Chapter 14 Communicating Customer Value: Integrated Marketing Communication Strategy

1) A company's total marketing communications mix consists of a special blend of advertising, sales promotion, public relations, personal selling, and direct-marketing tools that the company uses to communicate customer value and build customer relationships. This is also called

A) direct marketing
B) integrated marketing
C) the promotion mix
D) competitive marketing
E) target marketing
Answer: C
Diff: 1 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

2) The use of short-term incentives to encourage the purchase or sale of a product or service is called ______.
A) direct marketing
B) sales promotions
C) personal selling
D) public relations
E) publicity
Answer: B
Diff: 2 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

3) Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor is called ______.
A) sales promotion
B) advertising
C) direct marketing
D) personal selling
E) public relations
Answer: B
Diff: 1 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

4) Which of the five major promotion tools includes building up a positive corporate image and handling unfavorable stories and events?
A) sales promotion
B) personal selling
C) direct marketing
D) public relations
E) advertising
Answer: D
Diff: 2 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

5) Which of the following is NOT a major category in a company's promotion mix?
A) sales promotion
B) strategic positioning
C) direct marketing
D) public relations
E) advertising
Answer: B
Diff: 2 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

6) Which major promotion category makes use of catalogs, telephone marketing, kiosks, and the Internet?
A) sales promotion
B) direct marketing
C) publicity
D) public relations
E) advertising
Answer: B
Diff: 2 Page Ref: 402
AACSB: Communication
Skill: Concept
Objective: 14-1

7) Which major promotion category makes use of displays, discounts, coupons, and demonstrations?
A) sales promotion
B) direct marketing
C) publicity
D) public relations
E) advertising
Answer: A
Diff: 2 Page Ref: 403
AACSB: Communication
Skill: Concept
Objective: 14-1

8) The promotion mix is the company's primary communication activity; the marketing mix must be coordinated for the greatest communication impact. What is NOT included in the entire marketing mix?
A) product
B) competitor
C) price
D) place
E) promotion
Answer: B
Diff: 2 Page Ref: 403
Skill: Concept
Objective: 14-1

9) Mass-media advertising routinely involves a company investing millions or even billions of dollars to reach tens of ______ of customers with a single ad.

A) billions
B) thousands
C) millions
D) hundreds
E) tens
Answer: C
Diff: 1 Page Ref: 403
AACSB: Communication
Skill: Concept
Objective: 14-2

10) Today's consumers do not need to rely on marketer-supplied information about products and services because they can use _______ to seek out a wealth of information.
A) public relations
B) direct marketing
C) the Internet and other technologies
D) mass market media
E) informative advertising
Answer: C
Diff: 1 Page Ref: 403
AACSB: Use of IT
Skill: Concept
Objective: 14-2

11) Which of the following is NOT a factor in the changes occurring in today's marketing communications?

A) Mass markets have fragmented, and marketers are shifting away from mass marketing.

B) Improvements in communication technologies are changing how companies and customers communicate with each other.

C) Companies routinely invest millions of dollars in the mass media.

D) Mass media no longer capture the majority of promotional budgets.

E) Today's consumers are better informed about products and services.

Answer: D Diff: 3 Page Ref: 403 AACSB: Communication Skill: Concept Objective: 14-2

12) Moving away from _____, marketers have been shifting toward highly focused marketing, spawning a new generation of more specialized and highly targeted communications efforts.

A) mass marketing
B) advertising
C) direct marketing
D) pull strategies
E) push strategies
Answer: A
Diff: 2 Page Ref: 403
AACSB: Communication
Skill: Concept
Objective: 14-2

13) Which of the following is NOT an example of a specialized and highly-targeted media that an advertiser might use to reach smaller customer segments?
A) cable television channels
B) e-mail
C) podcasts
D) network television
E) online social networks
Answer: D
Diff: 2 Page Ref: 404
AACSB: Use of IT
Skill: Concept
Objective: 14-2

14) Companies are doing less ______ and more ______ as a result of an explosion of more focused media that better match today's targeting strategies.
A) marketing; media
B) media; sales
C) narrowcasting; broadcasting
D) broadcasting; narrowcasting
E) advertising; word-of-mouth
Answer: D
Diff: 2 Page Ref: 404
AACSB: Communication
Skill: Concept
Objective: 14-2

15) In the "chaos scenario" predicted by some advertising industry experts, the old mass-media communications model will be abandoned in favor of ______.

A) public relations
B) direct marketing
C) push and pull strategies
D) the possibilities of new digital technologies
E) buzz marketing
Answer: D
Diff: 2 Page Ref: 404
AACSB: Use of IT
Skill: Concept
Objective: 14-2

16) All of the following are reasons that marketers are losing confidence in television advertising EXCEPT which one?A) TV ad spending is rising at a slower rate than online ad spending.B) TV and other mass media still capture the lion share of promotional budgets.C) Many viewers are using video on demand and TiVo-like systems.

D) Younger consumers are using different media.

E) TV audience size is on the decline.

Answer: B

Diff: 3 Page Ref: 404 AACSB: Communication Skill: Concept Objective: 14-2

17) Companies often fail to integrate their various communications to consumers because

A) historically, consumers have been able to distinguish between message sources
B) advertising departments are reluctant to work with public relations professionals
C) communications often come from different parts of the company
D) personal selling and sales promotion are in direct conflict
E) they have failed to understand the concept of brand contact
Answer: C
Diff: 2 Page Ref: 405
AACSB: Communication
Skill: Concept
Objective: 14-2

18) All too often companies today have failed to ______ their various communications channels, resulting in a hodgepodge of communications to consumers.

