling mass-selling details for advertisers.
- C. Independent of the advertiser and have an inside viewpoint.
- D. Independent of the advertiser and have an outside viewpoint
- E. Under contract to one client at a time.

255. Advertising agencies

- A. can be helpful, but they are always more expensive than a firm doing its own advertising work.
- B. must be selected very carefully since most agencies require long-term contracts.
- C. that are smaller in size will probably continue to play an important role despite the creation of mega-agencies.
- D. usually don't cost local retailers anything to use, since the media commission is usually all the compensation the agency expects.
- E. None of the above is true.

256. Advertising agencies

- A. always specialize in one particular type of work, such as media buying, sales promotion planning, or website design.
- B. were traditionally paid based on a percent of the sales they achieved, but now the trend is toward a . commission based on 15 percent of media purchases.
- C. vary in size, but the largest ones account for most of the billings.
- D. All of the above are true.
- E. None of the above are true.

257. Natalie St. John, brand manager for a cookie producer, says that she is looking for a "full service" advertising agency. Apparently, in addition to having the agency purchase media, she wants an agency to help

- A. plan package development.
- B. develop sales promotions.
- C. provide market research.
- D. create the actual advertisements.
- E. A full service agency might help with any of the above.

258. Traditionally, U.S. advertising agencies have been paid a commission of about _____ percent on media and production costs.

- A. 20
- B. 15
- C. 25
- D. 10
- E. 5

259. The "traditional" approach for compensating ad agencies was most favored by:

- A. large producers and national intermediaries.
- B. not-for-profit organizations.
- C. academic institutions.
- D. small local retailers.
- E. the Federal Trade Commission.

260. In recent years,

- A. specialists in media buying have disappeared.
- B. there has been growing interest in paying agencies based on the results they actually produce.
- C. almost all advertising agencies have switched to the full-service approach.
- D. conflicts between creative and business-oriented advertising people have almost disappeared due to . acceptance of the marketing concept.
- E. more ad agencies have been adopting the 15 percent commission system.

261. Regarding ad agencies, a good marketing manager knows that:

- A. a 15 percent commission system can be a real bargain for firms that need little service but buy a lot of media time and space.
- B. ad agencies earn commissions from media only when they buy at local rates.
- C. the traditional 15 percent commission system is no longer required.
- D. it is hard to end an agency relationship.
- E. All of the above.

262. Which of the following statements about advertising agencies is FALSE?

- A. The advertising agency gets a 15 percent commission on local rate but not on national rates.
- B. Some full-service agencies handle overall marketing strategy planning as well as research, product and . package development, and sales promotion.
- C. Some specialized agencies handle only website development and Internet ads.
- D. A number of advertisers now grade the work done by their agencies and the agencies' pay depends on the grade.
- E. None of the above is false.

263. Trion, Inc. recently spent \$1,000,000 on newspaper advertising and obtained a 30 percent increase in sales. Which of the following is TRUE regarding Trion's advertising effectiveness?

- A. It's hard to evaluate the ad's effectiveness because the sales increase was the result of Trion's whole marketing mix--not just its advertising.
- B. It is not possible to measure the effectiveness of Trion's advertising.
- C. Trion's advertising effectiveness should be evaluated by how many potential customers were exposed to the ads.
- D. Trying to measure the effectiveness of Trion's advertising is not possible unless the ads were pretested.
- E. Trion's ads produced a very effective increase in sales.

264. Regarding measuring advertising effectiveness, which of the following statements is FALSE?

- A. Advertising effectiveness is easily measured by looking at the sales results.
- B. Managers probably should pretest advertising rather than relying only on the judgment of advertising "experts."
- C. If specific advertising objectives are set, then marketing research can help evaluate the effectiveness of ads.
- D. Some advertisers are now demanding laboratory or market tests to evaluate effectiveness.
- E. No single research technique has proven most effective.

265. Research to evaluate advertising effectiveness:

- A. should focus on the judgment of creative people and advertising experts.
- B. should focus primarily on measuring increases in sales.
- C. includes experiments conducted using split runs on cable TV systems.
- D. is a problem because nothing can be done until after the ad has actually run.
- E. All of the above are true.

266. Which of the following statements are TRUE regarding government's role in regulating advertising?

- A. Canada bans any advertising targeted directly at children.
- B. Japan limits the use of cartoon characters in ads to children.
- C. Switzerland does not allow an actor to represent a consumer in an ad.
- D. New Zealand limits political ads on TV.
- E. All of the above are true.

267. Which country bans any advertising targeted directly at children?

- A. USA
- B. Canada
- C. New Zealand
- D. Japan
- E. India

268. In Switzerland,

- A. any advertisement targeted directly at children is banned.
- B. political ads are limited on TV.
- C. print ads must be identified so they are not confused with editorial matter.
- D. competitive and comparative advertising is banned.
- E. an advertiser cannot use an actor to represent a consumer.

269. In _____, print ads must be identified so they are not confused with editorial matter.

- A. USA
- B. Canada
- C. New Zealand
- D. Japan
- E. Switzerland

270. _____ are countries that limit the use of cartoon characters in advertising to children.

- A. USA and New Zealand
- B. Japan and USA
- C. France and Japan
- D. New Zealand and France
- E. Switzerland and USA

271. Which country limits the use of political ads on TV?

- A. USA
- B. Canada
- C. New Zealand
- D. Japan
- E. Australia

272. Regarding advertising, the Federal Trade Commission:

- A. can require firms to run corrective ads.
- B. can regulate deceptive advertising.
- C. can require firms to support ad claims.
- D. can require firms to provide affirmative disclosures.
- E. All of the above.

273. In the United States, the _____ has the power to control unfair or deceptive business practices, including deceptive advertising.

- A. CPSC
- B. FTC
- C. FDA
- D. OSHA
- E. USDA

274. In the United States, the federal regulatory agency that has the power to control deceptive advertising and require corrective advertising is the:

- A. Securities and Exchange Commission.
- B. Federal Trade Commission.
- C. Office of Consumer Affairs.
- D. Fair Trade Committee.
- E. Consumer Product Safety Commission.

275. A firm has run a comparative ad, and a competitor immediately complained that the claims made by the ad are deceptive. In such a case,

- A. the ad agency that created the ad could share responsibility in any action brought by the FTC.
- B. the firm that sponsored the ad might need to provide research proof that its claims are accurate.
- C. the Federal Trade Commission has the power to require corrective advertising--if the ad was really deceptive.
- D. All of the above are true.
- E. A and C are true, but not B.

276. Advertisers should keep in mind that:

- A. advertisers, but not ad agencies, can be held responsible for false and misleading ads.
- B. only false or deceptive ads can be controlled by the FTC.
- C. the FTC does not have the power to require corrective advertising or affirmative disclosures.
- D. there are very clear-cut guidelines concerning how to substantiate ad claims.
- E. what is seen as "positioning" in one country may be viewed as "unfair" or "deceptive" in another.

277. Which of the following statements about sales promotion is NOT TRUE?

- A. Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final consumers.
- B. A particular sales promotion activity usually lasts for only a limited time period.
- C. It is generally used to complement the other promotion methods.
- D. Sales promotion objectives usually focus on prompting some long-term action.
- E. Sales promotion can often be implemented quickly and get sales results sooner than advertising.

278. Sales promotion activities:

- A. Usually have long-term effects.
- B. Are aimed at final consumers, but not business customers.
- C. Focus more on getting attention than on stimulating action by consumers.
- D. May be aimed at a firm's own employees.
- E. Usually take longer to achieve sales results than does advertising.

279. For an intermediary, a sales promotion would mean all of the following except

- A. deciding to stock a product.
- B. providing a special display space.
- C. expecting the promotion to go on forever.
- D. giving the product extra sales emphasis.
- E. assigning a larger budget to the product.

280. Sales promotion:

- A. is not likely to be used in the market maturity stage of the product life cycle.
- B. objectives and situation should determine what specific type of sales promotion is best.
- C. should not be needed if a firm has a good mass selling program.
- D. objectives should be developed after the other promotion decisions have been made--so the manager knows how much is left in the budget.
- E. None of the above is true.

281. Which of the following is a possible outcome of a sales promotion?

- A. Sales increase during the period of the promotion and then remain at a higher level than they were at the start of the promotion.
- B. Sales increase during the period of the promotion, decrease when the promotion ends, and then return at the original level where they were prior to the promotion.
- C. Sales increase during the period of the promotion, but then immediately return to the original level that they were prior to the promotion.
- D. All of the above.
- E. A and C only.

282. Sales promotion for frequently purchased consumer products usually has to change in mature markets. Why is this the case?

- A. Sales promotion is a tool that can help overcome consumer price resistance.
- B. Increased competition from dealer brands in large, powerful retail chains.
- C. Greater price sensitivity among consumers.
- D. Limitations on shelf space in retail stores.
- E. All of the above.

283. Identify the incorrect statement about sales promotions.

- A. Sales promotions have increased because of competition in emerging markets.
- B. Sales promotions can be used as tools to overcome consumer price resistance.
- C. Changes in technology have made sales promotions more efficient.
- D. The availability of more ad agencies and specialists has spurred growth in sales promotions.
- E. An appropriate sales promotion depends on the situation and objectives.

284. Sales promotion activities:

- A. can usually be implemented quickly and get results sooner than advertising.
- B. may be aimed at final consumers, intermediaries, and/or a firm's own sales force.
- C. cost more than the total expenditures on advertising.
- D. are currently a weak spot in many firms' marketing strategies.
- E. All of the above.

285. Sales promotion:

- A. usually lasts for only a limited time period.
- B. spending has grown rapidly in mature markets.
- C. involves a wide variety of activities which often require the use of specialists.
- D. can make the personal selling job easier.
- E. All of the above are true statements.

286. Which of the following statements about sales promotion is False?

- A. Sales promotions may encourage brand switching more than they encourage brand loyalty.
- B. The design and management of sales promotions is often done by specialists from outside the firm.
- C. Sales promotions that are poorly run may reflect negatively on the firm sponsoring them, even if the firm uses an outside specialist to manage the promotion.
- D. Once a firm begins running regular sales promotions, it cannot change its strategy.
- E. Sales promotion should not be left to "amateurs."

287.Sales promotion:

- A. should not be needed if a firm has a good mass selling program.
- B. is not likely to be used in the market maturity stage of the product life cycle.
- C objectives should be developed after the other promotion decisions have been made--so the manager . knows how much is left in the budget.
- D. activities are often handled by outside specialists.
- E. All of the above are true.

288.Sales promotion should be targeted toward

- A. wholesalers.
- B. business customers.
- C. final consumers.
- D. retailers.
- E. Any of the above could be an appropriate target.

289.Sales promotion:

- A. to consumers usually is trying to increase demand or speed up the time of purchase.
- B. aimed at intermediaries is sometimes called trade promotion.
- C. might include free samples of a product.
- D. used by service firms is often aimed at its employees.
- E. all of the above.

290.Trade shows are a sales promotion device usually aimed at promoting products or services to:

- A. Final consumers.
- B. Business/industrial customers.
- C. A firm's own employees.
- D. All of the above.
- E. None of the above.

Use this information for questions that refer to the Super Gaming Company and Accessories (SGCA) case.

Kayla Jurgenson, marketing manager for Super Gaming Computers and Accessories (SGCA), is reviewing her company's plans for the coming year.

SGCA sells its products through retail computer dealers and some specialty gaming stores. Currently, SGCA is carried in 25 percent of all retail computer stores nationwide, but in California it is carried in only 10 percent of stores. So, Kayla has set an objective of being in 25% of all retail computer stores in California within one year.

SGCA plans to introduce a new SuperDuperGamer model with special features that fits its target market of teen and young adult gamers. The SuperDuperGamer uses a new technology and is expected to be a breakthrough product, but it will be important to build awareness for it to succeed. So, the advertising objective is for 40% of SGCA's target market to be aware of the new SuperDuperGamer model within 3 months. SGCA also wants to help its retailers reduce their current stock of SuperGamer computers before the new model comes out in a month. The SuperGamer has been on the market for two years and has been a top seller in the category. SGCA's advertising objective for the SuperGamer computer is to reduce current dealer stock by 80% within the next month.

SGCA is also introducing a SuperEnhancer sound card, which is designed to significantly enhance the game-playing experience with older computers. Research with gamers show that it is very well received, so the advertising objective for the SuperEnhancer sound card is to gain 40% market share among all gaming-specific sound cards in the next year. To help achieve that objective, Jurgenson is planning to use an ad that shows the sound card and a game player being knocked off his chair by the sound. The headline on the ad reads, "9 Out of 10 Gamers Say that the SuperEnhancer Sound Beats All Others!"

291. In order to achieve its objective at a retailer called Computer Superstore, SGCA intends to repay the retailer for a share of what it spends to advertise SGCA's computers in local media. This is

- A. called cooperative advertising.
- B. likely to increase the income that SGCA's ad agency gets for buying media space.
- C. a bad idea because retail stores usually pay higher rates in local media than do national advertisers.
- D. all of the above are true.
- E. none of the above are true.

