Contemporary Advertising 16th edition Arens Test Bank

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Contemporary Advertising 16th Edition by Arens CH01

ANSWERS ARE LOCATED IN THE SECOND PART OF THIS DOCUMENT

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) IMC helps companies adopt a consumer-centric, rather than marketer-centric, perspective in creating brand messages.

- ◎ true
- ◎ false

2) Marketing communications refers to the internal communication at a company.

- ◎ true
- ◎ false

3) According to the interactive model of communication, marketers dominate the exchange of messages.

- ◎ true
- ◎ false

4) The sponsor of a product does not usually produce the advertising message.

- ◎ true
- ◎ false

5) The implied consumers are people in the real world who make up the ad's target audience and who critically evaluate the arguments made by the ad.

- ◎ true
- ◎ false

6) No amount of advertising can win back a customer lost as the result of shoddy products or poor service.

- ◎ true
- ◎ false

Contemporary Advertising 16th edition Arens Test Bank

7) Defensive marketing typically costs less than offensive marketing because it isn't easy to lure satisfied customers away from competitors.

- ◎ true
- ◎ false

8) An example of a basic transactional relationship is when you buy a car and the car dealer reminds you to call them if there are any problems with the vehicle.

- ◎ true
- ◎ false

9) In an accountable relationship, a salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments.

- ◎ true
- ◎ false

10) High profit margins per customer suggest that the marketer should pursue basic transactional relationships augmented by brand image advertising.

- ◎ true
- ◎ false

11) While IMC is a concept it isn’t really a process.

- ◎ true
- ◎ false

12) Synergy is the principal benefit of IMC.

- ◎ true
- ◎ false

Contemporary Advertising 16th edition Arens Test Bank

13) For a company to truly understand IMC, it must view it through their own eyes and not let customer preference cloud their view.

- ◎ true
- ◎ false

14) Planned messages often have the least impact because they are seen as self-serving.

- ◎ true
- ◎ false

15) Messages from the product, price, or distribution elements are typically referred to as inferred messages.

- ◎ true
- ◎ false

16) Companies have the most control over unplanned messages.

- ◎ true
- ◎ false

17) Of all the business functions, marketing is the only one whose primary role is to bring in revenue.

- ◎ true
- ◎ false

18) While the marketing process isn't involved with developing products, it is involved with pricing them, promoting them, and making them available to customers.

- ◎ true
- ◎ false

19) Companies aim trade advertising at resellers to obtain greater distribution of their products.

Contemporary Advertising 16th edition Arens Test Bank

◎ true
◎ false

20) B2B advertising rarely uses consumer mass media and is typically invisible to consumers.

◎ true
◎ false

21) From the consumers′ viewpoint, if two brands are equal in quality, the one with the highest price is the best value.

◎ true
◎ false

22) Image advertising, which creates a perception of a company or a personality for a brand, is rarely explicit about price.

◎ true
◎ false

23) In global advertising, messages are rarely consistent in ads placed around the world.

◎ true
◎ false

24) Personal selling would typically be used by companies producing consumer beauty products such as lotion and shampoo.

◎ true
◎ false

25) Media advertising is the only promotional tool that companies use to communicate information about themselves and their brands.

Contemporary Advertising 16th edition Arens Test Bank

◎ true
◎ false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

26) When a company deliberately coordinates and integrates messages from a variety of sources about its products or brands, it is practicing

A) integrated marketing communications.
B) sales promotion.
C) word-of-mouth advertising.
D) personal selling.
E) viral marketing.

27) _____ is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

A) Advertising
B) Word-of-mouth publicity
C) Sales promotion
D) Direct marketing
E) Public relations

28) All Wheels Motor Group hired an advertising agency to promote its products. All Wheels Motor group is the _____ of the advertising.

A) author
B) sponsor
C) persona
D) actor
E) player

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29) A real or imaginary spokesperson who lends some voice or tone to the ad within the text of the ad is known as a(n)

A) composer.
B) benefactor.
C) persona.
D) author.
E) source.

30) The advertisement for the auto insurance company included a young woman who had been injured in a car accident because she wasn't wearing her seat belt. She shared her story to let others know the importance of using seat belts. This is an example of a(n)

A) context message.
B) feedback message.
C) drama message.
D) narrative message.
E) public message.

