

Chapter 17 Direct and Online Marketing: Building Direct Customer Relationships

1) Amazon.com was the first company to use _____, which is technology that sorts through customer purchasing patterns to create personalized site content.

- A) mass marketing
- B) personalized marketing
- C) records management
- D) customer filtering
- E) collaborative filtering

Answer: E

Diff: 2 Page Ref: 489

AACSB: Use of IT

Skill: Concept

Objective: 17-1

2) What are the two main goals of direct marketing?

- A) to identify a potential customer and obtain an immediate response
- B) to obtain an immediate response and to facilitate a purchase
- C) to obtain an immediate response and build a lasting customer relationship
- D) to provide information and build a lasting customer relationship
- E) to save marketing dollars and facilitate a purchase

Answer: C

Diff: 2 Page Ref: 490

Skill: Concept

Objective: 17-1

3) Modern direct marketers rely heavily on database technologies and the Internet, while early direct marketers primarily used direct mailers, telemarketing, and _____.

- A) door-to-door salespeople
- B) catalogs
- C) POP promotions
- D) e-mail
- E) inside salespeople

Answer: B

Diff: 1 Page Ref: 490

AACSB: Use of IT

Skill: Concept

Objective: 17-1

4) Amazon.com, eBay, and GEICO employ _____ as the only method of doing business with customers.

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

Answer: C

Diff: 1 Page Ref: 491

Skill: Concept

Objective: 17-1

5) Direct marketing is continuing to become more _____ oriented.

- A) television
- B) Web
- C) mail
- D) telephone
- E) radio

Answer: B

Diff: 2 Page Ref: 491

AACSB: Use of IT

Skill: Concept

Objective: 17-1

6) All of the following are benefits of direct marketing for buyers EXCEPT _____.

- A) access to numerous products
- B) access to product reviews
- C) guaranteed low prices
- D) convenience
- E) privacy

Answer: C

Diff: 2 Page Ref: 492

Skill: Concept

Objective: 17-1

7) All of the following are benefits of direct marketing for sellers EXCEPT _____.

- A) efficiency in reaching markets
- B) price and program flexibility
- C) mass reach and frequency
- D) lower cost-per-contact
- E) efficiency in order processing

Answer: C

Diff: 2 Page Ref: 492-493

Skill: Concept

Objective: 17-1

8) One of the advantages of direct marketing for sellers is that direct marketing _____.

- A) offers access to buyers outside local markets
- B) eliminates the need for a company to employ a sales force
- C) provides statistical information about industry buying habits
- D) provides comparative information about customers and competitors
- E) avoids expenses related to a storefront, such as rent, insurance, and utilities

Answer: A

Diff: 3 Page Ref: 493

AACSB: Reflective Thinking

Skill: Concept

Objective: 17-1

9) Which of the following is essential for direct marketing to be effective?

- A) an online presence
- B) a good customer database
- C) a well-trained sales force
- D) inbound telephone marketing
- E) digital direct marketing technologies

Answer: B

Diff: 2 Page Ref: 493

Skill: Concept

Objective: 17-1

10) A customer database is an organized collection of geographic, demographic, psychographic, and _____ data about individual customers or prospects.

- A) ethical
- B) cultural
- C) medical
- D) behavioral
- E) sociological

Answer: D

Diff: 2 Page Ref: 493

Skill: Concept

Objective: 17-1

11) Information about a customer's age, income, and family make-up is in the _____ category of a customer database.

- A) demographic
- B) psychographic
- C) geographic
- D) behavioral
- E) assessment

Answer: A

Diff: 2 Page Ref: 493

Skill: Concept

Objective: 17-1

12) Psychographics data in a customer database used by direct marketers includes information regarding a customer's _____ and _____.

- A) interests; income
- B) activities; opinions
- C) age; buying preferences
- D) opinions; age
- E) hobbies; income

Answer: B

Diff: 2 Page Ref: 493

Skill: Concept

Objective: 17-1

13) All of the following are common uses for a direct marketing customer database EXCEPT _____.

- A) generating sales leads
- B) identifying prospective customers
- C) profiling customers based on previous purchases
- D) gathering marketing intelligence about competitors
- E) building long-term customer relationships

Answer: D

Diff: 3 Page Ref: 494

Skill: Concept

Objective: 17-1

14) How does database marketing benefit consumers?

- A) Companies make name-brand products and images readily available to customers.
- B) Companies match customer needs and interests with products and services.
- C) Customers receive better prices on products and services that they need.
- D) Customers receive faster and more reliable service from companies.
- E) Customers receive instant credit from more companies.

Answer: B

Diff: 3 Page Ref: 494

Skill: Concept

Objective: 17-1

15) All of the following are forms of direct marketing EXCEPT _____.

- A) personal selling
- B) public relations
- C) telephone marketing
- D) direct-mail marketing
- E) kiosk marketing

Answer: B

Diff: 1 Page Ref: 495

Skill: Concept

Objective: 17-2

16) Which kind of marketing involves sending an offer, announcement, reminder, or other item to a person at a particular address?

- A) kiosk marketing
- B) digital direct marketing
- C) catalog marketing
- D) direct-mail marketing
- E) telephone marketing

Answer: D

Diff: 1 Page Ref: 495

Skill: Concept

Objective: 17-2

17) Catalogs, brochures, CDs, and DVDs are all examples of which type of marketing?

- A) direct-response marketing
- B) direct-mail marketing
- C) digital direct marketing
- D) kiosk marketing
- E) online marketing

Answer: B

Diff: 1 Page Ref: 495

Skill: Concept

Objective: 17-2

18) Which of the following reasons is LEAST likely to explain why direct-mail marketing drives more than a third of all U.S. direct marketing sales?

- A) less expensive than TV and magazine ads
- B) high target market selectivity
- C) ability to be personalized
- D) measurable results
- E) flexibility

Answer: A

Diff: 3 Page Ref: 496

Skill: Concept

Objective: 17-2

19) The use of which of the new forms of direct-mail marketing is booming?

- A) fax mail
- B) e-mail
- C) voice mail
- D) U.S. mail
- E) instant messages

Answer: B

Diff: 2 Page Ref: 496

Skill: Concept

Objective: 17-2

20) Most companies that create print catalogs now also provide _____ catalogs to eliminate production, printing, and mailing costs.

- A) DVD
- B) e-mail
- C) store
- D) Web-based
- E) personalized

Answer: D

Diff: 2 Page Ref: 496

Skill: Concept

Objective: 17-2

21) Which of the following is an advantage of printed catalogs over digital catalogs?

- A) the ability to offer an almost unlimited amount of merchandise
- B) efficiencies in production, printing, and mailing costs
- C) a stronger emotional connection with customers
- D) less competition for customers' attention
- E) real-time merchandising

Answer: C

Diff: 2 Page Ref: 497

AACSB: Reflective Thinking

Skill: Concept

Objective: 17-2

22) Marketers use _____ telephone marketing to receive orders from television ads and catalogs.

