Advertising & IMC: Principles and Practice, 10e (Moriarty)

Chapter 2  Brand Communication

1) Marcom is an abbreviation for ________.
A) marketing company
B) marketing communication
C) market company
D) market communication
E) market community
Answer:  B
Difficulty:  Easy

Chapter LO:  2-1
Course LO:  Discuss the fundamental concepts of marketing
AACSB:  Written and oral communication

2) The goal of marketing is achieved by matching a product's availability to the ________.
A) competition's availability
B) previous year's level of sales
C) company's production capabilities
D) consumers' need, desire, or demand for the product
E) legal limits of availability
Answer:  D
Difficulty:  Moderate

Chapter LO:  2-1
Course LO:  Discuss the fundamental concepts of marketing

3) The various marketing communication messages and brand experiences that create and maintain a brand are referred to collectively as ________.
A) brand position
B) point of differentiation
C) brand communication
D) added value
E) integrated marketing
Answer:  C
Difficulty:  Easy

Chapter LO:  2-1
Course LO:  Discuss the fundamental concepts of marketing
AACSB:  Written and oral communication
4) The four tools of product, price, place, and promotion are collectively referred to as the ________.
   A) product mix
   B) promotion mix
   C) marketing mix
   D) integration elements
   E) exchange elements
   Answer: C
   Difficulty: Easy
   Chapter LO: 2-1
   Course LO: Discuss the fundamental concepts of marketing

5) The marketing mix is also known as the ________.
   A) four Cs
   B) four Ms
   C) competitive advantage
   D) marketing channel
   E) four Ps
   Answer: E
   Difficulty: Easy
   Chapter LO: 2-1
   Course LO: Discuss the fundamental concepts of marketing

6) You would most likely be able to purchase package goods at a(n) ________.
   A) distribution warehouse
   B) fast food restaurant
   C) drugstore
   D) automotive retailer
   E) clothing store
   Answer: C
   Difficulty: Moderate
   Chapter LO: 2-1
   Course LO: Discuss the fundamental concepts of marketing

7) Which of the following are considered "key players" in the marketing industry?
   A) marketers
   B) suppliers or vendors
   C) distributors or retailers
   D) agencies
   E) all of the above
   Answer: E
   Difficulty: Easy
   Chapter LO: 2-1
   Course LO: Discuss the fundamental concepts of marketing
8) Which key player in marketing refers to the organization, company, or manufacturer producing the product and offering it for sale?
A) marketer  
B) supplier or vendor  
C) distributor or retailer  
D) agency  
E) brand manager  
Answer: A  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

9) The materials and ingredients used in producing the product are obtained from other companies that are referred to as the producer's ________.
A) marketers  
B) suppliers or vendors  
C) distributors or retailers  
D) agencies  
E) exchangers  
Answer: B  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

10) The complex network of vendors that produce components and ingredients which are then sold to the manufacturer is known as the ________.
A) network chain  
B) channel of distribution  
C) supply chain  
D) ingredient chain  
E) distribution chain  
Answer: C  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

11) The ________ refers to the various companies that are involved in moving a product from its manufacturer into the hands of its end buyers.
A) network chain  
B) distribution chain  
C) supply chain  
D) ingredient chain  
E) promotion network  
Answer: B  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing
12) What term is used to mean a place or a particular type of buyer?
A) market  
B) position  
C) channel  
D) demographic  
E) partner  
Answer: A  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

13) The percentage of the total sales in a product category that a particular brand has is called the brand's _______.
A) position  
B) market segment  
C) distribution  
D) share of market  
E) exchange  
Answer: D  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

14) Which of the following is NOT considered a main type of market?
A) consumer  
B) business-to-business  
C) channel  
D) institutional  
E) media  
Answer: E  
Difficulty: Moderate  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing

15) _______ markets consist of people who buy products and services for personal or household use.
A) Consumer  
B) Business-to-business  
C) Channel  
D) Institutional  
E) Media  
Answer: A  
Difficulty: Easy  
Chapter LO: 2-1  
Course LO: Discuss the fundamental concepts of marketing
16) _______ markets consist of companies that buy products or services to use in their own businesses or in making other products.
A) Consumer
B) Business-to-business
C) Distribution
D) Institutional
E) Indirect
Answer: B
Difficulty: Easy
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

17) _______ markets include a wide variety of profit and nonprofit organizations, such as hospitals, government agencies, and schools, that provide goods and services for the benefit of society.
A) Consumer
B) Business-to-business
C) Channel
D) Institutional
E) Distribution
Answer: D
Difficulty: Easy
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

18) _______ markets are made up of members of a company's distribution chain.
A) Consumer
B) Business-to-business
C) Channel
D) Institutional
E) Media
Answer: C
Difficulty: Easy
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

19) Resellers in a channel market are also known as _______.
A) suppliers
B) vendors
C) intermediaries
D) shareholders
E) competitors
Answer: C
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
20) Most advertising dollars are spent on ________ markets.
A) consumer
B) business-to-business
C) media
D) channel
E) institutional
Answer: A
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

21) Firms usually reach ________ markets through mass media and other marketing communication tools.
A) consumer
B) business-to-business
C) media
D) channel
E) institutional
Answer: A
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

22) Trade journals and professional magazines are examples of ________.
A) mass media
B) specialized media
C) direct media
D) personal selling
E) trade markets
Answer: B
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Describe the decisions involved in developing effective promotion mix strategies
AACSB: Written and oral communication

