

Advertising & IMC: Principles and Practice, 9e (Moriarty)
Chapter 2 Integrated Brand Communication

1) Which of the following refers to the way a product is designed, tested, produced, branded, packaged, priced, distributed, and promoted?

- A) advertising
- B) promotion
- C) marketing
- D) management
- E) production

Answer: C

Diff: 2 Page Ref: 34

Skill: Concept

Objective: 2-1

2) The goal of marketing is to match a product's availability to _____.

- A) the competition's availability
- B) the previous year's level of sales
- C) the company's production capabilities
- D) the consumers' need, desire, or demand for the product
- E) the legal limits of availability

Answer: D

Diff: 2 Page Ref: 35

Skill: Concept

Objective: 2-1

3) The classification to which a product is assigned is known as the _____.

- A) product category
- B) product position
- C) market mix
- D) product class
- E) product mix

Answer: A

Diff: 1 Page Ref: 35

Skill: Concept

Objective: 2-1

4) The four tools of product, price, place (distribution), and promotion are collectively referred to as the _____.

- A) product mix
- B) promotion mix
- C) marketing mix
- D) integration elements
- E) exchange elements

Answer: C

Diff: 1 Page Ref: 35

Skill: Concept

Objective: 2-1

5) The marketing mix is also known as the _____.

- A) four Cs
- B) four Ms
- C) competitive advantage
- D) marketing channel
- E) four Ps

Answer: E

Diff: 1 Page Ref: 35

Skill: Concept

Objective: 2-1

6) The act of trading a desired product or service to receive something of value in return is called a(n) _____.

- A) distribution
- B) position
- C) exchange
- D) market
- E) demand

Answer: C

Diff: 1 Page Ref: 35

Skill: Concept

Objective: 2-1

7) Which of the following are considered "key players" in the marketing industry?

- A) marketers
- B) suppliers or vendors
- C) distributors or retailers
- D) agencies
- E) all of the above

Answer: E

Diff: 2 Page Ref: 35

Skill: Concept

Objective: 2-1

8) Which key player in marketing is the organization, company, or manufacturer producing the product and offering it for sale?

- A) marketer
- B) supplier or vendor
- C) distributor or retailer
- D) agency
- E) brand manager

Answer: A

Diff: 1 Page Ref: 35

Skill: Concept

Objective: 2-1

9) The materials and ingredients used in producing the product are obtained from other companies that are referred to as a producer's _____.

- A) marketers
- B) suppliers or vendors
- C) distributors or retailers
- D) agencies
- E) exchangers

Answer: B

Diff: 2 Page Ref: 36

Skill: Concept

Objective: 2-1

10) The complex network of suppliers that produce components and ingredients that are then sold to the manufacturer is known as the _____.

- A) network chain
- B) channel of distribution
- C) supply chain
- D) ingredient chain
- E) distribution chain

Answer: C

Diff: 1 Page Ref: 36

Skill: Concept

Objective: 2-1

11) The _____ refers to the various companies that are involved in moving a product from its manufacturer into the hands of its buyer.

- A) network chain
- B) distribution chain
- C) supply chain
- D) ingredient chain
- E) promotion network

Answer: B

Diff: 1 Page Ref: 36

Skill: Concept

Objective: 2-1

12) What term is used to mean a place or a particular type of buyer?

- A) market
- B) position
- C) channel
- D) target
- E) segment

Answer: A

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

13) The percentage of the total sales in a product category that a particular brand has is called the brand's _____.

- A) position
- B) market segment
- C) distribution
- D) share of market
- E) exchange

Answer: D

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

14) Which of the following is NOT considered a main type of market?

- A) consumer
- B) business-to-business
- C) channel
- D) institutional
- E) media

Answer: E

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

15) _____ markets consist of people who buy products and services for personal or household use.

- A) Consumer
- B) Business-to-business
- C) Channel
- D) Institutional
- E) Media

Answer: A

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

16) _____ markets consist of companies that buy products or services to use in their own businesses or in making other products.

- A) Consumer
- B) Business-to-business
- C) Distribution
- D) Institutional
- E) Indirect

Answer: B

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

17) _____ markets include a wide variety of profit and nonprofit organizations, such as hospitals, government agencies, and schools that provide goods and services for the benefit of society.

- A) Consumer
- B) Business-to-business
- C) Channel
- D) Institutional
- E) Distribution

Answer: D

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

18) _____ markets are made up of members of a company's distribution chain.

- A) Consumer
- B) Business-to-business
- C) Channel
- D) Institutional
- E) Media

Answer: C

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

19) Resellers in a channel market are also known as _____.

- A) suppliers
- B) vendors
- C) intermediaries
- D) shareholders
- E) competitors

Answer: C

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

20) Most advertising dollars are spent in _____ markets.

- A) consumer
- B) business-to-business
- C) distribution
- D) channel
- E) institutional

Answer: A

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

21) Firms usually reach _____ markets through mass media.

- A) consumer
- B) business-to-business
- C) distribution
- D) channel
- E) institutional

Answer: A

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

22) What is the first step in the marketing process?

- A) Set objectives for the marketing effort.
- B) Research the consumer market and the competitive marketplace and develop a situation analysis.
- C) Assess consumer needs and wants relative to the product, segment the market into groups that are likely to respond, and target specific markets.
- D) Differentiate and position the product relative to the competition.
- E) Develop the marketing mix strategy.

Answer: B

Diff: 2 Page Ref: 39

Skill: Concept

Objective: 2-1

23) What is the second step in the marketing process?

- A) Assess consumer needs and wants relative to the product, segment the market into groups that are likely to respond, and target specific markets.
- B) Set objectives for the marketing effort.
- C) Research the consumer market and the competitive marketplace and develop a situation analysis.
- D) Differentiate and position the product relative to the competition.
- E) Develop the marketing mix strategy.

