

TEST BANK

Advertising & Integrated Brand Promotion

Seventh Edition



O'Guinn | Allen | Semenik | Close

1. Media fragmentation is a big plus for consumers but a disadvantage for advertisers and agencies.

- a. True
- b. False

ANSWER: True

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Knowledge

2. The underlying role and purpose of advertising and promotion has changed drastically and will continue to change.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

3. Despite the explosion of new media in recent years, today's media options have reduced from those available during the past decades.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Knowledge

4. The simplest example of Web 2.0 is when consumers log on to the Internet and visit sites they choose to visit for either information or shopping.

- a. True
- b. False

ANSWER: True

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

5. Blogs have emerged as sophisticated sources of brand and product information.

- a. True
- b. False

ANSWER: True

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

6. Due to the backlash against advertising that clutter can cause, advertisers are integrating more tools within the overall promotional effort to reach more consumers in different ways.

- a. True
- b. False

ANSWER: True *DIFFICULTY:*

Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Comprehension

7. Advertisers focusing on integrating more tools into promotional efforts has resulted in an enhanced role of traditional media.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Comprehension

8. The idea behind crowdsourcing is to prevent ideas about a new brand from becoming public to consumers.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Comprehension

9. The goal of creating persuasive communication is to attract attention and develop preference for a brand.

- a. True
- b. False

ANSWER: True *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

10. Advertisers cannot function without the services of external facilitators.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Knowledge

11. Advertisers include business organizations, but exclude not-for-profit organizations.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Comprehension

12. Trade resellers of consumer products and services are the most prominent users of advertising and promotion.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

13. Retailers that sell in national or global markets are the most visible reseller advertisers and promotion users.

- a. True
- b. False

ANSWER: True

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Knowledge

14. At the local level, small retail shops deal only with household customers.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

15. It is common for social organizations to advertise at the national, state, and local levels.

- a. True
- b. False

ANSWER: True

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

16. The advertising used by social organizations has a fundamentally different purpose compared to the advertising carried out by major multinational corporations.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

17. Caltec Inc. has a department that is responsible for coming up with ideas and innovative ways to advertise the company's products in newspaper ads and billboards. This is an example of a full-service agency.
- a. True
 - b. False

ANSWER: False
DIFFICULTY: Moderate
LEARNING OBJECTIVES: AIBP.OGUI.15.2-3
NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking
STATE STANDARDS: United States - Ohio - DISC: Promotion
KEYWORDS: Bloom's: Application

18. The creative boutique's greatest advantage is its niche expertise.
- a. True
 - b. False

ANSWER: True *DIFFICULTY:* Moderate
LEARNING OBJECTIVES: AIBP.OGUI.15.2-3
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - Ohio - DISC: Strategy
KEYWORDS: Bloom's: Comprehension

19. A creative boutique's niche expertise can be its greatest liability if the creative boutique is an extra expense that advertisers cannot afford.
- a. True
 - b. False

ANSWER: True *DIFFICULTY:* Moderate
LEARNING OBJECTIVES: AIBP.OGUI.15.2-3
NATIONAL STANDARDS: United States - BUSPROG: Analytic
STATE STANDARDS: United States - Ohio - DISC: Strategy
KEYWORDS: Bloom's: Comprehension

20. Digital/interactive agencies are those that have expertise in preparing communications for new media, such as the Internet, mobile marketing, and interactive television.
- a. True
 - b. False

ANSWER: True
DIFFICULTY: Easy
LEARNING OBJECTIVES: AIBP.OGUI.15.2-3
NATIONAL STANDARDS: United States - BUSPROG: Technology
STATE STANDARDS: United States - Ohio - DISC: Promotion
KEYWORDS: Bloom's: Knowledge

21. The task of strategic coordination of media and promotional efforts has become simpler because of the proliferation of media options and extensive use of promotional tools beyond advertising.
- a. True
 - b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

22. A disadvantage of using media specialists is that they buy media in small quantities.
- a. True
 - b. False

ANSWER: False

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

23. Firms that maintain and manage large databases of mailing lists are known as digital/interactive agencies.
- a. True
 - b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

24. It is mandatory for designers and graphic specialists to be involved in strategy planning.
- a. True
 - b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Knowledge

