

Student name: \_\_\_\_\_

1) Choose a company and discuss how it demonstrates three of the functions of advertising as a marketing tool.

2) Write a short note on the significant events of the preindustrial age that contributed to the development of modern advertising.

3) Describe how wholesalers used advertising in the industrial age.

4) Write a short note on the nature of the market in the industrial age in the United States.

5) What is meant by the USP of a product? Why did American advertisers introduce the idea during the "Golden Age" of advertising?

6) List the two economic factors that best characterize the marketing world during the postindustrial age.

7) How have media, such as newspapers, cable TV, and the Internet, evolved in the past two decades?

8) Explain the following statement: "As a social force, advertising has been a major factor in improving the standard of living in the United States."

- 9) What is a function of advertising as a marketing tool?
- A) to withhold information about products and the place of sale
  - B) to discourage reuse of products
  - C) to increase the overall cost of sales
  - D) to increase the use of products
  - E) to create and sustain market monopolies
- 10) Coca-Cola's campaign, "The Wonder of Us," promotes a common voice and a common theme: Coca-Cola makes life's relaxing moments even better. Which function of advertising is most represented by this theme?
- A) to identify products and differentiate them from others
  - B) to communicate information about the product, its features, and its place of sale
  - C) to lower the overall cost of sales
  - D) to build value, brand preference, and loyalty
  - E) to induce consumers to try new products and to suggest reuse
- 11) An ad in a fitness magazine offered a 30-day, free, at-home trial of an exercise bicycle with free shipping, and the option of returning the bicycle if the customer was not satisfied with it. The primary function of the ad was to

- A) control competitive pricing practices.
- B) establish exclusive distribution rights for the bicycle.
- C) communicate the company's quality mission.
- D) induce consumers to try the bicycle.
- E) communicate information about the bicycle's after-sale service.

12) There was very little advertising in early civilizations because

- A) most people made what they used themselves.
- B) the advertisers could not afford to produce sophisticated advertisements.
- C) there were laws prohibiting advertising in newspapers and handbills.
- D) the Church would not approve of any form of advertising.
- E) people couldn't afford to buy goods.

13) During the \_\_\_\_\_, the Chinese invented paper and Gutenberg invented the printing press in Germany.

- A) preindustrial age
- B) Industrial Revolution
- C) information revolution
- D) industrial age
- E) postindustrial age

14) Which product was advertised in the first ad in English that appeared in 1472?

- A) a plow
- B) a farm animal
- C) a prayer book
- D) a religious service
- E) a country tavern

**15)** In the context of early advertising, the invention of the \_\_\_\_\_ made advertising via posters, handbills, and signs possible.

- A) quill pen
- B) printing press
- C) silk screen
- D) lead molding machine
- E) steam engine

**16)** In the mid-1700s, advertising was so prevalent that many ads overstated a product's features and benefits to get attention, known as

- A) yellow ads.
- B) puffery.
- C) silk screening.
- D) perception molding.
- E) fake ads.

**17)** Who is regarded as the father of advertising art and was the first American known to use illustrations in ads?

- A) Benjamin Franklin
- B) Johannes Gutenberg
- C) Samuel Johnson
- D) Samuel Pepys
- E) Marcel Bleustein-Blanchet

**18)** If you had lived during the first part of the 20th century, you would have experienced the \_\_\_\_\_ age.

- A) preindustrial
- B) industrial
- C) postindustrial
- D) automobile
- E) technology

**19)** In the industrial age, mass markets developed for new and inexpensive brands of luxury and convenience products, called \_\_\_\_\_ goods.

- A) pure public
- B) basic
- C) consumer packaged
- D) intermediate
- E) common

**20)** Which statement most accurately describes the role of manufacturers during the 1800s?

- A) Manufacturers were responsible for marketing their products.
- B) Manufacturers stimulated consumer demand through mass media advertising.
- C) Manufacturers were primarily responsible for keeping retailers informed about the sources of supply and shipping schedules for commodities.
- D) Manufacturers were principally concerned with production.
- E) Manufacturers were principally concerned with segmenting markets for their products.