23) In marketing terms, "word-of-mouth" refers to ________.
A) brand communication
B) personal communication
C) relationship marketing
D) personal selling
E) direct marketing
Answer: B
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Describe the decisions involved in developing effective promotion mix strategies
AACSB: Written and oral communication
24) In which type of personal selling does a sales clerk provide assistance for customers at a store?
A) prospecting  
B) field sales  
C) retail selling  
D) direct marketing  
E) lead selling  
Answer: C  
Difficulty: Moderate  
Chapter LO: 2-2  
Course LO: Describe the steps of the personal selling process and discuss the process of managing a sales force  

25) In which type of personal selling does a representative make sales calls at a customer's place of business?
A) prospecting  
B) field sales  
C) retail selling  
D) direct marketing  
E) lead selling  
Answer: B  
Difficulty: Moderate  
Chapter LO: 2-2  
Course LO: Describe the steps of the personal selling process and discuss the process of managing a sales force  

26) How a brand is different and superior in some way is referred to as ________.
A) brand parity  
B) brand equity  
C) competitive advantage  
D) psychological pricing  
E) brand meaning  
Answer: C  
Difficulty: Easy  
Chapter LO: 2-2  
Course LO: Discuss the fundamental concepts of marketing
27) Which of the following does NOT add value to a product?
A) advertising
B) convenience
C) useful features
D) branding
E) All of the above add value to a product.
Answer: E
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

28) Which of the following is NOT a way advertising adds value to a product?
A) making the product appear more desirable
B) presenting the product as a status symbol
C) making the product more convenient for consumers to buy
D) providing news and useful information of interest to consumers
E) All of the above are ways advertising adds value to a product.
Answer: C
Difficulty: Difficult
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing
AACSB: Written and oral communication

29) Which marketing mix element includes product design and development, performance, branding, and packaging?
A) distribution
B) branding
C) product
D) place
E) promotion
Answer: C
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

30) Which marketing mix element includes personal selling, advertising, public relations, sales promotion, direct marketing, and events and sponsorships?
A) price
B) distribution
C) product
D) place
E) promotion
Answer: E
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing
AACSB: Written and oral communication
31) The promotion "P" of marketing is also known as _______.
A) product
B) distribution
C) price
D) marketing communication
E) differentiation
Answer: D
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing
AACSB: Written and oral communication

32) Which element of the marketing mix includes distribution channels and market coverage?
A) product
B) promotion
C) price
D) communication
E) place
Answer: E
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

33) Which of the following is LEAST likely to be a factor on which the price of a product is based?
A) what the market will bear
B) the amount of support provided by resellers
C) the economic well-being of the consumer
D) the consumer's ability to gauge the value of the product
E) the relative value of the product
Answer: B
Difficulty: Difficult
Chapter LO: 2-2
Course LO: Discuss strategies for setting and adjusting prices

34) A consumer's ability to gauge the value of a product is referred to as the _______.
A) psychological price
B) price/value proposition
C) exchange rate
D) comparative price
E) value exchange
Answer: B
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss strategies for setting and adjusting prices
35) Which pricing strategy uses marketing communication to manipulate the customer’s judgment of value?
A) psychological pricing
B) true pricing
C) distribution pricing
D) copy pricing
E) customary pricing
Answer: A
Difficulty: Easy
Chapter LO: 2-2
Course LO: Discuss strategies for setting and adjusting prices
AACSB: Written and oral communication

36) Which pricing strategy is used to communicate a dramatic or temporary price reduction?
A) promotional pricing
B) value pricing
C) parity pricing
D) copy pricing
E) customary pricing
Answer: A
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss strategies for setting and adjusting prices
AACSB: Written and oral communication

37) Using ________, a marketer sets a high price for a product to make the product seem worthy or valuable.
A) prestige pricing
B) value pricing
C) distribution pricing
D) promotional pricing
E) customary pricing
Answer: A
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss strategies for setting and adjusting prices
38) When a company distributes its products directly to buyers without the use of a reseller, the company is using __________.
A) indirect marketing
B) no-channel marketing
C) direct marketing
D) indirect channel marketing
E) integrated marketing
Answer: C
Difficulty: Easy
Chapter LO: 2-2
Course LO: Compare and contrast different approaches to value chain organization

39) Which of the following refers to the help provided to a customer before, during, and after a purchase?
A) customer service
B) brand stewardship
C) brand management
D) relationship marketing
E) integrated marketing
Answer: A
Difficulty: Easy
Chapter LO: 2-2
Course LO: Identify and describe the processes and tools of strategic marketing

40) Which strategy directs marketing efforts at the consumer?
A) push
B) exchange
C) pull
D) coverage
E) cooperative
Answer: C
Difficulty: Easy
Chapter LO: 2-2
Course LO: Describe how retailers and wholesalers create value
AACSB: Written and oral communication
41) A(n) ________ strategy directs marketing efforts at resellers, and success depends on the ability of these intermediaries to market the product, which they often do with advertising.
   A) push
   B) pull
   C) coverage
   D) direct
   E) exchange
   Answer: A
   Difficulty: Easy
   Chapter LO: 2-2
   Course LO: Describe how retailers and wholesalers create value
   AACSB: Written and oral communication

42) Which marketing communication tool uses face-to-face contact between the marketer and a prospective customer?
   A) advertising
   B) sales promotion
   C) public relations
   D) personal sales
   E) customary marketing
   Answer: D
   Difficulty: Easy
   Chapter LO: 2-2
   Course LO: Describe the steps of the personal selling process and discuss the process of managing a sales force
   AACSB: Written and oral communication