Answer: B

Diff: 2 Page Ref: 39

Skill: Concept

Objective: 2-1

- 24) Which of the steps in the marketing planning process listed below follows the others?
- A) Assess consumer needs and wants relative to the product, segment the market into groups that are likely to respond, and target specific markets.
 - B) Set objectives for the marketing effort.
 - C) Research the consumer market and the competitive marketplace and develop a situation analysis.
 - D) Differentiate and position the product relative to the competition.
 - E) Develop the marketing mix strategy.

Answer: E

Diff: 3 Page Ref: 39

Skill: Concept

Objective: 2-1

- 25) Which of the following suggests that marketing should focus first on identifying the needs and wants of the customer?

- A) the exchange concept
- B) the marketing concept
- C) the product concept
- D) the brand concept
- E) the production concept

Answer: B

Diff: 1 Page Ref: 39

Skill: Concept

Objective: 2-1

- 26) How a brand is different and superior in some way is referred to as _____.

- A) brand parity
- B) brand equity
- C) competitive advantage
- D) psychological pricing
- E) brand meaning

Answer: C

Diff: 1 Page Ref: 40

Skill: Concept

Objective: 2-1

- 27) Which of the following does NOT add value to a product?

- A) advertising
- B) convenience
- C) useful features
- D) branding
- E) All of the above add value to a product.

Answer: E

Diff: 2 Page Ref: 41

Skill: Concept

Objective: 2-1

28) Which of the following is NOT a way advertising adds value to a product?

- A) making the product appear more desirable
- B) making the product appear more of a status symbol
- C) making the product more convenient for consumers to buy
- D) providing news and useful information of interest to consumers
- E) All of the above are ways advertising adds value to a product.

Answer: C

Diff: 3 Page Ref: 41

Skill: Concept

Objective: 2-1

29) Which marketing element includes product design and development, performance, branding, and packaging?

- A) distribution
- B) branding
- C) product
- D) place
- E) promotion

Answer: C

Diff: 1 Page Ref: 41

Skill: Concept

Objective: 2-1

30) Which marketing element includes personal selling, advertising, public relations, sales promotion, direct marketing, events and sponsorships, point-of-purchase, and the communication aspects of packaging?

- A) price
- B) distribution
- C) product
- D) place
- E) promotion

Answer: E

Diff: 1 Page Ref: 41

Skill: Concept

Objective: 2-1

31) The promotion "P" of marketing is also known as _____.

- A) product
- B) distribution
- C) price
- D) marketing communication
- E) differentiation

Answer: D

Diff: 1 Page Ref: 41

Skill: Concept

AACSB: Communication abilities

Objective: 2-1

32) Which element of the marketing mix includes distribution channels, market coverage, and co-op advertising?

- A) product
- B) promotion
- C) price
- D) communication
- E) place

Answer: E

Diff: 1 Page Ref: 41

Skill: Concept

Objective: 2-2

33) Which of the following is LEAST likely to be a factor on which the price of a product is based?

- A) what the market will bear
- B) the amount of support provided by resellers
- C) economic well-being of the consumer
- D) the consumer's ability to gauge the value
- E) the relative value of the product

Answer: B

Diff: 3 Page Ref: 42

Skill: Concept

Objective: 2-1

34) A consumer's ability to gauge the value of a product is referred to as the _____.

- A) psychological price
- B) price/value proposition
- C) exchange rate
- D) comparative price
- E) value exchange

Answer: B

Diff: 2 Page Ref: 42

Skill: Concept

Objective: 2-1

35) Which pricing strategy uses marketing communication to manipulate the customer's judgment of value?

- A) psychological pricing
- B) value pricing
- C) distribution pricing
- D) copy pricing
- E) customary pricing

Answer: A

Diff: 1 Page Ref: 42

Skill: Concept

Objective: 2-1

36) Which pricing strategy is used to communicate a dramatic or temporary price reduction?

- A) promotional pricing
- B) value pricing
- C) parity pricing
- D) copy pricing
- E) customary pricing

Answer: A

Diff: 2 Page Ref: 42

Skill: Concept

Objective: 2-1

37) Using _____, a marketer sets a high price for a product to make the product seem worthy or valuable.

- A) prestige pricing
- B) value pricing
- C) distribution pricing
- D) promotional pricing
- E) customary pricing

Answer: A

Diff: 2 Page Ref: 42

Skill: Concept

Objective: 2-1

38) When a company distributes its products directly to buyers without the use of a reseller, the company is using _____.

- A) indirect marketing
- B) no-channel marketing
- C) direct marketing
- D) indirect channel marketing
- E) integrated marketing

Answer: C

Diff: 1 Page Ref: 42

Skill: Concept

Objective: 2-1

39) When a company distributes its products through one or more distributors and resellers, the company is using _____.

- A) channel marketing
- B) no-channel marketing
- C) direct marketing
- D) multi-level marketing
- E) integrated marketing

Answer: A

Diff: 2 Page Ref: 43

Skill: Concept

Objective: 2-1

40) Which strategy directs marketing efforts at the consumer?

- A) push
- B) exchange
- C) pull
- D) coverage
- E) cooperative

Answer: C

Diff: 1 Page Ref: 43

Skill: Concept

Objective: 2-1

41) A _____ strategy directs marketing efforts at resellers, and success depends on the ability of these intermediaries to market the product, which they often do with advertising.

- A) push
- B) pull
- C) coverage
- D) direct
- E) exchange

Answer: A

Diff: 1 Page Ref: 43

Skill: Concept

Objective: 2-1

42) Which marketing communication tool uses face-to-face contact between the marketer and a prospective customer?

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

Answer: D

Diff: 1 Page Ref: 43

Skill: Concept

AACSB: Communication abilities

Objective: 2-1

43) Which of the following refers specifically to creating the tangible and intangible elements of a brand?