A) promote
B) rechannel
C) integrate
D) open
E) verify
Answer: C
Diff: 1 Page Ref: 405
AACSB: Communication
Skill: Concept
Objective: 14-2

19) Consumers today receive commercial messages from a broad range of sources. However, consumers _______ the way marketers do.
A) don't distinguish between message sources
B) are able to differentiate among messages sources
C) don't care about buzz marketing
D) are not able to block out messages
E) block them all out
Answer: A
Diff: 2 Page Ref: 405
AACSB: Communication
Skill: Concept
Objective: 14-2

20) More companies are adopting the concept of ______, which carefully integrates and coordinates the company's many communication channels to deliver a clear, consistent, and compelling message about the organization and its brands.

A) integrated marketing communications
B) integrated personal selling
C) integrated competitive methods
D) nonpersonal communication channels
E) buzz marketing
Answer: A
Diff: 3 Page Ref: 405
AACSB: Communication
Skill: Concept
Objective: 14-2

21) Advertising, sales promotion, personal selling, public relations, and direct marketing are all

A) communications channels that should be integrated under the concept of integrated marketing communications

B) communications channels focused more on narrowcasting than broadcasting

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 adapted for use in mass marketing

Answer: A Diff: 2 Page Ref: 405

AACSB: Communication

Skill: Concept

Objective: 14.2

Objective: 14-2

22) 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) independent communications directors
C) separate marketing objectives
D) the same target audience
E) the same message, look, and feel
Answer: E
Diff: 2 Page Ref: 406
AACSB: Communication
Skill: Concept
Objective: 14-2

23) To produce better communications consistency, a unified company image, and greater sales impact, some companies employ a(n) ______.
A) advertising agency
B) marketing communications director
C) public relations specialist
D) personal sales force
E) media planner
Answer: B
Diff: 2 Page Ref: 407
AACSB: Communication
Skill: Concept
Objective: 14-2

24) Integrated marketing communications produces better communications ______ and greater ______ impact.
A) consistency; sales
B) sales; consistency
C) marketing; sales
D) variety; production
E) branding; quality
Answer: A
Diff: 2 Page Ref: 407
AACSB: Communication
Skill: Concept
Objective: 14-2

25) Today, marketers are moving toward viewing communications as managing the ______
over time.
A) advertising agency
B) nonpersonal communication channels
C) word-of-mouth influence
D) customer relationship
E) product life cycle
Answer: D
Diff: 2 Page Ref: 407
AACSB: Communication
Skill: Concept
Objective: 14-3

26) Integrated marketing communications involves identifying the target audience and shaping a well-coordinated _______ to elicit the desired audience response.
A) pull strategy
B) push strategy
C) promotional program
D) opinion leader
E) target market
Answer: C
Diff: 2 Page Ref: 407
AACSB: Communication
Skill: Concept
Objective: 14-3

27) Using integrated marketing communications, the communications process should start with

A) advertising strategy
B) the competitive-parity method
C) public relations
D) an audit of all the potential customer touch points
E) publicity
Answer: D
Diff: 3 Page Ref: 408
AACSB: Communication
Skill: Concept
Objective: 14-3

28) Which of the following is NOT one of the four major communication functions?
A) feedback
B) encoding
C) noise
D) response
E) decoding
Answer: C
Diff: 2 Page Ref: 408
AACSB: Communication
Skill: Concept

Objective: 14-3

29) The communication channel a company uses to move its advertising messages from sender to receiver is called the ______.
A) message
B) media
C) encoder
D) communicator
E) feedback loop
Answer: B
Diff: 2 Page Ref: 408
AACSB: Communication
Skill: Concept
Objective: 14-3

30) The receiver assigns meaning to the symbols encoded by a company in its advertisements through a process known as ______.
A) disencoding
B) feedback
C) acknowledgement
D) decoding
E) response
Answer: D
Diff: 2 Page Ref: 408
AACSB: Communication
Skill: Concept
Objective: 14-3

31) In the communication process, the reaction of the receiver after being exposed to a message is called the ______.
A) response
B) answer
C) noise
D) feedback
E) decoding
Answer: A
Diff: 1 Page Ref: 409
AACSB: Communication
Skill: Concept

Objective: 14-3

32) When a customer lets a producer know something about its products or advertising, the customer is providing ______.
A) decoding
B) noise
C) feedback
D) encoding
E) reverse marketing
Answer: C
Diff: 2 Page Ref: 409
AACSB: Communication
Skill: Concept
Objective: 14-3

33) A consumer is reading a magazine with an advertisement, but is distracted from reading the advertisement or its key points. This unplanned static or distortion during the communication process is called ______.

A) noise
B) distraction
C) feedback
D) response
E) decoding
Answer: A
Diff: 2 Page Ref: 409
AACSB: Communication
Skill: Concept
Objective: 14-3

34) In the communication process, the more the sender's field of experience ______ that of the receiver, the more ______ the message is likely to be. A) varies from; distinguishable B) overlaps with; effective C) connects with; ineffective D) coincides with; creative E) departs from; direct Answer: B Diff: 3 Page Ref: 409 AACSB: Communication Skill: Concept Objective: 14-3 35) To communicate effectively, a marketing communicator must ______ the consumer's field of experience. A) compete with B) share C) understand D) create E) reference Answer: C Diff: 2 Page Ref: 409 AACSB: Communication Skill: Concept Objective: 14-3 36) Marketing communicators must be good at _____ messages that take into account how the target audience _____ them. A) delivering; encodes B) sending; encodes C) encoding; decodes D) retrieving; perceives E) decoding; receives Answer: C Diff: 3 Page Ref: 409 AACSB: Communication Skill: Concept Objective: 14-3