43) More companies are adopting the concept of ________, which is the practice of unifying all brand communication messages and tools as well as the messages from the marketing mix decisions.
   A) integrated marketing communications
   B) integrated personal selling
   C) integrated competitive methods
   D) nonpersonal communication channels
   E) buzz marketing
   Answer: A
   Difficulty: Easy
   Chapter LO: 2-3
   Course LO: Identify and describe the processes and tools of strategic marketing
   AACSB: Written and oral communication
44) Integrated marketing communications produces better communications ________.
   A) consistency
   B) sales
   C) simplicity
   D) variety
   E) independence
   Answer: A
   Difficulty: Moderate
   Chapter LO: 2-3
   Course LO: Identify and describe the processes and tools of strategic marketing
   AACSB: Written and oral communication

45) Which of the following refers specifically to creating the intangible elements of a brand that make it memorable and meaningful to a consumer?
   A) advertising
   B) branding
   C) exchanging
   D) marketing
   E) integrating
   Answer: B
   Difficulty: Easy
   Chapter LO: 2-4
   Course LO: Explain the various product and branding decisions marketers make

46) Hamburgers and toothpaste are both examples of ________.
   A) services
   B) ideas
   C) brands
   D) products
   E) markets
   Answer: D
   Difficulty: Moderate
   Chapter LO: 2-4
   Course LO: Explain the various product and branding decisions marketers make

47) A(n) ________ is a perception, often imbued with emotion, which results from experiences with and information about a company or a line of products.
   A) advertisement
   B) brand
   C) tagline
   D) logo
   E) trademark
   Answer: B
   Difficulty: Easy
   Chapter LO: 2-4
   Course LO: Explain the various product and branding decisions marketers make
48) Which of the following is an intangible feature of a brand?
A) the product's design  
B) the product's performance  
C) the product's package  
D) the product's perceived value  
E) the product's ingredients or components
Answer: D
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

49) Parity products are those that have ________.
A) no brand name  
B) few competitors  
C) few distinguishing features  
D) a store's label  
E) a generic label
Answer: C
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

50) Which of the following is a tangible feature of a brand?
A) a person's feelings about the brand  
B) a person's experience with the brand  
C) the product's performance  
D) the product's perceived value  
E) the brand's image
Answer: C
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

51) Which of the following exists in consumers' hearts and minds?
A) brand equity  
B) brand parity  
C) brand concept  
D) brand trademark  
E) brand license
Answer: C
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
52) Which of the following was the top global brand, based on brand value, in 2012?
A) Google
B) Apple
C) Coca-Cola
D) McDonald's
E) Walmart
Answer:  B
Difficulty: Difficult
Chapter LO:  2-4
Course LO: Explain the various product and branding decisions marketers make

53) Which of the following is NOT a desirable quality for a brand name?
A) It should suggest something about the product's benefits and qualities.
B) It should be easy to pronounce, recognize, and remember.
C) The brand should be a long word to get attention.
D) The name should translate easily into foreign languages.
E) It should be distinctive.
Answer:  C
Difficulty: Difficult
Chapter LO:  2-4
Course LO: Explain the various product and branding decisions marketers make

54) A ________ is a legal sign that indicates ownership.
A) trademark
B) logo
C) brand
D) patent
E) brand position
Answer:  A
Difficulty: Easy
Chapter LO:  2-4
Course LO: Explain the various product and branding decisions marketers make

55) ________ refers to how consumers see a brand relative to the other brands in the product category.
A) Segmenting
B) Targeting
C) Differentiating
D) Positioning
E) Trademarking
Answer:  D
Difficulty: Moderate
Chapter LO:  2-4
Course LO: Explain the various product and branding decisions marketers make
56) Bold, fun, exciting, and daring are all examples of ________.
A) brand promises
B) brand positions
C) brand personalities
D) brand equities
E) brand value
Answer: C
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

57) Brand value comes in two forms: the value to the ________ and the value to the ________.
A) consumer; competitor
B) consumer; corporation
C) competitor; channel
D) corporation; competitor
E) shareholder; stakeholder
Answer: B
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

58) Brand ________ programs offer customers rewards for repeat business.
A) value
B) equity
C) extension
D) integration
E) loyalty
Answer: E
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

59) ________ is the intangible value of the brand based on the relationships with its stakeholders, as well as intellectual property.
A) Brand position
B) Brand parity
C) Brand image
D) Brand identity
E) Brand equity
Answer: E
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
60) Which of the following measures the financial value the brand contributes to a company?
A) trademark
B) copyright
C) brand image
D) brand identity
E) brand equity
Answer: E
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

61) ________ refers to the use of a brand name of a component in another product's advertising and promotion.
A) Co-branding
B) Ingredient branding
C) Inside branding
D) Brand licensing
E) Integrated branding
Answer: B
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

62) A company that uses an established brand name with a related line of products is using a(n) ________.
A) co-brand
B) ingredient brand
C) brand extension
D) licensed brand
E) brand parity
Answer: C
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

63) Which of the following is a strategy that uses two brand names owned by two separate companies to create a partnership offering?
A) co-branding
B) equity branding
C) brand licensing
D) integrated branding
E) parity branding
Answer: A
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
64) Using ________, a partner company rents another company's brand name and transfers some of that brand equity to another product.
A) co-branding
B) equity branding
C) brand licensing
D) integrated branding
E) parity branding
Answer: C
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

