

***Canadian Advertising in Action (Canadian) 11th
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Chapter 2

1) Organizations that support the advertising industry include

- A) associations
- B) print production companies
- C) television companies
- D) consumer groups
- E) radio companies

Answer: B

Diff: 3 Type: MC Page Ref: 34

Skill: Recall

2) Which of the following advertising mediums has forced advertisers to look at different forms of communication opportunities?

- A) television
- B) social media and mobile technology
- C) radio
- D) newspaper
- E) magazines

Answer: B

Diff: 2 Type: MC Page Ref: 34

Skill: Recall

3) Canadian advertising clients can include

- A) consumers
- B) advertising agencies
- C) retailers
- D) market segments
- E) telephone subscribers

Answer: C

Diff: 2 Type: MC Page Ref: 32

Skill: Recall

4) Advertisers are represented by the

- A) CRTC
- B) CARDMEDIA
- C) ACA
- D) ICA
- E) NBC

Answer: C

Diff: 1 Type: MC Page Ref: 33

Skill: Recall

5) Ford Motor Company of Canada is an example of

- A) an advertising agency

- B) media
- C) a client
- D) a media research company
- E) media support services

Answer: C

Diff: 3 Type: MC Page Ref: 32

Skill: Applied

- 6) The Institute of Communications Agencies (ICA) is the national association that represents

- A) full-service advertising agencies
- B) the Canadian media
- C) large advertisers
- D) advertising support companies
- E) media support services

Answer: A

Diff: 1 Type: MC Page Ref: 33

Skill: Recall

- 7) Nielsen Media Research is an independent organization that

- A) owns television media
- B) educates advertisers about the merits of media
- C) compiles and publishes reliable measurement data
- D) represents the interests of full-service agencies
- E) plans and buys media time and space

Answer: C

Diff: 3 Type: MC Page Ref: 35

Skill: Applied

- 8) Which medium currently generates the most advertising revenue in Canada?

- A) radio
- B) internet
- C) daily newspapers
- D) direct mail
- E) television

Answer: B

Diff: 1 Type: MC Page Ref: 34

Skill: Recall

- 9) The largest agency network in Canada is

- A) MDC Partners
- B) Maritz Canada
- C) Cossette Communication Group
- D) Carlson Marketing
- E) Nurun

Answer: C

Diff: 1 *Type: MC* *Page Ref: 33*
Skill: Recall

- 10) The Canadian media is divided into numerous categories, one of which is
- A) television
 - B) radio
 - C) magazines
 - D) print
 - E) direct mail

Answer: D
Diff: 2 *Type: MC* *Page Ref: 34*
Skill: Recall

- 11) Full Service Agencies have the resources to
- A) specialize in one particular discipline such as media planning
 - B) embrace all of the possible demands that a client may place on them
 - C) compete directly with creative boutiques
 - D) hire an advertising manager away from a client

Answer: B
Diff: 2 *Type: MC* *Page Ref: 43*
Skill: Recall

- 12) Advertising support firms include
- A) photographers
 - B) advertising schools
 - C) consumer groups
 - D) clients
 - E) government lobbyists

Answer: A
Diff: 1 *Type: MC* *Page Ref: 34*
Skill: Recall

- 13) Which of the following organizations provides media support services by educating advertisers?
- A) Television Bureau of Canada
 - B) CRTC
 - C) CARD
 - D) Nielsen Marketing Research
 - E) Audit Bureau

Answer: A
Diff: 1 *Type: MC* *Page Ref: 34*
Skill: Recall

- 14) Research and audience measurement companies include the
- A) Numeris
 - B) Newspaper Marketing Bureau

- C) Audit Bureau of Circulations
- D) Radio Marketing Bureau
- E) Association of Advertisers

Answer: C

Diff: 1 Type: MC Page Ref: 35

Skill: Recall

15) Category managers are common in large, packaged goods companies such as

- A) the Government of Canada
- B) telemarketers
- C) Procter & Gamble
- D) the Hudson Bay Company
- E) Speedy Muffler

Answer: C

Diff: 2 Type: MC Page Ref: 35

Skill: Recall

16) In the context of advertising, the brand manager deals with the agency on

- A) other products in the same category
- B) customer intelligence and research plans
- C) creative/media assignments and other IMC activities
- D) the resources of the client company
- E) sales reports and forecasts

Answer: C

Diff: 1 Type: MC Page Ref: 35

Skill: Recall

17) The position of advertising manager is in the

- A) advertising agency
- B) client organization
- C) printing industry
- D) magazine sector
- E) television network