- A) inbound
- B) outbound
- C) interactive
- D) direct-response
- E) business-to-business

Answer: A

Diff: 1 Page Ref: 497

Skill: Concept

Objective: 17-2

23) Which of the following is an advantage of a well-designed and targeted telemarketing plan?

- A) real-time merchandising
- B) high recruitment and referral rate
- C) purchasing convenience for customers
- D) emotional connections with customers
- E) limitless merchandise available to customers

Answer: C

Diff: 3 Page Ref: 497

AACSB: Reflective Thinking

Skill: Concept

Objective: 17-2

24) How has the National Do Not Call Registry changed the telemarketing industry?

- A) Telemarketing for nonprofit groups has become nonexistent.
- B) Telemarketing is no longer used by small and medium sized companies.
- C) Telemarketing has replaced direct mail and personal selling because of low costs.
- D) Telemarketers are more effectively developing relationships with new customers.
- E) Telemarketers are more effectively managing relationships with existing customers.

Answer: E

Diff: 3 Page Ref: 498

Skill: Concept

Objective: 17-2

25) Why are historically online shops such as Zappos.com and JohnandKiras.com adding catalogs to their marketing methods?

- A) to entertain customers with interesting products
- B) to offer a wider array of merchandise
- C) to save money and increase profits
- D) to attract the attention of new customers
- E) to reduce the need for telemarketers

Answer: D

Diff: 3 Page Ref: 498

Skill: Concept

Objective: 17-2

26) Which of the following is the most accurate name for a 30-minute television advertising program marketing a single product?

- A) direct-response TV advertisement
- B) home shopping channel
- C) integrated marketing
- D) direct-response commercial
- E) infomercial

Answer: E

Diff: 1 Page Ref: 499

Skill: Concept

Objective: 17-2

27) What are two major forms of direct-response television marketing?

- A) home television response and direct-response TV advertising
- B) home shopping channels and infomercials
- C) home-selling and toll-free response
- D) call-in response and web-site response
- E) home shopping channels and podcasts

Answer: B

Diff: 2 Page Ref: 499

Skill: Concept

Objective: 17-2

28) Direct-response advertisements always contain _____, making it easier for marketers to gauge the effectiveness of their sales pitches.

- A) a mailing address for comments
- B) a 1-800 number or Web address
- C) a hit button to record the number of viewers
- D) an order number
- E) pop-ups

Answer: B

Diff: 2 Page Ref: 500

Skill: Concept

Objective: 17-2

29) Why have direct-response television commercials seen an increase in popularity in recent years?

- A) It is has become simpler to replicate the success of classic direct-response TV ads that introduced items such as the Veg-O-Matic.
- B) Traditional broadcast and cable advertising has become prohibitively expensive for many major corporations.
- C) The ability to track phone calls and Web-site hits makes it easy to measure the return on advertising investment.
- D) The sophisticated image of home shopping channels has given direct-response commercials more credibility.
- E) Consumers are more likely to respond to this type of marketing than to other forms of direct marketing.

Answer: C

Diff: 3 Page Ref: 500

Skill: Concept

Objective: 17-2

30) A television program or entire channel dedicated to selling goods and services is known as a(n) _____.

- A) direct-response television advertisement
- B) home shopping channel
- C) infomercial
- D) digital catalog
- E) kiosk

Answer: B

Diff: 1 Page Ref: 500

Skill: Concept

Objective: 17-2

31) Firms , such as Kodak and Fuji, are placing _____ in stores, airports, and other locations to provide people with information about products and services or to enable customers to place orders.

- A) kiosks
- B) TV monitors
- C) wireless networks
- D) cell phones
- E) vending machines

Answer: A

Diff: 1 Page Ref: 501

AACSB: Use of IT

Skill: Concept

Objective: 17-2

32) Ring-tone giveaways, mobile games, and text-in contests are all examples of _____ marketing.

- A) kiosk
- B) online
- C) podcast
- D) vodcast
- E) mobile phone

Answer: E

Diff: 1 Page Ref: 502

AACSB: Use of IT

Skill: Concept

Objective: 17-2

33) Marketers view mobile phones as the next big marketing medium for all of the following reasons EXCEPT _____.

- A) More consumers are using their cell phones for text messaging, surfing the Web, and watching videos.
- B) Unlike telemarketing, mobile phone marketing is initially appealing to most cell phone users.
- C) Cell phones are very popular with the highly desirable 18-to-34-year-old demographic.
- D) Cell phone users can respond instantly to time-sensitive offers.
- E) Most consumers always have their cell phones with them.

Answer: B

Diff: 3 Page Ref: 502

AACSB: Use of IT

Skill: Concept

Objective: 17-2

34) Which of the following enables consumers to download files from the Internet to a handheld device?

- A) telemarketing
- B) interactive TV
- C) podcasting
- D) infomercials
- E) direct-mail

Answer: C

Diff: 1 Page Ref: 503

AACSB: Use of IT

Skill: Concept

Objective: 17-2

35) _____ allows consumers to gain additional information about a product through the use of a remote control.

- A) Mobile phone marketing
- B) Infomercials
- C) Podcasting
- D) Vodcasting
- E) Interactive television

Answer: E

Diff: 1 Page Ref: 503

AACSB: Use of IT

Skill: Concept

Objective: 17-2

36) What is the fastest growing form of direct-marketing?

- A) mobile-phone marketing
- B) online marketing
- C) interactive TV
- D) direct-response television
- E) podcasts

Answer: B

Diff: 2 Page Ref: 504

Skill: Concept

Objective: 17-3

37) The Internet gave birth to _____, which operate only on the Internet.

- A) brick-and-mortar companies
- B) click-and-mortar companies
- C) big box companies
- D) click-only companies
- E) Web-and-mortar companies

Answer: D

Diff: 1 Page Ref: 504

AACSB: Use of IT

Skill: Concept

Objective: 17-3

38) As one of the first _____, Amazon.com changed the rules of marketing and set the bar high for the online customer experience.

- A) e-tailers
- B) transaction sites
- C) content sites
- D) search engines
- E) click-and-mortar companies

Answer: A

Diff: 2 Page Ref: 504

AACSB: Use of IT

Skill: Concept

Objective: 17-3

39) *New York Times* on the Web, ESPN.com, and Encyclopedia Britannica Online are known as _____ because they provide financial, research, and other information.

- A) search engines
- B) content sites
- C) portals
- D) ISPs
- E) e-tailers

Answer: B

Diff: 2 Page Ref: 504

AACSB: Use of IT

Skill: Concept

Objective: 17-3

40) _____ is the term used to describe a company that does not use online marketing.

- A) Offline business
- B) Brick-and-mortar
- C) Click-and-mortar
- D) E-business
- E) Corporate site

Answer: B

Diff: 2 Page Ref: 504

Skill: Concept

Objective: 17-3

41) The growth of the Internet caused many brick-and-mortar firms to _____ in response to customer demands and a changing marketplace.

