

Advertising & IMC: Principles and Practice, 11e (Moriarty et al.)
Chapter 2 Advertising

1) Which of the following is one of the basic functions of advertising?

- A) identification
- B) entertainment
- C) competition
- D) public relations
- E) two-way communication

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

2) Which of the following is the central purpose of advertising?

- A) to inform consumers about a product
- B) to position a product
- C) to create a brand image
- D) to develop a brand relationship
- E) to sell a product

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

3) Which of the following is most closely associated with the introduction of mass production and a new emphasis on wider distribution of products?

- A) the Renaissance
- B) the Industrial Revolution
- C) the Dot Com Revolution
- D) the Era of Integration
- E) the Scientific Era

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

4) Which of the following is NOT part of the modern definition of advertising?

- A) is a paid form of communication
- B) has an identified sponsor
- C) is usually personal in nature
- D) provides information about products
- E) uses mass and interactive media

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

5) Paid persuasive communication that uses mass and interactive media to reach broad audiences to connect an identified sponsor with a target audience is known as _____.

- A) advertising
- B) personal selling
- C) public relations
- D) sponsorship
- E) sales promotion

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

6) Advertising is usually paid for by the _____.

- A) audience
- B) target
- C) agency
- D) advertiser
- E) media

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

7) In traditional advertising, the message is conveyed through different kinds of _____ media using mostly _____ messages.

- A) interactive; personal
- B) interactive; nonpersonal
- C) word-of-mouth; personal
- D) mass; nonpersonal
- E) mass; personal

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

8) Which of the following distinguishes advertising from publicity?

- A) the media channel in which it appears
- B) whether it is paid for by the advertiser
- C) whether it is generated by the advertiser or by consumers
- D) the audience it is intended to reach
- E) whether its message is aimed to inform or persuade

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

9) Advertising began as _____.

- A) consumer-generated content
- B) direct-response promotion
- C) word-of-mouth
- D) two-way communication
- E) one-way communication

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

10) The effectiveness of an advertisement is based on _____.

- A) the number of new customers the advertisement attracts
- B) the profit the advertiser makes as a result of the advertisement
- C) whether the stated objectives for the advertisement are met
- D) the number of potential customers who are exposed to the advertisement
- E) the number of awards the advertisement receives

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

11) Which of the following is TRUE of the rational view of advertising?

- A) It focuses on images.
- B) It sees advertising's role as a way to provide information.
- C) It prioritizes creating buzz.
- D) It focuses on nonprice appeals.
- E) It sees advertising's role as a way to build relationships.

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

12) According to the rational view of advertising, which of the following is NOT a type of information that advertising provides to help consumers assess product value?

- A) price cues
- B) psychological appeals
- C) quality
- D) location
- E) reputation

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

13) In which scenario is advertising most likely to thrive in a society?

- A) when demand exceeds supply
- B) when there is little price competition
- C) when public speech is tightly controlled by the government
- D) when consumers do not have disposable income
- E) when supply is greater than demand

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

14) Buzz is also known as _____.

- A) word-of-mouth
- B) direct-response
- C) public relations
- D) publicity
- E) branded entertainment

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

15) How many times did the "1984" commercial for Apple's Macintosh computer run?

- A) 1
- B) 2
- C) 20
- D) 50
- E) more than 100

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

16) Which of the following is considered a societal role of advertising?

- A) creating a more rational economy
- B) reaching a mass audience
- C) serving an educational function
- D) making consumers focus on nonprice benefits
- E) all of the above

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

17) Advertising that announces facts about products that are available in nearby stores and focuses on stimulating store traffic and creating a distinctive image for a retailer is known as retail or _____ advertising.

- A) brand
- B) local
- C) direct-response
- D) institutional
- E) public-service

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

18) _____ advertising, which is the most visible type of advertising, focuses on the development of a long-term brand identity or image.

- A) Retail
- B) Institutional
- C) Brand
- D) Nonprofit
- E) Public service

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

19) _____ advertising may use any advertising medium, but it differs from other types of advertising in that it tries to stimulate an immediate consumer action.

- A) Brand
- B) Local
- C) Direct-response
- D) Institutional
- E) Public service

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

20) The _____ behind a marketing communication message is stated in measurable objectives in areas such as sales and brand reputation.

- A) creativity
- B) media
- C) buzz
- D) strategy
- E) publicity

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

21) Signs and posters are examples of _____ media.

- A) interpersonal
- B) interactive
- C) digital
- D) outdoor
- E) broadcast

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

22) Radio and television are examples of _____ media.

- A) social media
- B) interactive
- C) digital
- D) outdoor
- E) broadcast

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

23) Which of the following is NOT considered a major type of advertising?

- A) brand
- B) retail
- C) direct-response
- D) institutional
- E) generational

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

24) Brand advertising is also known as _____ advertising.