25. Advertisers do not like to handle their own public relations tasks because it requires highly specialized skills and talent not normally found within the company ranks.
- a. True
 - b. False

ANSWER: True *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

26. The four most prevalent agency compensation methods are commission, consultant, external facilitator, and production facilitator plans.
- a. True
 - b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Knowledge

27. Under the commission system, the rate of commission is raised to 25 percent for outdoor media.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Knowledge

28. A typical markup charge for outside services is five to ten percent.

- a. True
- b. False

ANSWER: False

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Knowledge

29. A fee system is much like that used by consultants or attorneys, whereby the advertiser and the agency agree on an hourly rate for different services provided.
- True
 - False

ANSWER: True *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Comprehension

30. Database consultants are particularly useful in planning coupon or direct mail campaigns.
- True
 - False

ANSWER: True *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

31. Radio and satellite are examples of broadcast media.
- True
 - False

ANSWER: True
DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

32. Individuals collectively creating and sharing content through blogs, social media, wikis, and video sites is referred to as _____.
- a commission system
 - broadcasting
 - Web 2.0
 - interactive production

ANSWER: c *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

33. _____ has emerged as the most significant form of consumer control over information creation and communication.
- a. Web advertising
 - b. Social media
 - c. Interactive television
 - d. Direct marketing

ANSWER: b *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Comprehension

34. Websites frequented by individuals with common interests where they can post facts, opinions, and personal experiences are known as _____.
- a. paywalls
 - b. blogs
 - c. infomercials
 - d. creative boutiques

ANSWER: b
DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

35. Which of the following is true of crowdsourcing?
- a. It refers to managing the supply chain system in a way that will most effectively reach the target markets.
 - b. It aims at getting consumers more involved with and committed to a brand.
 - c. It indicates the process of describing the firm's objectives for the brand in the near term and long term.
 - d. It refers to passive, intrusive advertising.

ANSWER: b *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Comprehension

36. _____ has become a media conglomerate on the Web and amasses its own media empire of diverse Internet sites.
- a. ABC broadcasting network
 - b. Facebook
 - c. Dell
 - d. InterActiveCorp

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

37. With media clutter and fragmentation,:
- a. advertisers are developing a lack of faith in advertising alone.
 - b. the probability of any one advertisement making a real difference has increased manifold.
 - c. there are very few media choices available to advertisers.
 - d. promotion options are no longer attractive to advertisers.

ANSWER: a *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

38. _____ is used by organizations to get consumers committed to brands in a way that passive advertising cannot.
- a. Co-op advertising
 - b. Phishing
 - c. Crowdsourcing
 - d. Broadcasting

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Knowledge

39. Advertisers are also known as _____ by their advertising and promotion agency partners.

- a. consultants
- b. facilitators
- c. sponsors
- d. clients

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

40. Which of the following advertisement tools would be best suited for a regional application?

- a. Podcasts
- b. Internet advertisements
- c. Television advertisements
- d. Coupons and samples

ANSWER: d *DIFFICULTY:*

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

41. A _____ is a general description for all organizations in the marketing channel of distribution that buy products to make them available to customers.

- a. sponsor
- b. media buyer
- c. media specialist
- d. trade reseller

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

42. The most visible reseller advertisers and promoters are:

- a. retailers who deal solely with household consumers.
- b. retailers that sell in national or global markets.
- c. those who sell at the local level.
- d. those who cater to regional markets.

ANSWER: b *DIFFICULTY:*

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

43. Which of the following modes of advertisement do wholesalers and retailers prefer to utilize?

- a. Personal selling
- b. Branded entertainment
- c. Radio advertisements
- d. Infomercials

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

44. In which of the following areas is the federal government's spending on advertising and promotion concentrated?

- a. The internal revenue services
- b. Political campaigns
- c. Armed forces recruitment
- d. Trade and commerce

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

45. Barlow and Baley Inc., an advertisement agency, has been approached by Crescent Corp. to help promote their new line of air conditioners. Barlow and Baley Inc. have advised Crescent Corp. that newspaper and television ads will be the best promotional tool for the product. They have also created a demo ad for the product. Barlow and Baley Inc. is an example of a(n) _____.
- a. full-service agency
 - b. in-house agency
 - c. interactive agency
 - d. database consultant