- A) become click-only firms
- B) send out more catalogs
- C) become click-and-mortar firms
- D) develop more infomercials
- E) expand their outside sales forces

Answer: C

Diff: 2 Page Ref: 504

AACSB: Use of IT

Skill: Concept

Objective: 17-3

42) Which of the following is NOT one of the four major online marketing domains?

- A) B2C (business-to-consumer)
- B) B2R (business-to-retailer)
- C) B2B (business-to-business)
- D) C2C (consumer-to-consumer)
- E) C2B (consumer-to-business)

Answer: B

Diff: 2 Page Ref: 505

Skill: Concept

Objective: 17-3

43) The popular press has paid the most attention to _____ online marketing, which is the online selling of goods and services to final consumers.

- A) B2C
- B) B2B
- C) C2C
- D) C2B
- E) global

Answer: A

Diff: 2 Page Ref: 505

Skill: Concept

Objective: 17-3

44) B2B uses all of the following online resources to reach new business customers EXCEPT _____.

- A) trading networks
- B) social networks
- C) e-mail
- D) online product catalogs
- E) customized Web sites

Answer: B

Diff: 2 Page Ref: 506

AACSB: Use of IT

Skill: Concept

Objective: 17-3

45) The online exchange of goods and information between final consumers is called _____.

- A) B2C
- B) B2B
- C) C2C
- D) C2B
- E) social networking

Answer: C

Diff: 2 Page Ref: 507

Skill: Concept

Objective: 17-3

46) Amazon.com Auctions, eBay, and Craigslist.com are popular market spaces that facilitate the online exchange of goods and information and are examples of _____ online marketing.

- A) B2C
- B) B2B
- C) C2C
- D) C2B
- E) global commerce

Answer: C

Diff: 2 Page Ref: 507

Skill: Concept

Objective: 17-3

- 47) What is the benefit to companies of using blogs as marketing tools?
- A) Blogs provide companies with additional revenue.
 - B) Blog content is easy to filter, monitor, and control.
 - C) Long-term customer relationships can be developed through blogs.
 - D) Demographic information about customers can be easily tracked.
 - E) Blogs are an inexpensive yet personal way to reach a fragmented audience.

Answer: E

Diff: 3 Page Ref: 508

Skill: Concept

Objective: 17-3

- 48) Which of the following is a potential drawback to advertising on a blog?
- A) The content of a blog is difficult to control.
 - B) Advertising on a blog is typically expensive.
 - C) It is difficult to use blogs to reach highly targeted audiences.
 - D) Blogs are losing popularity as consumers begin to favor newer Internet forums.
 - E) Blogs do not provide the kind of personalized medium that today's marketers want.

Answer: A

Diff: 3 Page Ref: 508

Skill: Concept

Objective: 17-3

- 49) _____ online marketing sites are online exchanges in which consumers search out sellers, learn about their offers, and initiate purchases.

- A) B2C
- B) B2B
- C) C2C
- D) C2B
- E) B2R

Answer: D

Diff: 2 Page Ref: 508

Skill: Concept

Objective: 17-3

- 50) When consumers can drive transactions with businesses, what type of online marketing is being used?

- A) blogs
- B) podcasting
- C) social networking
- D) business-to-consumer
- E) consumer-to-business

Answer: E

Diff: 1 Page Ref: 508

Skill: Concept

Objective: 17-3

51) For most companies, the first step in conducting online marketing is to _____.

- A) send e-mails
- B) create a Web site
- C) create a Web community
- D) place promotions online
- E) develop search-related ads

Answer: B

Diff: 2 Page Ref: 508

Skill: Concept

Objective: 17-4

52) What is the main purpose of a corporate Web site?

- A) to sell the company's products directly
- B) to build customer goodwill
- C) to show a catalog and give shopping tips
- D) to give out coupons and tell about sales events or contests
- E) to point out and explain competitors' weaknesses

Answer: B

Diff: 2 Page Ref: 509

Skill: Concept

Objective: 17-4

53) _____ are designed to build customer goodwill and to supplement other sales channels, rather than to sell the company's products directly.

- A) Marketing Web sites
- B) Corporate Web sites
- C) Small business Web sites
- D) Non-profit corporation web sites
- E) Rich media display ads

Answer: B

Diff: 2 Page Ref: 509

Skill: Concept

Objective: 17-4

54) _____ are designed to engage consumers in interactions that will move them closer to a direct purchase or other marketing outcome.

- A) Corporate Web sites
- B) Marketing Web sites
- C) Web communities
- D) Brand Web sites
- E) Affiliate programs

Answer: B

Diff: 2 Page Ref: 509

Skill: Concept

Objective: 17-4

55) To attract new visitors and to encourage revisits, online marketers should pay close attention to the seven Cs of effective Web site design. Which of the following is NOT one of the seven Cs?

- A) context: the site's layout and design
- B) content: text, pictures, sounds, and video that the Web site contains
- C) commerce: the site's ability to enable commercial transactions
- D) customer: the way the customer is given incentives to use the Web site
- E) connection: the degree that the site is linked to other sites

Answer: D

Diff: 3 Page Ref: 510

AACSB: Use of IT

Skill: Concept

Objective: 17-4

56) Of the seven Cs of effective Web site design, _____ refers to the ways that the site enables user-to-user communication.

- A) context
- B) content
- C) community
- D) customization
- E) cause

Answer: C

Diff: 2 Page Ref: 510

AACSB: Use of IT

Skill: Concept

Objective: 17-4

57) According to the seven Cs of effective Web site design, a Website's capability to enable commercial transactions is its level of _____.

- A) customization
- B) content
- C) connection
- D) commerce
- E) communication

Answer: D

Diff: 2 Page Ref: 510

AACSB: Use of IT

Skill: Concept

Objective: 17-4

58) _____ are online ads that appear between screen changes on a Web site, especially while a new screen is loading.

- A) Pop-unders
- B) Interstitials
- C) Search-related ads
- D) Contextual ads
- E) Banner ads

Answer: B

Diff: 2 Page Ref: 511

AACSB: Use of IT

Skill: Concept

Objective: 17-4

59) Which of the following types of ads can users block through the use of applications developed by Web browser providers?

- A) banners
- B) pop-ups
- C) contextual ads
- D) pop-unders
- E) rich-media ads

Answer: B

Diff: 2 Page Ref: 511

AACSB: Use of IT

Skill: Concept

Objective: 17-4

60) Display ads that use eye-catching techniques such as float, fly, and snapback are called _____.

- A) banners
- B) pop-ups
- C) contextual ads
- D) pop-unders
- E) rich-media ads

Answer: E

Diff: 2 Page Ref: 511-512

AACSB: Use of IT

Skill: Concept

Objective: 17-4

61) A large percentage of online advertising expenditures goes towards _____, which are text-based ads and links that appear alongside search engine results.