31) The _____, who are addressed by the ad's spokesperson, are not real.

A) sponsorial consumers
B) actual consumers
C) gatekeepers
D) implied consumers
E) personas

32) The _____ are the gatekeepers who decide if the ad will run or not.

Contemporary Advertising 16th edition Arens Test Bank

A) authors
B) actual consumers
C) implied consumers
D) personas
E) sponsorial consumers

33) Celia reminded her advertising team that there were numerous advertisements for shampoo they would be competing with when they introduced the new line of hair products. These competing ads are examples of

A) noise.
B) clout.
C) jargon.
D) feedback.
E) cues.

34) A new sub sandwich shop placed an ad in the local newspaper to attract consumers over the July 4th holiday. But, most people missed the ad because a newly-opened pizzeria in the area ran multiple, colorful ads in the same newspaper. The ads distracted potential consumers from viewing the sandwich shop ad and sales were lower than expected. The ads of the pizzeria served as _____ for the sandwich shop.

A) feedback
B) noise
C) information overload
D) a source maze
E) a grapevine

35) Elaine and her husband Liam are trying to save money and whenever they see a coupon on social media for a local restaurant, they use it. To an advertiser, coupon redemption is a form of

Contemporary Advertising 16th edition Arens Test Bank

A) gatekeeping.
B) noise.
C) feedback.
D) cue.
E) relationship marketing.

36) A restaurant owner saw an ad for an international trade show for people in the hospitality business. He decided to request further information on the show and requested a registration form. In the context of advertising, his request is a form of

A) noise.
B) word-of-mouth communication.
C) social media marketing.
D) feedback.
E) relationship marketing.

37) Kelly thinks it's important for her company to build long-term connections with customers, suppliers, and distributors. She wants to develop trust among all the stakeholders for the good of the company. Kelly wants to foster

A) transactional marketing.
B) relationship marketing.
C) mass customization.
D) branding.
E) social marketing.

38) Companies that commit to relationship marketing are generally trying to

Contemporary Advertising 16th edition Arens Test Bank

A) win back customers lost from shoddy products or poor service.
B) make up for the cost of acquiring new customers.
C) develop a full view of the customer by compiling and analyzing customer data.
D) lure customers through offensive marketing.
E) adopt a marketer-centric perspective in creating brand messages.

39) To succeed, companies must focus on managing loyalty among carefully chosen customers and stakeholders because

A) it is easy to lure satisfied customers away from competitors.
B) 90 percent of a manufacturer's profit comes from trial or sporadic purchasers.
C) offensive marketing typically costs less than defensive marketing.
D) great advertising will not win back a customer lost as the result of poor service.
E) reducing customer defections by 25-85 percent can improve profit potential by about 5 percent.

40) When assessing markets, companies must remember that the first market should always be

A) new customers.
B) sponsorial consumers.
C) target consumers.
D) implied consumers.
E) current customers.

41) Andrea works at a hair salon. She is responsible for scheduling appointments for the eight stylists and also reaching out to new clients after their first visit to check whether the salon met their expectations and ask if there's anything they can improve on. What type of relationship does this hair salon foster?

Contemporary Advertising 16th edition Arens Test Bank

A) accountable
B) basic transactional
C) partnership
D) proactive
E) reactive

42) When a company sells a product but does not follow up in any way it is involved in a(n) _____ relationship.

A) primary
B) basic transactional
C) reactive
D) accountable
E) proactive

43) Maxwell owns a floral design studio. When customers pick up their floral arrangements, he always encourages them to call him if they have any problems with the flowers. What type of relationship does this represent?

A) accountable relationship
B) proactive relationship
C) reactive relationship
D) basic transactional relationship
E) partnership

44) In a(n) _____, the salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments.

Contemporary Advertising 16th edition Arens Test Bank

A) secondary relationship
B) proactive relationship
C) basic transactional relationship
D) accountable relationship
E) reactive relationship

45) Jessica works for a cable television company and as part of her job she contacts existing customers six times a year to let them know about new channel options and packages. This is an example of a(n)

A) reactive relationship.
B) accountable relationship.
C) partnership.
D) basic transactional relationship.
E) proactive relationship.

46) In a(n) _____, the company works continuously with customers (and other stakeholders) to discover ways to deliver better value.