292. Given the advertising objective for the SuperDuperGamer, which of the following types of advertising would be most appropriate?

- A. informative "why" ads
- B. point-of-purchase advertising
- C. viral advertising
- D. reminder ads
- E. none of the above would be appropriate

293. Given the advertising objective for the old SuperGamer model, which of the following types of advertising would be most appropriate?

- A. ads with price deal offers
- B. a teaser campaign
- C. informative descriptive ads
- D. pioneering ads
- E. institutional ads

294. All of SGCA's products are made from recycled material and the company wants to promote its environmental practices. What kind of advertising would be most appropriate to do this:
- A. competitive advertising
 - B. comparative advertising
 - C. pioneering advertising
 - D. competitive advertising
 - E. institutional advertising
295. The copy thrust of the ad for the SuperEnhancer sound card is an example of what kind of advertising?
- A. pioneering advertising.
 - B. indirect competitive advertising.
 - C. direct competitive advertising.
 - D. reminder advertising.
 - E. institutional advertising.
296. About 10 years ago, most of SGCA's target customers did not even know what a sound card was or that computer audio could be upgraded. What type of advertising was needed at that time?
- A. institutional advertising
 - B. reminder advertising
 - C. cooperative advertising
 - D. pioneering advertising
 - E. direct competitive advertising
297. A competitor of SGAC has a magazine ad with a headline that claims "Our new sound card makes SGAC's SuperEnhancer old news." The Federal Trade Commission
- A. discourages ads such as this--since it is unfair to use another firm's name in a way that is not favorable to the firm.
 - B. might require the competitor to provide evidence to support this copy thrust.
 - C. might criticize this ad as wasteful because it is institutional advertising and not product advertising.
 - D. would permit this ad in a trade magazine but not in a magazine read by final consumers.
 - E. would view this as comparative advertising, which is illegal in the U.S.
298. In making her decisions about media, Jurgenson has to:
- A. decide which target market(s) should be reached.
 - B. know the costs of alternative media.
 - C. decide on promotion objectives.
 - D. decide what must be said.
 - E. all of the above.
299. If Jurgenson wanted to demonstrate the new SuperDuperComputer, which media would be best:
- A. Yellow pages
 - B. Television
 - C. Magazine
 - D. Radio
 - E. Each of these media would be equal in this regard.

300. In evaluating the copy thrust of its ad for the SuperEnhancer sound card, Jurgenson should consider:

- A. whether the ad gets attention.
- B. the quality of the illustrations in the ad.
- C. the media to be used.
- D. the advertising objectives.
- E. all of these should be considered.

301. SGCA is having a sales contest to encourage retailers to quickly reduce the inventory of SuperGamer computers. Retailers with the highest sales during the next month win an expense paid trip to a special dealer meeting at a resort in Hawaii. This is

- A. probably illegal, since it might encourage price competition among retailers.
- B. an example of cooperative advertising.
- C. promotion aimed at employees.
- D. the type of promotion that continues to impact sales even after the promotion is over.
- E. an example of a producer using sales promotion in the channel.

302. If Jurgenson turns to an advertising agency for help, SGCA

- A. will probably be required to sign a long-term contract.
- B. find that most agencies would prefer to work with retailers rather than producers of consumer products.
- C. can expect the agency to be a specialist in planning and handling mass selling details.
- D. should not expect the agency to do much more than sell media time or space.
- E. should allow the experts at the agency to refine the advertising objectives so that they reflect the creativity of the ads.

ch15 Key

1. It's a common belief that half of the money spent on advertising and sales promotion is wasted.
(p. 378)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #1
Question Type: Definition
Self-Test: No

2. International dimensions do not affect sales promotion decisions, because consumers throughout the world have the same responses to sales promotion methods.
(p. 379)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #2
Question Type: Definition
Self-Test: No

3. The basic strategy planning decisions for advertising and sales promotion are the same regardless of where in the world the target market is located.
(p. 379)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #3
Question Type: Definition
Self-Test: No

4. By 2008, advertising expenditures in the United States were about \$271 billion.
(p. 380)

TRUE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #4
Question Type: Definition
Self-Test: No

5. Total advertising spending in other countries is much lower than in the U.S.
(p. 380)

TRUE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #5
Question Type: Definition
Self-Test: No

6. During the last decade, the rate of advertising spending has increased in the U.S., but it has decreased in the rest of the world.
(p. 380)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #6
Question Type: Definition
Self-Test: No

7. Advertising in the U.S. accounts for over 40 percent of worldwide advertising spending.
(p. 380)

TRUE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #7
Question Type: Definition
Self-Test: No

8. Advertising in Europe accounts for roughly half of worldwide ad spending.
(p. 380)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #8
Question Type: Definition
Self-Test: No

9. The main problem with advertising is that it costs so much--on average about one third of sales dollars for U.S. companies.
(p. 380)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #9
Question Type: Definition
Self-Test: No

10. On average, U.S. corporations spend only about 2.5 percent of their sales on advertising.
(p. 380)

TRUE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #10
Question Type: Definition
Self-Test: No

11. Producers of business products generally spend a larger percent on advertising than do producers of consumer products.
(p. 380)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #11
Question Type: Definition
Self-Test: No

12. Games and toys producers spend a higher percentage of their sales on advertising than do footwear producers.
(p. 381)

TRUE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #12
Question Type: Definition
Self-Test: No

13. Motor vehicles producers spend a higher percentage of their sales on advertising than do perfumes and cosmetics producers.
(p. 381)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #13
Question Type: Definition
Self-Test: No

14. Furniture stores spend a higher percentage of their sales on advertising than do grocery stores.
(p. 381)

TRUE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #14
Question Type: Definition
Self-Test: No

15. Videotape/DVD rental stores spend a higher percentage of their sales on advertising than do amusement parks.
(p. 381)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #15
Question Type: Definition
Self-Test: No

16. Although advertising expenditures in the United States by 2008 were around \$271 billion, the major expense was for media time and space--not payroll expense to people who worked in the advertising industry.

(p. 381)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #16
Question Type: Definition
Self-Test: No

17. The largest share of total advertising expenditures in the United States goes for TV (including cable) advertising.

(p. 381)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #17
Question Type: Definition
Self-Test: No

18. The largest share of total advertising expenditures in the United States goes for newspaper advertising.

(p. 381)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #18
Question Type: Definition
Self-Test: No

19. The U.S. has about 460,000 people working directly in the advertising industry, and half of them work for advertising agencies.

(p. 381)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #19
Question Type: Definition
Self-Test: No

20. On average, the 500,000 advertising agencies in the United States are large, employing about 200 people each.

(p. 381)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #20
Question Type: Definition
Self-Test: No

21. Advertising objectives should be very specific, even more specific than personal selling objectives.
(p. 382)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #21
Question Type: Definition
Self-Test: No

22. Marketing managers should set overall advertising objectives, but then it's usually the advertising manager's job to set specific objectives for each ad.
(p. 382)

TRUE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #22
Question Type: Definition
Self-Test: No

23. Product advertising tries to sell a specific product, while institutional advertising tries to promote an organization rather than a specific product.
(p. 382-383)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #23
Question Type: Definition
Self-Test: No

24. The basic job of pioneering advertising is to persuade, not inform.
(p. 383)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #24
Question Type: Definition
Self-Test: No

25. Competitive advertising is typically used in the market introduction stage of the product life cycle--to develop primary demand.
(p. 383)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #25
Question Type: Definition
Self-Test: No

26. Competitive advertising tries to develop selective demand for a specific brand.
(p. 383)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #26
Question Type: Definition
Self-Test: No

27. When a firm's advertising says "our motorcycles will outperform any other brand," it is using competitive advertising to develop selective demand.
(p. 383)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #27
Question Type: Definition
Self-Test: No

28. The direct type of competitive advertising tries to obtain immediate buying action.
(p. 384)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #28
Question Type: Definition
Self-Test: No

29. Indirect competitive advertising aims for immediate buying action while direct competitive advertising aims for future buying action.
(p. 384)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #29
Question Type: Definition
Self-Test: No

30. When a retailer advertises a "special 24-hour sale on GE brand air conditioners," direct competitive advertising is being used.
(p. 384)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #30
Question Type: Definition
Self-Test: No

31. Comparative advertising makes specific brand comparisons using actual product names.
(p. 384)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #31
Question Type: Definition
Self-Test: No

32. Comparative advertising has been banned by the Federal Trade Commission because it was so effective in winning sales from competing products named in ads.
(p. 384)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #32
Question Type: Definition
Self-Test: No

33. Many countries forbid comparative advertising, but it is now legal in the U.S.
(p. 384)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #33
Question Type: Definition
Self-Test: No

34. Comparative advertising tries to keep the product's name before the public.
(p. 384)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #34
Question Type: Definition
Self-Test: No

35. Reminder advertising is most likely to be useful in the market maturity or sales decline stages of the product life cycle--especially when the product has achieved brand insistence or brand preference.
(p. 384)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #35
Question Type: Definition
Self-Test: No

36. Reminder advertising is likely to be most useful in the market growth stage of the product life cycle.
(p. 384)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #36
Question Type: Definition
Self-Test: No

37. Institutional advertising may try to inform, persuade, or remind, but it usually focuses on the name and prestige of an organization or industry.
(p. 384)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #37
Question Type: Definition
Self-Test: No

38. Institutional advertising emphasizes a particular product and plays down the name of the company.
(p. 384)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #38
Question Type: Definition
Self-Test: No

39. Product advertising is aimed at final consumers; institutional advertising is aimed at intermediaries.
(p. 384)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #39
Question Type: Definition
Self-Test: No

40. Institutional advertising is advertising aimed at business customers and intermediaries.
(p. 384)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #40
Question Type: Definition
Self-Test: No

41. A chemical company might use institutional ads to highlight its concern for the environment.
(p. 384)

TRUE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #41
Question Type: Definition
Self-Test: No

42. An insurance company might use institutional ads to highlight its concern for safe driving.
(p. 384)

TRUE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #42
Question Type: Definition
Self-Test: No

43. Advertising allowances are price reductions given to firms further along in the channel to encourage them to advertise or otherwise promote a producer's products locally.
(p. 385)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #43
Question Type: Definition
Self-Test: No

44. Cooperative advertising involves intermediaries and producers sharing in the cost of ads.
(p. 385)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #44
Question Type: Definition
Self-Test: No

45. Cooperative advertising is not very economical--because media rate structures usually require local firms to pay more for local advertising than the same ad would cost a national advertiser.
(p. 385)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #45
Question Type: Definition
Self-Test: No

46. A cooperative advertising program can help a producer achieve coordination and integration of ad messages in the channel of distribution.
(p. 385)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #46
Question Type: Definition
Self-Test: No

47. Producers can help prevent misuse of advertising allowances by setting the allowance amount as a percent of the retailer's actual purchases and insisting on proof that the advertising was really done.
(p. 385)

TRUE

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #47
Question Type: Definition
Self-Test: No

48. Manufacturers who use cooperative advertising should insist on proof that allowances have been used for advertising purposes.
(p. 385)

TRUE

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #48
Question Type: Definition
Self-Test: No

49. The effectiveness of an advertising medium depends on how well it fits with the rest of the particular marketing strategy.
(p. 385)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #49
Question Type: Definition
Self-Test: No

50. The best advertising medium is television, but some advertisers must use other media because they do not have enough money for TV.
(p. 385-386)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #50
Question Type: Definition
Self-Test: No

51. If the objective of an ad is to inform, telling a detailed story and using precise pictures, then print advertising is right.
(p. 386)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #51
Question Type: Definition
Self-Test: No

52. To guarantee good media selection, the advertiser must specify its target market and then choose media that will reach these target customers.
(p. 386)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #52
Question Type: Definition
Self-Test: No

53. To guarantee good media selection, the advertiser first must clearly specify its target market.
(p. 386)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #53
Question Type: Definition
Self-Test: No

54. One advantage of the major mass media is that the advertiser does not have to pay for the whole audience the media delivers, but instead just pays based on the number of potential customers in the audience.

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #54
Question Type: Definition
Self-Test: No

55. The medium with the lowest "cost per 1,000 people" has the greatest potential to reach the advertiser's target market at the lowest cost.
(p. 387)

FALSE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #55
Question Type: Definition
Self-Test: No

56. Even though the cost per person may be higher and the number of persons reached may be smaller, specialized media is sometimes more effective than mass media.
(p. 387)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #56
Question Type: Definition
Self-Test: No

57. Even with specialized media, consumers may selectively tune out ads that don't interest them.
(p. 387)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #57
Question Type: Definition
Self-Test: No

58. In general, advertising media are becoming more targeted in that they aim for more narrowly defined market segments.
(p. 388)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #58
Question Type: Definition
Self-Test: No

59. Some advertising media are "must buys" because they are obvious choices to reach the target audience.
(p. 388)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #59
Question Type: Definition
Self-Test: No

60. Many Internet users in the U.S. spend more time surfing the Web than they do watching television, listening to radio, or reading newspapers and magazines.
(p. 389)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #60
Question Type: Definition
Self-Test: No

61. Most Internet ads seek a delayed response.

(p. 390)

FALSE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #61
Question Type: Definition
Self-Test: No

62. "Clickthrough" is the number of people who actually click on the Internet ad and link to the advertiser's website.