Answer: B

Diff: 2 Type: MC Page Ref: 36

Skill: Applied

18) The advertising manager is responsible for activities such as

- A) copywriting
- B) creative
- C) compiles and presents all information relevant to a specific advertising assignment to the advertising agency
- D) accounting
- E) product planning

Answer: C

Diff: 3 Type: MC Page Ref: 36

Skill: Applied

19) Most advertising plans are evaluated on reaching quantifiable objectives, such as to

- A) increase consumer awareness
- B) not exceed the media budget
- C) expand the advertising campaign
- D) decrease market research
- E) increase media budget

Answer: A

Diff: 2 Type: MC Page Ref: 37

Skill: Applied

20) An advertising manager and agency personnel meet to:

- A) ensure that both parties agree on the basic direction of a project
- B) negotiate the best compensation rate for the agency
- C) trade employees between both organizations to maximize job opportunities
- D) advise the agency on how to create the key elements of a project

Answer: A

Diff: 3 Type: MC Page Ref: 36

Skill: Applied

21) One of the advertising manager's key responsibilities is providing the agency with

- A) information on new assignments
- B) comprehensive creative strategies
- C) timely payment of all invoices
- D) list of the company personnel
- E) updates on media research

Answer: A

Diff: 2 Type: MC Page Ref: 36

Skill: Applied

22) In order to better understand target consumers and to devise better advertising concepts, the advertising manager may

- A) allocate resources to advertising research
- B) reallocate media dollars
- C) shift the work to a new advertising agency
- D) introduce a new creative approach
- E) change the philosophical approach to an account

Answer: A

Diff: 3 Type: MC Page Ref: 37

Skill: Applied

23) If the advertising manager does not like the agency's creative or media recommendation, then

- A) more advertising research is required
- B) the client must revise their objectives

- C) the agency will choose to drop the client
- D) the agency proposal won't likely reach the corporate approval stage
- E) the advertising budget will be lowered

Answer: D

Diff: 3 Type: MC Page Ref: 38

Skill: Applied

24) Broadcast is composed of which type of media?

- A) newspapers
- B) television and radio
- C) direct mail
- D) outdoor
- E) internet

Answer: B

Diff: 2 Type: MC Page Ref: 33

Skill: Applied

25) Reasons for dissolving a relationship with an agency may include

- A) shifting demographics
- B) agency mergers
- C) the emergence of a new, "hip" agency
- D) lack of chemistry between the two parties
- E) policy shifts

Answer: D

Diff: 3 Type: MC Page Ref: 41

Skill: Applied

26) A briefing document includes

- A) target market profiles
- B) distribution
- C) company operations
- D) pricing structure
- E) promotion mix

Answer: A

Diff: 2 Type: MC Page Ref: 36

Skill: Applied

27) Account shifting refers to

- A) the transfer of funds to a new financial institution
- B) a shift in market share data
- C) the movement of an advertising account from one agency to another
- D) a shift in product development planning
- E) an increase in pricing

Answer: C

Diff: 1 Type: MC Page Ref: 41

Skill: Recall

28) To encourage the best possible relationship between clients and agencies, clients must

- A) hire agencies on a project-by-project basis
- B) provide appropriate background information
- C) conduct agency evaluations at planned intervals
- D) provide international connections
- E) invest minimal resources

Answer: C

Diff: 2 Type: MC Page Ref: 41

Skill: Applied

29) Which type of advertising agency must offer integrated marketing communications solutions to its clients?

- A) specialist agencies
- B) boutique agencies
- C) media-buying service agencies
- D) full-service agencies
- E) total-solution communications agencies

Answer: D

Diff: 2 Type: MC Page Ref: 43

Skill: Recall

30) MacLaren McCann and Ogilvy and Mather are both examples of

- A) full-service agencies
- B) regional advertising agencies
- C) post production agencies
- D) specialist agencies
- E) creative boutiques

Answer: A

Diff: 2 Type: MC Page Ref: 43

Skill: Recall

31) Typically, full-service agencies attract

- A) small local businesses
- B) not for profit companies
- C) media planning companies
- D) international head offices
- E) large national advertisers

Answer: E

Diff: 2 Type: MC Page Ref: 43

Skill: Applied

32) One of the services that a full-service advertising agency offers clients is

- A) operations management
- B) account management

- C) product production assistance
- D) sales training
- E) subjective analysis

Answer: B

Diff: 2 Type: MC Page Ref: 44

Skill: Applied

- 33) In today's cluttered media environment, clients are moving away from mass media and toward

- A) broadcast advertising
- B) B2B communications
- C) print advertising
- D) direct-response communications
- E) personal selling

Answer: D

Diff: 2 Type: MC Page Ref: 48

Skill: Recall

- 34) M2 Universal is an example of which type of specialist agency?