- A) content sponsorships
- B) reminder advertisements
- C) informative advertisements
- D) contextual advertisements
- E) corporate sponsorships

Answer: D

Diff: 2 Page Ref: 512

AACSB: Use of IT

Skill: Concept

Objective: 17-4

62) When companies work with each other online and offline to promote each other, they are creating _____.

- A) search-related advertisements
- B) contextual advertisements
- C) interstitial relationships
- D) content sponsorships
- E) alliance and affiliate programs

Answer: E

Diff: 2 Page Ref: 512

Skill: Concept

Objective: 17-4

63) What does the term *viral marketing* mean?

- A) It is another term for *online privacy*.
- B) It is another term for *online security*.
- C) It refers to problems associated with computer viruses.
- D) It refers to word-of-mouth marketing that occurs online.
- E) It refers to negative publicity associated with company blogs.

Answer: D

Diff: 1 Page Ref: 512

Skill: Concept

Objective: 17-4

64) Which of the following is a primary disadvantage of viral marketing?

- A) The costs of viral marketing are too high for most companies.
- B) The brand associated with the viral message is usually forgotten.
- C) Marketers have little control over who receives the viral message.
- D) Viral messages are offensive to many potential customers.
- E) Viral messages are blocked by most search engines.

Answer: C

Diff: 3 Page Ref: 513

AACSB: Use of IT

Skill: Concept

Objective: 17-4

65) All of the following are examples of online social networks EXCEPT _____.

- A) blogs
- B) MySpace.com
- C) YouTube
- D) interstitials
- E) virtual worlds

Answer: D

Diff: 1 Page Ref: 513

AACSB: Use of IT

Skill: Concept

Objective: 17-4

66) Online communities where people socialize or exchange information and opinions are called _____.

- A) corporate Web sites
- B) marketing Web sites
- C) online social networks
- D) interactive Web sites
- E) affiliate programs

Answer: C

Diff: 1 Page Ref: 513

AACSB: Use of IT

Skill: Concept

Objective: 17-4

67) Which of the following is a challenge of marketing through online social networks?

- A) Users often resent an intrusive marketing message.
- B) Existing networks are resistant to direct advertising.
- C) Most existing networks are already controlled by major corporations.
- D) Virtual worlds will most likely replace social networks in the near future.
- E) Measuring the frequency and volume of network usage is difficult.

Answer: A

Diff: 3 Page Ref: 514-515

AACSB: Use of IT

Skill: Concept

Objective: 17-4

68) What characteristic of niche sites makes the medium MOST appealing to marketers?

- A) audience sizes larger than those of social networking sites
- B) wide variety of demographics and purchasing patterns
- C) audiences of people with similar interests
- D) commercial transaction capabilities
- E) podcasting and vodcasting capabilities

Answer: C

Diff: 3 Page Ref: 514-515

Skill: Concept

Objective: 17-4

69) Unsolicited and unwanted commercial e-mail is known as _____.

- A) phishing
- B) e-tailing
- C) display ads
- D) pop-unders
- E) spam

Answer: E

Diff: 1 Page Ref: 516

Skill: Concept

Objective: 17-4

70) According to your textbook, what is the most likely future for online marketing?

- A) Online marketing will replace magazines, newspapers, and eventually stores as sources for information and products.
- B) The growth of online marketing will continue but at a much slower pace.
- C) The use of online marketing will decline until its effectiveness can be better measured.
- D) Online marketing will remain an important approach in an integrated marketing mix.
- E) Online social networking will become the primary type of online marketing.

Answer: D

Diff: 3 Page Ref: 516

Skill: Concept

Objective: 17-4

71) In an attempt to take advantage of impulsive buyers, heat merchants use _____ to deceive customers.

- A) direct-mail marketing
- B) telephone marketing
- C) direct-response television marketing
- D) mobile phone marketing
- E) kiosk marketing

Answer: A

Diff: 2 Page Ref: 517

Skill: Concept

Objective: 17-5

72) Which of the following is a type of identity theft that uses deceptive e-mails and fraudulent web sites to fool consumers into revealing their personal data?

- A) unauthorized groups
- B) reverse information
- C) viral feeds
- D) phishing
- E) spyware

Answer: D

Diff: 2 Page Ref: 517

Skill: Concept

Objective: 17-5

73) Which of the following is NOT a deception or fraud concern for Internet users and marketers?

- A) phishing
- B) viral marketing
- C) eavesdropping
- D) access by unauthorized groups
- E) spyware

Answer: B

Diff: 2 Page Ref: 517

Skill: Concept

Objective: 17-5

74) What happened in direct response to the FTC finding that many Web sites were collecting personal information from children without disclosure or parental permission?

- A) California enacted the California Online Privacy Protection Act.
- B) Congress passed the Children's Online Privacy Protection Act.
- C) Children began to be targeted by more Web sites.
- D) The Direct Marketing Association developed a "Privacy Promise to American Consumers."
- E) Nonprofit organizations began auditing companies' privacy and security measures.

Answer: B

Diff: 3 Page Ref: 519

Skill: Concept

Objective: 17-5

75) All of the following are the likely results of direct marketing abuses EXCEPT _____.

- A) decreased consumer response rates
- B) decreased returns on advertising expenses
- C) increasingly negative consumer attitudes
- D) requests for more Internet oversight and legislation
- E) requests for more restrictive legislation of direct marketing

Answer: D

Diff: 3 Page Ref: 519

Skill: Concept

Objective: 17-5

76) Direct marketing rarely occurs on a one-to-one, interactive basis.

Answer: FALSE

Diff: 2 Page Ref: 490

Skill: Concept

Objective: 17-1

77) Mega Music sells products to customers only through its Web-site. Mega Music employs the direct model as its marketing approach.

Answer: TRUE

Diff: 3 Page Ref: 491

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

78) For customers, the benefits of direct marketing are that it is an easy, private, and convenient way to shop.

Answer: TRUE

Diff: 1 Page Ref: 492

Skill: Concept

Objective: 17-1

79) Today's marketers use database marketing to promote their offerings through personalized communications to small target groups or even individual customers.

Answer: TRUE

Diff: 1 Page Ref: 494

Skill: Concept

Objective: 17-1

80) The marketing manager of Charlie's Car Parts uses a customer database to e-mail promotional information to customers. The demographic information in the database provides the manager with the data he needs regarding his customers' buying preferences.

Answer: FALSE

Diff: 3 Page Ref: 493

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

81) Database marketing requires little initial investment beyond training personnel to code and mine data.

Answer: FALSE

Diff: 2 Page Ref: 495

AACSB: Use of IT

Skill: Concept

Objective: 17-1

82) Though direct-mail permits high target-market selectivity and can be personalized, it does not allow easy measurement of results.

Answer: FALSE

Diff: 2 Page Ref: 496

Skill: Concept

Objective: 17-2

83) Catalog marketing has grown explosively during the past 25 years, and recently the Internet has helped boost its popularity even more.