- A) trade
- B) local
- C) consumer
- D) corporate
- E) public service

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

25) _____ advertising is sent from one business to another.

- A) Brand
- B) Retail
- C) Direct-response
- D) Institutional
- E) Trade

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

26) _____ advertising focuses on establishing a corporate identity or winning the public over to the organization's point of view.

- A) Brand
- B) National
- C) Public service
- D) Institutional
- E) Business-to-business

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

27) Charities, foundations, associations, hospitals, orchestras, museums, and religious institutions advertise for customers, members, volunteers, and donations and other forms of program participation using which major type of advertising?

- A) nonprofit
- B) public service
- C) consumer
- D) institutional
- E) trade

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

28) Which major type of advertising is used to communicate a message on behalf of some good cause, such as stopping drug abuse, and is usually created by advertising professionals free of charge with the necessary time and space often donated by the media?

- A) cause
- B) brand
- C) direct-response
- D) business-to-business
- E) public service

Answer: E

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

29) An advertising _____ is a set of related ads that are variations on a theme.

- A) brand
- B) market
- C) campaign
- D) position
- E) target

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

30) When Procter & Gamble developed the Mr. Clean Magic Eraser, the company needed to explain how the product cleans grime from walls without removing paint. Which basic role of advertising was most likely the focus of the campaign for this new product?

- A) providing information
- B) providing product identification
- C) providing entertainment
- D) providing social value
- E) providing comparisons

Answer: A

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

31) Which of the following is an example of publicity?

- A) an email from Amazon.com that offers free shipping on your next purchase of more than \$35
- B) a newspaper article reporting on a benefit event sponsored by Whole Foods
- C) a full-page newspaper advertisement promoting a holiday weekend sale at Macy's
- D) a 30-second television commercial introducing the newest iPhone
- E) a highway billboard with an image of pancakes and directions to Perkins Restaurant

Answer: B

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

32) Some critics claim that advertising has a strong impact on how young women view themselves, often resulting in negative self-images. Some critics have even claimed that advertising is a major cause of eating disorders for young women because ads targeted to this demographic use unreasonably thin models. Which function of advertising does this best illustrate?

- A) marketing role
- B) economic role
- C) societal role
- D) public service role
- E) institutional role

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

33) *6SecondAbs*, an abdominal workout device, runs an infomercial that lasts 30 minutes and demonstrates the benefits of the product. The infomercial claims that users of the product can reduce their waist and lose one size in a week when following the *6secondAbs* workout plan. Viewers can call the 1-800 number provided in the infomercial to purchase the product directly. To stimulate a sale immediately, the infomercial offers several incentives, such as a lower price and additional products, if consumers call in the "next 30 minutes." Which type of advertising is this?

- A) retail
- B) local
- C) public service
- D) direct response
- E) institutional

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Easy

AACSB: Analytical thinking

34) Which of the following would most likely be created pro bono by an advertising agency?

- A) an online direct-response advertisement for school supplies
- B) a trade advertisement for a computer components manufacturer
- C) an institutional advertisement designed to improve a company's image after a corporate ethics scandal
- D) a public service announcement designed to encourage families to regularly exercise together
- E) a nonprofit advertisement for a Methodist church encouraging new membership

Answer: D

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Analytical thinking

35) In the evolution of advertising, which of the following came before the Early Age of Agencies?

- A) the Early Age of Print
- B) the Scientific Era
- C) the Creative Era
- D) the Era of Accountability
- E) the Era of Integration

Answer: A

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

36) In the evolution of advertising, P.T. Barnum is known for which of the following?

- A) conducting one of the first full ad campaigns
- B) crafting the strategy of advertising as news
- C) identifying the pulling power of headlines
- D) scientifically measuring the effectiveness of ads
- E) introducing the concept of status appeal

Answer: A

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

37) The "Blue Books" published by the J. Walter Thompson agency published _____.

- A) creative copy
- B) media data
- C) status appeals
- D) current Nielsen ratings
- E) cultural archetypes

Answer: B

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

38) During the Early Age of Agencies, Baker's Chocolate and Ivory Soap were two of the first products to use _____.

- A) the pulling power of headlines
- B) brand names
- C) status appeal
- D) cultural archetypes
- E) integrated marketing communication

Answer: B

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

39) Which of the following is the idea that messages should be directed at particular groups of prospective buyers?

- A) positioning
- B) targeting
- C) branding
- D) integrated marketing
- E) social responsibility

Answer: B

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Easy

40) Advertising regulations have been in place in the United States since the _____.

- A) early 1900s
- B) end of World War II
- C) 1950s
- D) 1960s
- E) 1970s

Answer: A

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

41) Through the creation of the National Advertising Review Board during the _____, corporations were challenged on questions of taste and social responsibility.