(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #62
Question Type: Definition
Self-Test: No

63. The purpose of an Internet banner ad is to encourage the target market to visit the advertiser's website for more information.

(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #63
Question Type: Definition
Self-Test: No

64. Pop-up ads are small rectangular boxes that usually include text, graphics, and sometimes video to create interest.

(p. 390)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #64
Question Type: Definition
Self-Test: No

65. Instead of trying to force consumers to view unwanted ads, marketing-oriented firms should try to do a better job of targeting.

(p. 390)

TRUE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #65
Question Type: Definition
Self-Test: No

66. With Internet advertising, noncompeting firms that share a similar target market can post ads on each other's website.
(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #66
Question Type: Definition
Self-Test: No

67. Although there are millions of websites on the Internet, some are better than others for reaching target customers.
(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #67
Question Type: Definition
Self-Test: No

68. Search ads already know what customers are looking for.
(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #68
Question Type: Definition
Self-Test: No

69. Cookies give customers information about advertisers.
(p. 390)

FALSE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #69
Question Type: Definition
Self-Test: No

70. Because of cookies, some advertisers already know where customers have been on the Web and what they did there.
(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #70
Question Type: Definition
Self-Test: No

71. Cookies are a cost-effective way for advertisers to target ads and boost online sales.
(p. 390)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #71
Question Type: Definition
Self-Test: No

72. Pay-per-click advertising means advertisers only pay if the customer clicks on the ad and links to the advertiser's website.
(p. 391)

TRUE

AACSB: 4 Use of IT
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #72
Question Type: Definition
Self-Test: No

73. At some websites, Internet ads are free if the ads don't get results.
(p. 391)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #73
Question Type: Definition
Self-Test: No

74. A lot more firms will put ads on websites if there is a direct relationship between costs and results.
(p. 391)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Hard
LearnObj: 4
Perreault - Chapter 15 #74
Question Type: Definition
Self-Test: No

75. In an attempt to target individual customers more effectively, many firms are using customized landing pages that automatically adjust to each customer.
(p. 391)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #75
Question Type: Definition
Self-Test: No

76. Website ads tend to be more interactive than traditional ads.
(p. 391)

TRUE

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #76
Question Type: Definition
Self-Test: No

77. Copy thrust is what the words and illustrations should communicate.
(p. 392)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 5
Perreault - Chapter 15 #77
Question Type: Definition
Self-Test: No

78. "Copy thrust" refers to the choice of media to deliver a message to the target audience.
(p. 392)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #78
Question Type: Definition
Self-Test: No

79. The AIDA model can help plan messages for advertisements.
(p. 392)

TRUE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #79
Question Type: Definition
Self-Test: No

80. Advertising can be useful in a marketing strategy for getting attention, holding interest, arousing desire, and obtaining action.
(p. 392)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #80
Question Type: Definition
Self-Test: No

81. Getting attention to a particular advertisement is always easy.

(p. 392)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Hard
LearnObj: 5
Perreault - Chapter 15 #81
Question Type: Definition
Self-Test: No

82. One of the big problems with using an advertising agency is that the advertiser must stick with the agency for a long time even if the agency's work is not satisfactory.

(p. 395)

FALSE

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #82
Question Type: Definition
Self-Test: No

83. The vast majority of advertising agencies are small, with 10 or fewer employees.

(p. 395)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #83
Question Type: Definition
Self-Test: No

84. The vast majority of advertising agencies are large (20 or more employees), but the smaller, more creative agencies account for most of the billings.

(p. 395)

FALSE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #84
Question Type: Definition
Self-Test: No

85. The growth of mega-agencies has been prompted by large corporations who need to advertise worldwide.

(p. 395)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #85
Question Type: Definition
Self-Test: No

86. The American Association of Advertising Agencies requires that all agencies be compensated based on a standard 15 percent commission system.
(p. 396)

FALSE

AACSB: 11 Analysis for decisions
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #86
Question Type: Definition
Self-Test: No

87. Advertising agencies usually earn a 15 percent commission on all the media they buy for local advertisers.
(p. 396)

FALSE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #87
Question Type: Definition
Self-Test: No

88. The advertising agency gets a 15 percent commission on local rates but not on national rates.
(p. 396)

FALSE

AACSB: 8 Financial
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #88
Question Type: Definition
Self-Test: No

89. Local retailers seldom use advertising agencies because the agencies don't get discounts from the rates charged to local advertisers.
(p. 396)

TRUE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #89
Question Type: Definition
Self-Test: No

90. The fixed commission system of advertising agency compensation is more favored by local retailers than by producers and national intermediaries.
(p. 396)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #90
Question Type: Definition
Self-Test: No

91. Some firms would like to base advertising agency compensation on results achieved, but that would be illegal.
(p. 396)

FALSE

AACSB: 2 Ethical reasoning
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #91
Question Type: Definition
Self-Test: No

92. A number of advertisers now grade the work done by their agencies and the agencies' pay depends on the grade.
(p. 396)

TRUE

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #92
Question Type: Definition
Self-Test: No

93. Advertising effectiveness is usually very difficult to measure because sales result from the total marketing mix, not just advertising.
(p. 396)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #93
Question Type: Definition
Self-Test: No

94. When measuring an advertising campaign, success depends on the total marketing mix.
(p. 396)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #94
Question Type: Definition
Self-Test: No

95. Looking at sales volume is usually the easiest and best method of determining the degree of success for an advertising campaign.
(p. 396)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #95
Question Type: Definition
Self-Test: No

96. The effectiveness of advertising is best measured by relying on the judgment of creative people and advertising "experts."
(p. 396)

FALSE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #96
Question Type: Definition
Self-Test: No

97. To evaluate the effectiveness of advertising, it's better to rely on the judgment of the creative people in ad agencies than to rely on the results of advertising research.
(p. 396)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #97
Question Type: Definition
Self-Test: No

98. The U.S. is one of only a few countries in the world where the government takes an active role in deciding what kinds of advertising are allowable, fair, or appropriate.
(p. 397)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #98
Question Type: Definition
Self-Test: No

99. Though it is common in the U.S. to use cartoon characters in advertising to children, both Japan and France limit that practice, and Canada bans any advertising targeted directly at children.
(p. 397)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #99
Question Type: Definition
Self-Test: No

100. Because of different advertising rules in different countries, it's best for a marketing manager to get help from local advertising experts.
(p. 397)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #100
Question Type: Definition
Self-Test: No

101. In the U.S., the regulation of "deceptive" and "unfair" advertising is the responsibility of the Federal Trade Commission.
(p. 397)

TRUE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #101
Question Type: Definition
Self-Test: No

102. The Federal Trade Commission can require firms to use "corrective advertising" or "affirmative disclosures," if it decides a particular advertisement is unfair or deceptive.
(p. 397)

TRUE

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #102
Question Type: Definition
Self-Test: No

103. Corrective advertising corrects deceptive advertising.
(p. 397)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #103
Question Type: Definition
Self-Test: No

104. In general, sales promotion tries to spark immediate interest, trial, or purchase.
(p. 398)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #104
Question Type: Definition
Self-Test: No

105. Sales promotions can usually get sales results sooner than advertising.
(p. 398)

TRUE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #105
Question Type: Definition
Self-Test: No

106. Advertising can usually get sales results sooner than sales promotion.
(p. 398)

FALSE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #106
Question Type: Definition
Self-Test: No

107. Sales promotion is generally used instead of other promotion methods.
(p. 398)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #107
Question Type: Definition
Self-Test: No

108. Spending on sales promotion exceeds spending on advertising.
(p. 399)

TRUE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #108
Question Type: Definition
Self-Test: No

109. In total, advertising costs less than sales promotion.
(p. 399)

TRUE

AACSB: 8 Financial
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #109
Question Type: Definition
Self-Test: No

110. More money (in the U.S.) is spent on advertising than on sales promotion.
(p. 399)

FALSE

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #110
Question Type: Definition
Self-Test: No

111. Producers of consumer packaged goods typically stop using sales promotion when their product-markets mature.
(p. 399)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #111
Question Type: Definition
Self-Test: No

112. Because consumers are becoming less and less price-sensitive, the use of sales promotion is increasing.
(p. 399)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #112
Question Type: Definition
Self-Test: No

113. Procter & Gamble is an example of a consumer packaged goods firm that has dramatically increased its use of trade promotion in the promotion blend.
(p. 400)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #113
Question Type: Definition
Self-Test: No

114. Most M&M's are sold as consumer products, but M&M's printed with special messages or brand logos have become an effective (and sweet) sales promotion tool for business customers.
(p. 400)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #114
Question Type: Application
Self-Test: No

115. Sales promotion problems are likely to be greater when an advertising or sales manager, instead of a sales promotion manager, has responsibility for sales promotion.
(p. 400-401)

TRUE

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #115
Question Type: Definition
Self-Test: No

116. Much of the sales promotion aimed at final consumers or users tries to increase demand, perhaps temporarily, or speed up the time of purchase.
(p. 401)

TRUE

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 9
Perreault - Chapter 15 #116
Question Type: Definition
Self-Test: No

117. Only about one percent of all sales promotion coupons are ever redeemed.
(p. 401)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #117
Question Type: Definition
Self-Test: No

118. A sales promotion can cost more than it adds in sales.
(p. 401)

TRUE

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #118
Question Type: Definition
Self-Test: No

119. It is against the law for industrial buyers to accept promotion items from suppliers.
(p. 401-402)

FALSE

AACSB: 2 Ethical reasoning
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #119
Question Type: Definition
Self-Test: No

120. Trade promotion usually stresses price-related matters.
(p. 402)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #120
Question Type: Definition
Self-Test: No

121. Sales promotion aimed at company's own sales force is sometimes called trade promotion.
(p. 402)

FALSE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 9
Perreault - Chapter 15 #121
Question Type: Definition
Self-Test: No

122. Sales promotion directed at employees is especially popular with service-oriented firms.
(p. 402)

TRUE

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #122
Question Type: Definition
Self-Test: No

123. Mass selling:
(p. 378-379)

- A.** makes widespread distribution possible--by reaching many potential customers at the same time.
- B. alternatives do not vary much in cost (and results) when target market preferences are considered.
- C. alternatives do not vary much from one country to another.
- D. All of the above are true.
- E. None of the above is true.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #123
Question Type: Comprehension
Self-Test: No

124. Planning for mass selling involves strategy decisions about:
(p. 378-379)

- A. what is to be said to the target customers.
- B. how target customers are to be reached.
- C. who is the target audience.
- D. what kind of advertising is to be used.
- E.** All of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #124
Question Type: Definition
Self-Test: No

125. Which of the following is NOT an advertising decision?

(p. 378-379)

- A. Who the target audience is.
- B. What kind of advertising to use.
- C. Who will do the work.
- D. Which media to use.
- E.** What types of coupons will be used.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #125
Question Type: Comprehension
Self-Test: No

126. By 2008, advertising spending in the United States was about:

(p. 380)

- A. \$171 billion.
- B.** \$271 billion.
- C. \$371 billion.
- D. \$37 billion.
- E. \$3.7 billion.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #126
Question Type: Definition
Self-Test: No

127. Total advertising expenditures by 2006:

(p. 380)

- A. were about 15 percent of all firms' sales.
- B. were larger in Europe than in the U.S.
- C. were larger in Asia than in the U.S.
- D.** were about \$271 billion.
- E. were under \$27 billion.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #127
Question Type: Self-Test
Self-Test: Self-Test

128. Advertising spending

(p. 380)

- A. by U.S. corporations averages about 25 percent of their sales dollars.
- B. exceeded \$1.5 trillion in 2008.
- C.** represents only a small portion of what people pay for products.
- D. in the U.S. accounts for roughly 25 percent of worldwide advertising spending.
- E. All of the above are true.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #128
Question Type: Comprehension
Self-Test: No

129. U.S. corporations spend about _____ percent of their sales on advertising.

(p. 380)

- A. 25
- B. 35
- C. 15
- D. 2.5**
- E. 7.5

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #129
Question Type: Self-Test
Self-Test: Self-Test

130. Advertising expenditures by U.S. corporations:

(p. 380)

- A.** average only about 2.5 percent of sales.
- B. must be approved by an advertising agency that is registered with the Federal Trade Commission.
- C. are higher for newspaper advertising than television advertising.
- D. are lower than in other countries.
- E. are highest for business product companies (as a percent of sales).