37) Marketing communicators must do all of the following EXCEPT ______.
A) identify the target audience
B) deliver products to the customer
C) determine the communication objectives
D) collect feedback
E) choose the media through which to send a message
Answer: B
Diff: 2 Page Ref: 409
AACSB: Communication
Skill: Concept
Objective: 14-3

38) The six ________ stages that consumers normally pass through on their way to making a purchase include awareness, knowledge, liking, preference, conviction, and purchase.
A) personal readiness
B) buyer-readiness
C) objective readiness
D) purchase direct readiness
E) supplier readiness
Answer: B
Diff: 2 Page Ref: 409
Skill: Concept
Objective: 14-3

39) The six buyer-readiness stages include all of the following EXCEPT ______.
A) awareness
B) knowledge
C) power
D) liking
E) hesitation
Answer: E
Diff: 2 Page Ref: 409
Skill: Concept
Objective: 14-3
40) In the model of buyer-readiness stages, the first stage is _____.
A) preference
D) Image labeled as

B) knowledge
C) liking
D) awareness
E) insistence
Answer: D
Diff: 1 Page Ref: 409
Skill: Concept
Objective: 14-3

41) All of the following are strategies a marketer would use to lead consumers into making the final step toward a purchase EXCEPT which one?
A) offer special promotional prices
B) offer add-on features
C) offer premiums
D) use extensive "teaser" advertising
E) C or D
Answer: D
Diff: 3 Page Ref: 410
AACSB: Communication
Skill: Concept
Objective: 14-3

42) A message showing a product's quality, economy, value, or performance is called a(n) ______ appeal.
A) structural
B) rational
C) emotional
D) moral
E) standard
Answer: B
Diff: 2 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

43) Marketers using humor in their messages claim that they attract more attention and create more loyalty and belief in the brand. This type of message is called a(n) ______ appeal.
A) rational
B) structural
C) emotional
D) moral
E) standard
Answer: C
Diff: 2 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

44) Though a popular appeal, when used poorly ______ can detract from comprehension, quickly wear out its welcome, overshadow the product, or even irritate consumers.
A) humor
B) nonpersonal communication
C) direct marketing
D) integrated marketing
E) noise
Answer: A
Diff: 3 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

45) Moral appeals are directed to the audience's sense of what is "right" and ______.
A) proper
B) affordable
C) traditional
D) positive
E) emotional
Answer: A
Diff: 2 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

46) The communicator must decide how to handle message structure issues. One issue is whether to ______ or not.
A) draw a conclusion
B) make a moral appeal
C) use the pull strategy
D) use the push strategy
E) avoid competitors
Answer: A
Diff: 3 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

47) A(n) ______ argument is only likely to be effective when the audience is highly educated or likely to hear opposing claims, or when the communicator has a negative association to overcome.

A) two-sided
B) one-sided
C) moral
D) emotional
E) scientific
Answer: A
Diff: 3 Page Ref: 412
AACSB: Communication
Skill: Concept
Objective: 14-3

48) In designing the message structure, marketers must decide whether to present the ________ arguments first or last in a message.
A) emotional
B) structural
C) moral
D) strongest
E) scientific
Answer: D
Diff: 2 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

49) The two broad types of ______ channels are personal and nonpersonal.
A) marketing
B) competitive
C) communication
D) buyer
E) seller
Answer: C
Diff: 1 Page Ref: 412
AACSB: Communication
Skill: Concept
Objective: 14-3

50) Communication through the mail is categorized as a(n) ______ communication channel. A) nonpersonal B) word-of-mouth C) personal D) objective E) inefficient Answer: C Diff: 2 Page Ref: 412 AACSB: Communication Skill: Concept Objective: 14-3

51) Creating word-of-mouth campaigns by cultivating opinion leaders and getting them to spread information about a product or service to others in their communities is known as _____. A) sales promotion B) indirect marketing C) buzz marketing D) stealth marketing E) public relations Answer: C Diff: 1 Page Ref: 413 AACSB: Communication Skill: Concept **Objective: 14-3** 52) Nonpersonal communication channels include major media, _____, and events. A) sales calls B) buzz marketing C) atmospheres D) word of mouth

E) e-mail Answer: C Diff: 2 Page Ref: 413 AACSB: Communication Skill: Concept Objective: 14-3 53) Vast numbers of consumers are aware of your product. It is now your goal to enhance preference for your product. You plan to use nonpersonal communications through print media. This will include all of the following EXCEPT _____.
A) newspapers
B) magazines
C) Internet "chats"
D) direct mail
E) catalogs
Answer: C
Diff: 1 Page Ref: 413
AACSB: Communication
Skill: Concept
Objective: 14-3

54) To ______, a marketer can ask target audience members whether they remember the message, how many times they saw it, and what points they remember.
A) select a message source
B) collect feedback
C) select a message channel
D) plan a media purchase
E) design a marketing appeal
Answer: B
Diff: 2 Page Ref: 414
AACSB: Communication
Skill: Concept
Objective: 14-3

55) _____ from marketing communications may suggest changes in the promotion program or in the product offer itself.