A) partnership
B) proactive relationship
C) accountable relationship
D) reactive relationship
E) basic transactional relationship

47) With regards to stakeholders, companies must be aware that

A) an employee cannot be a stockholder.
B) there is often significant overlap in stakeholder roles.
C) stakeholders uniformly require reactive relationships.
D) the number of stakeholders is unimportant in marketing.
E) product messages have negligible influence on a stakeholder's relationship decision.

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48) What is the principal benefit of IMC?

A) high profit
B) accountability
C) synergy
D) customer retention
E) partnership

49) According to Nowak and Phelps, which tactic does the IMC approach focus on?

A) decreasing reliance on targeted messages
B) reaching larger segments
C) lowering use of consumer data
D) emphasizing less on advertising relative to other strategies
E) extensively using electronic and mass media

50) Ensuring the various marketing mix elements such as advertising direct-response, sales promotions, and the like, work together is referred to as

A) viral marketing.
B) word-of-mouth public relations.
C) advertising.
D) partnership.
E) coordinated marketing communications.

51) Traditional promotional messages through advertising, publicity, and personal selling are known as

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A) planned messages.
B) product messages.
C) inferred messages.
D) service messages.
E) unplanned messages.

52) _____ messages often have the least impact because they are seen as self-serving.

A) Product
B) Planned
C) Inferred
D) Service
E) Unplanned

53) According to the integration triangle, which type of message is a "say" message?

A) service messages
B) inferred messages
C) planned messages
D) product messages
E) unplanned messages

54) Within the integration triangle, _____ messages are "confirm" messages.

A) planned
B) inferred
C) product
D) unplanned
E) service

55) According to the integration triangle, which of the following are "do" messages?

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A) planned messages
B) event sponsorships
C) publicity releases
D) unplanned messages
E) service messages

56) Of all the business functions, _____ is the only one whose primary role is to bring in revenue.

A) marketing
B) research and development
C) human relations management
D) information management
E) accounting

57) _____ is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

A) Advertising
B) Market research
C) Profit planning
D) Distribution
E) Marketing

58) A firm's advertising is always aimed at a particular segment of the population referred to as the

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A) implied consumers.
B) target audience.
C) sponsorial consumers.
D) niche market.
E) concentrated market.

59) A firm's marketing activities are always aimed at a particular segment of the population called the

A) niche market.
B) objective market.
C) target market.
D) implied market.
E) concentrated market.

60) A newspaper ad for a restaurant falls under the category of _____ advertising.

A) business
B) professional
C) farm
D) corporate
E) consumer

61) _____ advertising is aimed at people who buy the product for their own or someone else's use.

A) Business
B) Trade
C) Consumer
D) Professional
E) Farm

Contemporary Advertising 16th edition Arens Test Bank

62) Acre Tractor Implement Company places ads for its equipment in two agricultural magazines that are subscribed to by farmers in the United States. The ads they put in the publications are forms of

A) public service advertising.
B) business advertising.
C) consumer advertising.
D) retail advertising.
E) covert advertising.

63) Companies aim _____ at resellers to obtain greater distribution of their products.

A) in-store advertising
B) professional advertising
C) public service advertising
D) trade advertising
E) consumer advertising

64) Advertising targeted at hardware stores to increase the distribution of a company's paint products is an example of

A) trade advertising.
B) professional advertising.
C) consumer advertising.
D) noncommercial advertising.
E) farm advertising.

65) The type of advertising published in medical journals aimed at practicing physicians is referred to as

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A) trade advertising.
B) professional advertising.
C) consumer advertising.
D) noncommercial advertising.
E) retail advertising.

66) The local health and beauty store advertises it's line of generic pain killers as equal in strength to competing brands but priced lower. The store is using

A) image advertising.
B) price advertising.
C) sale advertising.
D) trade advertising.
E) professional advertising.

67) Aqua Supply is a boating equipment company based in Florida that has branches in two other states, California and Maine. It uses _____, in which ads are placed in the local media or territorial editions of the national media.

A) international advertising
B) district advertising
C) regional advertising
D) national advertising
E) global advertising

68) In 2002, a Swedish home electrical appliance manufacturer decided to use the same advertising message wherever it advertised around the world. In other words, the company decided to use

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A) national advertising.
B) international advertising.
C) global advertising.
D) regional advertising.
E) local advertising.