- A) advertising
- B) branding
- C) exchanging
- D) marketing
- E) integrating

Answer: B

Diff: 1 Page Ref: 44

Skill: Concept

Objective: 2-2

44) Computers, automobiles, and toothpaste are all examples of _____.

- A) services
- B) ideas
- C) brands
- D) products
- E) markets

Answer: D

Diff: 2 Page Ref: 44

Skill: Concept

Objective: 2-2

45) A(n) _____ is a perception, often imbued with emotion, which results from experiences with and information about a company or a line of products.

- A) advertisement
- B) brand
- C) tagline
- D) logo
- E) trademark

Answer: B

Diff: 1 Page Ref: 44

Skill: Concept

Objective: 2-2

46) Which of the following is the harmonization of an organization's identity and its image?

- A) integrated marketing communication
- B) standardized marketing
- C) channel marketing
- D) organizational branding
- E) brand transformation

Answer: D

Diff: 2 Page Ref: 45

Skill: Concept

Objective: 2-2

47) Parity products are those that have _____.

- A) no brand name
- B) few competitors
- C) few distinguishing features
- D) a store's label
- E) an international market

Answer: C

Diff: 1 Page Ref: 46

Skill: Concept

Objective: 2-2

48) Store brands are also referred to as _____.

- A) generic brands
- B) private labels
- C) regional brands
- D) fast-moving consumer goods
- E) licensed brands

Answer: B

Diff: 2 Page Ref: 46

Skill: Concept

Objective: 2-2

49) Which of the following were originally sold in black-and-white, no-frills packaging at low prices?

- A) generic brands
- B) private labels
- C) regional brands
- D) fast-moving consumer goods
- E) licensed brands

Answer: A

Diff: 1 Page Ref: 46

Skill: Concept

Objective: 2-2

50) Which of the following was the top global brand, based on brand value, in 2009?

- A) Google
- B) Microsoft
- C) Coca-Cola
- D) McDonald's
- E) Walmart

Answer: A

Diff: 2 Page Ref: 48

Skill: Concept

AACSB: Dynamics of the global economy

Objective: 2-2

51) Which of the following is NOT a desirable quality for a brand name?

- A) It should suggest something about the product's benefits and qualities.
- B) It should be easy to pronounce, recognize, and remember.
- C) The brand should be a long word to get attention.
- D) The name should translate easily into foreign languages.
- E) It should be distinctive.

Answer: C

Diff: 3 Page Ref: 49

Skill: Concept

Objective: 2-2

52) A _____ is a legal sign that indicates ownership.

- A) trademark
- B) logo
- C) brand
- D) brand license
- E) brand position

Answer: A

Diff: 1 Page Ref: 49

Skill: Concept

Objective: 2-2

53) _____ refers to how consumers see a brand relative to the other brands in the product category.

- A) Segmenting
- B) Targeting
- C) Differentiating
- D) Positioning
- E) Trademarking

Answer: D

Diff: 2 Page Ref: 50

Skill: Concept

Objective: 2-2

54) Bold, fun, exciting, and daring are all examples of _____.

- A) brand promises
- B) brand positions
- C) brand personalities
- D) brand images
- E) brand value

Answer: C

Diff: 2 Page Ref: 50

Skill: Concept

Objective: 2-2

55) Brand value comes in two forms: the value to the _____ and the value to the _____.

- A) consumer; competitor
- B) consumer; corporation
- C) competitor; channel
- D) corporation; competitor
- E) shareholder; stakeholder

Answer: B

Diff: 2 Page Ref: 51

Skill: Concept

Objective: 2-2

56) Brand _____ programs offer customers rewards for repeat business.

- A) value
- B) equity
- C) extension
- D) integration
- E) loyalty

Answer: E

Diff: 1 Page Ref: 51

Skill: Concept

Objective: 2-2

57) _____ is the intangible value of the brand based on the relationships with its stakeholders, as well as intellectual property.

- A) Brand position
- B) Brand parity
- C) Brand image
- D) Brand identity
- E) Brand equity

Answer: E

Diff: 1 Page Ref: 51-52

Skill: Concept

Objective: 2-2

58) Which of the following measures the financial value the brand contributes to a company?

- A) trademark
- B) copyright
- C) brand image
- D) brand identity
- E) brand equity

Answer: E

Diff: 2 Page Ref: 51

Skill: Concept

Objective: 2-2

59) _____ refers to promoting and advertising the use of a brand name for a component used in manufacturing a product.

- A) Co-branding
- B) Ingredient branding
- C) Inside branding
- D) Brand licensing
- E) Integrated branding

Answer: B

Diff: 1 Page Ref: 52

Skill: Concept

Objective: 2-2

60) A company that uses an established brand name with a related line of products is using a(n)

- _____.
- A) co-brand
 - B) ingredient brand
 - C) brand extension
 - D) licensed brand
 - E) brand parity

Answer: C

Diff: 1 Page Ref: 52

Skill: Concept

Objective: 2-2

61) Which of the following is a strategy that uses two brand names owned by two separate companies to create a partnership offering?

- A) co-branding
- B) equity branding
- C) brand licensing
- D) integrated branding
- E) parity branding

Answer: A

Diff: 1 Page Ref: 52

Skill: Concept

Objective: 2-2

62) Using _____, a partner company rents another company's brand name and transfers some of that brand equity to another product.

- A) co-branding
- B) equity branding
- C) brand licensing
- D) integrated branding
- E) parity branding

Answer: C

Diff: 1 Page Ref: 52

Skill: Concept

Objective: 2-2

63) Advertising, sales promotion, personal selling, public relations, and direct marketing are all _____.

- A) promotional tools that should be integrated under the concept of integrated marketing communications
- B) promotional tools used in business-to-business markets but not consumer markets
- C) promotional tools used for push strategies but not pull strategies
- D) promotional tools used for pull strategies but not push strategies
- E) promotional tools used in consumer markets but not business-to-business markets

Answer: A

Diff: 2 Page Ref: 53

Skill: Concept

Objective: 2-3

64) More companies are adopting the concept of _____, which is the practice of unifying all marketing communication messages and tools as well as the messages from the marketing mix decisions so that they send a consistent message supporting the brand's strategy.