- A) Early Age of Print
- B) Era of Accountability and Integration
- C) Early Age of Agencies
- D) Creative Revolution
- E) Scientific Era

Answer: B

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

42) Which of the following advertising situations would LEAST likely be considered "puffery"?

- A) Mr. Clean coming to a housewife's rescue
- B) instantly toned thighs and legs as a result of using the Thigh Master for only 15 minutes
- C) children immediately growing into attractive adults as a result of drinking milk
- D) a retired couple drinking a vitamin and protein shake and then going bicycling
- E) a sleepy mom who wakes up to a gray day, drinks a cup of coffee, and then looks out her window to see golden sunshine, beautiful flowers blooming, songbirds singing, and a rainbow on the horizon

Answer: D

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

43) Advertising begins with the _____, the person or organization that uses advertising to send out a message about its products.

- A) supplier
- B) media
- C) agency
- D) advertiser
- E) vendor

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

44) Which of the following companies is typically among the top advertisers in the United States?

- A) Apple
- B) P&G
- C) the Gap
- D) McDonald's
- E) Marriott

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

45) Which key player makes the final decision about the target audience and the size of the advertising budget, in addition to approving the advertising plan?

- A) client
- B) media
- C) agency
- D) vendor
- E) supplier

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

46) When an advertiser hires an advertising agency, the advertiser becomes the agency's _____.

- A) supplier
- B) client
- C) channel
- D) vendor
- E) vehicle

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

47) Which of the following product categories is typically among the top ten advertisers in the U.S.?

- A) housing
- B) telecom
- C) travel
- D) health services
- E) education

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

48) Independent organizations that are hired by advertisers to create, produce, and distribute part or all of an advertising effort are known as _____.

- A) marketing services
- B) agencies of record
- C) outside agencies
- D) media vehicles
- E) account services

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

49) Your local newspaper is an example of _____.

- A) broadcast media
- B) outdoor media
- C) a media channel
- D) one-to-one media
- E) user-generated media

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Written and oral communication

50) When creating an advertisement or complete campaign, it is typically more efficient for an advertiser to use an outside agency rather than an in-house agency for all of the following reasons EXCEPT which one?

- A) Outside agencies typically have fewer restrictions on getting ideas approved.
- B) Outside agencies have creative expertise.
- C) Outside agencies have media knowledge.
- D) Outside agencies have workforce talent.
- E) Outside agencies have the ability to negotiate good deals for clients.

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

51) Which of the following departments has the primary responsibility for managing the advertising process?

- A) accounting department
- B) traffic department
- C) marketing services
- D) art studio
- E) print production

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

52) Big companies may have hundreds of agencies working for them, but they normally have a(n) _____, which does most of their advertising business and may even manage the other agencies.

- A) agency of record
- B) creative boutique
- C) media-buying service
- D) agency-of-importance
- E) professional consultant

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

53) When using which type of advertising agency does an advertiser produce its own advertising?

- A) home agency
- B) agency-of-record
- C) in-house agency
- D) creative boutique
- E) agency network

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

54) Which "key player" in the advertising world is composed of the channels of communication that carry the message from the advertiser to the audience and from consumers back to companies?

- A) suppliers
- B) agency
- C) media
- D) vendor
- E) distributor

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

AACSB: Written and oral communication

55) Artists, writers, songwriters, photographers, directors, producers, and printers are all examples of which type of "key player" in advertising?

- A) advertisers
- B) agencies
- C) media
- D) suppliers
- E) channels

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Written and oral communication

56) Which of the following is NOT a reason an advertising agency might hire an outside supplier?

- A) Only suppliers are able to produce commercials.
- B) The agency lacks expertise in that area.
- C) The agency may be overloaded.
- D) The agency may want a fresh perspective.
- E) Suppliers provide specialized services.

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

57) User-generated content is supplied by _____.

- A) market researchers
- B) copywriters
- C) consumers
- D) media planners
- E) creative agencies

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Written and oral communication

58) In an advertising agency, which of the following is responsible for the internal tracking of the completion of projects?

- A) research and development department
- B) production department
- C) traffic department
- D) creative department
- E) copywriter

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

59) A creative _____ is typically a small ad agency that concentrates entirely on preparing the creative execution of the idea or the creative product.

- A) department
- B) holding company
- C) network
- D) account
- E) boutique

Answer: E

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

60) Which type of agency would most likely be able to purchase media at a low cost because it can group several clients' purchases together?

- A) creative boutique
- B) media-buying service
- C) in-house agency
- D) traffic department
- E) full-service agency

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

61) In an advertising agency, which functional area acts as a liaison between the advertiser and the agency?

- A) account management
- B) account planning and research
- C) creative development and production
- D) media research, planning, and buying
- E) internal operations

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

62) In an advertising agency, which of the following is usually responsible for gathering available intelligence on the market and consumers and for acting as the voice of the consumer?