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #130
Question Type: Comprehension
Self-Test: No

131. Advertising spending as a percent of sales dollars is largest for:

(p. 381)

- A. soap and detergent.
- B.** perfumes and cosmetics.
- C. sporting and athletic goods.
- D. soft drinks and water.
- E. motor vehicles.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #131
Question Type: Definition
Self-Test: No

132. Advertising spending as a percent of sales dollars is largest for:

(p. 381)

- A. computers.
- B.** business services.
- C. toys.
- D. motor vehicles.
- E. malt beverages.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #132
Question Type: Definition
Self-Test: No

133. Advertising spending as a percent of sales dollars is lowest for:

(p. 381)

- A. shoes.
- B. investment advice.**
- C. plastics.
- D. soft drinks.
- E. perfume.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #133
Question Type: Definition
Self-Test: No

134. Advertising spending as a percent of sales dollars is lowest for:

(p. 381)

- A. watches.
- B. cars.
- C. cable TV.
- D. computers.**
- E. games.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #134
Question Type: Definition
Self-Test: No

135. Which of the following retailers spend more on advertising as a percent of sales?

(p. 381)

- A. Grocery stores.
- B. Hotels and motels.
- C. Women's clothing stores.
- D. Amusement parks.**

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #135
Question Type: Definition
Self-Test: No

136. Which of the following retailers spent the LEAST amount on advertising as a percentage of sales?

(p. 381)

- A. Amusement parks.
- B. Catalog merchants.
- C. Furniture stores.
- D. Grocery stores.**
- E. Women's clothing stores.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #136
Question Type: Comprehension
Self-Test: No

137. The largest share of total U.S. advertising expenditures is for:

(p. 381)

- A. advertising agency personnel costs.
- B. creating and producing ads.
- C.** media time and space.
- D. advertising to business customers.
- E. None of the above is true.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #137
Question Type: Comprehension
Self-Test: No

138. The largest share of total advertising expenditures in the United States goes for:

(p. 381)

- A. Internet advertising.
- B.** television and cable advertising.
- C. magazine advertising.
- D. direct-mail advertising.
- E. radio advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #138
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

139. The largest share of U.S. advertising money goes for:

(p. 381)

- A. radio.
- B. newspapers.
- C. magazines.
- D. direct mail.
- E.** television (including cable).

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #139
Question Type: Definition
Self-Test: No

140. In the U.S., the largest share of advertising expenditures is spent on:

(p. 381)

- A. direct mail.
- B. radio.
- C.** TV (including cable).
- D. billboards.
- E. newspapers.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #140
Question Type: Comprehension
Self-Test: No

141. Advertising objectives should be:

(p. 382)

- A. more specific than personal selling objectives.
- B. decided by the creative experts who work with advertising agencies.
- C. quite general to allow for creativity.
- D. set by the advertising manager--not the marketing manager.
- E. determined by the kind of advertising that is required.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #141
Question Type: Comprehension
Self-Test: No

142. Advertising objectives should

(p. 382)

- A. be specific, but not as specific as the objectives for the personal selling effort.
- B. be set by the specialists--the creative people at the advertising agency.
- C. be quite general so that ads will appeal to the largest possible audience.
- D. determine the kinds of advertising needed.
- E. be more specific for institutional advertising than for direct-type competitive advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #142
Question Type: Comprehension
Self-Test: No

143. Which of the following statements about advertising objectives is FALSE?

(p. 381-382)

- A. They should be as specific as possible.
- B. They should be more specific than personal selling objectives.
- C. They should be left to creative ad agencies, not the marketing manager.
- D. They should flow from the overall marketing strategy.
- E. They should set the framework for an advertising campaign.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #143
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

144. All of the following are specific objectives a marketing manager might give an advertising manager except
(p. 382)

- A. position the firm's brand or marketing mix by informing and persuading target customers or intermediaries about its benefits.
- B. introduce existing products to nonspecific target markets.**
- C. obtain desirable outlets and tell customers where they can buy a product.
- D. maintain relationships with satisfied customers and encourage more purchases.
- E. get immediate buying action.

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #144
Question Type: Comprehension
Self-Test: No

145. Which of the following advertising objectives is the BEST example of a specific advertising objective?
(p. 382)

- A. To increase a firm's market share by 20 percent--this year.**
- B. To increase consumer awareness of the product.
- C. To help attract new retailers on the West Coast.
- D. To sell the company "image" to senior citizens.
- E. To increase store traffic.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #145
Question Type: Application
Self-Test: No

146. Which of the following is the BEST example of an advertising objective?
(p. 382)

- A. "We want 35 percent of our target customers to be aware of our new product within the next two months."**
- B. "We want to generate enough interest in our product that intermediaries will be willing to stock it."
- C. "We want to make older consumers aware of our product--since they have the greatest need."
- D. "We want to increase profits--and that will require significantly expanding sales of our product."
- E. "We want to win an advertising industry artistic award for the creative effort on the ad."

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #146
Question Type: Application
Self-Test: No

147. Which of the following is the LEAST appropriate advertising objective?

(p. 382)

- A. To increase sales by 20 percent this year.
- B.** To improve consumer goodwill and help sell the product.
- C. To increase target customers' brand awareness by 50 percent this year.
- D. To increase a brand's market share by 10 percent.
- E. To obtain 20 new accounts in the Oakland Bay area.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #147
Question Type: Application
Self-Test: No

148. Which of the following is the LEAST appropriate advertising objective?

(p. 382)

- A. "We want our ads to increase traffic in our retail outlets by 10 percent."
- B.** "We want our TV ads to really promote the product."
- C. "We want the ad campaign to increase our market share by 3 percent."
- D. "We want distribution in 30 percent of the desirable retail outlets."
- E. None of the above, i.e., all are equally appropriate.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #148
Question Type: Application
Self-Test: No

149. Which of the following is the WORST example of an advertising objective?

(p. 382)

- A "We want to increase awareness among the members of the target audience by 10 percent within three . months after the start of our advertising campaign."
- B. "We want 50 percent of the television audience for the Super Bowl to recall having seen a commercial for our product during the game."
- C.** "We want our advertising to create favorable word-of mouth promotion for our product."
- D "We want our banner ad on the Yahoo! homepage to generate 50,000 page views (hits) on our . corporate website within the first week that it appears on the World Wide Web."
- E. "We want our infomercial running on cable television stations to generate 10,000 orders for the advertised product within one month after it starts."

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 1
Perreault - Chapter 15 #149
Question Type: Comprehension
Self-Test: No

150. Which of the following would be a type of advertising used in the awareness stage of the adoption process?
(p. 382)

- A. Flash ads
- B. Testimonials
- C. Teaser campaigns**
- D. Point-of-purchase ads
- E. Persuasive copy

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 1
Perreault - Chapter 15 #150
Question Type: Application
Self-Test: No

151. Reminder ads come under which stage of the adoption process in advertising?
(p. 382)

- A. Awareness
- B. Interest
- C. Evaluation and trial
- D. Confirmation**
- E. Decision

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #151
Question Type: Application
Self-Test: No

152. Which of the following would be a type of advertising used in the evaluation and trial stage of the adoption process?
(p. 382)

- A. Competitive ads**
- B. Flash ads
- C. Informative "why" ads
- D. Pioneering ads
- E. Viral advertising

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 1
Perreault - Chapter 15 #152
Question Type: Application
Self-Test: No

153. "Pioneering advertising" tries to:

(p. 383)

- A. develop goodwill toward a company.
- B. develop primary demand.**
- C. build a brand image.
- D. develop selective demand.
- E. build demand for a specific brand.

AACSB: 9 Value creation

Chapter: 15

Difficulty: Medium

LearnObj: 2

Perreault - Chapter 15 #153

Question Type: Definition

Self-Test: No

154. Advertising which tries to develop primary demand for a product category rather than a specific brand is called _____ advertising.

(p. 383)

- A. comparative
- B. institutional
- C. competitive
- D. pioneering**
- E. persuading

AACSB: 3 Analytical skills

Chapter: 15

Difficulty: Easy

LearnObj: 2

Perreault - Chapter 15 #154

Question Type: Definition

Self-Test: No

155. _____ advertising tries to develop primary demand for a product category rather than demand for a specific brand.

(p. 383)

- A. Reminder
- B. Institutional
- C. Pioneering**
- D. Competitive
- E. Comparative

AACSB: 3 Analytical skills

Chapter: 15

Difficulty: Medium

LearnObj: 2

Perreault - Chapter 15 #155

Question Type: Application

Self-Test: No

156. Pioneering advertising is often needed during the _____ stage of the product life cycle.
(p. 383)

- A. Sales decline
- B. Turbulence
- C. Market maturity
- D. Market growth
- E.** Market introduction

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #156
Question Type: Comprehension
Self-Test: No

157. Which of the following is true of pioneering advertising?
(p. 383)

- A.** It helps turn potential customers into adopters.
- B. It tries to develop selective demand for a specific brand.
- C. It points out product advantages to affect future buying decisions.
- D. It tries to keep the product's name before the public.
- E. It is used primarily to reinforce previous promotion.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Hard
LearnObj: 2
Perreault - Chapter 15 #157
Question Type: Application
Self-Test: No

158. Which of the following advertising headlines is MOST oriented toward stimulating PRIMARY demand?
(p. 383)

- A.** "See your Hewlett Packard dealer to learn how an affordable portable printer can make business travel easier."
- B. "Panasonic is the value leader."
- C. "IBM printers set the quality standard."
- D. "Buy Quality. Buy from an authorized Epson dealer."
- E. "Canon portable computers are lighter to carry than any other brand."

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #158
Question Type: Self-Test
Self-Test: Self-Test

159. The message "Drink milk every day" is an example of which type of advertising?

(p. 383)

- A. Pioneering
- B. Competitive
- C. Indirect action
- D. Reminder
- E. Direct action

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #159
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

160. Kodak has developed a revolutionary new kind of electronic color camera that does not require film. People will need to adjust their thinking about how a camera works. The "camera" will cut the cost of color pictures by 50 percent--if the market accepts the idea. Kodak is about to advertise this product to inform potential customers about what it does and how it works. The campaign should emphasize:

(p. 383)

- A. pioneering advertising.
- B. institutional advertising.
- C. competitive advertising.
- D. reminder advertising.
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #160
Question Type: Application
Self-Test: No

161. A farmer's cooperative in California is sponsoring TV ads aimed at getting Americans to eat more garlic. The ads don't mention any brand names. This is an example of _____ advertising.

(p. 383)

- A. competitive
- B. pioneering
- C. indirect competitive
- D. reminder
- E. comparative

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #161
Question Type: Application
Self-Test: No

162. Faced with a decline in red meat consumption, the American Beef Association is sponsoring an advertising campaign to increase consumption of beef by stressing new research results about beef's nutritional benefits. This is an example of:

(p. 383)

- A. competitive advertising.
- B. reminder advertising.
- C. comparative advertising.
- D. indirect action advertising.
- E. pioneering advertising.**

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #162
Question Type: Application
Self-Test: No

163. Boomerang, Inc. has created a really new product and the firm's marketing manager is worried that consumers may not buy the product because it is such a different way of satisfying the basic need. The promotion blend for the new product probably should emphasize _____ during market introduction.

(p. 383)

- A. comparative advertising
- B. institutional advertising
- C. reminder advertising
- D. pioneering advertising**
- E. competitive advertising

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #163
Question Type: Application
Self-Test: No

164. When personal computers were in the market introduction stage of their product life cycle, advertising had to help consumers understand why they needed to own a computer and what a computer could do. Now that personal computers are mature products and have wide acceptance among business and home users, the advertising is focused more on trying to get consumers to purchase a particular brand of computer. So, personal computer advertising used to be _____ advertising in market introduction, but is now _____ advertising in market maturity.

(p. 383)

- A. Comparative; pioneering.
- B. Pioneering; institutional.
- C. Competitive; pioneering.
- D. Pioneering; competitive.**
- E. Comparative; reminder.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #164
Question Type: Application
Self-Test: No

165. Using advertising to develop selective demand:

(p. 383)

- A. may become necessary as a firm's product moves through its product life cycle.
- B. should only be tried with selective distribution.
- C. is needed when consumers do not know a new product is available.
- D. is intended to produce immediate buying action.
- E. is needed when a firm has a monopoly.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #165
Question Type: Comprehension
Self-Test: No

166. "Competitive advertising" tries to:

(p. 383)

- A. develop selective demand rather than primary demand.
- B. keep a product's name before the public.
- C. promote the competitive products of an industry rather than a particular firm.
- D. build demand for a product category.
- E. create goodwill for a firm.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #166
Question Type: Definition
Self-Test: No

167. Advertising which tries to develop selective demand for a specific brand rather than a product category is called _____ advertising.

(p. 383)

- A. institutional
- B. competitive
- C. indirect reminder
- D. direct pioneering
- E. primary

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #167
Question Type: Definition
Self-Test: No

168. Competitive advertising

(p. 383)

- A. tries to develop primary demand for a product category rather than demand for a specific brand.
- B. tries to keep the product's name before the public.
- C. is used to present the company in a favorable light, perhaps to overcome image problems.
- D. may be useful when the product has achieved brand preference or insistence.
- E. tries to develop selective demand for a specific brand.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #168
Question Type: Definition
Self-Test: No

169. Which of the following is true of competitive advertising?

(p. 383)

- A. It informs potential customers about the new product and turns them into adopters.
- B. It means making specific brand comparisons using actual product names.
- C.** It tries to develop selective demand for a specific brand.
- D. It tries to keep the product's name before the public.
- E. It is usually done in the early stages of the product life cycle.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #169
Question Type: Application
Self-Test: No

170. An ad stressing the advantages of one brand of cookware--compared to similar (but unnamed) competitive products--is an example of _____ advertising.