- A) media-buying service
- B) direct-response communications
- C) broadcast media service
- D) creative
- E) interactive communications

Answer: A

Diff: 2 Type: MC Page Ref: 48

Skill: Applied

- 35) The internet and mobile communications fall under which media category?

- A) broadcast
- B) print
- C) out of home
- D) direct response
- E) digital

Answer: E

Diff: 2 Type: MC Page Ref: 34

Skill: Recall

- 36) A company that thinks globally but acts locally is associated with which type of management system?

- A) regional
- B) provincial
- C) product
- D) international
- E) specialized

Answer: D

Diff: 2 Type: MC Page Ref: 36
Skill: Applied

- 37) With complex laws and regulations governing advertising, pharmaceutical companies usually seek out specialist agencies that focus on
- A) direct-response
 - B) product categories
 - C) interactive media
 - D creative
 - E) media planning

Answer: B
Diff: 2 Type: MC Page Ref: 49
Skill: Applied

- 38) In an effort to ensure that desired reach levels were achieved, the advertising manager may request a:
- A) pre-buy media analysis
 - B) budget recap
 - C) integrated analysis
 - D) post test research
 - E) personal selling analysis

Answer: D
Diff: 2 Type: MC Page Ref: 37
Skill: Applied

- 39) If RBC Investments wanted to target Canada's baby boomers as part of their marketing strategy, what type of agency should they seek?
- A) digital communications specialist
 - B) industry specialist
 - C) direct-response specialist
 - D) boutique
 - E) media specialist

Answer: B
Diff: 3 Type: MC Page Ref: 49
Skill: Applied

- 40) One of Canada's largest media buying agencies, responsible for 1.08 billion in 2013, is
- A) Starcom
 - B) OMD Canada
 - C) Rethink
 - D) Cossette Communications Group
 - E) BBDO

Answer: B
Diff: 2 Type: MC Page Ref: 48
Skill: Applied

- 41) In order to evaluate the success of an advertising program, the advertising manager must set up _____ objectives to evaluate results.

- A) quantifiable
- B) agency
- C) creative
- D) media
- E) qualitative

Answer: A

Diff: 2 Type: MC Page Ref: 37

Skill: Applied

- 42) One type of advertising research is _____ research.

- A) project planning
- B) budget control
- C) customer satisfaction
- D) pre-testing
- E) sales

Answer: D

Diff: 2 Type: MC Page Ref: 37

Skill: Applied

- 43) Which of the following is an essential service of the advertising agency?

- A) financial expertise
- B) strategic planning assistance
- C) operations experience
- D) human resource knowledge
- E) software management expertise

Answer: B

Diff: 1 Type: MC Page Ref: 38

Skill: Recall

- 44) A key function of the account executive is to:

- A) monitor the agency's personnel
- B) execute the media buying
- C) provide up-to-date information on media audiences
- D) monitor the competition
- E) promote active liaison with clients.

Answer: E

Diff: 2 Type: MC Page Ref: 44

Skill: Applied

- 45) The agency role which acts as the primary link with the client is the:

- A) media supervisor
- B) art director
- C) account executive

- D) production manager
- E) copywriter

Answer: C

Diff: 2 Type: MC Page Ref: 45

Skill: Applied

46) The account director is responsible for

- A) increasing the client's sales
- B) media planning
- C) overall account profitability
- D) copy writing
- E) creative development

Answer: C

Diff: 2 Type: MC Page Ref: 45

Skill: Recall

47) The agency of record is primarily responsible for

- A) international advertising
- B) media negotiation and placement
- C) niche market segment advertising
- D) advertising specific product categories
- E) developing good client-agency relationships

Answer: B

Diff: 2 Type: MC Page Ref: 55

Skill: Applied

48) Agencies, as a rule, will not accept assignments from an advertiser who

- A) is in direct competition with another client
- B) not wholly Canadian-owned
- C) requires marketing planning assistance
- D) has severed a relationship with another agency
- E) has a need for interactive communications

Answer: A

Diff: 2 Type: MC Page Ref: 52

Skill: Applied

49) A benefit to the client of keeping an agency account team together over a number of assignments is

- A) complete more assignments in less time
- B) use the same advertisements for many assignments
- C) no need to meet with the agency for each assignment
- D) consistency in the creative approach
- E) less agency compensation

Answer: D

Diff: 3 Type: MC Page Ref: 52

Skill: Applied

50) Moving toward this type of agency compensation will eliminate media bias and encourage holistic, media-neutral marketing.