- A) account executive
- B) account planning group
- C) traffic department
- D) copywriter
- E) human resources department

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

63) Which of the following positions in an advertising agency is most closely involved with creative development?

- A) account executive
- B) account planner
- C) media buyer
- D) copywriter
- E) management supervisor

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

64) Which of the following departments in an advertising agency fulfills the three functions of research, planning, and buying?

- A) account planning department
- B) art department
- C) traffic department
- D) print production department
- E) media department

Answer: E

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

65) Until the 1990s, the main form of compensation for an advertising agency had been a _____.

- A) set fee
- B) monthly retainer
- C) 5% commission on media billings
- D) 15% commission on media billings
- E) yearly retainer

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

66) A _____ is a form of compensation that involves the agency billing the client each month based on the projected amount of work and the hourly rate charged for that work.

- A) set fee system
- B) value bill
- C) commission
- D) retainer
- E) performance incentive

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

67) In a new trend in agency compensation called _____, agencies are paid a percentage of their client's sales or a percentage of the client's marketing budget.

- A) a retainer system
- B) the commission system
- C) performance incentives
- D) value billing
- E) the fee system

Answer: C

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

68) Using value billing, an advertising agency is paid for its _____.

- A) creative and strategic ideas
- B) media placements
- C) market research
- D) advertising executions
- E) share of campaign profits

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Easy

69) In an advertising agency, the traffic department and print production are part of _____.

- A) the media department
- B) internal operations
- C) account planning and research
- D) creative development
- E) account management

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

70) The cost of purchasing a 30-second advertising spot during the Super Bowl is very high, typically millions of dollars. Despite the cost, commercials for products such as Coca-Cola, Doritos, and Bud Light run during the Super Bowl every year. In advertising terms, the Super Bowl is the _____.

- A) media vehicle
- B) agent
- C) message
- D) supplier
- E) client

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Analytical thinking

71) For the *Truth*® campaign, Crispin Porter + Bogusky was the _____ hired by the American Legacy Foundation to plan and implement the advertising effort.

- A) advertiser
- B) media buying company
- C) client
- D) advertising agency
- E) advertising department

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Analytical thinking

72) An ad for Maybelline age-minimizing makeup in *Ladies' Home Journal* magazine featured actress Melina Kanakaredes and offered readers a \$1-off coupon to try the new makeup. The medium of this ad is _____.

- A) Melina Kanakaredes
- B) *Ladies' Home Journal*
- C) readers who redeem the \$1-off coupon
- D) Maybelline
- E) the target market to whom Melina Kanakaredes appeals

Answer: B

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Analytical thinking

73) Brad is a music industry major in college who wants to work in the advertising industry writing and performing jingles for radio commercials. If Brad gets a contract with an agency to write a jingle for a commercial, then Brad would be a(n) _____.

- A) advertiser
- B) agency
- C) producer
- D) supplier
- E) vehicle

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Analytical thinking

74) Bolls and Associates is an advertising agency that will develop a client's advertising campaign from strategy through execution and media exposure. However, Bolls and Associates does not actually produce the television commercials or shoot the photography for print ads; rather, the agency hires outside experts to produce those elements of the campaign. Which type of "key player" does Bolls and Associates use to produce client advertisements?

- A) advertiser
- B) agency
- C) media
- D) supplier
- E) vehicle

Answer: D

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Analytical thinking

75) The cost of purchasing a 30-second advertising spot during the Super Bowl is typically millions of dollars. From the advertiser's perspective, what is the most important benefit of placing an advertisement during the Super Bowl?

- A) the ability to reach a mass audience
- B) the best media for introducing products
- C) the ability to make personal connections with consumers
- D) the likelihood that consumers will make an immediate purchase decision
- E) the persuasive nature of television commercials

Answer: A

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Application of knowledge

76) The advertisers' desired impact on the target audience is formally stated as a(n) _____, which is the measurable goal or result that the advertising is intended to achieve.

- A) objective
- B) promotion
- C) effect
- D) strategy
- E) image

Answer: A

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

77) _____ is the practice of coordinating all marketing communication tools so they send a consistent message using the same basic brand strategy.

- A) Marketing communications (MC)
- B) Integrated advertising execution (IAE)
- C) Integrated promotional activities (IPA)
- D) Integrated marketing communications (IMC)
- E) Global marketing communications (GMC)

Answer: D

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

78) What is meant by the term *effective* with respect to advertising?

- A) The advertising delivers the results the marketer has specified for the advertising.
- B) The advertising wins creativity awards, such as the Effie or the Clio.
- C) The advertising is remembered by at least 50 percent of the target audience.
- D) The advertising results in increased sales.
- E) The advertising media exposure was purchased at the lowest possible cost to reach the target audience.

Answer: A

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Easy

AACSB: Written and oral communication

79) Which of the following awards is given to recognize the creativity of an advertisement?