(p. 383)

- A. institutional
- B. comparative
- C. pioneering
- D. primary
- E.** competitive

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #170
Question Type: Application
Self-Test: No

171. Which kind of advertising should a manufacturer of paper towels (that are basically similar to competitive products) use if it wants to increase its market share?

(p. 383)

- A. Reminder
- B.** Competitive
- C. Institutional
- D. Primary demand
- E. Pioneering

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #171
Question Type: Application
Self-Test: No

172. DIRECT competitive advertising:

(p. 384)

- A. aims for immediate buying action.
- B. tries to develop primary demand.
- C. is only seen in newspapers.
- D. only uses direct mail.
- E. stresses specific product advantages--so the target customers will buy the advertised brand when they are ready to buy.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #172
Question Type: Comprehension
Self-Test: No

173. The _____ type of competitive advertising aims for immediate buying action.

(p. 384)

- A. direct
- B. interactive
- C. indirect
- D. strategic
- E. identity

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #173
Question Type: Definition
Self-Test: No

174. A typical retailer's newspaper ad stressing "today's" sale prices on "regular" stock is an example of _____ advertising.

(p. 384)

- A. reminder
- B. direct competitive
- C. pioneering
- D. institutional
- E. indirect competitive

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #174
Question Type: Application
Self-Test: No

175. A supermarket manager should use _____ advertising to increase store traffic during the middle of the week.
(p. 384)

- A. institutional
- B. indirect competitive
- C. pioneering
- D. reminder
- E. direct competitive**

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #175
Question Type: Application
Self-Test: No

176. Glitter, Inc. advertises its "gold-tone" jewelry on TV, along with a toll free number and the message that "operators are standing by now to take your credit card order." This is an example of:
(p. 384)

- A. direct type competitive advertising.**
- B. pioneering advertising.
- C. primary advertising.
- D. comparative advertising.
- E. indirect type competitive advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #176
Question Type: Application
Self-Test: No

177. INDIRECT competitive advertising seeks:
(p. 384)

- A. to develop primary demand.
- B. immediate buying action.
- C. to develop goodwill for a company--so target customers will eventually buy one or more of its products.
- D. to develop selective demand--to affect future buying decisions.**
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #177
Question Type: Definition
Self-Test: No

178. The _____ type of competitive advertising points out product advantages to affect future buying decisions.
(p. 384)

- A. direct
- B. interactive
- C. indirect**
- D. strategic
- E. phonetic

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #178
Question Type: Definition
Self-Test: No

179. A manufacturer of computer printers has decided to add scanners to its line. Which kind of advertising should it stress if it wants to persuade consumers to buy its brand of more or less similar scanners?
(p. 384)

- A. Reminder
- B. Cooperative
- C. Pioneering
- D. Institutional
- E. Indirect competitive**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #179
Question Type: Self-Test
Self-Test: Self-Test

180. Best Sound, Inc. placed a full-page color ad in Car Talk magazine--stressing the better sound available with its car stereo product as compared to similarly priced products--to try to affect its target market's future buying decisions. This is an example of:
(p. 384)

- A. reminder advertising.
- B. pioneering advertising.
- C. direct competitive advertising.
- D. institutional advertising.
- E. indirect competitive advertising.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #180
Question Type: Application
Self-Test: No

181. Sears advertises its "DieHard" auto batteries as "even better than your original battery." The ads tell possible customers to get a DieHard at their Sears auto center the next time they need one. This is an example of

(p. 384)

- A. institutional advertising.
- B.** the indirect type of competitive advertising.
- C. the direct type of competitive advertising.
- D. comparative advertising.
- E. reminder advertising.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #181
Question Type: Application
Self-Test: No

182. Competitive advertising which makes specific brand comparisons--using actual names--is _____ advertising.

(p. 384)

- A. direct competitive
- B. cooperative
- C.** comparative
- D. pioneering
- E. institutional

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #182
Question Type: Definition
Self-Test: No

183. Nissan's Altima advertises the performance of its new luxury sedan by showing it side-by-side with competing brands, like Lexus and BMW. This is:

(p. 384)

- A. primary advertising.
- B. institutional advertising.
- C. reminder advertising.
- D.** comparative advertising.
- E. selective advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #183
Question Type: Application
Self-Test: No

184. In its ads, Clorox touts the effectiveness of its Disinfecting Wipes by claiming that they disinfect better than those made by Windex, a competing brand. This is:

(p. 384)

- A. reminder advertising.
- B. comparative advertising.**
- C. selective advertising.
- D. institutional advertising.
- E. primary advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #184
Question Type: Application
Self-Test: No

185. In its ads, General Mills highlights the advantages of its Milk 'n Cereal breakfast bars over Kellogg's breakfast bars. This is:

(p. 384)

- A. comparative advertising.**
- B. primary advertising.
- C. selective advertising.
- D. reminder advertising.
- E. institutional advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #185
Question Type: Application
Self-Test: No

186. An ad for Toyota's lowest priced truck claimed that it "is tougher, gives better mileage, and costs less than any other truck"--and specifically named the directly competitive trucks. This is:

(p. 384)

- A. institutional advertising.
- B. comparative advertising.**
- C. cooperative advertising.
- D. direct competitive advertising.
- E. pioneering advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #186
Question Type: Application
Self-Test: No

187. "Comparative advertising":

(p. 384)

- A. is usually ignored by consumers.
- B. is illegal--according to the FTC.
- C. should be supported by research evidence.
- D. must focus on major consumer benefits to be legal.
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 2
Perreault - Chapter 15 #187
Question Type: Comprehension
Self-Test: No

188. Many countries forbid this form of advertising.

(p. 384)

- A. Comparative advertising
- B. Pioneering advertising
- C. Competitive advertising
- D. Reminder advertising
- E. Institutional advertising

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #188
Question Type: Application
Self-Test: No

189. A major difference between reminder advertising and pioneering advertising is that:

(p. 384)

- A. reminder advertising focuses on selective demand, while pioneering advertising tries to develop primary demand.
- B. reminder advertising is less likely to use "soft sell" ads.
- C. reminder advertising is emphasized in the early stages of the product life cycle and pioneering advertising is emphasized later.
- D. All of the above are true.
- E. None of the above is true.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #189
Question Type: Comprehension
Self-Test: No

190. Reminder advertising

(p. 384)

- A. tries to develop primary demand for a product category rather than demand for a specific brand.
- B.** tries to keep the product's name before the public.
- C. means making specific brand comparisons using actual product names.
- D. tries to develop selective demand for a specific brand.
- E. informs potential customers about the new product and helps turn them into adopters.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #190
Question Type: Comprehension
Self-Test: No

191. This advertising type may be useful when the product has achieved brand preference or insistence, perhaps in the market maturity or sales decline stages.

(p. 384)

- A. Comparative advertising
- B. Pioneering advertising
- C. Competitive advertising
- D.** Reminder advertising
- E. Institutional advertising

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #191
Question Type: Application
Self-Test: No

192. When a producer has won brand preference for its product--but is entering the sales decline stage of its life cycle--it probably should use:

(p. 384)

- A. pioneering advertising.
- B. competitive advertising.
- C. primary advertising.
- D.** reminder advertising.
- E. institutional advertising.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #192
Question Type: Application
Self-Test: No

193. When a producer has won brand insistence in its target market--and just wants to keep the product's name before the public--it can use:

(p. 384)

- A. reminder advertising.
- B. pioneering advertising.
- C. direct-action advertising.
- D. comparative advertising.
- E. institutional advertising.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #193
Question Type: Definition
Self-Test: No

194. All of the following are product-based advertising except

(p. 384)

- A. institutional advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. comparative advertising.
- E. competitive advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #194
Question Type: Application
Self-Test: No

195. Institutional advertising:

(p. 384)

- A. tries to stimulate primary demand rather than selective demand.
- B. involves no media costs.
- C. tries to develop goodwill for a company or even an industry.
- D. tries to keep a product's name before the public.
- E. is always aimed at final consumers or users.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #195
Question Type: Definition
Self-Test: No

196. All of the following are true of institutional advertising except

(p. 384)

- A. focuses on the name and prestige of an organization or industry.
- B. seeks to inform, persuade, or remind.
- C. tries to keep the product's name before the public.
- D. develops goodwill or improves an organization's relations with various groups.
- E. advocates a specific cause or idea.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #196
Question Type: Comprehension
Self-Test: No

197. _____ advertising tries to develop goodwill for a company or even an industry--instead of a specific product.
(p. 384)

- A. Primary demand
- B. Selective demand
- C. Institutional**
- D. Persuading
- E. Pioneering

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #197
Question Type: Definition
Self-Test: No

198. Focusing a company's advertising on its name and prestige is called _____ advertising.
(p. 384)

- A. reminder
- B. primary
- C. institutional**
- D. competitive
- E. pioneering

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #198
Question Type: Definition
Self-Test: No

199. Institutional advertising:
(p. 384)

- A. may try to improve a firm's image with shareholders.
- B. may seek to inform, persuade, or remind.
- C. may try to improve a firm's image with the general public.
- D. focuses on the name and prestige of a company or industry.
- E. All of the above.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #199
Question Type: Comprehension
Self-Test: No

200. When a firm's president appears in TV testimonial ads to assure customers, employees, and stockholders that the firm is making a fast recovery from some problem, this is:

(p. 384)

- A. institutional advertising.
- B. reminder advertising.
- C. competitive advertising.
- D. comparative advertising.
- E. pioneering advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #200
Question Type: Application
Self-Test: No

201. Which of the following is the BEST example of "institutional advertising?"

(p. 384)

- A. "I'd walk a mile for a Pepsi"
- B. "IBM is THE standard for personal computers"
- C. "Mobil gas makes your car perform better"
- D. "Promise her anything but give her Obsession"
- E. "Better living through research"

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #201
Question Type: Application
Self-Test: No

202. The National Cheese Association's ad theme "We are making better cheese for you" is an example of:

(p. 384)

- A. institutional advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. competitive advertising.
- E. reminder advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #202
Question Type: Application
Self-Test: No

203. A firm that uses advertising that tells customers that the firm focuses on "Better things for better living through chemistry" illustrates:

(p. 384)

- A. pioneering advertising.
- B. reminder advertising.
- C. competitive advertising.
- D. institutional advertising.**
- E. cooperative advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #203
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

204. Archer Daniels Midland (ADM) is a producer of food ingredients, sweeteners, cocoa, flours, vegetable oils, and protein products that are used in the manufacture of processed foods. ADM does not make products that are typically sold to final consumers; it makes business-to-business products. However, ADM is a major advertiser on news and public affairs programs that appear on national television networks. The main objective of ADM's television commercials is to build goodwill for the company and to improve relations with current and prospective shareholders. ADM is engaged in:

(p. 384)

- A. Product advertising.
- B. Institutional advertising.**
- C. Pioneering advertising.
- D. Competitive advertising.
- E. Reminder advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #204
Question Type: Application
Self-Test: No

205. Price reductions given to channel members to encourage them to advertise or otherwise promote a firm's products locally are:

(p. 385)

- A. quantity discounts.
- B. brokerage allowances.
- C. push money allowances.
- D. advertising allowances.**
- E. trade incentives.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #205
Question Type: Definition
Self-Test: No

206. Advertising allowances

(p. 385)

- A. are price reductions to firms further along in the channel to encourage them to advertise or otherwise promote the firm's products locally.
- B. involve intermediaries and producers sharing in the cost of ads.
- C. allow for coordination and integration of ad messages in the channel.
- D. set the allowance amount as a percent of the retailer's actual purchases.
- E. offer incentives that encourage retailers to stock up on a product.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #206
Question Type: Comprehension
Self-Test: No

207. Cooperative advertising is:

(p. 385)

- A. advertising by several producers of the same product type--to stimulate primary demand.
- B. encouraged by the Federal Trade Commission.
- C. the opposite of competitive advertising.
- D. a way for a producer to get more promotion for its advertising dollar.
- E. None of the above is true.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #207
Question Type: Integrating
Self-Test: No

208. "Cooperative advertising" involves producers:

(p. 385)

- A. paying for intermediaries' total advertising costs.
- B. agreeing with competitors to limit advertising spending.
- C. doing some advertising and expecting their intermediaries to provide the rest of the promotion blend.
- D. and intermediaries sharing in the cost of advertising placed in national media.
- E. and intermediaries sharing in the cost of local advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 2
Perreault - Chapter 15 #208
Question Type: Definition
Self-Test: No

209. A producer and intermediaries sharing the cost of ads in local media is called:

(p. 385)

- A. comparative advertising.
- B. cooperative advertising.
- C. pioneering advertising.
- D. campaign advertising.
- E. institutional advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #209
Question Type: Definition
Self-Test: No

210. "Cooperative" advertising refers to the practice of:

(p. 385)

- A. producers and intermediaries sharing in the cost of advertising that is done by the producer.
- B. producers doing some advertising and expecting their intermediaries to cooperate by providing the rest of the promotion blend.
- C. the producer paying for all of the advertising which is done by its intermediaries.
- D.** wholesalers and retailers doing advertising which is partially paid for by the producer.
- E. wholesalers and retailers picking up the promotion theme of the producer and carrying it through.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #210
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

211. Producers do cooperative advertising with retailers because:

(p. 385)

- A. media rate structures give local firms lower rates than national firms.
- B. the FTC requires it.
- C. retailers create better ads than producers.
- D. retailers are more likely to follow through when they are paying a share of the cost.
- E.** Both A and D.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #211
Question Type: Self-Test
Self-Test: Self-Test

212. A producer of country music CDs pays a share of local retailers' costs--to get them to promote its new releases. This is an example of:

(p. 385)

- A. pioneering advertising.
- B. institutional advertising.
- C. comparative advertising.
- D.** cooperative advertising.
- E. selective advertising.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #212
Question Type: Application
Self-Test: No

213. (p. 385) A manufacturer of lawn mowers pays for and provides local dealers with professionally-produced commercials for its products. A dealer can pay to have its name, address, and telephone number appear at the end of the commercial. The commercials are much higher quality ads than most local lawn mower dealers could afford by themselves. These commercials provided by the manufacturer for local use are an example of:

- A. Advertising allowances.
- B. Cooperative advertising.**
- C. Vertical communication.
- D. Horizontal integration.
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #213
Question Type: Application
Self-Test: No

214. (p. 385) Which of the following is NOT a concern in selecting the advertising media to use?