- A) the fee system
- B) monthly retainer
- C) commission based
- D) payment-by-results
- E) AOR system

Answer: D

Diff: 2 Type: MC Page Ref: 55

Skill: Applied

51) An agency team generally includes a

- A) creative production manager
- B) art director and copywriter
- C) creative director
- D) advertising manager
- E) marketing manager

Answer: B

Diff: 2 Type: MC Page Ref: 50

Skill: Applied

52) The standard media commission rate paid to advertising agencies has been

- A) 10%
- B) 12.5%
- C) 15%
- D) 17.5%
- E) 18%

Answer: C

Diff: 1 Type: MC Page Ref: 53

Skill: Recall

53) This compensation model would see marketers pay less during the concept development phase, and instead pay fees according to business results.

- A) based on creative awards
- B) based on media buy
- C) PBR
- D) based on agency services provided
- E) based on television spots purchased

Answer: C

Diff: 3 Type: MC Page Ref: 55

Skill: Applied

54) The agency commission system is viewed by some clients as flawed because:

- A) it involves many hidden costs for the client
- B) it is the most expensive method of compensation

- C) agencies may recommend more expensive media options to increase their commissions
- D) payment is due in full when signing on with an agency

Answer: C

Diff: 2 Type: MC Page Ref: 53

Skill: Applied

55) One of the advantages of the fee system for the client is that

- A) the agency can work on a retainer
- B) media buy usually includes television spots
- C) payment is based on media cost and not on the work provided
- D) agency recommendations can be self-serving
- E) client-agency relationship is weak

Answer: A

Diff: 3 Type: MC Page Ref: 53

Skill: Applied

56) The agency compensation system gaining in popularity is the

- A) commission system
- B) payment-by-results system
- C) media buy system
- D) fee system
- E) agency of record system

Answer: B

Diff: 1 Type: MC Page Ref: 55

Skill: Recall

57) What commission would be charged on a 30-second television commercial that cost \$100,000 to make?

- A) \$17,650
- B) \$17,500
- C) \$15,000
- D) \$1,500
- E) \$35,300

Answer: A

Diff: 3 Type: MC Page Ref: 55

Skill: Applied

58) The fee system of agency compensation

- A) shares profits from sales increases between client and agency
- B) is currently the preferred method of compensation by clients
- C) does not recognize quality of work only effort
- D) links agency compensation directly to performance

Answer: C

Diff: 1 Type: MC Page Ref: 54

Skill: Recall

- 59) The person responsible for ensuring the final product reaches the media destination on time is the

- A) production manager
- B) account planner
- C) account supervisor
- D) creative director
- E) traffic manager

Answer: E

Diff: 1 Type: MC Page Ref: 46

Skill: Recall

- 60) Today, many agencies believe the complex and time-consuming nature of this task is better suited to specialist agencies.

- A) media buying services
- B) creative services
- C) account services
- D) production management
- E) project management

Answer: A

Diff: 2 Type: MC Page Ref: 48

Skill: Applied

- 61) In a payment by results system the compensation is 10% commission rather than the traditional 15%.

- A) True
- B) False

Answer: False

Diff: 2 Type: TF Page Ref: 55

Skill: Recall

- 62) The key responsibility of the copywriter is to come up with a message that stands out and is relevant to the potential customer.

- A) True
- B) False

Answer: True

Diff: 2 Type: TF Page Ref: 45

Skill: Applied

- 63) Advertising agencies are service organizations responsible for creating, planning, producing advertising and placing messages for their clients.

- A) True
- B) False

Answer: True

Diff: 1 Type: TF Page Ref: 33

Skill: Applied

64) The Canadian media is divided into three categories: broadcast, print and out-of-home media.

A) True

B) False

Answer: False

Diff: 2

Type: TF

Page Ref: 34

Skill: Recall

65) Television is the largest single medium, with advertising revenues of \$3.5 billion.