ANSWER: a **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

46. Bedwick Resorts has acquired the services of Elegant Inc. to develop advertisements for their organization. Elegant Inc. has advised them to add a panoramic view to billboard ads and portray tourists lounging by the sea. Elegant Inc. is an example of a(n) _____.
- a. media specialist
 - b. creative boutique
 - c. digital/interactive agency
 - d. in-house agency

ANSWER: b **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Application

47. Which of the following best describes digital agencies?
- a. They focus on ways to use Web-based solutions for direct marketing and target market communications.
 - b. They implement direct response campaigns using all forms of media.
 - c. They design direct marketing campaigns that mainly use emails and telemarketing.
 - d. They specialize in buying media time and space and offer media strategies to advertisement agencies.

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

48. A(n) _____ is often known as the advertising department in a firm.

- a. creative boutique
- b. full-service agency
- c. interactive agency
- d. in-house agency

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

49. Which of the following acts as a support to direct marketing agencies and follow-up on the delivery of their direct mail?

- a. Creative boutiques
- b. In-house agencies
- c. Media specialists
- d. Fulfillment centers

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

50. _____ are specialists that design and then operate contests, sweepstakes, special displays, or coupon campaigns for advertisers.

- a. Creative boutiques
- b. Sales promotion agencies
- c. Database agencies
- d. Fulfillment centers

ANSWER: b

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

51. PinBall Inc. sought the help of Blazer Corp. to help them reach a niche group of vendors that they have been trying to do business with. Blazer offers the solution of publishing an advertisement in a trade journal which would help create awareness about the firm's product. In this scenario, Blazer Corp. specializes in ____.
- a. the management of databases
 - b. creative services
 - c. consumer sales promotions
 - d. trade-market sales promotions

ANSWER: d *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

52. ____ are experts in designing incentive programs, point-of-purchase materials, and in-store merchandising.
- a. Database agencies
 - b. Sales promotion agencies
 - c. Fulfillment centers
 - d. Event-planning agencies

ANSWER: b *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

53. ____ are experts in finding locations, securing dates, and putting together a team of people to pull off a promotional activity.
- a. Event-planning agencies
 - b. Creative boutiques
 - c. Fulfillment centers
 - d. Direct marketing agencies

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

54. _____ help firms in creating the visual impression of its advertising material.

- a. Sales promotion agencies
- b. Fulfillment centers
- c. Designers
- d. Bloggers

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Knowledge

55. The graphic mark that identifies a company is known as a(n) _____.

- a. patent
- b. blog
- c. logo
- d. slogan

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

56. _____ entail identifying the benefits a brand offers, its target audiences, and the best competitive positioning, and then developing a complete plan.

- a. Administrative services
- b. Creative services
- c. Account services
- d. Media planning and buying services

ANSWER: c *DIFFICULTY:*

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

57. A(n) _____ coordinates the research effort of an advertisement agency.

- a. graphic designer
- b. media specialist
- c. account planner
- d. fulfillment center

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Research

KEYWORDS: Bloom's: Knowledge

58. Which of the following services of an advertising agency involves expressing the benefits of a company's brand in interesting and memorable ways?

- a. Creative services
- b. Billing services
- c. Administrative services
- d. Media buying services

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Knowledge

59. The _____ services department of an advertising agency typically includes the company's art directors, illustrators, and copywriters.

- a. creative
- b. media buying
- c. marketing
- d. administrative

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Knowledge

60. Which of the following services in an advertisement firm involves taking creative ideas and turning them into advertisements, direct mail pieces, and other IBP materials?
- Administrative services
 - Creative services
 - Account services
 - Production services

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Knowledge

61. The _____ services group in a full-service advertising agency is a part of the personnel department, accounting, and billing department.
- creative
 - administrative
 - marketing
 - production

ANSWER: b

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Knowledge

62. Though many agencies no longer use the traditional commission system for compensation, Starr Agency does. Using the standard percentage rate, how much would Starr Agency receive for a bill of \$500,000?
- \$150,00
 - \$125,000
 - \$100,000
 - \$75,000