- A. the advertising budget.
- B. the nature of the media.
- C. the target market.
- D. the advertising objective.
- E. all of the above are relevant concerns.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #214
Question Type: Comprehension
Self-Test: No

215. (p. 385) Selecting the most effective advertising media depends on the:

- A. nature of the media--i.e. reach, frequency, impact and cost.
- B. firm's target market.
- C. funds available for advertising.
- D. firm's promotion objectives.
- E. All of the above.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #215
Question Type: Definition
Self-Test: No

216. To choose the best advertising medium, you have to:

(p. 385)

- A. decide what target market(s) should be reached.
- B. decide on promotion objectives.
- C. know the cost of alternative media.
- D. decide what must be said.
- E.** all of the above.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #216
Question Type: Comprehension
Self-Test: No

217. Effectiveness of an advertising medium depends on all of the following except

(p. 385)

- A. promotion objectives.
- B. funds available for advertising.
- C.** nature of the product.
- D. markets targeted.
- E. who the media reaches.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #217
Question Type: Comprehension
Self-Test: No

218. Regarding media selection:

(p. 385)

- A.** the media available in a country may limit the choices.
- B. the low cost of television makes it a "must buy."
- C. the use of "mass market magazines" is growing in popularity--to cut costs.
- D. the only advertising medium available for direct-response ads is mail.
- E. All of the above.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #218
Question Type: Integrating
Self-Test: No

219. Which of the following advertising media would be best for achieving the widest reach?

(p. 386)

- A. Newspaper.
- B. Direct mail.
- C.** Television.
- D. Outdoor.
- E. Magazines.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #219
Question Type: Application
Self-Test: No

220. The advertising medium of _____ has a wide reach, is good for getting attention and for demonstrations, but it is expensive, has a lot of clutter, and in many cases has a less selective audience.
(p. 386)

- A. Direct mail
- B. Yellow Pages
- C. Television and cable**
- D. Internet
- E. Outdoor

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #220
Question Type: Application
Self-Test: No

221. The advertising medium of _____ reaches local customers seeking purchase information, but differentiation is hard because many other competitors are listed in the same place.
(p. 386)

- A. Radio
- B. Yellow Pages**
- C. Television and cable
- D. Magazine
- E. Internet

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #221
Question Type: Application
Self-Test: No

222. When considering the advertising medium of magazine, which of the following advantages and disadvantages apply?
(p. 386)

- A. Very targeted, good detail, good "pass along," but inflexible and long lead times.**
- B. Flexible, timely, local market, but may be expensive, have short life, and no "pass along."
- C. Flexible, repeat exposure, inexpensive, but "mass market" and very short exposure.
- D. Selected audience, flexible, can be personalized, but relatively expensive per contact and hard to retain attention.
- E. Demonstrations, good attention, and wide reach, but expensive in total, has a lot of clutter, and not always selective audience.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 3
Perreault - Chapter 15 #222
Question Type: Comprehension
Self-Test: No

223. When considering the advertising medium of outdoor, which of the following advantages and disadvantages apply?
(p. 386)

- A. Very targeted, good detail, good "pass along," but inflexible and long lead times.
- B. Flexible, timely, local market, but may be expensive, have a short life, and no "pass along."
- C. Selected audience, flexible, can be personalized, but relatively expensive per contact and hard to retain attention.
- D. Demonstrations, good attention, and wide reach, but expensive in total, has a lot of clutter, and not always selective audience.
- E.** Flexible, repeat exposure, inexpensive, but "mass market" and very short exposure.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 3
Perreault - Chapter 15 #223
Question Type: Comprehension
Self-Test: No

224. To guarantee good media selection, the advertiser FIRST must clearly specify its
(p. 386)

- A. promotion objectives.
- B.** target market.
- C. budget.
- D. advertising campaign.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #224
Question Type: Application
Self-Test: No

225. Regarding advertising media selection, which of the following is the best advice?
(p. 386)

- A. "There is no such thing as a must buy."
- B.** "Be sure the media match your target market."
- C. "Avoid the local media."
- D. "Make sure your first media choice reaches the whole target market."
- E. "Set very general promotion objectives to stay flexible."

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #225
Question Type: Application
Self-Test: No

226. When selecting advertising media, a good advertising manager knows that:

(p. 387)

- A. TV typically reaches more targeted markets than radio.
- B. direct-response ads are not a good alternative unless you already have your own mailing list.
- C. big national magazines, like TIME, may have wide circulation, but are not practical for reaching regional markets.
- D. Magazines can't be used for reaching specific business or trade audiences.
- E. objective measures--like "cost per thousand"--can be misleading.**

AACSB: 11 Analysis for decisions
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #226
Question Type: Comprehension
Self-Test: No

227. Which of the following statements is NOT good advice for a marketing manager regarding media selection?

(p. 387)

- A. "The advertising media should support the promotion objectives."
- B. "Choose media that reaches the target market."
- C. "Remember that not all media are equally effective."
- D. "Target the mass market whenever possible."**
- E. All of the above statements are good advice.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #227
Question Type: Comprehension
Self-Test: No

228. Good media buyers know that:

(p. 388)

- A. website advertising is increasingly a "must buy" for business firms in international markets.**
- B. the most targeted medium is newspapers.
- C. media costs generally have little relation to audience size or circulation.
- D. television is superior to newspapers or radio.
- E. All of the above.

AACSB: 12 IT influences
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #228
Question Type: Integrating
Self-Test: No

229. A media buyer knows that:

(p. 387-388)

- A. the local newspaper will probably be a must buy for a retailer targeting local consumers.
- B. many consumer and trade magazines serve only special-interest groups.
- C. a Yellow Pages listing will probably be a must buy for a service firm serving customers in a local market.
- D. website advertising will probably be a must buy for firms targeting business buyers in overseas markets.
- E. All of the above.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #229
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

230. _____ ads are small rectangular boxes that usually include text, graphics, and sometimes video to create interest.

(p. 390)

- A. Pop-up
- B. Banner**
- C. Pop-under
- D. Hover
- E. Virtual

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #230
Question Type: Application
Self-Test: No

231. Advertising on the Internet:

(p. 390)

- A. Is growing fast, but still accounts for a small proportion of total ad spending.
- B. Takes a variety of forms, such as banners and pop-ups.
- C. May be annoying to consumers if it interferes with what they want to do on the Internet.
- D. Is usually aimed at getting consumers to click through to the advertiser's website.
- E. All of the above.**

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #231
Question Type: Comprehension
Self-Test: No

232. Regarding Internet advertising:

(p. 390)

- A. Most ads are seeking a direct response.
- B. All three types of ads (banner, pop-up, and pop-under) encourage viewers to visit the advertiser's website for more information.
- C. Some websites are better than others for reaching target customers.
- D. At some websites, ads are free if they don't get results.
- E.** All of the above.

AACSB: 4 Use of IT

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #232

Question Type: Comprehension

Self-Test: No

233. Behavioral targeting

(p. 390)

- A. tries to place ads on websites that are designed to appeal to the firm's target market.
- B. decides how the messages will reach the target audience.
- C. allows advertisers to pay only when a customer clicks on the ad and links to the advertiser's website.
- D. tries to reach target customers who are actually interested in what the firm has to communicate.
- E.** delivers ads to consumers based on previous websites the customer has visited.

AACSB: 6. Reflective thinking

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #233

Question Type: Comprehension

Self-Test: No

234. Regarding Internet advertising:

(p. 390-
391)

- A. Search ads know what customers are looking for based on the keywords that customers use in a search.
- B. Ads can be delivered to customers based on which other websites customers have visited.
- C. Most ads try to get customers to click-through to the firm's website.
- D. Ads are much more interactive than traditional ads and may include video, sound, and more.
- E.** All of the above.

AACSB: 12 IT influences

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #234

Question Type: Comprehension

Self-Test: No

235. Which of the following statements about advertising on the Internet is(are) true?

(p. 391)

- A. When a website sets fees based on actual sales, it is setting fees in the same manner as traditional media.
- B. Content on a website is similar to traditional advertising.
- C. As with traditional media, getting lots of exposure is all that matters.
- D. All of the above are true.
- E.** None of the above is true.

AACSB: 4 Use of IT

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #235

Question Type: Comprehension

Self-Test: No

236. Instead of linking to a firm's home page, some Internet ads link to customized landing pages that reflect the customer's

(p. 391)

- A. search term.
- B. language.
- C. Internet connection speed.
- D. local currency.
- E.** any of the above.

AACSB: 3 Analytical skills

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #236

Question Type: Definition

Self-Test: No

237. Which of the following statements about Internet-based advertising is FALSE?

(p. 390-391)

- A.** Most Internet ads seek a delayed response.
- B. Some search engines know customers' interests based on the keywords they use in a search.
- C. Many websites charge advertisers a fee based on how frequently or how long an ad is shown.
- D. A customized "landing page" helps keep customers at the site by increasing their interest and desire.
- E. Competition for advertisers has prompted pay-per-click advertising.

AACSB: 4 Use of IT

Chapter: 15

Difficulty: Medium

LearnObj: 4

Perreault - Chapter 15 #237

Question Type: Comprehension

Self-Test: No

238. In addition to text and pictures, Internet ads may include:

(p. 391)

- A. videos.
- B. sounds.
- C. product databases.
- D. customer reviews.
- E.** any of the above.

AACSB: 12 IT influences
Chapter: 15
Difficulty: Easy
LearnObj: 4
Perreault - Chapter 15 #238
Question Type: Definition
Self-Test: No

239. "Copy thrust" refers to:

(p. 392)

- A. competitors who make similar claims in their ads.
- B. an FTC challenge to the claims made by an advertiser.
- C. all the advertising copy prepared for a particular brand.
- D.** what is to be communicated by the words and illustrations.
- E. how much the audience believes what the advertiser says.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #239
Question Type: Definition
Self-Test: No

240. _____ are the words and illustrations of an ad message that actually communicate information to the target customer.

(p. 392)

- A. Copy text.
- B.** Copy thrust.
- C. Copy edits.
- D. Copy proof.
- E. Copy objective.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #240
Question Type: Definition
Self-Test: No

241. Regarding message planning:

(p. 392)

- A. a specific message usually can be used for several target markets.
- B.** communication may be poor if there is not a common frame of reference.
- C. behavioral research shows that most consumers cannot "tune out" advertising messages.
- D. advertising is more suitable for changing behavior than attitudes.
- E. All of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 5
Perreault - Chapter 15 #241
Question Type: Comprehension
Self-Test: No

242. What does the AIDA concept stand for?

(p. 392)

- A. Attention, Interest, Desire, Action
- B. Alertness, Interest, Develop, Appeal
- C. Attention, Involvement, Desire, Action
- D. Alertness, Involvement, Desire, Appeal
- E. Action, Involvement, Desire, Attention

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #242
Question Type: Comprehension
Self-Test: No

243. What is the first job of an advertisement?

(p. 392)

- A. Getting action
- B. Holding interest
- C. Getting attention
- D. Arousing desire
- E. Creating awareness

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #243
Question Type: Application
Self-Test: No

244. Regarding message planning and the AIDA model:

(p. 393)

- A. "getting action" is the final and easiest step in the process.
- B. focusing on one unique selling proposition is one way to arouse desire.
- C. a successful attention-getting device assures "holding interest."
- D. "arousing desire" is the first and hardest step in the process.
- E. All of the above are true.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Hard
LearnObj: 5
Perreault - Chapter 15 #244
Question Type: Integrating
Self-Test: No

245. David Oreck advertises Oreck vacuum cleaners via commercials that run on national radio programs. He encourages consumers to "...try my 8-pound Oreck vacuum for free for 30 days," and to return it if they aren't satisfied. He then provides an easy-to-remember toll-free telephone number that consumers can use to place orders. Regarding the AIDA model, the free-trial period and availability of a toll-free number are devices used mainly to:

(p. 393-394)

- A. Get attention.
- B. Hold interest.
- C. Arouse desire.
- D. Obtain action.**
- E. Gain confirmation.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #245
Question Type: Application
Self-Test: No

246. Regarding advertising and the AIDA model, which of the following is the best example of advertising aimed at obtaining action?