65) Through its communication of a _______, a brand sets expectations for what a customer believes will happen when the product is used.
A) brand promise
B) point of differentiation
C) competitive advantage
D) brand personality
E) brand equity
Answer: A
Difficulty: Easy
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Written and oral communication

66) A ________ brand is one that is marketed in a single country.
A) house
B) local
C) regional
D) store
E) private
Answer: B
Difficulty: Easy
Chapter LO: 2-5
Course LO: Describe the global marketing environment today and explain the options companies consider as they go global

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67) A(n) ________ brand is available in a number of different countries in various parts of the world.
A) parity
B) local
C) regional
D) extension
E) international
Answer: E
Difficulty: Easy
Chapter LO: 2-5
Course LO: Describe the global marketing environment today and explain the options companies consider as they go global

68) A company that takes a ________ approach to international marketing tries to make accommodations in its marketing mix for cultural differences.
A) parity
B) domestic
C) global
D) standardized
E) localized
Answer: E
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Describe the global marketing environment today and explain the options companies consider as they go global
AACSB: Diverse and multicultural work environments

69) Brand relationship communication aims to do which of the following?
A) introduce a product
B) demonstrate a product's effectiveness
C) extend a brand's image to a new product
D) highlight a competitive advantage
E) build trust with customers
Answer: E
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Written and oral communication
70) Which of the following refers to the rapid spread of a brand message on the Internet through a wide network of contacts?
A) brand stewardship
B) brand parity
C) direct marketing
D) indirect marketing
E) viral marketing
Answer: E
Difficulty: Easy
Chapter LO: 2-5
Course LO: Discuss how marketers can develop a safe and effective online presence
AACSB: Written and oral communication

71) The term *stakeholders* refers to customers of a product as well as employees of the company that produces and markets the product.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

72) The goal in marketing is to sell as many products as possible.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

73) The key players in the marketing industry include the marketer, suppliers and vendors, distributors and retailers, and marketing partners, such as agencies.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

74) The materials and ingredients used in producing the product are obtained from other companies who are referred to as distributors.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Compare and contrast different approaches to value chain organization

75) The channel of distribution refers to the complex network of suppliers who produce components and ingredients that are then sold to the manufacturer.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Compare and contrast different approaches to value chain organization
76) The supply chain refers to the various companies that are involved in moving a product from its manufacturer into the hands of its buyer.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Compare and contrast different approaches to value chain organization

77) Only manufacturers advertise.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
AACSB: Written and oral communication

78) A market can refer to either a place or a particular type of buyer.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

79) Institutional markets consist of people who buy products and services for personal use.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

80) Institutional markets are made up of nonprofit organizations only.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

81) Package goods are most closely associated with the business-to-business markets.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

82) The only marketing mix element with communication effects is promotion.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing
AACSB: Written and oral communication
83) Product performance delivers the loudest message about a product and determines whether the product is purchased again.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

84) Price copy is the focus of a great deal of retail advertising.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

85) The process of assessing whether there are identifiable groups within the market whose needs and wants intersect with the product and its features is known as point of differentiation.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing

86) The phrase "clicks or bricks" refers to whether a product is sold online or in a traditional store.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss how marketers can develop a safe and effective online presence
AACSB: Information technology

87) The goal of brand communication is to create immediate sales to people who are shopping for a product.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the selection of appropriate sales promotion tools
AACSB: Written and oral communication

88) Information from the marketing mix can add value to a brand.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the fundamental concepts of marketing
89) A push strategy directs marketing efforts at the consumer in an attempt to stimulate consumer demand.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Describe how retailers and wholesalers create value
AACSB: Written and oral communication

90) In personal sales, leads are also known as prospects.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Describe the steps of the personal selling process and discuss the process of managing a sales force

91) Integrated marketing communication (IMC) is a recent trend that uses databases to drive communication with customers and keep track of their interactions with a company.
Answer: FALSE
Difficulty: Easy
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Information technology

92) Synergy is created when the components of integrated marketing communication have more impact as a whole than they would individually.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Written and oral communication

93) The branding of an organization will occur even if a branding process is not managed.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

94) Advertising is the process of creating the tangible and intangible elements of a brand.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
95) Brand equity measures the financial value the brand contributes to the company.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

96) Co-branding means acknowledging a supplier's brand as an important product feature or component.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

97) In marketing terms, ROI stands for rate of interest.
Answer: FALSE
Difficulty: Easy
Chapter LO: 2-5
Course LO: Identify and describe the processes and tools of strategic marketing

98) Marketers who calculate ROI do not need to use other tools or techniques to evaluate the efficiency and effectiveness of their marketing communications.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Identify and describe the processes and tools of strategic marketing

99) The calculation of ROI identifies how much money a brand made in comparison to its expenses.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Identify and describe the processes and tools of strategic marketing

100) Word-of-mouth communication about a product is persuasive because people tend to have more faith in comments from friends and family members than in planned marketing communication messages.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Discuss how marketers can develop a safe and effective online presence
AACSB: Written and oral communication
101) A car manufacturer buys tires from a tire manufacturer. These manufacturers are part of the institutional market.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
AACSB: Analytical thinking

102) Businesses are more likely to use advertising in specialized media than in mass media to reach customers in business-to-business markets.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing

103) An IMC program is more complex than a traditional advertising plan.
Answer: TRUE
Difficulty: Moderate
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing

104) Retailers and wholesalers who have created their own brands—such as Walmart's Sam's Choice beverages and food products—are participating in co-branding.
Answer: FALSE
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make

105) To maximize the toothpaste market in China, Crest needs to convince more of the Chinese population to brush their teeth three times a day. Crest is most likely to use a standardized approach for its marketing in China.
Answer: FALSE
Difficulty: Difficult
Chapter LO: 2-5
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge
106) Describe the roles of the four key players in marketing.