ANSWER: d *DIFFICULTY:*

Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

63. Under the commission system, _____ percent of the total amount billed by a media organization is retained by the advertising agency as compensation for all costs in creating ads for the advertiser.
- a. 15
 - b. 2
 - c. 30
 - d. 20

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Knowledge

64. A compensation system that adds a percentage amount to a variety of services the agency purchases from outside suppliers is known as a _____.
- a. markup charge
 - b. fee system
 - c. pay-for-results compensation
 - d. commission system

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Knowledge

65. CloudNine, an advertisement agency, charged Sparkles Inc. \$50,000 at the rate of \$5,000 an hour for the ten hours it spent designing an advertisement for the firm's new product launch ad. Which of the following systems of compensation did CloudNine utilize?
- a. A fee system
 - b. A commission system
 - c. A markup charge system
 - d. A pay-for-results system

ANSWER: a *DIFFICULTY:*

Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

66. Harper & Kane advertising agency sets an hourly rate for the services it provides to its clients. This rate is based on the average salary of all the members in the creative department. Harper & Kane uses the _____ system.
- commission
 - cost-plus
 - markup charge
 - fee

ANSWER: d **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

67. Which of the following is an example of a fixed fee system of compensation?
- 15 percent of the total amount billed by XL Inc. was retained by Tesco advertisers as compensation for all costs in creating the advertisement.
 - Largo advertisers was paid \$50,000 by their client based on the effect their ads had on the sale of the company's products.
 - Purple Corp. paid RL Designs \$150,000 based on the positive responses it received for their promotions from their customers.
 - HK advertisers and their client agreed on which supplies, materials, travel costs, and other expenses will be reimbursed.

ANSWER: d **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

68. A compensation system that is based on the achievement of specific objectives of the client is known as a _____.
- pay-for-results compensation
 - a markup charge
 - commission system
 - fee-based system

ANSWER: a **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Comprehension

69. Kowalski and Associates has been a successful mid-sized, full-service advertising agency for more than two decades. In an attempt to serve its clients more efficiently in a competitive marketplace, the agency has changed its compensation package to include payments based on results. In such a scenario, compensation packages for Kowalski and Associates are likely to be based on:
- brand recognition.
 - workforce strength.
 - competitive advantage.
 - economies of scale.

ANSWER: a *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

70. McMann and Young advertisers has been hired by Broadway Bicycles to assist with promotions for a chain of bicycle stores in Vermont. The agency has agreed that a certain level of awareness and interest in Broadway Bicycles will be generated in order to gain the sales targets the company desires, and they have agreed to be paid accordingly. This is an example of a _____ system of compensation.
- markup charge
 - commission
 - cost-plus
 - pay-for-results

ANSWER: d *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

71. A regional fast food chain called Platters is interested in opening a restaurant in a new market. The company plans to hire the services of a firm to collect the data needed to expand into the new market. In such a scenario, which of the following firm's services would it hire?
- A marketing research firm to conduct surveys to understand the potential market
 - An advertising agency to create innovative ads
 - A consultant to create message strategies and message themes
 - Media organizations for placing ads in broadcast and print media to create awareness for the restaurant

ANSWER: a *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Research

KEYWORDS: Bloom's: Application

72. Ocean Waves Resorts wants to purchase land and construct a resort on the shorefront in San Clemente. Ocean Waves would also like to construct a golf course and needs help in understanding local regulations and zoning restrictions in the country. Which of the following companies should Ocean Waves hire to assist with the project?
- a. A consulting firm
 - b. A creative boutique
 - c. A digital/interactive agency
 - d. A production facilitating firm

ANSWER: a *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Research

KEYWORDS: Bloom's: Application

73. A _____ helps firms identify and manage information that allow for the development of integrated marketing communications programs.
- a. media organization
 - b. sales agency
 - c. database consultant
 - d. trade reseller

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

74. Advertisers and their agencies rely primarily on external facilitators for:
- a. consumer research.
 - b. media buying.
 - c. assessing the effectiveness of promotional programs.
 - d. production processes.