(p. 393-394)

- A. A TV ad at 10:00 PM for the luncheon buffet at a local restaurant.
- B. A car at an auto junk yard--with the operating hours painted on the side.
- C. An ad for a restaurant in the Yellow Pages.**
- D. A classified ad in a newspaper with the word "SEX" in bold print and then the name and telephone number of a dry cleaner.
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 5
Perreault - Chapter 15 #246
Question Type: Application
Self-Test: No

247. An ad which offers the consumer \$1.00 off on his next grocery store visit is most likely aimed at:

(p. 393-394)

- A. arousing desire.
- B. obtaining action.**
- C. getting attention.
- D. holding interest.
- E. none of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #247
Question Type: Self-Test
Self-Test: Self-Test

248. A single global advertising message used all around the world:

(p. 394)

- A. May be done as a cost-saving measure.
- B. Provides one global copy thrust.
- C. Works for some firms, such as Coca-Cola.
- D. Does not work well for most firms.
- E. All of the above.

AACSB: 13 Economic environments
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #248
Question Type: Comprehension
Self-Test: No

249. An advertising manager's job is to:

(p. 394)

- A. manage the firm's advertising effort.
- B. plan creative marketing strategies.
- C. develop the firm's marketing mix.
- D. develop the firm's promotion blend.
- E. both A and D.

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #249
Question Type: Definition
Self-Test: No

250. Advertising agencies:

(p. 394)

- A. usually require advertisers to sign long-term contracts.
- B. prefer to work with local advertisers rather than national advertisers.
- C. compete against the national media for the business of big advertisers.
- D. do little more than sell media time or space to advertisers.
- E. are specialists in planning and handling mass selling details.

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #250
Question Type: Comprehension
Self-Test: No

251. Advertising agencies:

(p. 394-395)

- A. may do a better job at less cost than firms' own advertising departments because they are specialists with an outside viewpoint.
- B. earn a mandatory 15 percent commission on all local media buys.
- C. usually do marketing strategy planning for their clients.
- D. obtain most of their income from advertisers--as service fees.
- E. All of the above.

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #251
Question Type: Comprehension
Self-Test: No

252. Which of the following statements about advertising agencies is FALSE?

(p. 394-395)

- A. Advertising agencies are specialists with an outside view that work for advertisers.
- B. Most advertising agencies are small--with 10 or fewer employees.
- C. The largest advertising agencies account for most of the billings.
- D. All of the above are false.
- E. None of the above is false.**

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #252
Question Type: Comprehension
Self-Test: No

253. Which of the following observations about advertising agencies is FALSE?

(p. 394-395)

- A. They are specialists in planning and handling mass-selling details for advertisers.
- B. They are dependent on the advertiser and have a mixed viewpoint.**
- C. They may be full-service agencies who handle any activities related to advertising, publicity, or sales promotion.
- D. They may even handle overall marketing strategy planning.
- E. They can often do the job more economically than a company's own department.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #253
Question Type: Comprehension
Self-Test: No

254. Advertising agencies are:

(p. 394)

- A. Large organizations employing many creative people.
- B. Generalists in planning and handling mass-selling details for advertisers.
- C. Independent of the advertiser and have an inside viewpoint.
- D. Independent of the advertiser and have an outside viewpoint**
- E. Under contract to one client at a time.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #254
Question Type: Definition
Self-Test: No

255. Advertising agencies

(p. 395)

- A. can be helpful, but they are always more expensive than a firm doing its own advertising work.
- B. must be selected very carefully since most agencies require long-term contracts.
- C. that are smaller in size will probably continue to play an important role despite the creation of mega-agencies.
- D. usually don't cost local retailers anything to use, since the media commission is usually all the compensation the agency expects.
- E. None of the above is true.

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #255
Question Type: Comprehension
Self-Test: No

256. Advertising agencies

(p. 395)

- A. always specialize in one particular type of work, such as media buying, sales promotion planning, or website design.
- B. were traditionally paid based on a percent of the sales they achieved, but now the trend is toward a . commission based on 15 percent of media purchases.
- C. vary in size, but the largest ones account for most of the billings.
- D. All of the above are true.
- E. None of the above are true.

AACSB: 10 Org Dynamics
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #256
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

257. Natalie St. John, brand manager for a cookie producer, says that she is looking for a "full service" advertising agency. Apparently, in addition to having the agency purchase media, she wants an agency to help

(p. 395)

- A. plan package development.
- B. develop sales promotions.
- C. provide market research.
- D. create the actual advertisements.
- E. A full service agency might help with any of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #257
Question Type: Comprehension
Self-Test: No

258. Traditionally, U.S. advertising agencies have been paid a commission of about _____ percent on media and production costs.
(p. 396)

- A. 20
- B. 15**
- C. 25
- D. 10
- E. 5

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #258
Question Type: Comprehension
Self-Test: No

259. The "traditional" approach for compensating ad agencies was most favored by:
(p. 396)

- A. large producers and national intermediaries.**
- B. not-for-profit organizations.
- C. academic institutions.
- D. small local retailers.
- E. the Federal Trade Commission.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 6
Perreault - Chapter 15 #259
Question Type: Application
Self-Test: No

260. In recent years,
(p. 396)

- A. specialists in media buying have disappeared.
- B. there has been growing interest in paying agencies based on the results they actually produce.**
- C. almost all advertising agencies have switched to the full-service approach.
- D. conflicts between creative and business-oriented advertising people have almost disappeared due to . acceptance of the marketing concept.
- E. more ad agencies have been adopting the 15 percent commission system.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #260
Question Type: Self-Test
Self-Test: Self-Test

261. Regarding ad agencies, a good marketing manager knows that:

(p. 396)

- A. a 15 percent commission system can be a real bargain for firms that need little service but buy a lot of media time and space.
- B. ad agencies earn commissions from media only when they buy at local rates.
- C. the traditional 15 percent commission system is no longer required.**
- D. it is hard to end an agency relationship.
- E. All of the above.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Hard
LearnObj: 6
Perreault - Chapter 15 #261
Question Type: Comprehension
Self-Test: No

262. Which of the following statements about advertising agencies is FALSE?

(p. 395-396)

- A. The advertising agency gets a 15 percent commission on local rate but not on national rates.**
- B. Some full-service agencies handle overall marketing strategy planning as well as research, product . and package development, and sales promotion.
- C. Some specialized agencies handle only website development and Internet ads.
- D. A number of advertisers now grade the work done by their agencies and the agencies' pay depends on the grade.
- E. None of the above is false.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #262
Question Type: Comprehension
Self-Test: No

263. Trion, Inc. recently spent \$1,000,000 on newspaper advertising and obtained a 30 percent increase in sales. Which of the following is TRUE regarding Trion's advertising effectiveness?

(p. 396)

- A. It's hard to evaluate the ad's effectiveness because the sales increase was the result of Trion's whole marketing mix--not just its advertising.**
- B. It is not possible to measure the effectiveness of Trion's advertising.
- C. Trion's advertising effectiveness should be evaluated by how many potential customers were exposed to the ads.
- D. Trying to measure the effectiveness of Trion's advertising is not possible unless the ads were pretested.
- E. Trion's ads produced a very effective increase in sales.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 6
Perreault - Chapter 15 #263
Question Type: Self-Test
Self-Test: Self-Test

264. Regarding measuring advertising effectiveness, which of the following statements is FALSE?
(p. 396)

- A. Advertising effectiveness is easily measured by looking at the sales results.
- B. Managers probably should pretest advertising rather than relying only on the judgment of advertising "experts."
- C. If specific advertising objectives are set, then marketing research can help evaluate the effectiveness of ads.
- D. Some advertisers are now demanding laboratory or market tests to evaluate effectiveness.
- E. No single research technique has proven most effective.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #264
Question Type: Comprehension
Self-Test: No

265. Research to evaluate advertising effectiveness:

(p. 396-397)

- A. should focus on the judgment of creative people and advertising experts.
- B. should focus primarily on measuring increases in sales.
- C. includes experiments conducted using split runs on cable TV systems.
- D. is a problem because nothing can be done until after the ad has actually run.
- E. All of the above are true.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #265
Question Type: Comprehension
Self-Test: No

266. Which of the following statements are TRUE regarding government's role in regulating advertising?
(p. 397)

- A. Canada bans any advertising targeted directly at children.
- B. Japan limits the use of cartoon characters in ads to children.
- C. Switzerland does not allow an actor to represent a consumer in an ad.
- D. New Zealand limits political ads on TV.
- E. All of the above are true.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Hard
LearnObj: 7
Perreault - Chapter 15 #266
Question Type: Definition
Self-Test: No

267. Which country bans any advertising targeted directly at children?

(p. 397)

- A. USA
- B. Canada**
- C. New Zealand
- D. Japan
- E. India

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #267
Question Type: Comprehension
Self-Test: No

268. In Switzerland,

(p. 397)

- A. any advertisement targeted directly at children is banned.
- B. political ads are limited on TV.
- C. print ads must be identified so they are not confused with editorial matter.
- D. competitive and comparative advertising is banned.
- E. an advertiser cannot use an actor to represent a consumer.**

AACSB: 2 Ethical reasoning
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #268
Question Type: Comprehension
Self-Test: No

269. In _____, print ads must be identified so they are not confused with editorial matter.

(p. 397)

- A. USA**
- B. Canada
- C. New Zealand
- D. Japan
- E. Switzerland

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #269
Question Type: Definition
Self-Test: No

270. _____ are countries that limit the use of cartoon characters in advertising to children.

(p. 397)

- A. USA and New Zealand
- B. Japan and USA
- C. France and Japan**
- D. New Zealand and France
- E. Switzerland and USA

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #270
Question Type: Definition
Self-Test: No

271. Which country limits the use of political ads on TV?

(p. 397)

- A. USA
- B. Canada
- C. New Zealand**
- D. Japan
- E. Australia

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 7
Perreault - Chapter 15 #271
Question Type: Definition
Self-Test: No

272. Regarding advertising, the Federal Trade Commission:

(p. 397)

- A. can require firms to run corrective ads.
- B. can regulate deceptive advertising.
- C. can require firms to support ad claims.
- D. can require firms to provide affirmative disclosures.
- E. All of the above.**

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #272
Question Type: Comprehension
Self-Test: No

273. In the United States, the _____ has the power to control unfair or deceptive business practices, including deceptive advertising.

(p. 397)

- A. CPSC
- B. FTC**
- C. FDA
- D. OSHA
- E. USDA

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #273
Question Type: Definition
Self-Test: No

274. In the United States, the federal regulatory agency that has the power to control deceptive advertising and require corrective advertising is the:

(p. 397)

- A. Securities and Exchange Commission.
- B. Federal Trade Commission.**
- C. Office of Consumer Affairs.
- D. Fair Trade Committee.
- E. Consumer Product Safety Commission.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #274
Question Type: Application
Self-Test: No

275. A firm has run a comparative ad, and a competitor immediately complained that the claims made by the ad are deceptive. In such a case,

(p. 397)

- A. the ad agency that created the ad could share responsibility in any action brought by the FTC.
- B. the firm that sponsored the ad might need to provide research proof that its claims are accurate.
- C. the Federal Trade Commission has the power to require corrective advertising--if the ad was really deceptive.
- D. All of the above are true.**
- E. A and C are true, but not B.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #275
Question Type: Self-Test
Self-Test: Self-Test

276. Advertisers should keep in mind that:

(p. 397)

- A. advertisers, but not ad agencies, can be held responsible for false and misleading ads.
- B. only false or deceptive ads can be controlled by the FTC.
- C. the FTC does not have the power to require corrective advertising or affirmative disclosures.
- D. there are very clear-cut guidelines concerning how to substantiate ad claims.
- E. what is seen as "positioning" in one country may be viewed as "unfair" or "deceptive" in another.**

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #276
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

277. Which of the following statements about sales promotion is NOT TRUE?

(p. 398)

- A. Sales promotion refers to those promotion activities that stimulate interest, trial, or purchase by final consumers.
- B. A particular sales promotion activity usually lasts for only a limited time period.
- C. It is generally used to complement the other promotion methods.
- D.** Sales promotion objectives usually focus on prompting some long-term action.
- E. Sales promotion can often be implemented quickly and get sales results sooner than advertising.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #277
Question Type: Comprehension
Self-Test: No

278. Sales promotion activities:

(p. 398)

- A. Usually have long-term effects.
- B. Are aimed at final consumers, but not business customers.
- C. Focus more on getting attention than on stimulating action by consumers.
- D.** May be aimed at a firm's own employees.
- E. Usually take longer to achieve sales results than does advertising.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #278
Question Type: Comprehension
Self-Test: No

279. For an intermediary, a sales promotion would mean all of the following except

(p. 398)

- A. deciding to stock a product.
- B. providing a special display space.
- C.** expecting the promotion to go on forever.
- D. giving the product extra sales emphasis.
- E. assigning a larger budget to the product.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #279
Question Type: Comprehension
Self-Test: No

280. Sales promotion:

(p. 399)

- A. is not likely to be used in the market maturity stage of the product life cycle.
- B.** objectives and situation should determine what specific type of sales promotion is best.
- C. should not be needed if a firm has a good mass selling program.
- D objectives should be developed after the other promotion decisions have been made--so the manager . knows how much is left in the budget.
- E. None of the above is true.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #280
Question Type: Comprehension
Self-Test: No

281. Which of the following is a possible outcome of a sales promotion?

(p. 399)

- A. Sales increase during the period of the promotion and then remain at a higher level than they were at the start of the promotion.
- B Sales increase during the period of the promotion, decrease when the promotion ends, and then return . at the original level where they were prior to the promotion.
- C. Sales increase during the period of the promotion, but then immediately return to the original level that they were prior to the promotion.
- D.** All of the above.
- E. A and C only.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #281
Question Type: Comprehension
Self-Test: No

282. Sales promotion for frequently purchased consumer products usually has to change in mature markets. Why is this the case?