Answer: TRUE

Diff: 2 Page Ref: 497

Skill: Concept

Objective: 17-2

84) With inbound telephone marketing, the company provides a toll-free phone number to receive orders from television ads, print ads, direct mail, and catalogs.

Answer: TRUE

Diff: 2 Page Ref: 497

Skill: Concept

Objective: 17-2

85) Do-not-call legislation has made telemarketing an ineffective form of direct marketing, especially for nonprofit groups.

Answer: FALSE

Diff: 2 Page Ref: 498

Skill: Concept

Objective: 17-2

86) Because of its association with somewhat questionable pitches and get-rich-quick schemes, direct-response television is becoming less popular than traditional broadcast and cable advertising.

Answer: FALSE

Diff: 2 Page Ref: 500

Skill: Concept

Objective: 17-2

87) You receive a text message from Upscale Furnishings about an upcoming sale on custom furniture. Upscale Furnishings is developing a direct customer relationship with you through kiosk marketing.

Answer: FALSE

Diff: 3 Page Ref: 501

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

88) Because several satellite broadcast systems are now offering ITV capabilities, interactive TV is likely to become a more widely used direct marketing medium.

Answer: TRUE

Diff: 2 Page Ref: 503

AACSB: Use of IT

Skill: Concept

Objective: 17-2

89) Today, many click-and-mortar companies are experiencing more online success than their click-only competitors.

Answer: TRUE

Diff: 3 Page Ref: 504

Skill: Concept

Objective: 17-3

90) B2C Web sites deal with exchanges between businesses and companies.

Answer: FALSE

Diff: 1 Page Ref: 505

Skill: Concept

Objective: 17-3

91) Unlike Internet consumers, traditional offline consumers initiate and control contact with marketers.

Answer: FALSE

Diff: 2 Page Ref: 506

Skill: Concept

Objective: 17-3

92) Sales via B2B online marketing are expected to decrease in the next decade.

Answer: FALSE

Diff: 2 Page Ref: 506

Skill: Concept

Objective: 17-3

93) Business customers of Dell Computer have access to customized Web sites that include purchasing and asset management reports and system-specific technical information. Dell uses B2B online marketing.

Answer: TRUE

Diff: 3 Page Ref: 506-507

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

94) Companies such as eBay and Overstock.com facilitate C2C online marketing.

Answer: TRUE

Diff: 1 Page Ref: 507

AACSB: Use of IT

Skill: Concept

Objective: 17-3

95) C2B online marketing often involves the interchange of information through Internet forums, including customers' praise for and complaints about products.

Answer: TRUE

Diff: 2 Page Ref: 508

AACSB: Use of IT

Skill: Concept

Objective: 17-3

96) Companies conduct online marketing by creating a Web site, placing ads and promotions online, setting up or participating in online social networks, or mailing catalogs to potential customers.

Answer: FALSE

Diff: 2 Page Ref: 509

AACSB: Use of IT

Skill: Concept

Objective: 17-4

97) Natalie Brennan has been saving her money to buy a BMW convertible. Natalie has spent hours on the BMW Web site choosing the exterior and interior colors and studying the various options and models. Natalie has been using BMW's marketing Web site.

Answer: TRUE

Diff: 3 Page Ref: 509

Skill: Application

Objective: 17-4

98) Banners are online ads that pop up between changes on a Web site.

Answer: FALSE

Diff: 2 Page Ref: 511

AACSB: Use of IT

Skill: Concept

Objective: 17-4

99) Permission-based e-mail advertising allows marketers to send tailored messages to targeted customers who choose to have chosen to receive them.

Answer: TRUE

Diff: 1 Page Ref: 516

AACSB: Use of IT

Skill: Concept

Objective: 17-4

100) Since the introduction of the Do-Not-Call Registry, fraudulent schemes such as investment scams and phony collections for charity have been on the decline.

Answer: FALSE

Diff: 2 Page Ref: 517

Skill: Concept

Objective: 17-5

101) In a brief essay, explain the major benefits of direct marketing to both customers and sellers.

Answer: For customers, direct marketing is convenient, easy to use, and private. It gives buyers ready access to a wealth of products and information, at home or work and around the globe. It is immediate and interactive. For sellers, direct marketing is powerful for building customer relationships. Using database marketing, marketers can target small groups or individual consumers, tailor offers to individual needs, and promote these offers through personalized communications. It provides great timing and offers a low-cost, efficient alternative for reaching markets. Direct marketing has become the fastest-growing form of marketing.

Diff: 2 Page Ref: 492

AACSB: Reflective Thinking

Skill: Application

Objective: 17-1

102) How can a customer database be used as a relationship-building tool?

Answer: A customer database is an organized collection of data about individual customers or prospects, including detailed geographic, demographic, psychographic, and behavioral data. Companies can mine their databases to learn about customers in detail, and then fine-tune their market offerings and communications to the special preferences and behaviors of target segments or individuals. As the customer relationship continues, the company can learn more about the customer and can more accurately fine-tune its offerings to satisfy the customer's needs.

Diff: 2 Page Ref: 493-494

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

103) In a short essay, identify the major advantage of the following forms of direct marketing: telephone, direct-mail, catalog, direct-response television, and kiosk.

Answer: Telephone marketing provides purchasing convenience and increased product and service information. Direct mail marketing permits selectivity and personalization. Catalog marketing allows customers to buy just about anything they desire, and through online catalogs marketers can use real-time merchandising, adding or removing products based on their availability. Direct-response television marketing allows live demonstrations without salespeople coming to your home or business. Kiosk marketing places information and ordering machines in convenient places, such as airports, stores, and malls.

Diff: 3 Page Ref: 495-501

Skill: Application

Objective: 17-2

104) How has the implementation of the National Do-Not-Call Registry changed telephone marketing?

Answer: The National Do-Not-Call Registry was created by legislation passed in 2003; it bans most business telemarketing calls to registered phone numbers. However, people can still receive calls from nonprofit groups, politicians, and companies with which they have recently done business. Millions of customers have joined the do-not-call list, and businesses that break the laws can be fined heavily. The use of unsolicited outbound telemarketing has greatly decreased due to the law, but inbound consumer telemarketing and outbound business-to-business telemarketing remain strong and growing. Many telemarketers are shifting their call-center activity from making unsolicited cold calls on often resentful customers to managing existing customer relationships. They are developing "opt-in" calling systems, in which they provide useful information and offers to customers who have invited the company to contact them by phone or e-mail.

Diff: 2 Page Ref: 498

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

105) List and briefly describe the four major online marketing domains.