- A) Clio
- B) Effie
- C) Silver Anvil
- D) Reggie
- E) Cassie

Answer: A

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

80) Kindles, iPhones, and iPads are all examples of _____.

- A) broadcast media
- B) outdoor media
- C) personal media
- D) user-generated content
- E) traditional media

Answer: C

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Information technology

81) The Effie award is given to recognize advertisements that are _____.

- A) integrated with other marketing efforts
- B) both creative and effective
- C) developed into complete advertising campaigns
- D) cost-efficient
- E) created by in-house agencies

Answer: B

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

82) According to the principles of integrated marketing communication, it is critical for _____.

- A) agencies to use consumer-generated content
- B) all messages about a brand to present the same basic strategy
- C) advertising to be developed in-house to maintain brand image control
- D) advertising messages to create buzz
- E) brand messages to be delivered through digital media rather than traditional media

Answer: B

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

83) Which of the following is an example of consumer-generated advertising?

- A) Toyota's presence in online social networks
- B) Nike's Nike Plus running website
- C) MasterCard's use of "Priceless" commercials shot by customers
- D) Neiman Marcus's InCircle Rewards program for its best customers
- E) The Lexus Covenant aimed at creating customer delight

Answer: C

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

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

- A) buzz marketing
- B) a full-service agency
- C) integrated marketing communication
- D) word-of-mouth marketing
- E) mass communication

Answer: C

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Difficult

AACSB: Analytical thinking

85) For an advertisement to be considered effective, what is the first thing it must do?

- A) hold consumers' interest
- B) gain consumers' attention
- C) convince consumers to change their purchasing behavior
- D) convince consumers to continue buying the brand
- E) remind consumers of the brand and their positive feelings about it

Answer: B

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

86) The *Truth*® campaign is a series of advertisements run by the American Legacy Foundation. The campaign tries to reach teenagers with antismoking messages. Which of the following is most likely the objective of this campaign?

- A) to encourage teens to buy products
- B) to change smoking legislation
- C) to reduce the percentage of teens who begin smoking
- D) to create a public service announcement
- E) to encourage teens to become politically active

Answer: C

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

Refer to the passage below to answer the following questions.

Polo Ralph Lauren manufactures and sells high-quality, expensive brands of clothing as well as accessories, cosmetics, and home products. The company maintains complete control over the brand image and all of the functions necessary to develop, execute, and deliver advertising. Polo appeals to consumers' lifestyle aspirations. Its products are of high quality and better than most competitors' offerings. The objective in the company's advertising is to convey this image and the fashion statement it makes.

87) Because Polo Ralph Lauren wants to maintain close control over its image and advertising, which of the following statements is most likely TRUE?

- A) Polo Ralph Lauren will most likely use an outside advertising agency to develop and execute its advertising.
- B) Polo Ralph Lauren will most likely use an agency-of-record to develop and execute its advertising.
- C) Polo Ralph Lauren will most likely not use any outside resources, such as suppliers, to assist in developing and executing its advertising.
- D) Polo Ralph Lauren will get better media rates by not using an advertising agency to purchase advertising time and space.
- E) Polo Ralph Lauren will most likely use an in-house agency to develop and execute advertising.

Answer: E

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Application of knowledge

88) When Polo Ralph Lauren advertises in fashion magazines, it focuses on the company's brand identity and image by merely showcasing a beautiful, well-dressed person without giving any information at all except the brand name. What type of advertising is this?

- A) institutional advertising
- B) direct-response advertising
- C) brand advertising
- D) business-to-business advertising
- E) indirect advertising

Answer: C

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

89) Which of the following approaches would Polo Ralph Lauren most likely take in an advertising campaign?

- A) puffery
- B) ads as news
- C) status appeal
- D) classified advertising
- E) truth well told

Answer: C

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

90) Several of Polo Ralph Lauren's ads have won awards based solely on their creative ideas. Which award did Polo most likely win?

- A) Effie
- B) Clio
- C) Reggie
- D) Silver Anvil
- E) Halo

Answer: B

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

91) Advertising is effective only for informing consumers about products and services.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

92) The sponsor is identified in an advertising message.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

93) Over the years, identification, information, and entertainment have been the basic functions of advertising.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

94) Persuasion can involve emotional messages as well as information.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

95) Products can be services and ideas, as well as goods.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

96) Advertising can be used to transform a product into a distinctive brand.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

97) Though advertising is used to showcase brands, it cannot actually create consumer demand.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

98) As competition in a product category increases, prices tend to increase.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

99) The eight major types of advertising include brand, retail/local, direct-response, directory, political, business-to-business, institutional, and nonprofit advertising.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

100) The objectives in local advertising tend to focus on stimulating store traffic and creating a distinctive image for the retailer.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

101) The objective of direct-response advertising is to create an immediate response from the consumer.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

102) Advertising sent from one business to another is known as direct-response advertising.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

103) Trade advertising is also known as B2B advertising.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

104) The logic and planning behind the advertisement that gives it direction and focus is known as the creative idea.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

105) Advertising does not serve a positive societal role.