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Product

KEYWORDS: Bloom's: Knowledge

75. Carmel Inc. has come up with the idea of creating a television ad for its new range of assorted cookies. The marketing executives approached RT Designs who will be filming the ad, preparing a set to record the ad, and employing an actress to play the role of a little girl enjoying her cookies. RT Designs is an example of a _____.
a. creative boutique
b. production house
c. fulfillment center
d. media specialist

ANSWER: b **DIFFICULTY:**

Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

76. _____ provide the physical facilities, including sets, stage equipment, and crews needed for broadcasting.
a. Production houses
b. Creative boutiques
c. Fulfillment centers
d. Interactive agencies

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

77. _____ is a high-speed technology that allows consumers to customize their programming and target very specific audiences.
a. Transit
b. Crowdsourcing
c. Broadband
d. Cable

ANSWER: c

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Knowledge

78. _____ is one of the world's largest media conglomerates and provides broadcasting, film, music, cable, print, publishing, and a dominant Internet presence.
- a. News Corp
 - b. Fox Broadcasting Company
 - c. Sony Corporation
 - d. Time Warner

ANSWER: d

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

79. Which of the following best describes a media conglomerate?
- a. It is a firm that operates multiple media combinations.
 - b. It is a firm that is a specialist in one particular form of media.
 - c. It is a firm that specializes solely in buying media time and space.
 - d. It is a firm that uses print media instead of broadcast media

ANSWER: a

DIFFICULTY: Easy

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Knowledge

80. Design Solutions has two television network channels and its monthly magazine, Bling, is the most popular fashion magazine in the country. It also has a number of websites for its television channels and online sports news. Design Solutions is an example of a _____.
- a. creative boutique
 - b. media conglomerate
 - c. media specialist
 - d. digital/interactive agency

ANSWER: b **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Marketing Plan

KEYWORDS: Bloom's: Application

81. Which of the following is an example of outdoor support media?

- a. Podcasts
- b. Billboards
- c. Catalogs
- d. Electronic directories

ANSWER: b *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

82. Which of the following is an example of interactive media?

- a. Banners
- b. Electronic directories
- c. Catalogs
- d. CD-ROMs

ANSWER: d *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

83. Which of the following is an example of premiums, a type of support media?

- a. Transit
- b. Cable
- c. Calendars
- d. Billboards

ANSWER: c *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

Scenario 2-1

As one of the world's largest computer and technology developers, Dell, Inc. has never been a stranger to advertising. However, due to a consistent decline in market share, the Texas-based company is looking to overhaul its advertising efforts for the first time in years. In the past, Dell found success promoting its products as some of the most inexpensive computer products in the market. However, the company's new ad campaign, which will be targeted toward more high-end users, will make no mention of product price. The company is looking to reinvent its image and believes that the first step in doing so is to revamp its outdated advertising campaign.

84. (Scenario 2-1) Dell decides not to use a full-service advertising agency because it would like its own employees to take responsibility for the new ad campaign. However, full-service agencies do provide a number of advantages—one of these advantages is that they:
- are always large, employing thousands of people.
 - can provide the physical facilities for broadcast production.
 - have an array of talented professionals to meet all the needs of a client.
 - are the only way to create an ad campaign.

ANSWER: c **DIFFICULTY:**

Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

85. (Scenario 2-1) In order to reinvent the company's image, Dell puts together a team comprising members from its marketing department who will be responsible for every aspect of the advertising campaign. The company decides that involving employees in the campaign will allow it to maximize the profits generated from the new campaign. This team will be an example of a(n):
- creative boutique.
 - full-service advertising agency.
 - fulfillment center.
 - in-house agency.

ANSWER: d **DIFFICULTY:**

Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Application

86. (Scenario 2-1) To generate interest in its new line of computers, Dell hires a company to design a number of contests and incentive programs that will help build excitement for the new line. This company is an example of a(n):
- fulfillment center.
 - database agency.
 - sales promotion agency.
 - market research firm.