**21)** During the 1800s, wholesalers placed ads in publications called \_\_\_\_\_ that informed retailers about the sources of supply and shipping schedules for commodities.

- A) supply currents
- B) demand currents
- C) price currents
- D) puff pieces
- E) sales pitches

**22)** The American profession of advertising began when \_\_\_\_\_ set up business in Philadelphia in 1841.

- A) Claude Hopkins
- B) Volney B. Palmer
- C) Benjamin Franklin
- D) Samuel Johnson
- E) Francis Ayer

**23)** Whose ad agency was the first to charge a commission based on the net cost of space and hired the first full-time copywriter?

- A) Claude Hopkins
- B) Francis Ayer
- C) A. C. Nielsen
- D) Albert Lasker
- E) Volney B. Palmer

**24)** What event resulted in direct mail advertising and mail-order selling to take off?

- A) the development of motion pictures
- B) government rural-free mail delivery
- C) the invention of the printing press
- D) the invention of the automobile
- E) the advent of public schooling

**25)** During the Great Depression in America, each brand sought to convince the public of its own special qualities. What is this marketing strategy known as?

- A) production focus
- B) demarketing
- C) product differentiation
- D) puffery
- E) market segmentation

**26)** Which historical event in the first half of the 20th century caused advertising expenditures to plummet in America?



- A) Germany's defeat in World War I
- B) the Fairbanks Gold Rush
- C) the stock market crash on October 29, 1929
- D) Prohibition
- E) the introduction of a new system of consumer credit

**27)** During the 19th century, manufacturers changed their focus to a \_\_\_\_\_ orientation in order to get control of the marketing process back from wholesalers.

- A) production
- B) marketing
- C) labor
- D) cost
- E) process

**28)** Which scenario is an example of product differentiation?

A) A marketer is searching for unique groups of people whose needs could be addressed through more specialized products.

B) Manufacturers of electric heating appliances are using advertising to slow the demand for their products.

C) Marketers are engaged in manipulating the supply of consumer goods to create artificial demand.

D) An automobile manufacturer is trying to lower the cost of production by manufacturing a small number of cars during lean periods.

E) A manufacturer of cosmetics is portraying its brands as not only different from its competitors but also superior in terms of quality and variety.

**29)** A product's unique selling proposition refers to

- A) the brand loyalty it enjoys.
- B) a feature that differentiates it from competitive products.
- C) the unique pricing strategy used to determine the market price of the product.
- D) the degree of consumer commitment toward the product and its brand.
- E) the rate of usage of the product.

**30)** The features that differentiate a Keurig coffee maker from other similar products in the market are called \_\_\_\_\_.

- A) trademarks
- B) share of wallet
- C) Q scores
- D) brand value
- E) unique selling propositions

**31)** The postwar period from 1946 through the 1970s is sometimes referred to as advertising's

- A) Fast Fall.
- B) Creative Revolution.
- C) Prosperity Period.
- D) Armageddon.
- E) Golden Age.

**32)** \_\_\_\_\_ refers to a process by which marketers search for unique groups of people whose needs can be addressed through more specialized products.

- A) Relationship marketing
- B) Demarketing
- C) Action advertising
- D) Branding
- E) Market segmentation

**33)** A publishing company prints three monthly magazines—one each for horse breeders, adventure sports enthusiasts, and care givers—to cater to different groups of readers with varying interests. This is an example of \_\_\_\_\_.

- A) multi-level marketing
- B) market segmentation
- C) product differentiation
- D) unique selling proposition
- E) production focus

**34)** Which strategy best describes a company's efforts to slow the demand for cigarettes through public service messages?

- A) macromarketing
- B) product positioning
- C) corrective advertising
- D) demarketing
- E) image advertising

**35)** What is the primary objective of demarketing?

- A) To separate a particular brand from its competitors by associating that brand with a particular set of customer needs that ranked high on the consumer's priority list
- B) To cater to unique groups of people whose needs could be addressed through more specialized products
- C) To stimulate demand for a product artificially by manipulating supply
- D) To dampen demand for products, especially those that create unwanted costs for society
- E) To encourage consumers to reuse products

**36)** When Walmart advertises that it has the lowest prices, it is using a \_\_\_\_\_ strategy to separate itself from its competitors by meeting a customer need.