- A) integrated marketing communications
- B) integrated personal selling
- C) integrated competitive methods
- D) nonpersonal communication channels
- E) buzz marketing

Answer: A

Diff: 1 Page Ref: 53

Skill: Concept

AACSB: Communication abilities

Objective: 2-3

65) Integrated marketing communications produces better communications _____.

- A) consistency
- B) sales
- C) simplicity
- D) variety
- E) independence

Answer: A

Diff: 2 Page Ref: 53

Skill: Concept

AACSB: Communication abilities

Objective: 2-3

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

- A) equal portions of the advertising budget
- B) the same return on investment
- C) separate marketing objectives
- D) the same target audience
- E) the same message, look, and feel

Answer: E

Diff: 2 Page Ref: 53

Skill: Concept

Objective: 2-3

67) Which of the following is NOT a principle of IMC?

- A) Everything communicates.
- B) A brand is a unified vision and a complex system.
- C) Brand relationships drive brand value.
- D) You can't be integrated externally if you are not integrated internally.
- E) Every element of the marketing mix should provide equal return on investment.

Answer: E

Diff: 3 Page Ref: 54

Skill: Concept

Objective: 2-3

68) A _____ brand is one marketed in a single country.

- A) house
- B) local
- C) regional
- D) store
- E) private

Answer: B

Diff: 1 Page Ref: 56

Skill: Concept

AACSB: Dynamics of the global economy

Objective: 2-4

69) A(n) _____ brand is available in a number of different countries in various parts of the world.

- A) parity
- B) local
- C) regional
- D) extension
- E) international

Answer: E

Diff: 1 Page Ref: 56

Skill: Concept

AACSB: Dynamics of the global economy

Objective: 2-4

70) A company that takes a _____ approach to international marketing tries to make accommodations in its marketing mix for cultural differences.

- A) parity
- B) domestic
- C) global
- D) standardized
- E) localized

Answer: E

Diff: 2 Page Ref: 57

Skill: Concept

AACSB: Dynamics of the global economy

Objective: 2-4

71) Marketing is the way a product is designed, tested, produced, branded, packaged, priced, distributed, and promoted.

Answer: TRUE

Diff: 1 Page Ref: 34

Skill: Concept

Objective: 2-1

72) The goal in marketing is to sell as many products as possible.

Answer: FALSE

Diff: 2 Page Ref: 34

Skill: Concept

Objective: 2-1

73) The key players in the marketing industry include the marketer, suppliers or vendors, distributors and retailers, and agencies.

Answer: TRUE

Diff: 2 Page Ref: 35

Skill: Concept

Objective: 2-1

74) The materials and ingredients used in producing the product are obtained from other companies who are referred to as distributors.

Answer: FALSE

Diff: 2 Page Ref: 36

Skill: Concept

Objective: 2-1

75) The channel of distribution refers to the complex network of suppliers who produce components and ingredients that are then sold to the manufacturer.

Answer: FALSE

Diff: 2 Page Ref: 36

Skill: Concept

Objective: 2-1

76) The supply chain refers to the various companies that are involved in moving a product from its manufacturer into the hands of its buyer.

Answer: FALSE

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

77) Only manufacturers advertise.

Answer: FALSE

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

78) When marketing strategists speak of markets, they generally refer to a particular type of buyer.

Answer: TRUE

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

79) Institutional markets consist of people who buy products and services for personal use.

Answer: FALSE

Diff: 1 Page Ref: 37

Skill: Concept

Objective: 2-1

80) Institutional markets are made up of nonprofit organizations only.

Answer: FALSE

Diff: 2 Page Ref: 37

Skill: Concept

Objective: 2-1

81) Most goods manufacturers also offer services.

Answer: TRUE

Diff: 3 Page Ref: 38

Skill: Concept

Objective: 2-1

82) The first step in the marketing planning process is to set objectives for the marketing effort.

Answer: FALSE

Diff: 2 Page Ref: 39

Skill: Concept

Objective: 2-1

83) In the marketing planning process, consumer needs should be assessed before the product is positioned.

Answer: TRUE

Diff: 3 Page Ref: 39

Skill: Concept

Objective: 2-1

84) A company that operates with a marketing concept philosophy focuses on satisfying its customers' needs and wants.

Answer: TRUE

Diff: 1 Page Ref: 39

Skill: Concept

Objective: 2-1

85) The process of assessing whether there are identifiable groups within the market whose needs and wants intersect with the product and its features is known as differentiation.

Answer: FALSE

Diff: 2 Page Ref: 40

Skill: Concept

Objective: 2-1

86) The process of making a brand stand out as different from its competition is called positioning.

Answer: TRUE

Diff: 1 Page Ref: 40

Skill: Concept

Objective: 2-1

87) *Customer* is a more general term than *consumer*.

Answer: FALSE

Diff: 3 Page Ref: 40

Skill: Concept

Objective: 2-1

88) Advertising can add value to a brand.

Answer: TRUE

Diff: 2 Page Ref: 41

Skill: Concept

Objective: 2-1

89) A push strategy directs marketing efforts at the consumer in an attempt to stimulate consumer demand.

Answer: FALSE

Diff: 2 Page Ref: 43

Skill: Concept

Objective: 2-1

90) In personal sales, leads are also known as prospects.

Answer: TRUE

Diff: 2 Page Ref: 43

Skill: Concept

Objective: 2-1

91) Advertising is the process of creating the tangible and intangible elements of a brand.

Answer: FALSE

Diff: 2 Page Ref: 44

Skill: Concept

Objective: 2-2

92) Brand equity measures the financial value the brand contributes to the company.