ANSWER:

c DIFFICULTY:

Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

87. (Scenario 2-1) Dell plans to strengthen its relationships with the media, industry associations, and its various competitors. In such a scenario, Dell would be hiring _____ to help strengthen their relationships.
- a public relations firm
 - a market research firm
 - a creative boutique
 - a database agency

ANSWER:

a DIFFICULTY:

Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Application

Scenario 2-2

Brush Strokes is an art supply store located in a town with a population of about 100,000 people. The town is also home to a major State University. Brush Strokes gets a majority of its business from the student population. It uses the services of a local full-service advertising agency to promote themselves. A large part of its marketing budget has been used in running small advertisements in the local and school newspapers at the beginning of each term. The advertising agency is now recommending that Brush Strokes devote a majority of its budget to running television spots during broadcasts of the University's football and basketball games. While the owners of Brush Strokes agree that they could be doing a better job of reaching a larger portion of the student population, they have not come to any conclusions about the best way to accomplish this.

88. (Scenario 2-2) Which one of the following would Brush Strokes's full-service agency be *least* qualified to handle?
- Researching about the buying trends of the company's customers
 - Creating a 30-second television commercial
 - Forecasting dividend earnings of stockholders
 - Generating awareness about the brand

ANSWER: c **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

89. (Scenario 2-2) The owners of Brush Strokes have called a meeting with their agency to determine ways in which it can benefit most from advertising. The agency has agreed to help in identifying the benefits of the brand, its target audience, the best competitive positioning, and developing a complete plan. In such a scenario, which of the following services is the agency offering?
- Media buying services
 - Billing services
 - Account services
 - Marketing services

ANSWER: c **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Strategy

KEYWORDS: Bloom's: Application

90. (Scenario 2-2) Brush Strokes is looking for a way to increase sales. The advertising agency helps create an innovative message that will be conveyed through promotions and mobile marketing. Which of the following agency services is the company using?
- a. Billing services
 - b. Creative services
 - c. Administrative services
 - d. Media buying services

ANSWER: b **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Application

91. (Scenario 2-2) The owners of Brush Strokes are concerned that their agency may be recommending television advertising because it would be profitable for the agency. Brush Strokes can avoid paying for ineffective advertising campaigns by changing to a _____ system of compensation.
- a. commission
 - b. fee
 - c. pay-for-results
 - d. markup charge

ANSWER: c **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

Scenario 2-3

Axel Corp., a new clothing line manufacturer, plans to reach out to the local fashion stores and wholesale distributors around the country. It also plans to offer a discount on its products for the first 100 customers and establish a coupon system for the first six months of sales. The marketing team is looking to create a television advertisement and is looking for ways to improve on the ideas that they have come up with for the ad.

92. (Scenario 2-3) Which of the following agencies would help improve the ideas that Axel Corp. has for its advertisement?
- A direct marketing agency
 - A creative boutique
 - A database agency
 - A fulfillment center

ANSWER: b *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Comprehension

93. (Scenario 2-3) Which of the following is most likely to provide Axel Corp. with a reasonable amount of media time at a rate lower than that provided by an advertiser?
- Production houses
 - Sales promotion agencies
 - Database consultants
 - Media specialists

ANSWER: d *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

94. (Scenario 2-3) Axel Corp. plans to reach out to local fashion stores and wholesale distributors. Axel Corp. can achieve this by employing an advertising agency specialized in ____.
- consumer sales promotions
 - trade-market sales promotions
 - infomercials
 - a commission system

ANSWER: b *DIFFICULTY:*
Challenging

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

95. (Scenario 2-3) A(n) _____ can help Axel Corp. in designing and executing direct response advertising campaigns using traditional media.
- database consultant
 - public relations firm
 - fulfillment center
 - interactive agency

ANSWER: a **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

Scenario 2-4

Caltech Corp. has a 15 minute advertisement that is aired on a local news channel explaining to the public the benefits of its product. Sparkles Inc. has provided Caltech Corp. airtime on its television network, and has offered to advertise its product on its website as an act of goodwill.