Answer:
(1) Marketer (Advertiser or Client): Any company or organization behind the product (i.e., the organization, company, or manufacturer producing the product and offering it for sale).
(2) Suppliers and Vendors: Companies that supply the materials and ingredients used in producing the product. In marketing practice these suppliers and vendors are partners in the creation of a successful product. The term supply chain refers to the network of suppliers who produce components that are sold to manufacturers.
(3) Distributors and Retailers: Companies that are involved in moving a product from its manufacturer into the hands of its buyer. The various companies involved in this are referred to as the channel of distribution.
(4) Marketing partners: These companies do all or part of the work of advertising, implementing the creative vision of the client (marketer), and helping it to reach its advertising goals.

Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
AACSB: Analytical thinking

107) Name and describe the four main types of markets, and discuss characteristics of advertising targeted toward each market.

Answer:
(1) Consumer markets consist of people who buy products and services for personal or household use. Just about any product an individual purchases, including clothing, food, books, health and beauty aids, and so forth can be advertised to consumers through mass media such as radio, television, newspapers, general consumer magazines, and direct-response media, such as direct mail. Businesses spend most of their advertising dollars on this market.
(2) Business-to-Business (B2B) markets consist of companies that buy products or services to use in their own businesses or in making other products. This market is typically reached through trade and professional advertising in specialized media, such as trade journals, professional magazines, and direct mail.
(3) Institutional markets include a wide variety of profit and nonprofit organizations such as hospitals, government agencies, and schools that provide goods and services for the benefit of society. This market is typically reached through the same means as industrial markets.
(4) Channel markets are made up of members of the distribution chain, also known as resellers or intermediaries. This market is also typically reached through the same means as industrial and institutional markets.

Difficulty: Difficult
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
AACSB: Analytical thinking
108) How are the product, price, and place elements of the marketing mix involved in contributing communication effects in the marketing mix?

**Answer:**

(1) **Product:** When a product performs well, it sends a positive message about the brand, communicating to the customer that it is OK to repurchase the product. On the other hand, when a product does not perform well, the message is that the customer should not repurchase the product.

(2) **Price:** The price of a product sends a message about its quality and status. The higher the price is, the higher expectations of quality and status consumers may have.

(3) **Place:** Where and how a brand is available contributes to the image of the brand. The objective is to match the distribution to the product quality, brand personality, and price.

**Difficulty:** Difficult

Chapter LO: 2-2

Course LO: Identify and describe the processes and tools of strategic marketing

AACSB: Written and oral communication

109) Explain the concept of integrated marketing communications.

**Answer:** IMC calls for recognizing all contact points where the customer may encounter the company and its brands. A company wants to deliver a consistent and positive message with each contact. IMC ties together all of the company's messages and images, avoiding the confusion that can arise from customers receiving varied messages from a variety of media. Integration can create synergy, increasing the impact of a whole set of communications about a brand.

**Difficulty:** Moderate

Chapter LO: 2-3

Course LO: Identify and describe the processes and tools of strategic marketing

AACSB: Written and oral communication
110) Describe the evolution of Procter & Gamble's Ivory soap. How does it illustrate the concept of branding?
Answer: P&G created identity elements for its brand Ivory before anyone had thought of making a bar of soap a distinctive brand. The Ivory brand identity system also called attention to innovative features of the product. In the 1800s, soap wasn't like it is today; indeed, it was homemade from lye, fats, and fireplace ashes. It was a soft jelly-like yellowish soap that would clean, but if it fell to the bottom of a pail, it dissolved into mush. The Castile bar, which was a pure white soap imported from the Mediterranean and made from the finest olive oil, was considered the benchmark for quality soap and was highly expensive. P&G discovered a formula that produced a uniform, predictable bar soap, which they provided in wooden boxes to both armies during the Civil War, introducing the concept of mass production. After the war there was a huge market for the soap because returning soldiers demanded the bars for home use. However, these bars were still yellow and sank in a tub of water. The problem was solved when P&G created a white soap that was much like the Castile bar. This bar became the "soap that floats" when extra air was accidentally whipped into it, making the bar lighter. This claim—"It floats"—became one of the world's greatest statements of a product benefit. The soap was named "Ivory soap," and it became a product that consumers asked for by name. P&G also discovered that Ivory had only 0.56 percent impurities, leading to the claim that it was "99 and 44/100 percent pure," which is one of the most famous slogans in brand history.
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

111) Procter & Gamble has sales of almost $50 billion and spends more than $4 billion on advertising every year. The company's corporate brand value is estimated to be more than $107 billion. Which type of key marketing player does P&G represent?
A) marketer
B) supplier or vendor
C) distributor
D) agency
E) media
Answer: A
Difficulty: Moderate
Chapter LO: 2-1
Course LO: Discuss the fundamental concepts of marketing
AACSB: Analytical thinking
112) Amco, Inc. manufactures small electronic components that become integral parts of the electronic systems in automobiles. Amco does not sell directly to auto manufacturers, but rather through brokers that are involved in selling the components to the auto manufacturers. Additionally, another company is employed to deliver the goods. All of these organizations are part of the ________ in getting electronic component parts to the automobile manufacturers.
A) distribution network
B) supply chain
C) marketing network
D) brand management
E) parity chain
Answer:  B
Difficulty:  Moderate
Chapter LO:  2-1
Course LO:  Discuss the fundamental concepts of marketing
AACSB:  Analytical thinking