A) True

B) False

Answer: False

Diff: 3

Type: TF

Page Ref: 34

Skill: Recall

66) Advertising support companies include media representatives who sell time and space for a particular media.

A) True

B) False

Answer: True

Diff: 2

Type: TF

Page Ref: 34

Skill: Applied

67) Media support services include the CRTC.

A) True

B) False

Answer: False

Diff: 2

Type: TF

Page Ref: 34

Skill: Applied

68) Media research is concerned with quantitative measures of media exposure.

A) True

B) False

Answer: True

Diff: 2

Type: TF

Page Ref: 37

Skill: Recall

69) Management of the advertising function usually falls under the jurisdiction of the marketing department in the client's organization.

A) True

B) False

Answer: True

Diff: 1

Type: TF

Page Ref: 35

Skill: Recall

- 70) In a large multi-product company like Proctor and Gamble, key brands such as Tide, Mr. Clean and Swiffer would be the responsibility of the advertising manager.

A) True

B) False

Answer: False

Diff: 2

Type: TF

Page Ref: 35

Skill: Applied

- 71) The advertising manager role is an advertising agency job.

A) True

B) False

Answer: False

Diff: 2

Type: TF

Page Ref: 36

Skill: Applied

- 72) From the viewpoint of the agency, the advertising manager is the person it must satisfy first.

A) True

B) False

Answer: True

Diff: 2

Type: TF

Page Ref: 38

Skill: Applied

- 73) As Canada is a diverse country, both geographically and culturally, organizations such as Molson Coors would likely employ an international management system in Canada.

A) True

B) False

Answer: False

Diff: 3

Type: TF

Page Ref: 36

Skill: Applied

- 74) For small advertisers, agencies can not only provide advertising, but marketing planning assistance as well.

A) True

B) False

Answer: True

Diff: 3

Type: TF

Page Ref: 38

Skill: Recall

- 75) Changes to the account team are never a cause of account shifting.

A) True

B) False

Answer: False

Diff: 3

Type: TF

Page Ref: 41

Skill: Applied

76) Creative boutiques are usually staffed by previous creative department employees of full-service agencies.

A) True

B) False

Answer: True

Diff: 1 Type: TF Page Ref: 47

Skill: Recall

77) A media buying service is a media specialist agency responsible for only purchasing media for the client.

A) True

B) False

Answer: False

Diff: 1 Type: TF Page Ref: 48

Skill: Applied

78) Digital agencies offer services such as search engine marketing.

A) True

B) False

Answer: True

Diff: 2 Type: TF Page Ref: 48

Skill: Applied

79) Agencies will accept assignments from a large advertiser, even if that client is in direct competition with a current client.

A) True

B) False

Answer: False

Diff: 2 Type: TF Page Ref: 52

Skill: Applied

80) The member of the agency team responsible for purchasing media positioning is typically the copywriter.

A) True

B) False

Answer: False

Diff: 2 Type: TF Page Ref: 50

Skill: Applied

81) Clients often hire agencies because of the reputation of the creative staff.

A) True

B) False

Answer: True

Diff: 2 Type: TF Page Ref: 43

Skill: Applied

- 82) It is the responsibility of the account executive to make sure the final print or broadcast advertisement reaches the media destination on time.

A) True

B) False

Answer: False

Diff: 2

Type: TF

Page Ref: 44

Skill: Applied

- 83) Today, all advertising agencies have online access to computer databanks containing media audience information.

A) True

B) False

Answer: True

Diff: 2

Type: TF

Page Ref: 47

Skill: Applied

- 84) The AOR usually receives slightly more compensation than other agencies working with a client.

A) True

B) False

Answer: True

Diff: 3

Type: TF

Page Ref: 53

Skill: Recall

- 85) In essence, the agency fee system promotes an efficient client-agency relationship where the client only pays for the services provided.

A) True

B) False

Answer: True

Diff: 2

Type: TF

Page Ref: 54

Skill: Applied

- 86) Explain the role of The Institute of Communications Agencies (ICA).

Answer:

The ICA is the national association representing full-service advertising agencies. Its work is divided into two broad categories: external and internal. The ICA's external mission is to act on behalf of the agency industry as spokesperson, negotiator and defender of advertising. Its internal mission is to anticipate, serve and promote the interests of ICA members with particular regard to maintaining the highest possible standards of professional practice. It is the largest source for information and training for the industry.

Diff: 2

Type: ES

Page Ref: 34

Skill: Recall

- 87) Explain why a company like McDonald's would employ an international management system.