Answer: FALSE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Ethical understanding and reasoning

106) Advertising helps us shape an image of ourselves by setting up role models with whom we can identify. Advertising also gives us a way to express ourselves in terms of our personalities and sense of style through the things we wear and use.

Answer: TRUE

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

107) During the Early Age of Print stage in advertising's evolution, ads looked like what we call classified advertising today.

Answer: TRUE

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

108) The strategy of "ads as news" was not introduced until after World War II.

Answer: FALSE

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Written and oral communication

109) An advertisement that uses puffery makes an exaggerated promise about the advertised product.

Answer: TRUE

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

110) The advertising strategy of status appeal is used to persuade nonwealthy people to imitate the habits of rich people.

Answer: TRUE

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

111) The key players in advertising are the advertiser, the agency, the media, and the suppliers.

Answer: TRUE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

112) Advertising begins with the agency.

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

113) Typically, the advertiser initiates the advertising effort by employing the services of a creative boutique.

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

114) In an agency, the person in charge of an advertiser's business is known as the "supplier manager."

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

115) It is typical for large companies to have only one advertising agency working for them, known as the agency of record.

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

116) Newspapers, radio or TV stations, billboards, and so forth are known as media vehicles.

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Written and oral communication

117) The primary advantage of advertising's use of mass media is that the costs are spread over the large number of people that these media reach.

Answer: TRUE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Written and oral communication

118) Freelance writers, lighting specialists, and printers are examples of suppliers.

Answer: TRUE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

119) A freelance job typically pays better than a staff job in the short term.

Answer: TRUE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

120) An in-house agency performs most, and sometimes all, of the functions of an outside advertising agency.

Answer: TRUE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

121) Companies that need close control over their advertising are more likely to use an agency of record than an in-house agency.

Answer: FALSE

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

122) Integrated marketing communication (IMC) means that ads can now be customized to individual consumers.

Answer: FALSE

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

123) A company that uses consumer-generated advertising will likely have to increase what it pays its agency of record.

Answer: FALSE

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

124) Digital media have led to increased word-of-mouth conversations about advertising among friends.

Answer: TRUE

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

AACSB: Information technology

125) All award-winning ads are effective ads.

Answer: FALSE

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Moderate

126) Describe the roles performed by advertising in the functioning of our economy and society.

Answer:

(1) Economic role: In societies that have some level of economic abundance, in which supply exceeds demand, advertising moves from being primarily informational to creating demand for a particular brand. Through the growth of demand and competition, prices for a product begin to drop.

(2) Societal role: Advertising has a number of social roles. It informs consumers about products, mirrors fashion design trends, and adds to consumers' aesthetic sense. It has an educational role in that it teaches about new products and how to use them. It helps us shape an image of ourselves by setting up role models that we can identify with and by giving us ways to express ourselves.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

127) Name and describe six of the eight common types of advertising.

Answer:

(1) Brand Advertising. The most visible type of advertising is national consumer, or brand, advertising. It focuses on the development of a long-term brand identity and image.

(2) Retail or Local Advertising. The message announces facts about products that are available in nearby stores with the objective to focus on stimulating store traffic and creating a distinctive image for the retailer. Local advertising can refer to a retailer, manufacturer, or distributor who offers products in a fairly restricted geographic area.

(3) Direct-Response Advertising. This can use any advertising medium, including direct mail, but the message is different from that of national and retail advertising in that it tries to stimulate a sale directly.

(4) Business-to-Business Advertising. It is sent from one business to another and is not directed at general consumers.

(5) Institutional Advertising (a.k.a. Corporate Advertising). These messages focus on establishing a corporate identity or winning the public over to the organization's point of view.

(6) Nonprofit Advertising. Not-for-profit organizations advertise for customers, members, and volunteers, as well as for donations and other forms of program participation.

(7) Public Service Advertising. This type of advertising communicates a message on behalf of some good cause and is usually created by advertising professionals for free. Also, the media often donate the time and space.

(8) Specific Advertising Areas: This may include health care, green marketing, etc. This type of advertising addresses specific situations or issues.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Written and oral communication

128) How has the introduction of interactive types of media changed marketing communication patterns?

Answer: Before the introduction of more interactive types of media, most marketing communication was business to consumer or business to business. Now, however, the role of personal communication is much more important, with consumers using digital media for two-way and multiple-way communication, such as word-of-mouth, about brands.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Information technology

129) Define *advertising*.

Answer: *Advertising* is paid persuasive communication that uses mass and interactive media to reach broad audiences in order to connect an identified sponsor with a target audience.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Written and oral communication

130) How can advertising deliver one-to-one communication with a large group of people?