Answer: a. B2C (business-to-consumer) online marketing involves businesses selling goods and services online to final consumers. Today, almost anything can be purchased online.

b. B2B (business-to-business) online marketing involves businesses using Web sites, e-mail, online product catalogs, online trading networks, and other online resources to reach new business customers, better serve existing business customers, and obtain buying efficiencies and better prices.

c. C2C (consumer-to-consumer) online marketing involves consumers buying or exchanging goods or information directly with one another. Web sites such as eBay and Craigslist.com facilitate C2C trading, and blogs are an influential source of consumer-to-consumer information sharing.

d. C2B (consumer-to-business) online marketing involves consumers searching out online sellers, learning about their offers, and initiating purchases, sometimes even setting the terms of a transaction.

Diff: 2 Page Ref: 505-508

Skill: Application

Objective: 17-3

106) How do Internet consumers differ from traditional offline consumers?

Answer: They differ in their approaches to buying and in their responses to marketing. The exchange process via the Internet has become more customer-initiated and customer-controlled. In traditional marketing, the audience is somewhat passive; in online marketing, customers actively select which Web sites they will visit and what marketing information they will receive about which products and under what conditions.

Diff: 3 Page Ref: 506

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

107) Compare and contrast the purpose and content of a corporate Web site to that of a marketing Web site.

Answer: Corporate Web sites are designed to build customer goodwill and to supplement other sales channels, rather than to sell the company's products directly. They offer a rich variety of information and other features in an effort to answer customer questions, build closer relationships, and generate excitement about the company. In contrast, marketing Web sites are designed to go beyond the function of a corporate Web site and actually engage consumers in an interaction that will move them closer to a direct purchase. A marketing Web site allows customers to view, research, and purchase specific items.

Diff: 3 Page Ref: 509

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

108) To attract new visitors and to encourage revisits, online marketers should pay close attention to the seven Cs of effective Web site design. Briefly describe four of these seven Cs.

Answer: a. Context: the site's layout and design

b. Content: the text, pictures, sound, and video that the Web site contains

c. Community: the ways that the site facilitates user-to-user communication

d. Customization: the site's ability to tailor itself to different users or to allow users to personalize the site

e. Communication: the ways the site enables site-to-user, user-to-site, or two-way communication

f. Connection: the degree that the site is linked to other sites

g. Commerce: the site's capabilities to enable commercial transactions

Diff: 2 Page Ref: 510

AACSB: Use of IT

Skill: Application

Objective: 17-4

109) Describe two ways that marketers can participate in online social networks. What are the challenges and advantages of these approaches?

Answer: Marketers can engage in online communities by participating in existing Web communities or setting up their own. Many major brands have set up MySpace pages and profiles and opened virtual stores in virtual worlds such as Second Life. Companies can efficiently market to many potential customers as more and more people participate in online social networks. However, participating successfully in existing online social networks presents challenges. First, online social networks are new and results are hard to measure, and most companies are still experimenting with how to use them effectively. Second, such Web communities are largely user controlled, so a company must learn how to add value for consumers in order to avoid being seen as an intrusion. To be effective, marketers must become a valued part of the online experience. To avoid the mysteries and challenges of building a presence on existing online social networks, many companies are now launching their own targeted Web communities. Though marketers have control of their own targeted Web communities, they must then independently market and maintain the network.

Diff: 2 Page Ref: 513-515

AACSB: Reflective Thinking

Skill: Application

Objective: 17-4

110) Internet marketing practices have raised a number of ethical and legal questions. Why is invasion of privacy perhaps the number-one online marketing concern?

Answer: Web site activities provide extensive personal information. This may leave consumers open to information abuse if companies make unauthorized use of the information in marketing their products or exchanging databases with other companies. Critics worry that through database marketing, marketers know too much about consumers' lives and may not use that information responsibly, taking unfair advantage of consumers.

Diff: 2 Page Ref: 518

AACSB: Ethical Reasoning

Skill: Application

Objective: 17-5

111) Adams Cutlery has always relied upon advertising to market its products to final customers. However, the marketing team at Adams Cutlery now wants to begin a direct marketing campaign consisting of a company Web site, e-mails to current customers, and an online catalog. Which of the following would the marketing team expect to gain as a result of implementing this direct marketing plan?

A) the ability to increase the range of products the company offers

B) a wealth of information about competitors and their products

C) more control over customers' interactions with the company

D) the ability to learn more about their customers and tailor offerings to fit their needs

E) a higher cost-per-contact that could prove to be more cost effective than advertising in mass media

Answer: D

Diff: 2 Page Ref: 492

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

112) Financial services provider USAA sends materials about teaching teenagers how to drive safely to USAA customers who have children approaching driving eligibility age. USAA is using _____ information from a customer database to determine which customers should receive the materials.

A) demographic

B) geographic

C) psychographic

D) behavioral

E) key contact

Answer: A

Diff: 2 Page Ref: 493

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

113) Fiona Lambrech is the marketing director of a charity that raises funds to help provide educational services to children and families in developing countries. Fiona wants to reach a select market of individuals who have recently donated to international charities. Which of the following types of direct marketing will Fiona most likely use?

- A) direct-mail marketing
- B) catalog marketing
- C) telephone marketing
- D) kiosk marketing
- E) direct-response television marketing

Answer: A

Diff: 2 Page Ref: 495

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

114) Organic Designs is a small, successful chain of stores offering stylish clothes made of all-organic materials for infants, toddlers, and young children. Most of the Organic Designs stores are located in urban areas. Now Organic Designs is considering using direct marketing to reach potential customers who live outside of the company's existing markets, with the goal of creating emotional connections and long-term relationships with a new group of customers. Which of the following methods of direct marketing would most likely be effective in accomplishing this goal?

- A) mobile phone marketing
- B) interactive TV marketing
- C) catalog marketing
- D) kiosk marketing
- E) direct-response television marketing

Answer: C

Diff: 2 Page Ref: 496-497

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

115) Gutter Guys is a gutter installation company in Southern California that used to generate most of its sales through telemarketing but now uses direct mail to reach prospective customers. Which of the following most likely explains the reason that Gutter Guys switched from telemarketing to direct mail?

- A) Federal Trade Commission's Anti-Spam Act
- B) Privacy Promise to American Consumers
- C) California Online Privacy Protection Act
- D) Children's Online Privacy Protection Act
- E) National Do Not Call Registry

Answer: E

Diff: 1 Page Ref: 497-498

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

116) Neal Murphy sells his company's unique gift items on television programs and entire channels dedicated to selling goods and services. Neal is using _____.

- A) direct-response television advertising
- B) Internet-based infomercials
- C) B2B online marketing
- D) prime-time selling
- E) vodcasting

Answer: A

Diff: 2 Page Ref: 499

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

117) A producer of beverages and snack foods wants to market its products to the 18-to-34-year-old demographic by providing incentives to respond instantly to time-sensitive offers. Which of the following forms of direct marketing would this producer most likely choose?

- A) interactive TV
- B) direct-response TV
- C) mobile phone
- D) direct mail
- E) podcasting

Answer: C

Diff: 3 Page Ref: 502

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

118) Company X began as a brick-and-mortar company. Which of the following statements MUST be true?