Answer:

Companies operating on a global scale now view the world as one market and are switching to international management systems that divide the globe on a continental basis. This system is based on "Think globally, act locally." In doing so, the time required to approve marketing and marketing communications plans in Canada is reduced. When McDonald's set the objective of attracting people to buy more, it planned a campaign that included the successful tagline "I'm Lovin' It." Although this tagline was a German-developed strategy, McDonald's tweaks the campaign country-by-country but the strategy stays the same.

Diff: 3 Type: ES Page Ref: 36
Skill: Applied

- 88) Explain the various factors that could lead to a client's advertising manager firing an agency.

Answer:

There could be many reasons why an agency is fired. Most of these reasons have to do with the strength of the client-agency relationship. Common reasons for letting an agency go are client dissatisfaction with the quality of work, new client demands that can't be met, the absence of a team concept, philosophical differences, client consolidation, and mergers that result in account conflict situations.

Diff: 2 Type: ES Page Ref: 42
Skill: Applied

- 89) Explain the role of the Association of Canadian Advertisers (ACA).

Answer:

The ACA's primary goal is to help Canadian companies that market and advertise their products maximize the value of their marketing communications investments. As the voice for Canadian advertisers, the ACA safeguards advertisers' rights to free speech and represents the views of advertisers before government and industry bodies.

Diff: 2 Type: ES Page Ref: 33
Skill: Recall

- 90) The position of advertising manager is usually a mid-management position in the client organization. What responsibilities does the advertising manager have regarding liaison with the advertising agency?

Answer:

Advertising managers are the direct link with the advertising agency, and so must be in constant contact with agency personnel, checking the status of assignments and projects. One of the manager's key responsibilities is providing the agency with appropriate client information at the onset of new assignments. This involves compiling a creative briefing document. As work progresses, the advertising

manager must provide the agency with feedback and carry agency proposals throughout the client corporate approval network.

Diff: 2 Type: ES Page Ref: 36

Skill: Applied

- 91) How is the responsibility for marketing planning and marketing communications divided between clients and their agencies?

Answer:

Agencies perform various functions, tailoring their services to meet individual client needs. Large advertisers are typically staffed with marketing managers who will devise marketing strategies, and use agencies to develop and implement elements of the marketing communications component. Smaller advertisers may ask their agencies for marketing planning assistance. In either case, the agency-client relationship is essentially a partnership, with each contributing to the planning and decision-making process.

Diff: 3 Type: ES Page Ref: 39

Skill: Applied

- 92) Describe the account director's role in an advertising agency.

Answer:

The account director deals directly with senior members of the client organization and is responsible for how client accounts are handled at the agency. Specific responsibilities include long-term planning, deployment of agency personnel, and overall account profitability. He/she is also responsible for working with senior agency executives to seek new business for the agency.

Diff: 2 Type: ES Page Ref: 45

Skill: Recall

- 93) What role does the media buyer play in the media department of an advertising agency?

Answer:

The media buyer is responsible for developing an intimate knowledge of the media marketplace and being aware of all developments affecting media buying. Buyers must evaluate the competitive claims of the various media to make the most efficient and effective buys for their clients. Good negotiation skills are vital for this position.

Diff: 2 Type: ES Page Ref: 47

Skill: Recall

- 94) How does a client's Agency of Record (AOR) differ from any advertising agency with which they do business?

Answer:

The AOR is the agency that handles the media buying for a large multiple-product advertiser. It is one of the agencies the parent advertiser employees. An AOR facilitates efficiency in the media buying process, often providing greater discounts to the client by purchasing all media on a large volume basis. The AOR

is responsible for corporate media contracts under which other agencies will issue their placement orders, and usually receives a slightly higher rate of commission.

Diff: 3 Type: ES Page Ref: 53

Skill: Applied

- 95) Why has the commission system fallen out of favour with many clients?

Answer:

The commission system is hinged to the media purchase. Television is very costly, driving the cost of media purchase higher, and therefore agency commission upward. Newer media are being downplayed because they cost less than television. Many advertisers perceive agency media purchase biased towards high cost media that serves the agency commission fee rather than the client's needs.

Diff: 3 Type: ES Page Ref: 53

Skill: Applied

- 96) Compare and contrast the responsibilities of the client and the agency in a client-agency relationship.