A) Encoding
B) Decoding
C) Feedback
D) Noise
E) Shelter
Answer: C
Diff: 2 Page Ref: 414
AACSB: Communication
Skill: Concept
Objective: 14-3

56) Companies use all of the following methods to set their advertising budget EXCEPT the

A) objective-and-task method
B) integrated method
C) competitive-parity method
D) percentage-of-sales method
E) affordable method
Answer: B
Diff: 1 Page Ref: 415
Skill: Concept
Objective: 14-4

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

A) integrated
B) moving-average
C) competitive-parity
D) percentage-of-sales
E) affordable
Answer: E
Diff: 2 Page Ref: 415
Skill: Concept
Objective: 14-4

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

A) percentage-of-sales
B) affordable
C) competitive-parity
D) objective-and-task
E) regression
Answer: A
Diff: 2 Page Ref: 415
Skill: Concept
Objective: 14-4

59) Which method of setting an advertising budget is based on analyzing competitors' spending?
A) percentage-of-sales method
B) affordable method
C) competitive-parity method
D) objective-and-task method
E) regression method
Answer: C
Diff: 2 Page Ref: 416
Skill: Concept
Objective: 14-4

60) Perhaps the most logical budget-setting method is the ______ method because it is based on spending necessary to accomplishing specific promotion goals.
A) percentage-of-sales
B) affordable
C) competitive-parity
D) objective-and-task
E) exponential smoothing
Answer: D
Diff: 2 Page Ref: 416
Skill: Concept
Objective: 14-4

61) Advertising has some shortcomings. What is NOT one of them?
A) It is impersonal.
B) It can be very costly.
C) It slowly reaches many people.
D) It carries on one-way communication with the audience.
E) It does not make audience members feel the need to respond.
Answer: C
Diff: 3 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4

62) ______ is the company's most expensive promotion tool.
A) Advertising
B) Personal selling
C) Mass media
D) Public relations
E) Publicity
Answer: B
Diff: 3 Page Ref: 417
Skill: Concept
Objective: 14-4

63) Which promotional tool is most effective in building up buyers' preferences, convictions, and, most importantly, actions?
A) mass-market advertising
B) personal selling
C) segmented advertising
D) sales promotion
E) public relations
Answer: B
Diff: 2 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4

64) Sales promotion features a wide assortment of tools. Which of the following is <u>NOT</u> one of these tools?
A) contests
B) premiums
C) catalogs
D) coupons
E) cents-off deals
Answer: C
Diff: 2 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4
65) "Buy it now" is the message of ______.
A) personal selling
B) advertising

C) a nonpersonal communication channel

D) sales promotionE) publicity

Answer: D Diff: 2 Page Ref: 417

AACSB: Communication Skill: Concept

Objective: 14-4

66) ______ consists of strong short-term incentives that invite and reward quick responses from customers.
A) A patronage reward
B) A segmented promotion
C) Advertising
D) Sales promotion
E) Publicity
Answer: D
Diff: 1 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4

67) ______ is very believable because news stories, features, sponsorships, and events seem more real and believable to readers than ads do.
A) The competitive-parity method
B) Public relations
C) Personal communication
D) Nonpersonal communication
E) Personal selling
Answer: B
Diff: 2 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4

68) Which promotional tool is described as nonpublic, immediate, customized, and interactive?
A) segmented advertising
B) sales promotion
C) direct marketing
D) brand contacts
E) public relations
Answer: C
Diff: 2 Page Ref: 418
AACSB: Communication
Skill: Concept
Objective: 14-4

69) Which promotional mix strategy directs marketing efforts toward final consumers?
A) pull
B) blitz
C) push
D) buzz
E) pulse
Answer: A
Diff: 1 Page Ref: 418
AACSB: Communication
Skill: Concept
Objective: 14-4

70) Which promotional mix strategy directs marketing efforts toward market channel members?
A) pull
B) blitz
C) push
D) buzz
E) pulse
Answer: C
Diff: 1 Page Ref: 418
AACSB: Communication
Skill: Concept
Objective: 14-4

71) Business-to-consumer companies are more likely to emphasize a ______ promotion strategy, while business-to-business companies are more likely to emphasize a ______ promotion strategy.
A) pull; push
B) push; pull
C) pulse; pull
D) continuity; pulse
E) pulse; continuity
Answer: A
Diff: 1 Page Ref: 418
AACSB: Communication
Skill: Concept
Objective: 14-4

72) Which of the following is LEAST important for integrating a firm's marketing communications?
A) analyze internal and external trends
B) audit the pockets of communications spending throughout the organization
C) identify all customer touch points for the company and its brands
D) study the competitor's communications and promotions
E) create performance measures for all communications elements
Answer: D
Diff: 3 Page Ref: 420-421
AACSB: Communication
Skill: Concept
Objective: 14-4

73) Bait-and-switch advertising ______.
A) attracts buyers under false pretenses
B) is unethical
C) is illegal
D) is deceptive
E) all of the above
Answer: E
Diff: 1 Page Ref: 421
AACSB: Ethical Reasoning
Skill: Concept
Objective: 14-4

74) Which of the following would be classified as bait-and-switch advertising?
A) advertising a cheaper brand but only making a more expensive one available to customers
B) raising a product's prices
C) attempting to charge less for a brand than for manufacturers' brands
D) advertising service packages that cannot actually be provided
E) favoring certain customers over others through trade promotions
Answer: A
Diff: 2 Page Ref: 421
AACSB: Ethical Reasoning
Skill: Concept
Objective: 14-4

75) A company's salespeople should always follow the rules of ______.
A) high-pressure selling
B) societal marketing
C) competition
D) fair competition
E) cooling-off
Answer: D
Diff: 2 Page Ref: 422
AACSB: Ethical Reasoning
Skill: Concept
Objective: 14-4

76) 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) direct marketing
E) advertising
Answer: B
Diff: 1 Page Ref: 402
AACSB: Reflective Thinking
Skill: Application
Objective: 14-1