(p. 399)

- A. Sales promotion is a tool that can help overcome consumer price resistance.
- B. Increased competition from dealer brands in large, powerful retail chains.
- C. Greater price sensitivity among consumers.
- D. Limitations on shelf space in retail stores.
- E.** All of the above.

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #282
Question Type: Comprehension
Self-Test: No

283. Identify the incorrect statement about sales promotions.

(p. 399)

- A. Sales promotions have increased because of competition in emerging markets.
- B. Sales promotions can be used as tools to overcome consumer price resistance.
- C. Changes in technology have made sales promotions more efficient.
- D. The availability of more ad agencies and specialists has spurred growth in sales promotions.
- E. An appropriate sales promotion depends on the situation and objectives.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #283
Question Type: Comprehension
Self-Test: No

284. Sales promotion activities:

(p. 398-400)

- A. can usually be implemented quickly and get results sooner than advertising.
- B. may be aimed at final consumers, intermediaries, and/or a firm's own sales force.
- C. cost more than the total expenditures on advertising.
- D. are currently a weak spot in many firms' marketing strategies.
- E. All of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #284
Question Type: Comprehension
Self-Test: No

285. Sales promotion:

(p. 398-401)

- A. usually lasts for only a limited time period.
- B. spending has grown rapidly in mature markets.
- C. involves a wide variety of activities which often require the use of specialists.
- D. can make the personal selling job easier.
- E. All of the above are true statements.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #285
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

286. Which of the following statements about sales promotion is False?

(p. 400)

- A. Sales promotions may encourage brand switching more than they encourage brand loyalty.
- B. The design and management of sales promotions is often done by specialists from outside the firm.
- C Sales promotions that are poorly run may reflect negatively on the firm sponsoring them, even if the . firm uses an outside specialist to manage the promotion.
- D. Once a firm begins running regular sales promotions, it cannot change its strategy.
- E. Sales promotion should not be left to "amateurs."

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #286
Question Type: Comprehension
Self-Test: No

287. Sales promotion:

(p. 401)

- A. should not be needed if a firm has a good mass selling program.
- B. is not likely to be used in the market maturity stage of the product life cycle.
- C. objectives should be developed after the other promotion decisions have been made--so the manager knows how much is left in the budget.
- D.** activities are often handled by outside specialists.
- E. All of the above are true.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 8
Perreault - Chapter 15 #287
Question Type: Self-Test
Self-Test: Self-Test

288. Sales promotion should be targeted toward

(p. 401-402)

- A. wholesalers.
- B. business customers.
- C. final consumers.
- D. retailers.
- E.** Any of the above could be an appropriate target.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #288
Question Type: Comprehension
Self-Test: No

289. Sales promotion:

(p. 401-402)

- A. to consumers usually is trying to increase demand or speed up the time of purchase.
- B. aimed at intermediaries is sometimes called trade promotion.
- C. might include free samples of a product.
- D. used by service firms is often aimed at its employees.
- E.** all of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #289
Question Type: LearnAid
Self-Test: Self-Test & Learn Aid

290. Trade shows are a sales promotion device usually aimed at promoting products or services to:

(p. 401-402)

- A. Final consumers.
- B.** Business/industrial customers.
- C. A firm's own employees.
- D. All of the above.
- E. None of the above.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Easy
LearnObj: 9
Perreault - Chapter 15 #290
Question Type: Definition
Self-Test: No

Use this information for questions that refer to the Super Gaming Company and Accessories (SGCA) case.

Kayla Jurgenson, marketing manager for Super Gaming Computers and Accessories (SGCA), is reviewing her company's plans for the coming year.

SGCA sells its products through retail computer dealers and some specialty gaming stores. Currently, SGCA is carried in 25 percent of all retail computer stores nationwide, but in California it is carried in only 10 percent of stores. So, Kayla has set an objective of being in 25% of all retail computer stores in California within one year.

SGCA plans to introduce a new SuperDuperGamer model with special features that fits its target market of teen and young adult gamers. The SuperDuperGamer uses a new technology and is expected to be a breakthrough product, but it will be important to build awareness for it to succeed. So, the advertising objective is for 40% of SGCA's target market to be aware of the new SuperDuperGamer model within 3 months. SGCA also wants to help its retailers reduce their current stock of SuperGamer computers before the new model comes out in a month. The SuperGamer has been on the market for two years and has been a top seller in the category. SGCA's advertising objective for the SuperGamer computer is to reduce current dealer stock by 80% within the next month.

SGCA is also introducing a SuperEnhancer sound card, which is designed to significantly enhance the game-playing experience with older computers. Research with gamers show that it is very well received, so the advertising objective for the SuperEnhancer sound card is to gain 40% market share among all gaming-specific sound cards in the next year. To help achieve that objective, Jurgenson is planning to use an ad that shows the sound card and a game player being knocked off his chair by the sound. The headline on the ad reads, "9 Out of 10 Gamers Say that the SuperEnhancer Sound Beats All Others!"

Perreault - Chapter 15

291. In order to achieve its objective at a retailer called Computer Superstore, SGCA intends to repay the
(p. 385) retailer for a share of what it spends to advertise SGCA's computers in local media. This is

- A. called cooperative advertising.
- B. likely to increase the income that SGCA's ad agency gets for buying media space.
- C. a bad idea because retail stores usually pay higher rates in local media than do national advertisers.
- D. all of the above are true.
- E. none of the above are true.

*AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 2
Perreault - Chapter 15 #291
Question Type: Application
Self-Test: No*

292. Given the advertising objective for the SuperDuperGamer, which of the following types of advertising would be most appropriate?
(p. 382)

- A. informative "why" ads
- B. point-of-purchase advertising
- C. viral advertising**
- D. reminder ads
- E. none of the above would be appropriate

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1,2
Perreault - Chapter 15 #292
Question Type: Application
Self-Test: No

293. Given the advertising objective for the old SuperGamer model, which of the following types of advertising would be most appropriate?
(p. 382)

- A. ads with price deal offers**
- B. a teaser campaign
- C. informative descriptive ads
- D. pioneering ads
- E. institutional ads

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 1,2
Perreault - Chapter 15 #293
Question Type: Application
Self-Test: No

294. All of SGCA's products are made from recycled material and the company wants to promote its environmental practices. What kind of advertising would be most appropriate to do this:
(p. 384)

- A. competitive advertising
- B. comparative advertising
- C. pioneering advertising
- D. competitive advertising
- E. institutional advertising**

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 1,2
Perreault - Chapter 15 #294
Question Type: Application
Self-Test: No

295. The copy thrust of the ad for the SuperEnhancer sound card is an example of what kind of advertising?
(p. 384)

- A. pioneering advertising.
- B. indirect competitive advertising.**
- C. direct competitive advertising.
- D. reminder advertising.
- E. institutional advertising.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Medium
LearnObj: 2,5
Perreault - Chapter 15 #295
Question Type: Integrating
Self-Test: No

296. About 10 years ago, most of SGCA's target customers did not even know what a sound card was or that computer audio could be upgraded. What type of advertising was needed at that time?
(p. 383)

- A. institutional advertising
- B. reminder advertising
- C. cooperative advertising
- D. pioneering advertising**
- E. direct competitive advertising

AACSB: 6. Reflective thinking
Chapter: 15
Difficulty: Medium
LearnObj: 1,2
Perreault - Chapter 15 #296
Question Type: Application
Self-Test: No

297. A competitor of SGAC has a magazine ad with a headline that claims "Our new sound card makes SGAC's SuperEnhancer old news." The Federal Trade Commission
(p. 384)

- A. discourages ads such as this--since it is unfair to use another firm's name in a way that is not favorable to the firm.
- B. might require the competitor to provide evidence to support this copy thrust.**
- C. might criticize this ad as wasteful because it is institutional advertising and not product advertising.
- D. would permit this ad in a trade magazine but not in a magazine read by final consumers.
- E. would view this as comparative advertising, which is illegal in the U.S.

AACSB: 7 Responsibilities
Chapter: 15
Difficulty: Easy
LearnObj: 7
Perreault - Chapter 15 #297
Question Type: Integrating
Self-Test: No

298. In making her decisions about media, Jurgenson has to:
(p. 385)

- A. decide which target market(s) should be reached.
- B. know the costs of alternative media.
- C. decide on promotion objectives.
- D. decide what must be said.
- E.** all of the above.

AACSB: 11 Analysis for decisions
Chapter: 15
Difficulty: Medium
LearnObj: 3
Perreault - Chapter 15 #298
Question Type: Application
Self-Test: No

299. If Jurgenson wanted to demonstrate the new SuperDuperComputer, which media would be best:
(p. 386)

- A. Yellow pages
- B.** Television
- C. Magazine
- D. Radio
- E. Each of these media would be equal in this regard.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 3
Perreault - Chapter 15 #299
Question Type: Application
Self-Test: No

300. In evaluating the copy thrust of its ad for the SuperEnhancer sound card, Jurgenson should consider:
(p. 392)

- A. whether the ad gets attention.
- B. the quality of the illustrations in the ad.
- C. the media to be used.
- D. the advertising objectives.
- E.** all of these should be considered.

AACSB: 3 Analytical skills
Chapter: 15
Difficulty: Easy
LearnObj: 5
Perreault - Chapter 15 #300
Question Type: Application
Self-Test: No

301. SGCA is having a sales contest to encourage retailers to quickly reduce the inventory of SuperGamer computers. Retailers with the highest sales during the next month win an expense paid trip to a special dealer meeting at a resort in Hawaii. This is

(p. 401-402)

- A. probably illegal, since it might encourage price competition among retailers.
- B. an example of cooperative advertising.
- C. promotion aimed at employees.
- D. the type of promotion that continues to impact sales even after the promotion is over.
- E.** an example of a producer using sales promotion in the channel.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 8
Perreault - Chapter 15 #301
Question Type: Application
Self-Test: No

302. If Jurgenson turns to an advertising agency for help, SGCA

(p. 394)

- A. will probably be required to sign a long-term contract.
- B. find that most agencies would prefer to work with retailers rather than producers of consumer products.
- C.** can expect the agency to be a specialist in planning and handling mass selling details.
- D. should not expect the agency to do much more than sell media time or space.
- E. should allow the experts at the agency to refine the advertising objectives so that they reflect the creativity of the ads.

AACSB: 9 Value creation
Chapter: 15
Difficulty: Medium
LearnObj: 6
Perreault - Chapter 15 #302
Question Type: Application
Self-Test: No

ch15 Summary

<u>Category</u>	<u># of Questions</u>
AACSB: 10 Org Dynamics	10
AACSB: 11 Analysis for decisions	3
AACSB: 12 IT influences	18
AACSB: 13 Economic environments	10
AACSB: 2 Ethical reasoning	3
AACSB: 3 Analytical skills	83
AACSB: 4 Use of IT	4
AACSB: 6. Reflective thinking	58
AACSB: 7 Responsibilities	8
AACSB: 8 Financial	8
AACSB: 9 Value creation	97
Chapter: 15	302
Difficulty: Easy	190
Difficulty: Hard	19
Difficulty: Medium	93
LearnObj: 1	52
LearnObj: 1,2	4
LearnObj: 2	88
LearnObj: 2,5	1
LearnObj: 3	29
LearnObj: 4	26
LearnObj: 5	16
LearnObj: 6	34
LearnObj: 7	18
LearnObj: 8	24
LearnObj: 9	10
Perreault - Chapter 15	303
Question Type: Application	58
Question Type: Comprehension	60
Question Type: Definition	158
Question Type: Integrating	6
Question Type: LearnAid	10
Question Type: Self-Test	10
Self-Test: No	282
Self-Test: Self-Test	10
Self-Test: Self-Test & Learn Aid	10