96. (Scenario 2-4) Caltech Corp. has a 15 minutes long advertisement that explains to the public about its product. This is an example of a(n) _____.
- podcast
 - electronic directory
 - blog
 - infomercial

ANSWER: d **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

97. (Scenario 2-4) Sparkles Inc. is an example of a _____.
- production facilitator
 - full-service agency
 - media conglomerate
 - fulfillment center

ANSWER: c **DIFFICULTY:**
Moderate

LEARNING OBJECTIVES: AIBP.OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

Scenario 2-5

In 2008, Chicago native Andrew Mason launched Groupon, a website that offered Chicago consumers various “deals of the day.” At the time, Groupon had a unique business model—each day, one “groupon” would be offered in a particular city. If a certain number of people signed up for the offer, then the deal became available to all. Now, only two years later, the business continues to grow, and the service is being offered in several more U.S. cities. Google made a multi-billion dollar offer for the company that Mason turned down in the December of 2010. Continuing the company’s rapid rise to success will be a challenging task for CEO Andrew Mason and his team because they will be the first to attempt to advertise the unique services. Groupon needs to find ways to attract new users, and looking into new forms of advertising will be essential to the company’s success.

98. (Scenario 2-5) As Groupon’s services differ depending on the city in which it is offered, its CEO decides that each variation needs to have a catchy slogan that relates to that particular market. Which of the following types of advertising agencies would likely be the *best* choice to create these slogans?
- A digital/interactive agency
 - A media specialist
 - A creative boutique
 - An production facilitator

ANSWER: c **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Application

99. (Scenario 2-5) Groupon’s management has budgeted \$20,000 for social media advertising this year. How much can their advertising agency expect to earn if they are using a traditional commission system?
- \$2,000
 - \$3,000
 - \$5,000
 - \$8,000

ANSWER: b **DIFFICULTY:**
Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

100. (Scenario 2-5) Groupon decides to hire a full-service advertising agency to create a new campaign for the company. The ad agency agrees to be compensated if Groupon notices any positive change in sales and the number of customers on its site. This is an example of a(n) _____ system of compensation.
- fixed fee
 - commission
 - incentive-based
 - markup charge

ANSWER: c **DIFFICULTY:**

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Application

101. (Scenario 2-5) Groupon decides to find a firm that can help them in planning, preparing, and executing promotional campaigns. The company whose services Groupon is seeking is referred to as a(n):
- client.
 - database consultant.
 - sponsor.
 - external facilitator.

ANSWER: d **DIFFICULTY:**

Challenging

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

Scenario 2-6

Pink Inc. has approached Ripple Effects with the layout of an advertisement for its new product that it plans to advertise. Ripple Effects has agreed to provide Pink Inc. with the cast and crew required to create the advertisement, choosing the location and the set up. Pink Inc. has employed Glamour, an advertising agency, to make the message theme of the advertisement more innovative. Glamour has charged the firm \$50,000 per hour for its services.

102. (Scenario 2-6) Ripple Effects is an example of a _____.
a. media specialist
b. creative boutique
c. database consultant
d. production house

ANSWER: d *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Application

103. (Scenario 2-6) Glamour is an example of a _____.
a. media specialist
b. direct marketing agency
c. creative boutique
d. digital/interactive agency

ANSWER: c *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - ohio - DISC: Creativity

KEYWORDS: Bloom's: Application

104. (Scenario 2-6) Glamour follows a _____ system of compensation.
a. commission
b. cost-plus
c. markup charge
d. fee

ANSWER: d *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Comprehension

105. (Scenario 2-6) Pink Inc. has chosen to advertise using key chains and complementary pens with the firm's logos on them. The type of media chosen by Pink Inc. is referred to as ____.
- a. infomercials
 - b. print media
 - c. interactive media
 - d. support media

ANSWER: d *DIFFICULTY:*
Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-5

NATIONAL STANDARDS: United States - BUSPROG: Reflective Thinking

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

106. What is crowdsourcing? Explain.

ANSWER: Crowdsourcing involves the online distribution of certain tasks to groups (crowds) of experts, enthusiasts, or even consumers. The idea behind crowdsourcing is to get consumers more involved with and committed to a brand in a way that passive, intrusive advertising simply cannot. Consumers help “build the brand” with recommendations for features or even advertising campaign images. They also can communicate about the brand to audiences in ways that seem natural and credible—something corporate-launched advertising struggles with.

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-1

NATIONAL STANDARDS: United States - BUSPROG: Technology

STATE STANDARDS: United States - Ohio - DISC: Online/Computer

KEYWORDS: Bloom's: Comprehension

107. Describe the role advertisers play for trade resellers.

ANSWER:

A trade reseller is a general description for all organizations in the marketing channel of distribution that buy products to resell to customers. Resellers can be retailers, wholesalers, or distributors. These resellers deal with both household consumers and business buyers at all geographic market levels.