77) Tara Keegan owns Live Well, a small chain of health stores offering a variety of natural health products and related services. In order to implement integrated marketing communications, Tara has hired a marketing communications director, whose job it will be to ensure that each ______ will deliver a consistent and positive message about the company.
A) public relations message
B) brand contact
C) advertisement
D) logo
E) media vehicle
Answer: B
Diff: 2 Page Ref: 406
AACSB: Reflective Thinking
Skill: Application
Objective: 14-1

78) 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) contact
C) consistency
D) creativity
E) convenience
Answer: C
Diff: 1 Page Ref: 405
AACSB: Reflective Thinking
Skill: Application
Objective: 14-2

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

A) buzz marketing
B) experiential marketing
C) integrated marketing communication
D) word of mouth marketing
E) database marketing
Answer: C
Diff: 1 Page Ref: 406
AACSB: Reflective Thinking
Skill: Application
Objective: 14-2

80) HP's advertising agency assembles words and illustrations into an advertisement that will convey the company's intended brand message. In the communication process, HP is ______.
A) messaging
B) encoding
C) sending
D) decoding
E) responding
Answer: B
Diff: 1 Page Ref: 408
AACSB: Communication
Skill: Application
Objective: 14-3

81) The decision to use a cleaning genie to communicate the strength and power of Mr. Clean cleaning liquid is representative of the ______ process of the communication model.
A) sourcing
B) encoding
C) signifying
D) decoding
E) messaging
Answer: B
Diff: 2 Page Ref: 408
AACSB: Communication
Skill: Application
Objective: 14-3

82) In the communication process, an actual HP printer/fax machine advertisement is called

A) encodingB) decodingC) noiseD) the messageE) the mediumAnswer: DDiff: 2 Page Ref: 408AACSB: CommunicationSkill: ApplicationObjective: 14-3

83) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Melina Kanakaredes and offered readers a \$1-off coupon when they try the new makeup. In terms of the communication model, the sender of this message is ______.
A) Melina Kanakaredes
B) *Ladies' Home Journal*C) readers who redeem the \$1-off coupon
D) Maybelline
E) the target market to whom Melina Kanakaredes appeals
Answer: D
Diff: 2 Page Ref: 408
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3

84) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Melina Kanakaredes and offered readers a \$1-off coupon when they try the new makeup. In terms of the communication model, the medium of this ad is ______.
A) Melina Kanakaredes
B) *Ladies' Home Journal*C) readers who redeem the \$1-off coupon
D) Maybelline
E) the target market to whom Melina Kanakaredes appeals
Answer: B
Diff: 1 Page Ref: 408
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3

85) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Melina Kanakaredes and offered readers a \$1-off coupon when they try the new makeup. In terms of the communication model, which of the following would be the best way for the source to measure feedback?

A) the number of subscribers to Ladies' Home Journal

B) the number of people make up the target market

C) the number of people who redeem the coupon

D) the number of people who were exposed to the ad

E) the number of people to whom Melina Kanakaredes is an appealing spokesperson Answer: C Diff: 2 Page Ref: 409 AACSB: Analytic Skills

Skill: Application Objective: 14-3

86) Mercy University's initial ads for the school's new MBA program are most likely intended to create _____.

A) liking
B) awareness
C) preference
D) insistence
E) conviction
Answer: B
Diff: 2 Page Ref: 409
AACSB: Communication
Skill: Application
Objective: 14-3

87) When a car-maker wants to introduce a new model, it is most likely to began with an extensive _______ advertising campaign to create name familiarity and interest.
A) sales promotion
B) competitive
C) teaser
D) moral appeal
E) two-sided
Answer: C
Diff: 3 Page Ref: 409
AACSB: Communication
Skill: Application
Objective: 14-3

88) An example of a(n) ______ appeal is the Salvation Army appeal, "While you were trying to figure out what to get the man who has everything, don't forget the man who has nothing."
A) emotional
B) awareness
C) rational
D) moral
E) standard
Answer: D
Diff: 2 Page Ref: 411
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3
89) Which of the following represent(s) a two-sided message?

A) Listerine tastes bad twice a day.
B) Heinz Ketchup is slow good.
C) Etonic athletic shoes are built so you can last.
D) A and B
E) none of the above
Answer: D
Diff: 1 Page Ref: 412
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3

90) A manufacturer of a variety of technological devices asked its marketing department to develop inexpensive methods of building and maintaining brand awareness and excitement. The marketing department then recruited consumers who were early adopters of technological devices to spread the word about the company's new products. This is an example of ______.
A) public service activities
B) nonpersonal marketing
C) buzz marketing
D) sales promotion
E) direct marketing
Answer: C
Diff: 3 Page Ref: 413
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3

91) Toward the end of the fiscal year, the owner of a small company came back from lunch concerned because he had learned that a business targeted to the same customers as his was planning on spending \$150,000 on promotion. As soon as he arrived at the office, he called his financial manager and said, "I want to budget \$150,000 for next year's promotion." Which method of promotional budgeting did the owner want to use?

A) the objective-task method
B) the percentage-of-sales method
C) the competitive-parity method
D) the bottom-up method
E) the pull-push method
Answer: C
Diff: 2 Page Ref: 416
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

92) An e-mail from Amazon.com offers free shipping on your next purchase of more than \$35. This is an example of ______.
A) sales promotion
B) personal selling
C) public relations
D) an advertising objective
E) a push strategy
Answer: A
Diff: 2 Page Ref: 417
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

93) Mariah Goldberg, a marketing manager for a manufacturer of children's toys, is looking for ways to reach potential customers who typically avoid salespeople and advertisements. Which of the following would be the most economical promotional tool for Mariah to use?