113) Puma sells its edgy designs to trendy retailers but also sells its more mainstream products in stores such as Foot Locker. Which marketing mix element does this strategy illustrate?
A) product
B) price
C) place
D) promotion
E) branding
Answer:  C
Difficulty:  Moderate
Chapter LO:  2-2
Course LO:  Identify and describe the processes and tools of strategic marketing
AACSB:  Analytical thinking

114) During the 2003 World Cup, which was held in Japan and South Korea, Puma got a well-known sushi chef to create a special Puma sushi roll that was served in select Japanese restaurants in cities around the world. Puma also discreetly announced the sponsorship in its company-branded chopsticks, sake cups, and napkins. At the same time, Puma partnered with the Terence Conran design shop to sell an exclusive version of its World Cup soccer boot, holding weekend sushi-making events at the home furnishings store. Which marketing mix element does this strategy illustrate?
A) product
B) price
C) place
D) promotion
E) branding
Answer:  D
Difficulty:  Moderate
Chapter LO:  2-2
Course LO:  Identify and describe the processes and tools of strategic marketing
AACSB:  Analytical thinking
115) A.Y. McDonald, a manufacturer of pumps and plumbing valves, employs regional salespeople to sell its products to wholesalers and cities. This is an example of ________.
A) sales promotion  
B) personal selling  
C) public relations  
D) indirect marketing  
E) advertising  
Answer:  B  
Difficulty:  Moderate  
Chapter LO:  2-2  
Course LO:  Identify and describe the processes and tools of strategic marketing  
AACSB:  Analytical thinking

116) An ad in a professional journal targeted to an audience of dentists asked dentists to recommend Crest toothpaste to their patients. It offered toothpaste samples that dentists could buy at cost to give to their patients to encourage patients to take better care of their teeth. The manufacturer of Crest toothpaste was using ________.
A) personal selling  
B) direct marketing  
C) a push strategy  
D) a pull strategy  
E) public relations  
Answer:  C  
Difficulty:  Moderate  
Chapter LO:  2-2  
Course LO:  Identify and describe the processes and tools of strategic marketing  
AACSB:  Analytical thinking

117) Glasis is a type of paint made specifically for use on cars. An ad in Motor Trend magazine advising consumers to request their body shops use Glasis paint is an example of how a company uses ________.
A) word-of-mouth influence  
B) public relations  
C) buzz marketing  
D) a push strategy  
E) a pull strategy  
Answer:  E  
Difficulty:  Moderate  
Chapter LO:  2-2  
Course LO:  Identify and describe the processes and tools of strategic marketing  
AACSB:  Analytical thinking
118) Integrated marketing communications require a company's mass-market advertisements, website, email, and personal selling communications to all have ________.
A) equal portions of the advertising budget
B) the same return on investment
C) separate marketing objectives
D) the same target audience
E) a consistent message, look, and feel
Answer: E
Difficulty: Moderate
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing

119) Advertising, sales promotion, personal selling, public relations, and direct marketing are all promotional tools ________.
A) that should be integrated under the concept of integrated marketing communications
B) used in business-to-business markets but not consumer markets
C) used for push strategies but not pull strategies
D) used for pull strategies but not push strategies
E) used in consumer markets but not business-to-business markets
Answer: A
Difficulty: Moderate
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing

120) Harpo Enterprises maintains OWN (the Oprah Winfrey Network), a website, and O magazine. Because Harpo Enterprises practices integrated marketing communications, these different brand contacts all maintain ________ in design and tone.
A) variety
B) feedback
C) consistency
D) creativity
E) convenience
Answer: C
Difficulty: Moderate
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Analytical thinking
121) Management of a company that adheres to the principle of integrated marketing communications is most likely to believe which of the following?
A) The use of multiple marketing communications channels is advantageous.
B) The use of a single marketing communications channel is advantageous.
C) Long-term relationships with customers are best nurtured through sales promotion.
D) Long-term relationships with customers are best nurtured through public relations.
E) Short-term relationships with customers are more profitable than long-term relationships with customers.
Answer: A
Difficulty: Difficult
Chapter LO: 2-3
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Application of knowledge

122) Peter purchased an inexpensive necklace from a department store to give to his sweetheart, Julie, on Valentine's Day. He didn't want her to know that he did not spend very much for the jewelry, so he put it in a box he had from an upscale jewelry store that sells only expensive items. When Julie unwrapped her gift, she was excited to see that it came from this store and absolutely loved the necklace Peter gave her. Which key concept of marketing does this illustrate?
A) push strategy
B) branding
C) integration
D) pull strategy
E) distribution
Answer: B
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking

123) Laurie owns a 2011 Honda Accord, which is the third Honda vehicle that she and her husband have owned. They describe themselves as a "Honda family" and intend to purchase another Honda automobile when their daughter gets her driver's license. They know and trust Hondas. Which key concept of marketing does this illustrate?
A) brand framework
B) brand relationship
C) brand personality
D) cause marketing
E) organization identity
Answer: B
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking
124) When Tylenol pain relief capsules were tampered with in 1982, resulting in the death of several consumers, the manufacturer pulled all of its products from store shelves, redesigned packaging to resist tampering, and reintroduced noncapsule forms of the product. This was very expensive for Tylenol to do, but the company knew that the reputation, meaning, and value that its brand name had acquired over time held financial value. Today, Tylenol brand medications have the reputation of being high-quality products. The reputation, meaning, and value that the Tylenol brand name has acquired over time is known as _______.
A) brand personality
B) trademark
C) brand framework
D) brand relationship
E) brand equity
Answer: E
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking

125) Intel manufactures computer chips that are part of several personal computer manufacturers' finished products. Intel and the computer manufacturers realized that customers valued the superior quality of Intel computer chips and were asking whether or not the computer they were considering purchasing contained an Intel computer chip. As a result, Intel and computer manufacturers started communicating through advertising and other promotional tools that there's "Intel Inside." This is an example of _______.
A) primary branding
B) secondary branding
C) supply chain branding
D) component branding
E) ingredient branding
Answer: E
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking

126) An apparel marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented?
A) co-branding
B) brand extension
C) ingredient branding
D) brand licensing
E) rebranding
Answer: B
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking
127) Which of the following adds primarily psychological value to a product?
A) branding
B) quality
C) features
D) convenience
E) service
Answer: A
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking

128) Which of the following is an advantage offered by co-branding?
A) Manufacturers do not have to invest in creating their own brand names.
B) Retailers have exclusive products that cannot be purchased from competitors.
C) A company can expand its existing brand into a category it otherwise might have difficulty entering alone.
D) Advertising, sales, promotion, and marketing do not need to be as carefully coordinated.
E) Brand equity is stabilized.
Answer: C
Difficulty: Difficult
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Analytical thinking

Refer to the following passage to answer the questions below.

Johnson & Johnson manufactures health and beauty aid products under several brand names. The company sells its products to end consumers through retail stores such as grocery, drug, and discount stores. J&J employs a sales force that calls on intermediaries, such as wholesalers and retailers, and spends part of the promotion budget on trade deals to influence intermediaries to carry the company's brands. The remainder of J&J's promotion budget is spent on mass advertising and sales promotions, such as coupons, targeted toward consumers.

129) Which promotion strategy is J&J pursuing?
A) push
B) zero channel
C) direct
D) pull
E) push and pull
Answer: E
Difficulty: Moderate
Chapter LO: 2-2
Course LO: Discuss the selection of appropriate sales promotion tools
AACSB: Analytical thinking
130) J&J also markets its Tylenol brand of pain relievers to hospitals. What type of market is that?
   A) consumer
   B) primary
   C) institutional
   D) reseller
   E) secondary
   Answer: C
   Difficulty: Moderate
   Chapter LO: 2-1
   Course LO: Discuss the fundamental concepts of marketing
   AACSB: Analytical thinking

131) What is the difference between a supply chain and a distribution chain?
   Answer: A supply chain is made up of suppliers who produce components and ingredients that are sold to a manufacturer; a distribution chain is made up of all the companies that move a finished product from the manufacturer to its buyers.
   Difficulty: Moderate
   Chapter LO: 2-1
   Course LO: Compare and contrast different approaches to value chain organization
   AACSB: Analytical thinking

132) What are the typical communication goals in a product launch?
   Answer: When introducing a new product or brand with a product launch, a company's communication goals are typically to build awareness of the new brand, explain how the new product works, and identify how it is different from competitors' products.
   Difficulty: Moderate
   Chapter LO: 2-2
   Course LO: Describe the decisions involved in developing effective promotion mix strategies
   AACSB: Written and oral communication

133) Blenco, Inc. is a manufacturer of frozen breakfast products, such as biscuits, pancakes, and waffles. Blenco does not spend any money on consumer advertising or promotions, but rather concentrates its promotion budget on intermediaries in the channel of distribution. What promotion strategy is Blenco pursuing, and which promotion tools are most appropriate for implementing this strategy?
   Answer: Blenco is pursuing a push promotion strategy that concentrates the flow of marketing communication on the members of the channel of distribution rather than on end consumers. Blenco is most likely utilizing trade deals, trade advertising, and personal selling to get its products in the channel of distribution.
   Difficulty: Difficult
   Chapter LO: 2-2
   Course LO: Discuss the selection of appropriate sales promotion tools
   AACSB: Application of knowledge
134) You just interviewed for a job with Dial, Inc. and learned that they are looking for someone who will call on grocery, drug, and convenience stores to sell and service Dial's health and beauty aid items to these types of retailers. What type of personal selling does this represent? Answer: Field sales. Field sales are a type of personal selling that includes calls at the place of business by a field representative. Difficulty: Moderate Chapter LO: 2-2 Course LO: Describe the steps of the personal selling process and discuss the process of managing a sales force AACSB: Analytical thinking

135) How does integrated marketing communication (IMC) build brand identity? Answer: IMC builds brand identity and strong customer relationships by tying together all of the company's messages and images. Difficulty: Moderate Chapter LO: 2-3 Course LO: Identify and describe the processes and tools of strategic marketing

136) What kind of control does a company have over the meaning of one of its brands? Answer: A company owns a brand name and a symbol, and can certainly influence what people think about the brand. However, the brand meaning is ultimately created by consumers because the meaning exists in their minds, derived from their own experiences with the brand. Difficulty: Moderate Chapter LO: 2-4 Course LO: Explain the various product and branding decisions marketers make AACSB: Application of knowledge