Answer: Direct-response advertising, particularly those types that use digital media, addresses individual members of a targeted group.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

131) Why is advertising often seen as the driving force in marketing communications?

Answer: Of all the marketing communication tools, advertising commands the biggest budget and accounts for the largest number of agencies and professionals.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

132) How does advertising create cost efficiencies?

Answer: Advertising creates cost efficiencies by increasing demand among a large group of people; this increased demand results in higher levels of sales and, ultimately, lower prices.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

133) Calvin Klein used some very controversial ads depicting what looked like drug-addicted teenagers posing in sexually suggestive poses. What type of advertising is this? Explain your answer.

Answer: This is an example of brand advertising because it was advertising of a brand that has national distribution and focused on the development of the brand's identity and image. Calvin Klein wanted to establish the image of the brand as being unique and sexy.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

134) How is public service advertising different from brand advertising?

Answer: Public service advertising does not seek to develop a brand identity or image, which is the aim of brand advertising. Instead, public service advertising is typically created pro bono (free of charge) and is aired or printed for free; the message is on behalf of a good cause, such as stopping drunk driving or child abuse.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Analytical thinking

135) Ads during the Super Bowl cost an advertiser \$3 million for 30 seconds of time. Why would an advertiser pay this much for advertising time?

Answer: Super Bowl advertising can reach a mass audience. One of the big advantages of mass media advertising is that it can reach a lot of people with a single message in a very cost-efficient manner.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

136) Why was Apple's "1984" advertisement so effective?

Answer: Apple had the right product (a new PC) at the right time in the right place (advertised during the Super Bowl). The ad became news, generating tremendous publicity for Apple's new product.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Difficult

AACSB: Application of knowledge

137) Summarize key events that occurred during the Early Age of Agencies in the evolution of advertising.

Answer: The first ad agency was opened in 1848, and the J. Walter Thompson agency was formed in 1864. This agency is still in existence. Large-scale ad campaigns began, as well as the commission system for agency compensation. Professionalism in advertising began to take shape as advertisers and marketers became more concerned about creating effective ads. Different philosophies of advertising also began to take shape, such as "ads as news" and "truth well told." The end of this era saw the introduction of brand names such as Baker's Chocolate and Ivory Soap. Many ads used puffery, or exaggerated claims, as well as artistic illustrations.

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Analytical thinking

138) How did increasing literacy rates and increased access to printed materials affect advertising in the Early Age of Print?

Answer: As printed materials—newspapers, books, and pamphlets—became more available, the first ads in these media also appeared. Newspaper and magazine ads began appearing in the 1700s.

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Reflective thinking

139) In the 1880s, advertising was referred to by advertising legend Albert Lasker as "salesmanship in print driven by a reason why." Explain what this means.

Answer: Lasker was one of the first to put forward a theory of advertising. According to him, an ad should make a claim about a product ("salesmanship") and explain the support behind that claim (a reason why).

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Written and oral communication

140) In the 1930s, John Caples published *Tested Advertising Methods*, which discussed his theories about the pulling power of headlines. How did Caples' work change the style of advertising writing?

Answer: Caples' research led to a shift in advertising writing, which had been wordy and full of puffery. Caples' research led to more concise, fresh advertising copy.

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Written and oral communication

141) In the 1960s and 1970s, Leo Burnett used cultural archetypes in his advertisements. What is a cultural archetype? Give an example.

Answer: For Burnett, a cultural archetype was a mythical character who represents American values. Examples include the Jolly Green Giant, Tony the Tiger, and the Pillsbury Doughboy.

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Difficult

AACSB: Reflective thinking

142) Name and describe the four key players in advertising.

Answer:

(1) Advertiser—The person or organization that uses advertising to send out a message about a product. The advertiser initiates the advertising effort by identifying a marketing problem that advertising can solve. He or she makes the final decisions about the target audience and the size of the advertising budget, and approves the advertising plan. Finally, the advertiser hires the advertising agency, becoming the agency's client responsible for monitoring the work and paying the bills for the agency's work on its account.

(2) Advertising Agency—Creates the advertising. Outside agencies are often more efficient in creating an advertisement or a complete campaign than the advertiser would be on its own. Large advertisers participate in the advertising process either through their advertising departments or through their in-house agencies. Advertising departments act as a liaison between the marketing department and the advertising agency and other vendors. In-house agencies perform most, and sometimes all, of the functions of an outside advertising agency.

(3) Media—Composed of the channels of communication that carry the message from the advertiser to the audience as well as from the audience back to companies. Media are referred to as channels of communication, with mass media being the most cost-efficient form.