Answer:

Clients are responsible for providing the appropriate background information and a budget for the advertising assignment. Agencies then provide their expertise on creative and media strategies and executions. Clients coordinate advertising strategies with other marketing communications strategies whereas agencies offer planning assistance to solve the client's marketing problems. Agencies then recommend objective, customer-focused advertising strategies. Clients monitor the implementation of advertising campaigns and evaluate the effectiveness of advertising programs. Agencies conduct research when necessary to support their advertising recommendations.

Diff: 3 Type: ES Page Ref: 36

Skill: Applied

- 97) How does a category manager's role differ from a brand manager?

Answer:

A brand manager is responsible for the development and implementation of marketing programs for a specific brand. The brand manager works directly with the communications agencies. Typically, a brand manager reports to a category manager, who is responsible for developing and implementing the marketing activity for all products grouped in the category. The category manager adopts a more generalized view of the business than would a brand manager. Determining which brands receive more or less advertising support would be a decision for the category manager, not the brand manager.

Diff: 3 Type: ES Page Ref: 35

Skill: Applied

- 98) Which role within an agency is involved in managing production deadlines?

Answer:

The production manager ensures all production activities are completed within scheduled time frames. He/she coordinates people, places and schedules with external companies involved in the production, including recruiting models, film crews, and costumes, for example. A traffic manager is responsible for ensuring that the final product (print or broadcast commercial) reaches the media destination on time.

Diff: 2 Type: ES Page Ref: 46
Skill: Recall

- 99) Explain why Molson Coors requires a three-region structure where marketing and communications strategies are developed to reflect the nature and character of each region's target audience.

Answer:

Molson Coors develops unique regional campaigns for Western Canada, Ontario/Atlantic and Quebec. A national marketing team manages a group of brands referred to as "strategic national brands." Examples are Canadian and Coors Light. Each region has a staff of marketing, sales and promotion personnel who develop marketing and communications strategies and implement plans for these brands. According to Molson Coors, such a system allows a company to build on its strengths and chip away at its weaknesses.

Diff: 2 Type: ES Page Ref: 35
Skill: Applied

- 100) How does the McDonald's "I'm Lovin' It" campaign illustrate the often-used expression "Think globally and act locally."

Answer:

Companies with growth aspirations now view the world as one market. To be as efficient as possible with marketing communications, multinational companies often develop global campaigns. Consider what McDonald's is attempting on a global scale. The corporate goal of McDonald's is to capture more meal occasions among young adults and families. What emerged was a concept and theme from their German agency that was approved for use in all countries where McDonald's operates: "I'm Lovin' It."

Diff: 3 Type: ES Page Ref: 36
Skill: Applied

- 101) Agencies bring objectivity to the advertising planning process. How does this enhance a client's marketing communications strategy?

Answer:

Many advertisers tend to use advertising that suits the company's established style or image, and often view a change in direction as a risk. Safe strategies are not necessarily the best strategies as they may not provide the most effective means of communicating with a target. The advertising agency is not directly associated with the internal environment and therefore can provide an objective perspective that might offer alternative directions for communicating with target

markets. This external position can result in the development of customer-oriented campaigns rather than company-oriented campaigns.

Diff: 3 Type: ES Page Ref: 38

Skill: Applied

- 102) A successful client-agency relationship is a two-way street. Describe the shortcomings that may lead to the deterioration of this relationship that may prompt the client to switch agency.

Answer:

To encourage the best possible relationship between clients and agencies, and to clearly review the expectations of parties, clients must conduct agency reviews at planned intervals. A good relationship depends on honest, open communications between partners, an attitude of respect for each other, and the sharing of common goals. The client may be concerned about quality of the advertising executed, lack of media buys which could benefit the client, differences in management philosophy, changes in agency personnel, or cost-saving measures.

Diff: 2 Type: ES Page Ref: 41

Skill: Applied

- 103) Describe ways in which an advertising manager can ensure that the agency's advertising campaign is effective.

Answer:

The advertising manager may request pre- and post-testing of customer attitudes and preferences to see if the advertising campaign was effective in changing customer purchasing decisions. The manager could also request post-buy media analysis to ensure that desired reach levels were achieved. The critical issue is to quantify the effectiveness of the campaign to ensure the advertising goals are being met. Also, the manager carefully reviews budgets and planned media expenditures throughout the year, making changes when necessary.

Diff: 2 Type: ES Page Ref: 37

Skill: Applied

- 104) What advantages does using a media-buying service offer?