69) Direct mail is a more conducive medium for _____ advertising.

A) national
B) peripheral
C) local
D) regional
E) global

70) Naveed's Photo Works wants to become the main photographer at a new wedding venue. Naveed meets with the owner of the venue so he can answer any questions. What type of promotion is Naveed utilizing to sell his business?

A) personal selling
B) social media marketing
C) cold calling
D) professional advertising
E) public service advertising

71) The drawback to personal selling is its

A) low frequency and reach.
B) high cost.
C) inability to convey information.
D) impersonal feel.
E) inability to give demonstrations.

Contemporary Advertising 16th edition Arens Test Bank

72) An ad promoting a company's mission or philosophy is called

A) awareness advertising.
B) product advertising.
C) nonproduct advertising.
D) noncommercial advertising.
E) action advertising.

73) _____ is used around the world by governments and nonprofit organizations to seek donations, volunteer support, or changes in consumer behavior.

A) Trade advertising
B) Product advertising
C) Nonproduct advertising
D) Noncommercial advertising
E) Professional advertising

74) What communication tool should a company consider using when it is willing to offer special incentives to motivate customers to take action?

A) covert advertising
B) personal selling
C) image advertising
D) noncommercial advertising
E) sales promotion

75) When an American fast-food chain entered the Chinese market in the 1990s, childhood obesity was threatening to become a major problem in the urban areas. As part of its responsibility for managing its relationships with its customers, the fast-food chain teamed with the Chinese education system and developed a program on nutrition for elementary school students featuring its mascot, Willy the clown. This helped in creating awareness and credibility for the firm at a relatively low cost and is an example of

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A) direct selling.
B) public relations.
C) noncommercial advertising.
D) direct-response advertising.
E) personal selling.

76) What type of advertising is considered good at creating awareness and credibility for a business firm at relatively low cost?

A) covert advertising
B) public relations advertising
C) direct-response advertising
D) nonproduct advertising
E) professional advertising

77) When Marcus opened the box containing his new laptop, he found a brochure describing the features of the computer. This brochure is an example of

A) sales gimmicks.
B) premiums.
C) noise.
D) bonus goods.
E) collateral materials.

78) When he checked into the hotel, Nate noticed a rack of brochures promoting the different things to see and do in the area. What form of promotion do these brochures represent?

A) personal selling
B) public relations
C) trade fair
D) collateral materials
E) noise

Contemporary Advertising 16th edition Arens Test Bank

79) A car dealer's advertisement inviting people for a test drive is an example of the use of

A) collateral material.
B) public relations.
C) personal selling.
D) sales promotion.
E) awareness advertising.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

80) Define integrated marketing communications.

81) State why companies practice IMC.

82) How did Albert Lasker define advertising at the beginning of the 20th century?

83) What does the phrase "advertising is intended to be persuasive" mean?

84) How does advertising reach people?

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85) How does noise affect the communication process?

86) What are the three literary forms used in advertising messages?

87) Who are implied consumers?

88) What is relationship marketing?

89) What are the three objectives that companies committed to relationship marketing try to accomplish?

90) Assess the costs of defensive marketing.

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91) According to Nowak and Phelps, what are the four related tactics the IMC approach focuses on?

92) What are the four sources of company/brand-related messages that Duncan and Moriarty describe?

93) What is the purpose of the integration triangle?

94) What are the three priorities for an organization's integration process suggested by Duncan?

95) What occurs in the marketing process?

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ESSAY. Write your answer in the space provided or on a separate sheet of paper.

96) Describe how IMC impacts a purchase decision using an actual purchase scenario.

97) Describe the different components of the advertising definition: Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

98) Describe the traditional human communication process.

99) How does the human communication process relate to the advertising process?

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100) List and briefly define the three dimensions of advertising communication identified by Barbara Stern.

101) According to Kotler and Keller, what are the five levels of relationships that can be formed between a company and its various stakeholders?

102) What is the ultimate goal of the marketing process?

103) Identify the three types of specialized business advertising.

104) What is the difference between global advertising and international advertising?

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105) What is the difference between product and nonproduct advertising?