Answer: TRUE

Diff: 2 Page Ref: 51

Skill: Concept

Objective: 2-2

93) Co-branding means acknowledging a supplier's brand as an important product feature or component.

Answer: FALSE

Diff: 2 Page Ref: 52

Skill: Concept

Objective: 2-2

94) Integrated marketing communication (IMC) is a recent trend that uses databases to drive communication with customers and keep track of their interactions with a company.

Answer: FALSE

Diff: 1 Page Ref: 53

Skill: Concept

AACSB: Use of information technology

Objective: 2-3

95) An IMC program is more complex than a traditional advertising plan.

Answer: TRUE

Diff: 3 Page Ref: 53

Skill: Concept

Objective: 2-3

96) Implementation of IMC is most successful through the use of cross-functional organization.

Answer: TRUE

Diff: 2 Page Ref: 54

Skill: Concept

AACSB: Communication abilities

Objective: 2-3

97) In marketing terms, ROI stands for rate of interest.

Answer: FALSE

Diff: 1 Page Ref: 55

Skill: Concept

Objective: 2-4

98) Marketers who calculate ROI do not need to use other tools or techniques to evaluate the efficiency and effectiveness of their marketing communications.

Answer: FALSE

Diff: 2 Page Ref: 55

Skill: Concept

Objective: 2-4

99) The calculation of ROI identifies how much money a brand made in comparison to its expenses.

Answer: TRUE

Diff: 2 Page Ref: 55

Skill: Concept

Objective: 2-4

100) The growth in global marketing activities continues to increase.

Answer: TRUE

Diff: 2 Page Ref: 56

Skill: Concept

AACSB: Dynamics of the global economy

Objective: 2-4

101) A car manufacturer buys tires from a tire manufacturer. These manufacturers are part of the institutional market.

Answer: FALSE

Diff: 2 Page Ref: 37

Skill: Application

AACSB: Analytic skills

Objective: 2-1

102) Businesses are more likely to use advertising in specialized media than in mass media to reach customers in business-to-business markets.

Answer: TRUE

Diff: 2 Page Ref: 37

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-1

103) Diane is a repeat buyer of Dove beauty products. Diane is a consumer who is Dove's customer.

Answer: TRUE

Diff: 2 Page Ref: 40

Skill: Application

AACSB: Analytic skills

Objective: 2-1

104) Retailers and wholesalers who have created their own brands—such as Walmart's Sam's Choice beverages and food products—are participating in co-branding.

Answer: FALSE

Diff: 3 Page Ref: 46

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-2

105) To maximize the toothpaste market in China, Crest needs to convince more of the Chinese population to brush their teeth three times a day. Crest is most likely to use a standardized approach for its marketing in China.

Answer: FALSE

Diff: 2 Page Ref: 57

Skill: Application

AACSB: Analytic skills

Objective: 2-4

106) Describe the roles of the four categories of key players in marketing.

Answer:

(1) Marketer (a.k.a Advertiser or Client) □ Any company or organization behind the product (i.e., the organization, company, or manufacturer producing the product and offering it for sale).

(2) Suppliers and Vendors □ Supply the materials and ingredients used in producing the product. In marketing practice these suppliers and vendors are partners in the creation of a successful product. The term *supply chain* refers to the network of suppliers who produce components that are sold to manufacturers.

(3) Distributors and Retailers □ Companies that are involved in moving a product from its manufacturer into the hands of its buyer. The various companies involved in this are referred to as the channel of distribution.

(4) Marketing partners □ Do all or part of the work of advertising, implementing the creative vision of the client (marketer), and helping it to reach its advertising goals.

Diff: 2 Page Ref: 35-37

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

107) Name and describe the four main types of markets, and discuss characteristics of advertising targeted toward each market, respectively.

Answer:

(1) Consumer Markets □ Consist of people who buy products and services for personal or household use. Just about any product an individual purchases including clothing, food, books, health and beauty aids, and so forth can be advertised to consumers through mass media such as radio, television, newspapers, general consumer magazines, and direct-response media, such as direct mail. Businesses spend most of their advertising dollars on this market.

(2) Business-to-Business (B2B) Markets □ Consist of companies that buy products or services to use in their own businesses or in making other products. This market is typically reached through trade and professional advertising in specialized media, such as trade journals, professional magazines, and direct mail.

(3) Institutional Markets □ Include a wide variety of profit and nonprofit organizations, such as hospitals, government agencies, and schools, which provide goods and services for the benefit of society. This market is typically reached through the same means as industrial markets.

(4) Channel Markets □ Made up of members of the distribution chain, also known as resellers or intermediaries. This market is also typically reached through the same means as industrial and institutional markets.

Diff: 3 Page Ref: 37

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

108) Explain the marketing concept and discuss how it relates to advertising.

Answer: The marketing concept says that marketing should focus first on identifying the needs and wants of the customer, rather than on finding ways to sell products that may or may not meet customers' needs. This concept suggests that marketers must first determine the customers' needs and wants and then develop, manufacture, market, and service goods that fill those particular needs and wants, thus creating solutions for customers' problems. Both of these steps are addressed in advertising planning through consumer research and the methods used by planners to develop insight into consumer decision making. Advertising that follows the marketing concept will focus more on the consumer's benefit than on a product's features.

Diff: 2 Page Ref: 39-40

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

109) Describe the evolution of Procter & Gamble's Ivory soap. How does it illustrate the concept of branding?