A) sales promotion
B) personal selling
C) public relations
D) direct marketing
E) brand contacts
Answer: C
Diff: 3 Page Ref: 417
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

94) A newspaper article announced that VoiceStream Wireless, the nation's sixth-largest wireless carrier, was changing its name to T-Mobile and that to begin the makeover process it had replaced spokesperson Jamie Lee Curtis with Catherine Zeta-Jones. Of which element of the promotion mix is this an example?

A) sales promotion
B) advertising
C) public relations
D) personal selling
E) product
Answer: C
Diff: 2 Page Ref: 417
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

95) Clean and Clear, a large producer of all-natural hair care and beauty products, is most likely to use which of the promotion mix strategies to gain increased shelf space in stores and to gain increased customer sales?

A) push
B) pull
C) push and pull
D) pulse
E) continuity
Answer: C
Diff: 2 Page Ref: 418
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

96) 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: 418 AACSB: Reflective Thinking Skill: Application Objective: 14-4

97) 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: 418
AACSB: Reflective Thinking
Skill: Application
Objective: 14-4

98) A maker of vitamin drinks wants to compete with the leading brands in the category and has decided to use a heavy push strategy, putting most of the brand's marketing budget into trade and consumer sales promotion. Which of the following is a potential disadvantage of this approach?
A) A new marketing communications model is quickly replacing mass marketing.
B) Mass media campaigns are increasingly more expensive.
C) It may be difficult to identify meaningful product differences in advertising.
D) Retail giants may be reluctant to respond to the strategy.
E) The strategy may spark a spiral of price-slashing that will undercut the brand's future for short-term gains.
Answer: E
Diff: 3 Page Ref: 419
AACSB: Analytic Skills
Skill: Application
Objective: 14-4

Refer to the scenario below to answer the following questions.

John Mayes opened Sparkle Janitorial in 1999. John began by acquiring two contracts for office cleaning services from two local manufacturing facilities. For two years, John and his wife, Barb, performed the cleaning services alone. After acquiring three additional cleaning contracts in 2001, John hired two employees.

"Up to that point, we had room to grow but we really had no advertising plan," John stated. "We were relying mostly on word-of-mouth."

By 2003, Barb hired another two full-time employees to begin Sparkle's new endeavor: carpet cleaning in homes and offices. "Competition was getting tough for both of our services at that point," Barb added. "We ran a local radio spot three times each week. Then we had an advertiser print coupons on placemats. That gave us a little more exposure."

John and Barb Mayes admit that they never realized the value of a sound promotional plan before now. "We wish we would have put together something catchy with a jingle way before now," they said.

99) Which of the following would be the LEAST effective way for John and Barb to reach new potential customers?A) word-of-mouth influence

A) word-or-mouth influence
B) buzz marketing
C) public relations
D) network television advertising
E) direct marketing
Answer: D
Diff: 2 Page Ref: 417
AACSB: Analytic Skills
Skill: Application
Objective: 14-4

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

A) emotional appeal
B) standard appeal
C) rational appeal
D) moral appeal
E) social appeal
Answer: C
Diff: 2 Page Ref: 411
AACSB: Reflective Thinking
Skill: Application
Objective: 14-3

101) A company's marketing communications mix is also called its promotion mix.Answer: TRUEDiff: 1 Page Ref: 402AACSB: CommunicationSkill: ConceptObjective: 14-1

102) Sales promotion makes use of press releases and special events.Answer: FALSEDiff: 2 Page Ref: 403AACSB: CommunicationSkill: ConceptObjective: 14-1

103) Though mass marketing was effective in past decades, large companies no longer routinely invest large chunks of their advertising budgets in mass-media outlets such as television and magazines.
Answer: FALSE
Diff: 2 Page Ref: 403
AACSB: Communication
Skill: Concept
Objective: 14-2

104) Mass markets have fragmented; thus, marketers are shifting away from mass marketing.Answer: TRUEDiff: 1 Page Ref: 403AACSB: CommunicationSkill: ApplicationObjective: 14-2

105) Vast improvements in information technology are speeding the movement toward segmented marketing.
Answer: TRUE
Diff: 3 Page Ref: 403
AACSB: Use of IT
Skill: Concept
Objective: 14-2

106) New communications technologies such as cell phones and the Internet give companies new media for interacting with targeted consumers, but these new technologies also give consumers more control of the advertising messages they receive.
Answer: FALSE
Diff: 2 Page Ref: 403
AACSB: Use of IT
Skill: Concept
Objective: 14-2

107) Mass marketers can expect consumers to distinguish between commercial message sources to maintain a clear image of a company and its brands.
Answer: FALSE
Diff: 2 Page Ref: 405
AACSB: Communication
Skill: Concept
Objective: 14-2

108) The integrated marketing concept ties together all of the company's messages and images.Answer: TRUEDiff: 1 Page Ref: 405AACSB: CommunicationSkill: ConceptObjective: 14-2

109) Integrated marketing communications allows brand messages to be developed by different departments within an organization.
Answer: FALSE
Diff: 2 Page Ref: 406
AACSB: Communication
Skill: Concept
Objective: 14-2

110) A marketing communications director has overall responsibility for the company's communications efforts.
Answer: TRUE
Diff: 2 Page Ref: 407
AACSB: Communication
Skill: Concept
Objective: 14-2

111) The communications process should start with mass media advertising to reach many consumers.Answer: FALSEDiff: 2 Page Ref: 408AACSB: CommunicationSkill: ConceptObjective: 14-3