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Contemporary Advertising 16th Edition by Arens CH01

Answer Key

Test name: CH01

1) TRUE
IMC helps companies adopt a consumer-centric, rather than marketer-centric, perspective in creating brand messages.

2) FALSE
Marketing communications encompasses the many forms companies use to promote their products and services: commercials, websites, text messages, coupons, sales letters, etc.

3) FALSE
According to the interactive model of communication, marketers no longer dominate the exchange of messages.

4) TRUE
The sponsor does not usually produce the message. That is the typical role of the sponsor's ad agency.

5) FALSE
The implied consumers, who are addressed by the ad's persona, are not real. They are imagined by the ad's creators to be ideal consumers who accept uncritically the arguments made by the ad.

6) TRUE
Great marketing will not bring back a customer lost as the result of shoddy products or poor service.

7) TRUE

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Defensive marketing typically costs less than offensive marketing because it isn't easy to lure satisfied customers away from competitors. In fact, it costs five to eight times as much in marketing, advertising, and promotion to acquire a new customer as it does to keep an existing one.

8) FALSE
In a basic transactional relationship a company sells the product but does not follow up in any way, such as when you buy a meal at a fast food chain.

9) TRUE
In an accountable relationship, a salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments.

10) FALSE
Low profit margins per customer suggest that the marketer should pursue basic transactional relationships augmented by brand image advertising.

11) FALSE
IMC is both a concept and a process.

12) TRUE
The concept of integration is wholeness. Achieving this wholeness in communications creates synergy—the principal benefit of IMC—because each element of the communications mix reinforces the others for greater effect.

13) FALSE

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Clearly, to understand IMC, we have to look through the customer's eyes. Customers develop perceptions of the company or brand through a variety of sources: news reports, word of mouth, gossip, experts' opinions, financial reports, websites, blogs, and even the CEO's personality.

14) TRUE
Planned messages are the traditional promotional messages and often have the least impact because they are seen as self-serving.

15) TRUE
Messages from the product, price, or distribution elements are typically referred to as product (or inferred) messages.

16) FALSE
Companies have little control over the unplanned messages that emanate from employee gossip, unsought news stories, comments by the trade or competitors, word-of-mouth rumors, or major disasters.

17) TRUE
Of all the business functions, marketing is the only one whose primary role is to bring in revenue.

18) FALSE
This process includes developing products, pricing them strategically, making them available to customers through a distribution network, and promoting them through sales and advertising activities.

19) TRUE
Companies aim trade advertising at resellers (wholesalers, dealers, and retailers) to obtain greater distribution of their products.

20) TRUE

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Since business advertising (also called business-to-business, or B2B, advertising) rarely uses consumer mass media, it is typically invisible to consumers.

21) FALSE
If two brands are priced similarly, the one highest in quality is the better value. If two brands are equal in quality, the one with the lowest price is the best value.

22) TRUE
Image advertising, which creates a perception of a company or personality for a brand, is rarely explicit about price.

23) FALSE
In global advertising, messages are consistent in ads placed around the world.

24) FALSE
Personal selling is for conveying information and consummating the sale especially on high-ticket items such as cars and real estate.

25) FALSE
Companies use a wide variety of promotional tools other than media advertising to communicate information about themselves and their brands. These collateral materials include fliers, brochures, catalogs, posters, sales kits, product specification sheets, instruction booklets, and so on.

26) A
When a company deliberately coordinates and integrates messages from a variety of sources about its products or brands, it is practicing integrated marketing communications, or IMC.

27) A

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Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

28) B
The company that is advertising a product or idea is the sponsor.

29) C
A real or imaginary spokesperson who lends some voice or tone to the ad within the text of the ad is known as a persona.

30) D
Ads use narrative messages in which a third-person persona tells a story about others to an imagined audience.

31) D
The receivers of advertising are also multidimensional. Within the text, every ad or commercial presumes an audience. These implied consumers, who are addressed by the ad's persona, are not real.

32) E
When we move outside the text of the ad the first audience is, in fact, a group of decision makers at the sponsor or advertiser. These sponsorial consumers are the gatekeepers who decide if the ad will run or not.

33) A
A sponsor's advertising message must compete with hundreds of other commercial and noncommercial messages every day. This is referred to as noise.

34) B
Advertising messages must compete with hundreds of other commercial and noncommercial messages every day. This is referred to as noise.