Answer:

A media-buying service is a specialist agency responsible for planning and purchasing the most cost-efficient media for a client. In other words, it is responsible for gaining maximum exposure to a target audience at minimum cost. In addition, a media-buying service often obtains government approvals and other required clearances, and generally takes care of the administrative work associated with the media buying transaction. Since efficiency is important, the use of a media-buying service might generate cost savings that can be reinvested in the creative product.

Diff: 2 Type: ES Page Ref: 48

Skill: Recall

- 105) Explain the difference between a boutique agency like Rethink and a full-service agency like Cossette Communications DDB Canada?

Answer:

DDB Canada is a full-service agency that offers everything under one roof as well as international connections for global campaigns. Services include product and marketing research, creative planning and development, media planning and placement, sales promotion, public relations, direct response, and interactive communications planning and execution.

Rethink is a boutique agency focused on finding creative solutions. Rethink claims that research has knocked the stuffing out of advertising and that the average time between a client brief and a commercial going on air is about 42 weeks. Rethink works fast and loose, and dislikes comparisons to full-service agency operations. Their focus is on the creative; they don't do media or promotions. And their model doesn't work for everyone.

Diff: 3 Type: ES Page Ref: 43, 47

Skill: Applied

- 106) Describe the role of the copywriter in an agency.

Answer:

The copywriter converts information provided by the client and account personnel (information on unique selling points, target-market profiles, purchase motivations, and so on) into an effective, persuasive sales message. The message must be presented in such a manner that it stands out and is relevant to potential customers. The copywriter develops the main idea of the advertisement in conjunction with the art director, then creates its various verbal components: the headline, sub-headlines, and body copy or text.

Diff: 2 Type: ES Page Ref: 45

Skill: Recall

- 107) What are the advantages and disadvantages of the agency commission system?

Answer:

The commission system is based on the cost of the media buy. Advantages of the commission system include simple to implement services are provided at no extra cost, and it pressures agency to keep the costs down. Among the disadvantages is the fact that the agency makes a profit on some brands (larger budgets) and losses on others (smaller budgets). Payments are based on media cost and not the work provided, and agency recommendations for higher expenditures (such as television) may be perceived as self-serving.

Diff: 2 Type: ES Page Ref: 53

Skill: Applied

- 108) As the advertising manager for Toyota, responsible for the complete line of vehicles that carry the brand name, would you work with one full-service agency or divide the business among several agencies? Justify your response.

Answer:

Keeping an account team from one agency together over a number of assignments benefits both the client and the agency. Familiarity with the products and the way the client operates are obvious benefits. The agency team can draw upon past experiences with the client when considering which directions to pursue. Another benefit involves consistency in approach.

Diff: 3 Type: ES Page Ref: 49
Skill: Applied

109) What is the role of the media director in a large agency?

Answer:

The media director is the senior manager of a media department. In larger agencies, the media director is ultimately responsible for all media plans. His/her approval is necessary before presentation of a media plan to the client. Working with other senior executives, the media director usually plays an active role in business presentations to new clients.

Diff: 2 Type: ES Page Ref: 47
Skill: Recall

110) Experiential marketing is becoming an important part of the communications mix for many companies. Why is this true?

Answer:

Experiential marketing agencies specialize in face-to-face communications. They develop strategies that allow interaction with people to build brands. Sales promotions and event marketing play a key role. Tigris and The Hive are two leading experiential marketing agencies. Events leave potential customers with a lasting, memorable experience tied to the brand. It can be a more efficient way of reaching an audience, especially if the audience cannot be reached through mass media. It is also more memorable than advertising in a cluttered media environment.

Diff: 3 Type: ES Page Ref: 49
Skill: Applied

111) Account shifting refers to the movement of a client's account from one agency to another. What are three typical reasons for this to occur?

Answer:

Clients may be motivated to switch agencies because they are disappointed with the quality of advertising or any other service provided by the current agency. Secondly, both parties may disagree on the direction that an advertising campaign should take. Lastly, clients may decide to consolidate their business and use fewer agencies as a cost cutting measure.

Diff: 3 Type: ES Page Ref: 41
Skill: Applied

112) What added value do media buying services add to a marketing project?

Answer:

Media buying services are responsible for planning and purchasing the most cost efficient media for a client. They also obtain government and other clearances for advertisements and ensure that they run when scheduled. Clients who use multiple agencies for their marketing projects often use one media buying service to gain efficiency and greater discounts since the media buying service will have more leverage with various media suppliers.

Diff: 3 Type: ES Page Ref: 48

Skill: Applied