- A) By adding online marketing options, Company X would become a click-and-mortar company.
- B) Company X is also considered a click-only dot-com.
- C) Company X should not be concerned about consumer-to-consumer online marketing.
- D) Company X is probably not making a profit.
- E) By adding online marketing options, Company X would become a click-only company.

Answer: A

Diff: 2 Page Ref: 504

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

119) Office Depot is a click-and-mortar company. Which of the following is LEAST likely to be an advantage that Office Depot has over click-only competitors?

- A) Office Depot is a known name with greater financial resources.
- B) Office Depot has a large, established customer base.
- C) By offering online marketing, Office Depot offers customers more options.
- D) Customers can find a local store and check its available stock online.
- E) Office Depot focuses on large accounts through its online presence and small businesses through its retail stores.

Answer: E

Diff: 3 Page Ref: 504-505

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

120) Green Gardens is a click-and-mortar seller of gardening and landscaping goods and equipment, but the marketing department wants to promote the Green Gardens Web site. When customers are unable to find a product they need on the shelves of their local Green Gardens, the marketing department wants them to search for the product on the Green Gardens Web site. Which of the following marketing devices is the best match for this goal?

- A) kiosks
- B) e-mail
- C) mobile phones
- D) telemarketing
- E) catalog marketing

Answer: A

Diff: 2 Page Ref: 505

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

121) ABC Company sells directly to final consumers and avoids intermediaries, while catering to a broad group of demographic segments. This marketer falls under which online marketing domain?

- A) B2C
- B) B2B
- C) C2C
- D) C2B
- E) A or C

Answer: A

Diff: 1 Page Ref: 505

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

122) Jane Cheatham, a stay-at-home mother, regularly posts new entries on a widely read blog. In these entries, she often reviews consumer products that she uses during the course of her day. Jane participates in _____.

- A) C2B online marketing
- B) C2C online marketing
- C) viral marketing
- D) content sponsorship
- E) online social networks

Answer: B

Diff: 1 Page Ref: 507

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

123) By using Priceline.com, potential buyers can bid for airline tickets, hotel rooms, rental cars, cruises, and vacation packages. It is then up to sellers to decide whether or not to accept an offered bid. This is an example of _____.

- A) B2B online marketing
- B) C2C online marketing
- C) B2C online marketing
- D) C2B online marketing
- E) multi-channel marketing

Answer: D

Diff: 1 Page Ref: 508

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

124) Converse has a Web site that welcomes consumers to "the Converse Century," invites readers to post their Converse stories, and offers a wide variety of Converse shoes for direct purchase. The site even allows customers to individually design their own shoes. The Converse site is most accurately categorized as which of the following types of Web sites?

- A) a B2B site
- B) a C2B site
- C) a C2C site
- D) a corporate site
- E) a marketing site

Answer: E

Diff: 2 Page Ref: 509

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

125) Oscar Aviation has a corporate Web site. Prospective customers are most likely able to do all of the following on the site EXCEPT _____.

- A) learn about Oscar's philosophy
- B) ask online questions
- C) enjoy entertainment features on the site
- D) purchase products
- E) register to receive more information from the company

Answer: D

Diff: 2 Page Ref: 509

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

126) In attempting to design an effective Web site, Company A tried to address all of the seven Cs. The site, however, has a weak layout and design. Which C does this represent?

- A) customization
- B) content
- C) context
- D) connection
- E) community

Answer: C

Diff: 2 Page Ref: 510

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

127) You are looking up airline schedules on the Internet. A bar at the top of the screen reads, "Stay at Holiday Inn and get a 25 percent discount!" This is a(n) _____.

- A) banner
- B) pop-under
- C) content sponsorship
- D) pop-up
- E) interstitial

Answer: A

Diff: 2 Page Ref: 511

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

128) You have accessed fare information on Northwest Airlines' Web site. You want to compare it with United Airlines' fares. In between screen changes, an ad appears from Alamo Car Rental. This is a(n) _____.

- A) banner
- B) pop-up
- C) content sponsorship
- D) pop-under
- E) interstitial

Answer: E

Diff: 2 Page Ref: 511

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

129) Uptown Cleaning Crew is a company that provides house cleaning services in major urban and suburban areas. Marketers at Uptown Cleaning Crew developed a short, humorous video promoting the company's services, and they hope that customers who see the video will be so entertained that they will pass it on to their friends and colleagues. The marketers at Uptown Cleaning Crew are using _____.

- A) a content sponsorship
- B) viral marketing
- C) C2B marketing
- D) rich media ads
- E) a marketing Web site

Answer: B

Diff: 2 Page Ref: 512

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

130) Runners can compare performances, set up profiles, and meet new friends on Nike's Nike Plus Web site. Nike Plus is an example of a _____.

- A) C2C marketing site
- B) viral marketing site
- C) Web community
- D) alliance and affiliate program
- E) contextual advertisement

Answer: C

Diff: 2 Page Ref: 515

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

131) After selecting a sweater on the Land's End Web site, Kelly Oldham filled out the required customer and credit card information. A box with a checkmark inside was next to the following statement : "Yes, I would like to receive promotional information via e-mail from Land's End." The statement suggests that Land's End is using which of the following marketing tools?

- A) spam
- B) phishing
- C) catalog marketing
- D) niche marketing
- E) permission-based e-mail marketing

Answer: E

Diff: 1 Page Ref: 516

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

132) Charlie Putnam received an e-mail promoting a new financial services institution that offers surprisingly low mortgage rates. The e-mail simply asked customers to provide their address, date of birth, social security number, and current mortgage information in order to receive a free loan quote. Suspicious of the offer, Charlie researched the company and discovered that the e-mail was a fraud. This is an example of _____.

- A) online eavesdropping
- B) phishing
- C) malware
- D) heat marketing
- E) viral marketing

Answer: B

Diff: 2 Page Ref: 517

AACSB: Analytic Skills

Skill: Application

Objective: 17-5

Refer to the scenario below to answer the following questions.

The Treble Clef offers a complete line of sheet music, musical instruments, and novelty gifts of a musical nature. In recent years, owner Gary Zahn has even served as the local representative of several musical instrument manufacturers, providing a contact person for three local school districts. "If we don't have it, chances are excellent that we can get it for you," Gary tells all Treble Clef visitors and customers.

Most walk-ins are particularly interested in a specific piece of sheet music from a particular era or just browsing among the hundreds of musical knick-knacks in the store. Gary spends most of his time making presentations to beginning music students at the local schools and making bi-weekly visits to the schools in order to deliver instruments, to make minor repairs when possible, or to pick up instruments to ship to the manufacturer for more complicated repairs.