Contemporary Advertising 16th edition Arens Test Bank

35) C
In advertising, feedback can take many forms: redeemed coupons, Web site visits, phone inquiries, visits to a store, requests for more information, increased sales, responses to a survey, or e-mail inquiries.

36) D
In advertising, feedback can take many forms: redeemed coupons, Web site visits, phone inquiries, visits to a store, requests for more information, increased sales, responses to a survey, or e-mail inquiries.

37) B
Customers, not products, are the lifeblood of the business. This realization has created a trend away from simple transactional marketing to relationship marketing—creating, maintaining, and enhancing long-term relationships with customers and other stakeholders that result in exchanges of information and other things of mutual value.

38) C
Companies that commit to relationship marketing are generally trying to develop a full view of the customer by compiling and acquiring useful data.

39) D
To succeed, companies must focus on managing loyalty among carefully chosen customers and stakeholders for great advertising will not win back a customer lost from shoddy products or poor service. The real profit lost is the lifetime customer value (LTCV) to a firm.

40) E
A company's first market should always be its current customers. Successful marketers are shifting their resources to post-sale activities, making customer retention their first line of defense.

Contemporary Advertising 16th edition Arens Test Bank

41) A
In an accountable relationship, the salesperson phones customers shortly after the sale to check whether the product meets their expectations and ask for product improvement suggestions.

42) B
Basic transactional relationship is when a company sells the product but does not follow up in any way.

43) C
In a reactive relationship, a company or salesperson sells products and encourages customers to call if they encounter any problems.

44) D
In an accountable relationship, the salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments.

45) E
A proactive relationship is one in which the salesperson or company contacts customers from time to time with suggestions about improved product use or helpful new products.

46) A
In a partnership, the company works continuously with customers (and other stakeholders) to discover ways to deliver better value.

47) B
The relationship a company seeks with a customer is different from the one it seeks with its suppliers. However, there is often significant overlap in stakeholder roles. An employee may also be a customer and a stockholder.

48) C

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Achieving wholeness in communications creates synergy—the principal benefit of IMC—because each element of the communications mix reinforces the others for greater effect.

49) D
The IMC approach, according to Nowak and Phelps, focuses on four related tactics: (1) less emphasis on advertising relative to other promotional tools, (2) heavier reliance on targeted messages and on reaching smaller segments, (3) increased use of consumer data, and (4) changed expectations for marketing communications suppliers.

50) E
Ensuring the various marketing mix elements such as advertising direct-response, sales promotions, and the like, work together is coordinated marketing communications.

51) A
Planned messages are traditional promotional messages—advertising, sales promotion, personal selling, merchandising materials, publicity releases, event sponsorships.

52) B
Planned messages often have the least impact because they are seen as self-serving.

53) C
Planned messages are "say" messages—what companies say about themselves.

54) D
Unplanned messages are "confirm" messages because that's what others say and confirm (or not) about what the company says and does.

55) E

Contemporary Advertising 16th edition Arens Test Bank

Product and service messages are "do" messages because they represent what a company does.

56) A
Of all the business functions, marketing is the only one whose primary role is to bring in revenue.

57) E
Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

58) B
A firm's marketing activities are always aimed at a particular segment of the population—its target market. Likewise, advertising is aimed at a particular group called the target audience.

59) C
A firm's marketing activities are always aimed at a particular segment of the population—its target market.

60) E
A firm's marketing activities are always aimed at a particular segment of the population—its target market. Likewise, advertising is aimed at a particular group called the target audience.

61) C
Usually sponsored by the producer (or manufacturer) of the product or service, these ads are typically directed at consumers, people who buy the product for their own or someone else's personal use.

62) B

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Companies use business advertising to reach people who buy or specify goods and services for business use. It tends to appear in specialized business publications or professional journals, in direct-mail pieces sent to businesses, or in trade shows.

63) D
Companies aim trade advertising at resellers (wholesalers, dealers, and retailers) to obtain greater distribution of their products.

64) A
Companies aim trade advertising at resellers (wholesalers, dealers, and retailers) to obtain greater distribution of their products.

65) B
Advertising aimed at teachers, accountants, doctors, dentists, architects, engineers, lawyers, and the like is called professional advertising and typically appears in official publications of professional societies.