137) Consider such brand names as A1 Steak Sauce, 409, A & D Ointment, A & W Root Beer, and Super 8. Why might such names with alphanumeric characters aid in brand name selection? Answer: Such brands are easy to pronounce, easy to recognize, and easy to remember. Difficulty: Difficult Chapter LO: 2-4 Course LO: Explain the various product and branding decisions marketers make AACSB: Application of knowledge

138) What is the difference between an intangible feature and a tangible feature? Answer: A product's tangible features, such as design and performance, can be observed or touched. Intangible features, such as brand image, are not physical and cannot be touched or observed. Difficulty: Moderate Chapter LO: 2-4 Course LO: Explain the various product and branding decisions marketers make AACSB: Analytical thinking
139) Why are the intangible features of a brand just as important as the tangible features of a brand?
Answer: Intangible features such as personal experience create the emotional bonds people have with their favorite brands, contributing to consumers' brand concept.
Difficulty: Difficult
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

140) Why is it important for a brand promise to be simple and honest?
Answer: Consumers who purchase the product and believe it does not live up to the promise will develop a negative image of the brand; they will be less likely to become loyal customers.
Difficulty: Difficult
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

141) How does a brand name add value to a product?
Answer: Quality and consistency can be identified through a brand; experience with or knowledge of another's experience with a brand helps a buyer know what features, benefits, and quality to expect from a product.
Difficulty: Difficult
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

142) Explain why someone would rather have a Rolex watch than a Timex watch, which is as reliable as a Rolex but considerably less expensive.
Answer: Although both are well-known brands, Rolex has built its brand image on quality and luxury. It's a status symbol to own a Rolex, and the watch is perceived more as a piece of jewelry than merely a timepiece. Timex is known as an inexpensive, reliable timepiece. Through effective branding, Rolex has transformed this product by creating a special meaning for it, and the meaning of the brand tells something about the person wearing that brand.
Difficulty: Difficult
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Reflective thinking

143) What is a brand loyalty program? Give an example of one.
Answer: A brand loyalty program offers consumers rewards for their repeat business. Any program that awards points, money, or free products for repeated purchases could be used as an example.
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge
144) When Dell computer indicates in its ads and on its computer boxes "Intel inside," what type of branding is this, and why does Dell do this?
Answer: This is called ingredient branding, which means acknowledging a supplier's brand as an important product feature. Dell knows that the quality and reputation of the Intel brand of computer chips adds value to its product and wants to communicate that to buyers.
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

145) How do marketing managers use ROI?
Answer: ROI stands for return on marketing investment. It is a calculation that marketing managers can use to determine the relationship between what a marketing program cost and what it delivered in sales.
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Identify and describe the processes and tools of strategic marketing
AACSB: Application of knowledge

146) What types of products would be successful with standardized global marketing?
Answer: Products that require no change to the product itself or to the product's promotion would follow a standardized marketing mix.
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

147) What is relationship marketing and why is it important?
Answer: Relationship marketing has shifted the focus from increasing one-time purchases to increasing repeat purchases and maintaining long-term brand loyalty. Relationship marketing can be directed at all of a brand's critical stakeholders, from consumers to employees and suppliers.
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

148) How are the ideas of buzz and viral marketing related?
Answer: Buzz means that people are talking about a brand, whether in person or online. Viral marketing is a type of buzz that refers to the rapid spread of marketing communication—whether generated by consumers or by the company—through a wide network of contacts on the Internet.
Difficulty: Moderate
Chapter LO: 2-5
Course LO: Discuss how marketers can develop a safe and effective online presence
AACSB: Analytical thinking
Refer to the passage below to answer the following questions.

Gore-Tex is a revolutionary material that is used in several types of outer- and athletic-wear that can keep consumers warm and dry in the winter but also cool in the summer. It is lighter and stronger than other types of materials, such as wool or cotton, and costs more. However, many consumers of these products were not aware of the advantages of Gore-Tex when comparing products and were put off by the very high price. To change this, Gore-Tex hired an advertising agency to assist in creating a special meaning for the brand and to communicate the advantages to end-user consumers. Gore-Tex also worked with the manufacturers of the products into which Gore-Tex was incorporated to encourage them to call attention to the fact that Gore-Tex is used in their products.

149) Which key concept in marketing is illustrated by Gore-Tex's desire to create a special meaning for it, and how can advertising help accomplish this?
Answer: Branding is the process of creating a special meaning for a product, one that makes it distinctive in the marketplace and in its product category. Brand image is the result of communication as well as consumers' own personal experiences with the product. A brand, and the advertising behind it, creates familiarity. Advertising can also be used to communicate the distinctive advantage of Gore-Tex over other types of material.
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge

150) Manufacturers of apparel products using Gore-Tex include that information on their product labels as well as in their advertising. What is this known as, and why do these manufacturers do this?
Answer: This is known as ingredient branding, which means acknowledging a supplier's brand as an important product feature. Every contribution from the supply chain adds value to the product, and in practice, suppliers and vendors are partners in the creation of a successful product. The quality of the Gore-Tex brand of material enhances the quality of the finished products that it goes into.
Difficulty: Moderate
Chapter LO: 2-4
Course LO: Explain the various product and branding decisions marketers make
AACSB: Application of knowledge