112) The four major communication functions are encoding, decoding, response, and noise.Answer: FALSEDiff: 2 Page Ref: 408AACSB: CommunicationSkill: ConceptObjective: 14-3

113) Encoding is the process by which the receiver assigns meaning to symbols.Answer: FALSEDiff: 2 Page Ref: 408AACSB: CommunicationSkill: ConceptObjective: 14-3

114) Decoding is the process of putting thought into symbolic form.Answer: FALSEDiff: 2 Page Ref: 408AACSB: CommunicationSkill: ConceptObjective: 14-3

115) Awareness, knowledge, and preparation are buyer-readiness stages.Answer: FALSEDiff: 2 Page Ref: 409Skill: ConceptObjective: 14-3

116) "Teaser" advertising is most closely associated with the buyer-readiness stage of liking a product.Answer: FALSEDiff: 3 Page Ref: 409Skill: ApplicationObjective: 14-3

117) There are three types of appeal from which marketers may choose as they design their message content. These types are rational, emotional, and moral appeals.
Answer: TRUE
Diff: 2 Page Ref: 411
AACSB: Communication
Skill: Concept
Objective: 14-3

118) The "Stop. Think. Tylenol." ad is an example of a moral appeal.Answer: FALSEDiff: 2 Page Ref: 411AACSB: Reflective ThinkingSkill: ApplicationObjective: 14-3

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

Answer: TRUE Diff: 1 Page Ref: 411 AACSB: Communication Skill: Application Objective: 14-3

120) Buzz marketing involves cultivating opinion leaders and getting them to spread information about a product or service to others in their communities.
Answer: TRUE
Diff: 1 Page Ref: 413
AACSB: Communication
Skill: Concept
Objective: 14-3

121) The percentage-of-sales method wrongly views sales as the cause of promotion rather than the result.Answer: TRUEDiff: 2 Page Ref: 415Skill: ConceptObjective: 14-4

122) The affordable method sets promotion budgets to match competitors' outlays.Answer: FALSEDiff: 2 Page Ref: 415Skill: ConceptObjective: 14-4

123) Large-scale advertising conveys a positive message about the seller's size, popularity, and success.
Answer: TRUE
Diff: 2 Page Ref: 417
AACSB: Communication
Skill: Concept
Objective: 14-4

124) If the pull strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.Answer: TRUEDiff: 2 Page Ref: 418Skill: ConceptObjective: 14-4

125) A recent trend toward more push than pull in the mixes of consumer-goods companies may achieve short-run sales at the expense of brand equity.
Answer: TRUE
Diff: 3 Page Ref: 418
AACSB: Analytic Skills
Skill: Application
Objective: 14-4

126) A company's marketing communications mix \Box also called its promotion mix \Box blends five different parts. Name and define these parts.

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

Diff: 2 Page Ref: 402 AACSB: Communication Skill: Concept Objective: 14-1

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

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

Diff: 3 Page Ref: 403 AACSB: Analytic Skills Skill: Application Objective: 14-2 128) Explain the concept of integrated marketing communications (IMC). 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: 1 Page Ref: 405 AACSB: Communication Skill: Application Objective: 14-2

129) Name and define the four major communication functions.

Answer: Encoding is the process of putting thought into symbolic form. Decoding is the process by which the receiver assigns meaning to the symbols encoded by the sender. In addition, response refers to the reactions of the receiver after being exposed to the message. Feedback is the part of the receiver's response communicated back to the sender. Diff: 2 Page Ref: 408 AACSB: Communication Skill: Application Objective: 14-3

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

Answer: The marketers of Benadryl are the sender. These marketers encoded their ideas into the actual message, which includes the images and text of the advertisement. The medium for this communication is the page in *Better Homes and Gardens*. The receiver is anyone reading the magazine who sees this page of advertising; the receiver may or may not decode the message in the way the marketers intended. Noise could pop up at any stage of the communication process. Diff: 1 Page Ref: 408

AACSB: Communication Skill: Application Objective: 14-3 131) Outline the steps in developing effective marketing communications. Answer: In preparing marketing communications, the marketer's first task is to identify the target audience and its characteristics. Next, the market has to determine the communication objectives and define the response sought, whether it is awareness, knowledge, liking, preference, conviction, or purchase. Then a message should be constructed with an effective content and structure. Media must be selected, both for personal and nonpersonal communication. The marketer should find highly credible sources to deliver messages. Finally, the communicator must collect feedback by watching how much of the market becomes aware, tries the product, and is satisfied in the process. Diff: 3 Page Ref: 409

AACSB: Communication Skill: Application Objective: 14-3

132) Describe the six buyer-readiness stages along with marketing strategies that may be used at each stage.

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

Diff: 3 Page Ref: 409 AACSB: Analytic Skills Skill: Application Objective: 14-3

133) Describe four common methods used to set the total budget for advertising. Answer: Using the affordable method, a company sets a promotion budget at the level it thinks it can afford. Using the percentage-of-sales method, a company sets a promotion budget at a certain percentage of current or forecasted sales. Using the competitive-parity method, a company sets a promotion budget based on competitors' outlays. Using an objective-and-task method, a company sets a promotion budget based on what it wants to accomplish with promotion.

Diff: 2 Page Ref: 415-416 AACSB: Analytic Skills Skill: Application Objective: 14-4 134) Marketers can choose from two basic promotion mix strategies–push promotion or pull promotion. Compare these two strategies.

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

Diff: 2 Page Ref: 418 AACSB: Analytic Skills Skill: Application Objective: 14-4

135) Explain how advertising may change as a product moves from the introductory stage to the growth stage of the product life cycle.