66) B
Some products are publicized using price advertising, in which an ad claims the product is equal in quality to higher priced brands. Other goods and services, which do not attempt to compete on price, emphasize product quality.

67) C
Some companies sell only in one part of the country or in two or three states. They use regional advertising, placing their ads in local media or regional editions of national media.

68) C
Global marketers may use global advertising, in which messages are consistent in ads placed around the world.

69) C

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Businesses and retailers that sell within one small trading area typically use local advertising placed in local media or direct mail.

70) A
In personal selling, salespeople deal directly with customers either face-to-face or via telemarketing. This offers the flexibility possible only through human interaction. Personal selling is ideal for conveying information, giving demonstrations, and consummating the sale.

71) B
The drawback to personal selling is its high cost, so companies that emphasize personal selling in their marketing mix often spend a lower percentage of sales on advertising than other firms.

72) C
To sell ideas, organizations use nonproduct advertising.

73) D
Noncommercial advertising is used around the world by governments and nonprofit organizations to seek donations, volunteer support, or changes in consumer behavior.

74) E
Sales promotion is a communication tool that offers special incentives to motivate people to act right away.

75) B

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Public relations (PR) is an umbrella process—much like marketing—responsible for managing the firm's relationships with its various publics. These publics may include customers but are not limited to them. Public relations is also concerned with employees, stockholders, vendors and suppliers, government regulators, interest groups, and the press. So PR is much larger than just a tool of marketing communications. However, as part of their marketing mix, marketers use a number of public relations activities because they are so good at creating awareness and credibility for the firm at relatively low cost.

76) B
Marketers use a number of public relations advertising because they are so good at creating awareness and credibility for the firm at relatively low cost.

77) E
Companies use a wide variety of promotional tools other than media advertising to communicate information about themselves and their brands. These collateral materials include flyers, brochures, catalogs, posters, sales kits, product specification sheets, instruction booklets, and so on.

78) D
Collateral materials include fliers, brochures, catalogs, posters, sales kits, product specification sheets, instruction booklets, and so on.

79) D
Sales promotion is a communication tool that offers special incentives to motivate people to act right away. The incentives may be coupons, free samples, contests, or rebates on the purchase price.

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80) Smart organizations work hard to ensure that all company- or brand-related messages reinforce a strategically designed idea. When a company deliberately coordinates and integrates messages from a variety of sources about its products or brands, it is practicing integrated marketing communications, or IMC.

81) Companies practice IMC because IMC helps companies adopt a consumer-centric, rather than marketer-centric, perspective in creating brand messages. IMC helps companies to initiate, develop, and nurture relationships with important groups, especially customers.

82) At the beginning of the 20th century, Albert Lasker, often regarded as the father of modern advertising (see People behind the Ads: Albert Lasker and Claude Hopkins later in this chapter), defined it as "salesmanship in print, driven by a reason why." But that was before the advent of radio, television, or the web. The nature and scope of the business world, and advertising, were limited in Lasker's time.

83) Most advertising is intended to be persuasive—to encourage audiences to take action, such as buying something, or at least to make people more favorably disposed toward a product, service, or idea.

84) Advertising reaches people through a channel of communication referred to as a medium. An advertising medium is any nonpersonal means used to present an ad to a large audience.

85) Noise refers to the distracting cacophony of many other messages being sent at the same time by other sources.

86) Advertising messages typically use one or a blend of three literary forms: autobiography, narrative, or drama.

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87) The receivers of advertising are also multidimensional. Within the text, every ad or commercial presumes an audience. These implied consumers, who are addressed by the ad's persona, are not real. They are imagined by the ad's creators to be ideal consumers who accept uncritically the arguments made by the ad.

88) Relationship marketing is creating, maintaining, and enhancing long-term relationships with customers and other stakeholders that result in exchanges of information and other things of mutual value.

89) Companies that commit to relationship marketing are generally trying to accomplish three things: (1) identify, satisfy, retain, and maximize the value of profitable customers; (2) manage the contacts between the customer and the company to ensure their effectiveness; and (3) develop a full view of the customer by compiling and acquiring useful data.

90) Defensive marketing, which attempts to retain loyal customers, typically costs less than offensive marketing, which seeks new customers, because it isn’t easy to lure satisfied customers away from competitors.