Retailers that sell in national or global markets are the most visible reseller advertisers and promotion users. Regional retail chains, typically grocery chains or department stores serve multistate markets and use advertising suited to their regional customers. At the local level, small retail shops of all sorts rely on newspaper, radio, television, and are a completely different breed of reseller. Technically, these types of companies deal only with business customers, since their position in the distribution channel dictates that they sell products either to producers (who buy goods to produce other goods) or to retailers (who resell goods to household consumers). Wholesalers and distributors

have little need for mass media advertising over media such as television and radio. Rather, they use trade publications, directory advertising such as the Yellow Pages and trade directories, direct mail, personal selling, and their Internet websites as their main advertising media.

DIFFICULTY:

Moderate

LEARNING OBJECTIVES:

AIBP. OGUI.15.2-2

NATIONAL STANDARDS:

United States - BUSPROG: Analytic

STATE STANDARDS:

United States - Ohio - DISC: Promotion

KEYWORDS:

Bloom's: Comprehension

108. Describe any three types of services commonly offered by advertising and promotion agencies.

ANSWER: The types of services commonly offered by advertising and promotion agencies are as follows:

Account Services: These services are offered by managers who have titles such as account executive, account supervisor, or account manager and who work with clients to determine how the brand can benefit most from advertising and IBP. Account services entail identifying the benefits a brand offers, its target audiences, and the best competitive positioning, and then developing a complete plan.

Marketing Research Services: Research conducted by an agency for a client usually consists of the agency locating studies (conducted by commercial research organizations) that have bearing on a client's market or advertising and IBP objectives. The research group will help the client interpret the research and communicate these interpretations to the creative and media people.

Creative Services: The creative services group in an agency comes up with the concepts that express the value of a company's brand in interesting and memorable ways. In simple terms, the creative services group develops the message that will be delivered through advertising, sales promotion, direct marketing, social networks, mobile marketing, event sponsorship, or public relations.

DIFFICULTY: Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension

109. List and describe the four methods of agency compensation.

ANSWER:

Commission system: The traditional method of agency compensation is the commission system, which is based on the amount of money the advertiser spends on media. Under this method, 15 percent of the total amount billed by a media organization is retained by the advertising or promotion agency as compensation for all costs in creating advertising/promotion for the advertiser. The only variation is that the rate typically changes to 16 percent for outdoor media.

Markup charges: This method of agency compensation adds a percentage markup charge (sometimes referred to as cost-plus) to a variety of services the agency purchases from outside suppliers. In many cases, an agency will turn to outside contractors for art, illustration, photography, printing, research, and production. The agency then, in agreement with the client, adds a markup charge to these services.

Fee system: A fee system is much like that used by consultants or attorneys, whereby the advertiser and the agency agree on an hourly rate for different services provided. The hourly rate can be based on average salaries within departments or on some agreed-on hourly rate across all services. This is the most common basis for promotion agency compensation.

Pay-for-results: Many advertisers and agencies alike have been working on compensation programs called pay-for-results or incentive-based compensation that base the agency's fee on the achievement of agreed-on results.

DIFFICULTY:

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Pricing

KEYWORDS: Bloom's: Comprehension

110. Describe the three new types of consultants that have emerged in recent years.

ANSWER:

Three new types of consultants have emerged in recent years.

The first is a database consultant, who works with both advertisers and agencies. Organizations of this type help firms identify and then manage databases that allow for the development of integrated marketing communications programs. Another new type of consultant specializes in website development and management. These consultants typically have the creative skills to develop websites and corporate home pages and the technical skills to advise advertisers on managing the technical aspects of the user interface. The third type of consultant works with a firm to integrate information across a wide variety of customer contacts (including social media activities) and to organize all this information to achieve customer relationship management (CRM).

DIFFICULTY:

Moderate

LEARNING OBJECTIVES: AIBP. OGUI.15.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic

STATE STANDARDS: United States - Ohio - DISC: Promotion

KEYWORDS: Bloom's: Comprehension