Answer: Because there may be little awareness or little information generated about products in the introductory stage of the life cycle, marketers may spend large amounts of promotional dollars toward creating awareness. As the product moves into the growth stage, many competitors may enter the market in an attempt to move the product out of the way; in such cases, marketers may continue spending large amounts of promotional dollars for advertising. However, at this point, the marketer may decide to attempt to persuade consumers to buy based on specific product or company attributes, or to compare their product with competing products in an attempt to convince consumers that their product is superior. At the decline stage, advertising is kept at a reminder level.

Diff: 3 Page Ref: 420 AACSB: Analytic Skills Skill: Application Objective: 14-4

136) How are advertising and direct marketing different?

Answer: Advertising is the nonpersonal promotion of ideas, goods, or services, while direct marketing is the promotion of ideas, goods, or services to carefully targeted individuals. Diff: 2 Page Ref: 402 AACSB: Analytic Skills Skill: Application Objective: 14-1

137) How can marketers benefit from media fragmentation?

Answer: Media fragmentation is represented through an explosion of more focused media that better match today's targeting strategies; media fragmentation allows the marketer to better reach the targeted consumers through more specific media options. Diff: 2 Page Ref: 403 AACSB: Analytic Skills Skill: Application

Objective: 14-2

138) Why do some marketers predict a marketing "chaos scenario"?
Answer: Some experts believe that the traditional mass-media communications will cease to exist and will be entirely replaced by new digital technologies that permit more targeted and personalized marketing.
Diff: 2 Page Ref: 404
AACSB: Analytic Skills
Skill: Application
Objective: 14-2

139) Why should a company be concerned about integrating communications from different sources within the company?
Answer: Customers won't separate conflicting or varying messages from different sources within a company, so failing to integrate communications could lead to blurred consumer brand perceptions.
Diff: 2 Page Ref: 405
AACSB: Analytic Skills
Skill: Application
Objective: 14-2

140) How do integrated marketing communications (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: 406

AACSB: Communication Skill: Application Objective: 14-2

141) Why is the consumer's field of experience of interest to a marketer?Answer: The marketing communicator must understand the consumer's field of experience in order to create promotional messages that will be decoded as the sender intends them to be understood.Diff: 3 Page Ref: 409AACSB: CommunicationSkill: ConceptObjective: 14-3

142) In the communication process, what is noise and why is it important?Answer: Noise is the unplanned static or distortion during the communication process, which results in the receiver getting a different message than the one the sender sent. The consumer is distracted and misses the key point.Diff: 1 Page Ref: 409AACSB: CommunicationSkill: ApplicationObjective: 14-3

143) Describe the three types of appeals marketers use.
Answer: Rational appeals relate to the consumer's self-interest; emotional appeals attempt to stir up either positive or negative emotions; moral appeals are directed to the consumer's sense of what is "right" and "proper."
Diff: 3 Page Ref: 411
AACSB: Communication
Skill: Application
Objective: 14-3

144) What role does message format play in print advertisements?
Answer: In a print ad, for example, the headline, copy, illustrations, and color are critical. To attract attention, the advertiser may use novelty, contrasts, or eye-catching headlines.
Diff: 1 Page Ref: 412
AACSB: Communication
Skill: Application
Objective: 14-3

145) Why do marketers value opinion leaders?Answer: Opinion leaders are people whose opinions are sought by others. Marketers rely on opinion leaders to positively influence the spread of product or service acceptance through a market.Diff: 1 Page Ref: 413

AACSB: Communication Skill: Application Objective: 14-3

146) Explain how the message source affects consumers' perceptions of the message. Answer: The message source will affect how the consumer perceives the message. For example, highly credible sources □ such as certain newspapers □ will be more persuasive. In some cases, the use of celebrity testimonials works well to persuade consumers to make the purchase. Diff: 2 Page Ref: 414 AACSB: Communication Skill: Application Objective: 14-3

147) When is it most advisable to predominantly use advertising in a promotion mix?
Answer: Advertising works well when the marketer's goal is to reach geographically dispersed groups of consumers. In addition, advertising works well when the marketer wants to control the intended message geared toward a specific group of consumers. Advertising also allows the marketer to repeat a message many times.
Diff: 2 Page Ref: 416-417
AACSB: Communication
Skill: Application
Objective: 14-4

148) When is it advisable to predominantly use personal selling in a promotion mix? Answer: Personal selling works well when the marketer's goal is to build up buyers' preferences, convictions, and actions. Personal selling allows marketers to build personal relationships with the prospective buyers and allows marketers to provide demonstrations directly to an intended audience. Many industrial companies prefer personal selling to other promotional tools. Diff: 2 Page Ref: 417 AACSB: Communication Skill: Application Objective: 14-4

149) When is it advisable to predominantly use sales promotions in a promotion mix?
Answer: Sales promotions are used to invite and reward quick response. Sales promotions are short-lived; therefore, sales promotions are used when the marketer intends to make a quick, dramatic impact on an intended audience with the use of coupons, samples, contest, etc.
Diff: 2 Page Ref: 417
AACSB: Communication
Skill: Application
Objective: 14-4

150) Describe the FTC three-day cooling off rule.

Answer: The three-day cooling-off rule gives special protection to customers who are not seeking products. Under this rule, customers who agree in their own homes to buy something costing more than \$25 have 72 hours in which to cancel a contract or return merchandise and get their money back, no questions asked. Diff: 3 Page Ref: 422 AACSB: Ethical Reasoning

Skill: Application Objective: 14-4