After dragging his feet for quite some time, Gary was convinced that a Treble Clef Web site could benefit a variety of customers. He began with a simple site explaining store hours and depicting types of gifts and services available. The site received so much response that Gary added a question-and-answer option. Questions poured in, ranging from "Where can I get the sheet music for 'Hello, Dolly'?" to "Do you carry clarinet reeds?" to "My saxophone needs two new pads. When will you be at Elmhurst school to repair it?" The Web site is now able to accept credit card orders, and gifts can even be wrapped and shipped for no extra charge.

"I don't know how we did it without our Web site," Gary admitted. "It allows us to be so responsive. And our novelties sales have doubled!"

133) What type of online marketing is Gary Zahn using to promote the Treble Clef?

- A) B2B
- B) B2C
- C) viral marketing
- D) social networking
- E) contextual advertising

Answer: B

Diff: 1 Page Ref: 505

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

134) Which of the following BEST describes the Treble Clef?

- A) a brick-and-mortar company that is now a click-only retailer
- B) a dot-com that has added a storefront to service local customers
- C) a click-and-mortar company that used to be a brick-and-mortar retailer
- D) a brick-and-mortar retailer that is struggling to compete with click-only firms
- E) a brick-and-mortar company that established a Web community for musicians

Answer: C

Diff: 2 Page Ref: 504

AACSB: Analytic Skills

Skill: Application

Objective: 17-3

135) Many Treble Clef customers are seeking specific sheet music that Gary does not always have in-stock. Gary would like to provide a link on the store's Web site to a sheet music supplier with which he does business. On which of the following Web site design elements should Gary focus?

- A) context
- B) community
- C) customization
- D) connection
- E) content

Answer: D

Diff: 1 Page Ref: 510

AACSB: Analytic Skills

Skill: Application

Objective: 17-4

136) How does direct marketing give buyers access to more comparative information about companies, products, and competitors?

Answer: Catalogs and Web sites, both forms of direct marketing, can provide extensive product information and helpful product reviews. Customers can easily research companies, products, and competitors by comparing information in catalogs or on business-to-consumer and consumer-to-consumer Web sites.

Diff: 2 Page Ref: 492

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

137) How does online marketing provide flexibility for sellers?

Answer: Online marketing allows the marketer to make ongoing adjustments to its offers and programs. Online catalogs, if used, can be adjusted daily or even hourly if needed. Because the Internet is a global tool, it allows buyers and sellers to click from one country to another country in seconds.

Diff: 2 Page Ref: 492-493

AACSB: Analytic Skills

Skill: Application

Objective: 17-1

138) What kind of information is likely to be included in a business-to-business customer database?

Answer: Data might include products and services purchased by the customer, projected customer spending, competing suppliers, status of current contracts, key contacts and personal information, and assessments of competitive strengths and weaknesses in selling and servicing the account.

Diff: 2 Page Ref: 493-494

Skill: Application

Objective: 17-1

139) Why are people reached by direct mail better prospects for a company than those reached by mass media such as television or magazines?

Answer: Unlike mass media, direct mail allows for high target-market selectivity, so only consumers who are likely to become customers can be contacted; in addition, direct mail can be personalized for each individual, which helps to build customer relationships.

Diff: 2 Page Ref: 496

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

140) Why are printed catalogs still thriving in the face of the growing popularity of Web-based catalogs?

Answer: Printed catalogs are more effective at creating an emotional connection with customers and continue to be one of the best ways to lead customers to online catalogs.

Diff: 2 Page Ref: 497

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

141) Explain how the creation of the National Do-Not-Call Registry may have helped telemarketers more than it hurt them.

Answer: Instead of making cold calls to people who are likely to resent the intrusion, telemarketers have switched gears and now focus on managing existing customer relationships through "opt-in" calling systems that provide useful information and offers to customers who have given the company permission to contact them.

Diff: 2 Page Ref: 498-499

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

142) Why is the use of direct-response television growing in popularity?

Answer: Direct-response TV commercials are usually less expensive to produce than traditional television advertisements, and the media purchase is less costly; also, it is easy for marketers to track the effectiveness of a direct-response TV commercial because the ads always include a 1-800 number or Web address.

Diff: 3 Page Ref: 500

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

143) Provide an example of how a marketer uses kiosk marketing.

Answer: Answers will vary. Many airlines and hotels use kiosks as self-service check-in devices; many retail stores offer in-store ordering kiosks; kiosks in Target stores connect customers to relevant articles from *Consumer Reports* magazine.

Diff: 2 Page Ref: 501

Skill: Application

Objective: 17-2

144) How can firms that use new direct marketing technologies avoid backlash from consumers who view such marketing as an invasion of privacy?

Answer: Marketers should always target their direct marketing offers carefully and bring real value to customers through direct marketing.

Diff: 2 Page Ref: 504

AACSB: Analytic Skills

Skill: Application

Objective: 17-2

145) What types of services do B2B marketers offer online?

Answer: Most major B2B marketers now offer product information, customer purchasing, and customer support services online.

Diff: 2 Page Ref: 506

Skill: Application

Objective: 17-3

146) Explain how a company benefits from monitoring the blogosphere.

Answer: By staying up-to-date with the content on relevant blogs, a company can gain insights from its consumers and adjust its marketing programs accordingly; for example, a company might learn about the weaknesses or strengths of a new marketing campaign by monitoring reactions on blogs.

Diff: 2 Page Ref: 507-508

AACSB: Reflective Thinking

Skill: Application

Objective: 17-3

147) Provide two reasons that many companies are shifting more of their marketing dollars to online advertising.

Answer: More companies are increasing the portion of their marketing budget spent on online advertising because consumers are spending more and more time on the Internet. Rich media ads are particularly effective in engaging viewers, and search-related ads reach an audience likely to be interested in the product.

Diff: 2 Page Ref: 511

Skill: Application

Objective: 17-4

148) What is the purpose of content sponsorship? Provide an example of content sponsorship.

Answer: Content sponsorships are a form of Internet promotion; many companies gain exposure on the Internet by sponsoring special content on various Web sites, such as news and financial information. Sponsorships are best placed in carefully targeted sites where they can offer relevant information or service to the audience. Scotts, the lawn-and-garden company sponsors the Local Forecast section on WeatherChannel.com.

Diff: 2 Page Ref: 512

Skill: Application

Objective: 17-4

149) Explain the goal of viral marketing.

Answer: Viral marketing is the Internet version of word-of-mouth marketing. Viral marketing involves creating a Web site, e-mail message, or other event that is so infectious that customers will want to pass it along to their friends.

Diff: 2 Page Ref: 512-513

Skill: Application

Objective: 17-4

150) How has the direct marketing industry taken steps to address privacy and security concerns?

Answer: Some companies use a nonprofit self-regulatory organization that audits a company's security and privacy measures and then approves Web sites that meet its privacy and security standards. The Direct Marketing Association has started a Privacy Promise that asks member companies to agree to notify customers about the use of their private information and to honor customer requests to "opt-out" of receiving further solicitations.

Diff: 3 Page Ref: 519

Skill: Application

Objective: 17-5