91) The IMC approach, according to Nowak and Phelps, focuses on four related tactics: (1) less emphasis on advertising relative to other promotional tools, (2) heavier reliance on targeted messages and on reaching smaller segments, (3) increased use of consumer data, and (4) changed expectations for marketing communications suppliers.

92) Duncan and Moriarty describe four sources of company/brand-related messages stakeholders receive: planned, product, service, and unplanned. Each of these influences a stakeholder's relationship decision, so marketers must know where these messages originate, what effect they have, and the costs to influence them.

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93) The integration triangle developed by Duncan and Moriarty is a simple illustration of how perceptions are created from the various brand message sources.

94) To maximize the synergy benefits of IMC, Duncan suggests three priorities for an organization's integration process. It should first ensure consistent positioning, then facilitate purposeful interactivity between the company and its customers or other stakeholders, and finally actively incorporate a socially responsible mission in its relationships with its stakeholders.

95) Marketing is a **process**—a sequence of actions or methods—aimed at satisfying customer needs profitably. This process includes developing products, pricing them strategically, making them available to customers through a distribution network, and promoting them through sales and advertising activities.

96) Answers will vary but should provide a scenario in which the student is making a purchase and then relate the steps in that purchase to IMC. It might include the student first seeing the ad for the product on Facebook, then checking reviews for it on the store website, comparing prices for the product among various stores, etc.

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97) Advertising is, first, a form of communication, often defined as a process through which meaning is exchanged between individuals using a system of symbols, signs, or behavior.

Second, advertising is directed to groups of people, usually referred to as audiences, rather than to individuals.

Third, the costs of advertising are paid by sponsors.

Fourth, most advertising is intended to be persuasive—to encourage audi-ences to take action, such as buying something, or at least to make people more favorably disposed toward a product, service, or idea.

Fifth, an ad identifies its sponsor.

Finally, advertising reaches people through a channel of communication referred to as a medium.

98) The process begins when one party, called the source, formulates an idea, encodes it as a message, and sends it via some channel to another party, called the receiver. The receiver must decode the message in order to understand it. To respond, the receiver formulates a new idea, encodes it, and then sends the new message back through some channel. A message that acknowledges or responds to the original message constitutes feedback, which also affects the encoding of a new message. And, of course, all this takes place in an environment characterized by noise—the distracting cacophony of many other messages being sent at the same time by other sources.

99) Applying this model to advertising, we could say that the source is the sponsor, the message is the ad, the channel is the medium, the receiver is the customer or prospect, and the noise is the din of competing messages, including other ads.

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100) (1) The source dimension includes the sponsor, who is legally responsible for the communication, the author, who is typically either a copywriter or an art director, and the persona or the person who lends some voice or tome to the ads. (2) The message dimension includes how the ad uses or blends the autobiographical message, the narrative message, and the drama message. (3) The receiver dimension includes the implied consumers, who are addressed by the persona, the sponsorial consumers, who decide if the ad will run or not, and the actual consumers, who are equivalent to the receivers in oral communications.

101) Basic transactional relationship: The company sells the product but does not follow up in any way.

Reactive relationship: The company (or salesperson) sells the product and encourages customers to call if they encounter any problems.

Accountable relationship: The salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments. This information helps the company continuously improve its offering.

Proactive relationship: The salesperson or company contacts customers from time to time with suggestions about improved product use or helpful new products. Partnership-The company works continuously with customers (and other stakeholders) to discover ways to deliver better value.

102) The ultimate goal of the marketing process is to earn a profit by consummating the exchange of goods or services with those customers who need or want them.

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103) In addition to general business advertising, there are three specialized types of business advertising: trade, professional, and agricultural. Companies aim trade advertising at resellers (wholesalers, dealers, and retailers) to obtain greater distribution of their products.

Advertising aimed at teachers, accountants, doctors, dentists, architects, engineers, lawyers, and the like is called professional advertising and typically appears in official publications of professional societies.

Companies use agricultural (or farm) advertising to promote products and services used in agriculture to farmers and others employed in agribusiness.

104) Global advertising uses messages that are consistent around the world. On the other hand, international advertising may contain different messages and even be created in each geographic market.

105) To promote their goods and services, companies use product advertising. To sell ideas, though, organizations use nonproduct **advertising**.

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