Answer: P&G created identity elements for its brand Ivory before anyone had thought of making a bar of soap a distinctive brand. The Ivory brand identity system also called attention to innovative features of the product. In the 1800s, soap wasn't like it is today; indeed, it was homemade from lye, fats, and fireplace ashes. It was a soft jelly-like yellowish soap that would clean, but if it fell to the bottom of a pail, it dissolved into mush. The Castile bar, which was a pure white soap imported from the Mediterranean and made from the finest olive oil, was considered the benchmark for quality soap and highly expensive. P&G discovered a formula that produced a uniform, predictable bar soap, which they provided in wooden boxes to both armies during the Civil War, introducing the concept of mass production, and created a huge market when returning soldiers demanded the bars for home use. But these bars were still yellow and sunk to the bottom. So P&G created a white bar equivalent to the Castile bar, becoming the "soap that floats" by accidentally whipping in too much air, which made the bar lighter. This claim—"It floats"—became one of the world's greatest statements of a product benefit. The soap was named "Ivory soap," resulting in consumers asking for it by name. P&G also learned that Ivory had only 0.56 percent impurities, leading to the claim that it was "99 and 44/100 percent pure," which is one of the most famous slogans in brand history.

Diff: 2 Page Ref: 47

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-2

110) Explain the concept of integrated marketing communications.

Answer: IMC calls for recognizing all contact points where the customer may encounter the company and its brands. A company wants to deliver a consistent and positive message with each contact. IMC ties together all of the company's messages and images, avoiding the confusion that can arise from customers receiving varied messages from a variety of media.

Diff: 2 Page Ref: 53

Skill: Application

AACSB: Communication abilities

Objective: 2-3

111) Procter & Gamble has sales of almost \$50 billion and spends more than \$4 billion on advertising every year. The company's corporate brand value is estimated to be more than \$107 billion. In terms of key players in marketing, which one does Procter & Gamble represent?

- A) marketer
- B) supplier or vendor
- C) distributor
- D) agency
- E) media

Answer: A

Diff: 2 Page Ref: 35

Skill: Application

AACSB: Analytic skills

Objective: 2-1

112) Amco, Inc. manufactures small electronic components that become integral parts of the electronic systems in automobiles. Amco does not sell directly to auto manufacturers, but rather through brokers that are involved in selling the components to the auto manufacturers.

Additionally, another company is employed to deliver the goods. All of these organizations are part of the _____ in getting electronic component parts to the automobile manufacturers.

- A) distribution network
- B) supply chain
- C) marketing network
- D) brand management
- E) parity chain

Answer: B

Diff: 2 Page Ref: 36

Skill: Application

AACSB: Analytic skills

Objective: 2-1

113) Which of the following product offerings is intangible?

- A) fish for an aquarium
- B) refillable ink cartridges for a computer printer
- C) a mink coat
- D) a meal at a fast-food restaurant
- E) a limousine ride

Answer: E

Diff: 2 Page Ref: 37

Skill: Application

AACSB: Analytic skills

Objective: 2-1

114) Sam is a brand manager for a manufacturer of consumer package goods. Part of his job entails launching new products into the marketplace. Before he launches a new product, however, Sam's department conducts extensive research to identify the needs and wants of the customer, rather than finding ways to sell products that may or may not meet customers' needs. Which key concept of marketing is Sam implementing?

- A) exchange
- B) branding
- C) added value
- D) marketing concept
- E) product concept

Answer: D

Diff: 2 Page Ref: 39

Skill: Application

AACSB: Analytic skills

Objective: 2-1

115) Puma sells its edgy designs to trendy retailers but also sells its more mainstream products in stores such as Foot Locker. Which marketing mix element does this strategy illustrate?

- A) product
- B) price
- C) place
- D) promotion
- E) branding

Answer: C

Diff: 2 Page Ref: 41

Skill: Application

AACSB: Analytic skills

Objective: 2-1

116) During the 2003 World Cup, which was held in Japan and South Korea, Puma got a well-known sushi chef to create a special Puma sushi roll that was served in select Japanese restaurants in cities around the world. Puma also discretely announced the sponsorship in its company-branded chopsticks, sake cups, and napkins. At the same time, Puma partnered with the Terence Conran design shop to sell an exclusive version of its World Cup soccer boot, holding weekend sushi-making events at the home furnishings store. Which marketing mix element does this strategy illustrate?

- A) product
- B) price
- C) place
- D) promotion
- E) branding

Answer: D

Diff: 2 Page Ref: 41

Skill: Application

AACSB: Analytic skills

Objective: 2-1

117) A.Y. McDonald, a manufacturer of pumps and plumbing valves, employs regional salespeople to sell its products to wholesalers and cities. This is an example of _____.

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

Answer: B

Diff: 2 Page Ref: 43

Skill: Application

AACSB: Analytic skills

Objective: 2-1

118) An ad in a professional journal targeted to an audience of dentists asked dentists to recommend Crest toothpaste to their patients. It offered toothpaste samples that dentists could buy at cost to give to their patients to encourage patients to take better care of their teeth. The manufacturer of Crest toothpaste was using _____.

- A) personal selling
- B) direct marketing
- C) a push strategy
- D) a pull strategy
- E) public relations

Answer: C

Diff: 2 Page Ref: 43

Skill: Application

AACSB: Analytic skills

Objective: 2-1

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

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

Answer: E

Diff: 2 Page Ref: 43

Skill: Application

AACSB: Analytic skills

Objective: 2-1

120) Peter purchased an inexpensive necklace from a department store to give to his sweetheart, Julie, on Valentine's Day. He didn't want her to know that he did not spend very much for the jewelry, so he put it in a box he had from an upscale jewelry store that sells only expensive items. When Julie unwrapped her gift, she was excited to see that it came from this store and absolutely loved the necklace Peter gave her. Which key concept of marketing does this illustrate?

- A) exchange
- B) branding
- C) situation analysis
- D) marketing concept
- E) distribution

Answer: B

Diff: 3 Page Ref: 44

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-2

121) Laurie owns a 2002 Honda Accord, which is the third Honda vehicle that she and her husband have owned. They describe themselves as a "Honda" family and intend to purchase another Honda automobile when their daughter gets her driver's license. They know and trust Hondas. Which key concept of marketing does this illustrate?