(4) Suppliers—The group of service organizations that assist advertisers, agencies, and the media in creating and placing the ads by providing specialized services. Members of this group include artists, writers, photographers, directors, and so on. The other players might hire a supplier because of his or her expertise, they may be overloaded, they might want a fresh perspective, and/or for cost efficiency.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Analytical thinking

143) Several large corporations have multiple brand offerings in several product categories. How might such corporations organize for advertising?

Answer: Most large businesses have advertising departments (or marketing services) whose primary responsibility is to act as a liaison between the marketing department and the advertising agency (or agencies) and other vendors. Such companies may have hundreds of agencies working for them, but they normally have an agency-of-record, which does most of their business and may even manage other agencies.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Application of knowledge

144) Why might an advertiser use an in-house agency?

Answer: Companies that need closer control over their advertising have their own in-house agencies. Large retailers, for example, find that doing their own advertising provides cost savings as well as the ability to meet deadlines.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Application of knowledge

145) Calvin Klein used some very controversial ads depicting what looked like drug-addicted teenagers posing in sexually suggestive poses. Calvin Klein claimed that all the models in the ads were adults, but critics claimed that it did not look that way. It was reported that the ads were produced "in-house." Why do you think Calvin Klein used an in-house agency to produce these ads instead of an outside agency?

Answer: One reason advertisers use an in-house agency is so they can maintain complete creative control over their advertising and brand image. Calvin Klein is no stranger to controversial advertising. It would appear difficult to explain this creative idea to an outside agency, and an independent agency might not have been willing to produce such controversial advertising.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Application of knowledge

146) A 30-second spot on a hit TV show can cost advertisers more than \$600,000. Why is mass media considered cost-effective when it costs so much?

Answer: Although it's true that mass media advertising, particularly on television, is very expensive on an absolute basis, mass media advertising can be cost-effective because the costs are spread over the large number of people reached by the ad. Advertisers can reach millions of viewers with one message placed with a hit TV show.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Difficult

AACSB: Application of knowledge

147) Several ads for a company have won creativity awards. Does that mean the ads were effective? Explain your answer.

Answer: Not necessarily. Creativity awards, such as the Clios, are based on an ad's creativity alone. While the creative idea and execution are two of the fundamental concepts necessary for an ad to be effective, they are not necessarily sufficient. Effective ads are ones that satisfy consumers' objectives by engaging them with a relevant message that catches their attention, speaks to their interests, and remains in their memories. From a company's perspective, the ads achieve the company's marketing objectives, which are usually related to growth and sales, and contribute to the success of the business.

Learning Objective: 2.4: Discuss changes in the practice of advertising.

Difficulty: Difficult

AACSB: Analytical thinking

Refer to the following passage to answer the questions below.

Joan recently opened a store in her community that specializes in home decor, including some furniture, such as sofas, chairs, and end tables, but mostly home-decorating accessories. She is also a certified interior decorator, and she provides expertise in assisting do-it-yourself home decorators in "putting it all together." She has not been pleased with her sales so far, and she decides she needs to promote her business.

148) If Joan decides to use advertising, what type of advertising will that be and what should it emphasize?

Answer: The type of advertising will be retail, or local, advertising, which is advertising that announces facts about products that are available in nearby stores with the objective of stimulating store traffic and creating a distinctive image for Joan's store. The advertising should emphasize the line of products offered in the retail store, but Joan should probably also stress her expertise, as many home decor stores for "do-it-yourselfers" do not provide that expertise.

Learning Objective: 2.1: Describe the practice of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

149) How could Joan use social media to promote her business?

Answer: By using social media, Joan could work to create buzz, or word-of-mouth, about her business. She might use Facebook, Twitter, YouTube, or other vehicles to share images, videos, and text about her business, with the aim of creating content that other users would share with their networks. Social media could be a relatively low-cost way to build relationships with current customers and could encourage the creation and sharing of consumer-generated content.

Learning Objective: 2.2: Explain the evolution of the key concepts of advertising.

Difficulty: Moderate

AACSB: Application of knowledge

150) Joan does not have a lot of resources to spend on promoting her business. What key player(s) in advertising would be most valuable and reasonable to help Joan in her advertising efforts?

Answer: The key players in advertising are the advertiser (Joan), advertising agency, media, and suppliers. Because Joan is a local retailer with limited geographic reach and limited financial resources, she would benefit from using local media, such as radio and newspapers. Many media organizations will assist advertisers in the design and production of advertisements, such as a retailer preparing an ad for the local newspaper. Some, such as radio or cable television, may even produce the advertisement for little or no charge. Local media also assist advertisers in gaining a better understanding of their target audience as well as setting reasonable objectives for their advertising. Suppliers, such as photographers and television production companies, may also be able to assist Joan in producing her ads. Finally, Joan could use a full-service advertising agency that will perform every function of advertising for her, but with limited resources, this may not be feasible, or even necessary.

Learning Objective: 2.3: Identify the key players and jobs within agencies.

Difficulty: Moderate

AACSB: Application of knowledge