- A) exchange
- B) branding meaning
- C) brand personality
- D) marketing concept
- E) product concept

Answer: B

Diff: 2 Page Ref: 44

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-2

122) When Tylenol brand of pain relief capsules were tampered with, resulting in the death of several consumers, the manufacturer pulled all of its products from store shelves, redesigned packaging to resist tampering, and reintroduced noncapsule forms of the product. This was very expensive for Tylenol to do, but the company knew that the reputation, meaning, and value that its brand name had acquired over time held financial value. Today, Tylenol brand medications have the reputation of being high-quality products. The reputation, meaning, and value that the Tylenol brand name has acquired over time is known as _____.

- A) brand personality
- B) trademark
- C) brand framework
- D) brand relationship
- E) brand equity

Answer: E

Diff: 2 Page Ref: 51

Skill: Application

AACSB: Analytic skills

Objective: 2-2

123) Intel manufactures computer chips that are part of several personal computer manufacturers' finished products. Intel and the computer manufacturers realized that customers valued Intel computer chips due to their superior quality and reliability and began asking whether or not the computer they were considering purchasing contained an Intel computer chip. As a result, Intel and computer manufacturers started communicating through advertising and other promotional tools that there's "Intel Inside." This is an example of _____.

- A) primary branding
- B) secondary branding
- C) supply chain branding
- D) component branding
- E) ingredient branding

Answer: E

Diff: 2 Page Ref: 52

Skill: Application

AACSB: Analytic skills

Objective: 2-2

124) An apparel marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented?

- A) co-branding
- B) brand extension
- C) ingredient branding
- D) brand licensing
- E) rebranding

Answer: B

Diff: 2 Page Ref: 52

Skill: Application

AACSB: Analytic skills

Objective: 2-2

125) Harpo Enterprises maintains the Oprah Winfrey show, a Web site, and *O* magazine. Because Harpo Enterprises practices integrated marketing communications, these different brand contacts all maintain _____ in design and tone.

- A) variety
- B) feedback
- C) consistency
- D) creativity
- E) convenience

Answer: C

Diff: 2 Page Ref: 53

Skill: Application

AACSB: Analytic skills

Objective: 2-3

126) Of the following, which method of adding value to a product is mostly psychological?

- A) branding
- B) quality
- C) features
- D) convenience
- E) service

Answer: A

Diff: 2 Page Ref: 41-42

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

127) Which of the following is an advantage offered by co-branding?

- A) Manufacturers do not have to invest in creating their own brand names.
- B) Retailers have exclusive products that cannot be purchased from competitors.
- C) A company can expand its existing brand into a category it otherwise might have difficulty entering alone.
- D) Advertising, sales, promotion, and marketing must be carefully coordinated.
- E) Brand equity is stabilized.

Answer: C

Diff: 3 Page Ref: 52

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2

128) Management of a company that adheres to the principle of integrated marketing communications is most likely to believe which of the following?

- A) The use of multiple marketing communications channels is advantageous.
- B) The use of a single marketing communications channel is advantageous.
- C) Long-term relationships with customers are best nurtured through sales promotion.
- D) Long-term relationships with customers are best nurtured through public relations.
- E) Short-term relationships with customers are more profitable than long-term relationships with customers.

Answer: A

Diff: 3 Page Ref: 53

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-3

Refer to the following passage to answer the questions below.

Johnson & Johnson manufactures health and beauty aid products under several brand names. The company sells its products to end consumers through retail stores such as grocery, drug, and discount stores. J&J employs a sales force that calls on intermediaries, such as wholesalers and retailers, and spends part of the promotion budget on trade deals to influence intermediaries to carry the company's brands. The remainder of J&J's promotion budget is spent on mass advertising and sales promotions, such as coupons, targeted toward consumers.

129) Which promotion strategy is J&J pursuing?

- A) push
- B) zero channel
- C) direct
- D) pull
- E) push and pull

Answer: E

Diff: 2 Page Ref: 43

Skill: Application

AACSB: Analytic skills

Objective: 2-1

130) J&J also markets its Tylenol brand of pain relievers to hospitals. What type of market is that?

- A) consumer
- B) primary
- C) institutional
- D) reseller
- E) secondary

Answer: C

Diff: 2 Page Ref: 37

Skill: Application

AACSB: Analytic skills

Objective: 2-1

131) What is the difference between a supply chain and a distribution chain?

Answer: A supply chain is made up of suppliers who produce components and ingredients that are sold to a manufacturer; a distribution chain is made up of all the companies that move a finished product from the manufacturer to its buyers.

Diff: 2 Page Ref: 36

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

132) How are services and goods different? How are they similar?

Answer: Both services and goods are types of products. Goods are tangible, but services are—for the most part—intangible.

Diff: 2 Page Ref: 37

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

133) You just graduated from college and started working at a consumer packaged goods manufacturer. Your first assignment is to develop the marketing strategy for a new product extension of an existing brand. Where do you begin?

Answer: You begin at the first step of the marketing process, which is to research the market, consumers, and the competitive marketplace, and develop a situation analysis.

Diff: 2 Page Ref: 39

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-1

134) Andy has conducted extensive research in the marketing process. What should be his next two steps?

Answer: Andy's next two steps are setting marketing objectives and then assessing consumer needs and wants, segmenting the market, and targeting a specific market.

Diff: 2 Page Ref: 39

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-1

135) What is the last step of the marketing planning process? Why is this step important?

Answer: The last step of the marketing planning process is evaluating the effectiveness of the strategy. This is an important step because it tells marketers whether or not the strategy should be continued.

Diff: 2 Page Ref: 39

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-1

136) What is the difference between a consumer and a customer?

Answer: A consumer is a general term for people who use and buy products—it's almost synonymous with the phrase *general public*. A customer is someone who has purchased a specific brand or visited a specific retailer. Customer is the more specific term.

Diff: 2 Page Ref: 40

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

137) Blenco, Inc. is a manufacturer of frozen breakfast products, such as biscuits, pancakes, and waffles. Blenco does not spend any money on consumer advertising or promotions, but rather concentrates its promotion budget on intermediaries in the channel of distribution. What promotion strategy is Blenco pursuing and which promotion tools are most appropriate for implementing this strategy?

Answer: Blenco is pursuing a push promotion strategy that concentrates the flow of marketing communication on the members of the channel of distribution rather than on end consumers. Blenco is most likely utilizing trade deals, trade advertising, and personal selling to get its products in the channel of distribution.

Diff: 3 Page Ref: 43

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-1

138) You just interviewed for a job with Dial, Inc. and learned that they are looking for someone who will call on grocery, drug, and convenience stores to sell and service Dial's health and beauty aid items to these types of retailers. What type of personal selling does this represent?

Answer: Field sales. Field sales are a type of personal selling that includes calls at the place of business by a field representative. (Note: This type of personal selling is also called trade selling.)

Diff: 2 Page Ref: 43

Skill: Application

AACSB: Analytic skills

Objective: 2-1

139) What kind of control does a company have over the meaning of one of its brands?

Answer: A company owns a brand name and a symbol, and can certainly influence what people think about the brand. However, the brand meaning is ultimately created by consumers because the meaning exists in their minds, derived from their own experiences with the brand.

Diff: 2 Page Ref: 46

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2

140) Consider such brand names as A1 Steak Sauce, 409, A & D Ointment, A & W Root Beer, and Super 8. Why might such names with alphanumeric characters aid in brand name selection?

Answer: Such brands are easy to pronounce, easy to recognize, and easy to remember.

Diff: 3 Page Ref: 49

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2

141) Why is it important for a brand promise to be simple and honest?

Answer: Consumers who purchase the product and believe it does not live up to the promise will develop a negative image of the brand; they will be less likely to become loyal customers.

Diff: 3 Page Ref: 50

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2

142) How does a brand name add value to a product?

Answer: Quality and consistency can be identified through a brand; experience with or knowledge of another's experience with a brand helps a buyer know what features, benefits, and quality to expect from a product.

Diff: 2 Page Ref: 51

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2

143) Explain why someone would rather have a Rolex watch than a Timex watch, which is as reliable as a Rolex but considerably less expensive.

Answer: Although both are well-known brands, Rolex has built its brand image on quality and luxury. It's a status symbol to own a Rolex, and the watch is perceived more as a piece of jewelry than merely a timepiece. Timex is known as an inexpensive, reliable timepiece. Through effective branding, Rolex has transformed this product by creating a special meaning for it, and the meaning of the brand also tells something about the person wearing that brand.

Diff: 2 Page Ref: 49-50

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-2

144) What is a brand loyalty program? Give an example of one.

Answer: A brand loyalty program offers consumers rewards for their repeat business. Any program that awards points, money, or free products for repeated purchases could be used as an example.

Diff: 2 Page Ref: 51

Skill: Application

AACSB: Analytic skills

Objective: 2-2

145) When Dell computer indicates in its ads and on its computer boxes "Intel inside," what type of branding is this, and why does Dell do this?

Answer: This is called ingredient branding, which means acknowledging a supplier's brand as an important product feature. Dell knows that the quality and reputation of the Intel brand of computer chips adds value to its product and wants to communicate that to buyers.

Diff: 2 Page Ref: 52

Skill: Application

AACSB: Analytic skills

Objective: 2-2

146) How does integrated marketing communication (IMC) build brand identity?

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

Diff: 2 Page Ref: 53

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-3

147) How do marketing managers use ROI?

Answer: ROI stands for return on marketing investment. It is a calculation that marketing managers can use to determine the relationship between what a marketing program cost and what it delivered in sales.

Diff: 2 Page Ref: 55

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-4

148) What types of products would be successful with standardized global marketing?

Answer: Products that require no change to the product itself or to the product's promotion would follow a standardized marketing mix.

Diff: 2 Page Ref: 57

Skill: Application

AACSB: Reflective thinking skills

Objective: 2-4

Refer to the passage below to answer the following questions.

Gore-Tex is a revolutionary material that is used in several types of outer- and athletic-wear that can keep consumers warm and dry in the winter but also cool in the summer. It is lighter and stronger than other types of materials, such as wool or cotton, and costs more. However, many consumers of these products were not aware of the advantages of Gore-Tex when comparing products and were put off by the very high price. To change this, Gore-Tex hired an advertising agency to assist in creating a special meaning for the brand and to communicate the advantages to end-user consumers. Gore-Tex also worked with the manufacturers of the products into which Gore-Tex was incorporated to encourage them to call attention to the fact that Gore-Tex is used in their products.

149) Which key concept in marketing is illustrated by Gore-Tex's desire to create a special meaning for it, and how can advertising help accomplish this?

Answer: Branding is the process of creating a special meaning for a product, one that makes it distinctive in the marketplace and in its product category. Brand image is the result of communication as well as consumers' own personal experiences with the product. A brand, and the advertising behind it, creates familiarity. Advertising can also be used to communicate the distinctive advantage of Gore-Tex over other types of material.

Diff: 2 Page Ref: 44

Skill: Synthesis

AACSB: Reflective thinking skills

Objective: 2-2

150) Manufacturers of apparel products using Gore-Tex include that information on their product labels as well as in their advertising. What is this known as, and why do these manufacturers do this?

Answer: This is known as ingredient branding, which means acknowledging a supplier's brand as an important product feature. Every contribution from the supply chain adds value to the product, and in practice, suppliers and vendors are partners in the creation of a successful product. The quality of the Gore-Tex brand of material enhances the quality of the finished products that it goes into.

Diff: 2 Page Ref: 52

Skill: Critical Thinking

AACSB: Reflective thinking skills

Objective: 2-2