- A) merchandising
- B) mobile marketing
- C) positioning
- D) market aggregation
- E) demarketing

**37)** When a soft drink company introduced a new peach-flavored drink in a market saturated with colas, it immediately found favor with health-conscious consumers. This soft drink company effectively uses \_\_\_\_\_ by associating its brand with the consumers' focus on healthy living.

- A) demarketing
- B) relationship marketing
- C) a positioning strategy
- D) direct marketing
- E) mobile marketing

**38)** Smooth Sheen, a cosmetic company, introduced a new line of herbal cosmetics in a market largely dominated by non-herbal products. Aware of the growing customer concern surrounding the overuse of chemicals in beauty products, Smooth Sheen's strategy was to associate its brand with long-term safety that ranked high on consumers' priority list. Which strategy is Smooth Sheen using in this instance?

- A) vertical integration strategy
- B) diversification strategy
- C) positioning strategy
- D) horizontal integration strategy
- E) product placement strategy

**39)** What is true of the postindustrial age?

- A) The postindustrial age was a period of relative stability.
- B) Ads asked people to use electrical appliances mostly during the day.
- C) Producers of energy and energy-consuming goods used advertising to slow the demand for their products.
- D) The production of energy peaked during 1970s and 1980s.
- E) Demarketing lost favor as a marketing tool.

**40)** Canada is a popular tourist destination. Many tourists visit the country because of its scenic beauty. This spate of visitors every year has led to the increased possibility of ecological disasters in the area. In response, government officials and environment protection groups are currently trying to decrease the number of tourists visiting the country. They could use a(n) \_\_\_\_\_ strategy to accomplish this objective.

- A) diversification
- B) eco marketing
- C) market segmentation
- D) demarketing
- E) relationship marketing

**41)** An ad for a beer company that asks consumers to enjoy beer in moderation and not drink irresponsibly is most likely using \_\_\_\_\_.

- A) conservation marketing
- B) demarketing
- C) trade advertising
- D) green marketing
- E) relationship marketing

**42)** After the end of the Cold War, big multinational companies and their advertising agencies went on a binge, buying other big companies. Which term describes this occurrence?

- A) divestment
- B) vertical integration
- C) horizontal integration
- D) megamerger
- E) acquisition

**43)** Two related economic factors characterized the marketing world of the 1980s in the United States. One of those factors was

- A) aging upper management, which led to a lack of innovation.
- B) the growing burden of financial debt, forcing governments to return to aggressive high tax policies.
- C) the implementation of affirmative action policies.
- D) the aging of traditional products, with a corresponding growth in competition.
- E) the rise of trade barriers such as import tariffs.

**44)** During the postindustrial age, a growing affluence and sophistication of the consuming public characterized the marketing world of that time period in America. This trend was led by

- A) the baby boomer generation.
- B) Generation X.
- C) Generation Y.
- D) immigrants from Latin America.
- E) millennials.

**45)** Which statement is true about the traditional advertising industry in America in the beginning of the 1990s?

- A) The traditional advertising industry suffered from overpopulation.
- B) Clients were satisfied with the results from their promotional dollars.
- C) The traditional advertising industry found it easiest to reach affluent consumers.
- D) The traditional advertising industry was deregulated, which led to international growth.
- E) The traditional advertising industry faced the greatest level of prosperity in its history during the postindustrial age.

**46)** The record decline in advertising activity in America in 2001 resulted from

- A) the lack of creative thinking in advertising.
- B) the declining popularity of newspapers as a medium for the mass market.
- C) a mild recession, a weak stock market, and the burst of the dotcoms.
- D) rapid deregulation of the media industry.
- E) the increasing use of the Internet as an advertising medium.

**47)** \_\_\_\_\_ created a social media company called Facebook.

- A) Larry Page
- B) Mark Zuckerberg
- C) Charles Saatchi
- D) Tom Cuniff
- E) Sergey Brin

**48)** Typically, advertising expenditures are higher in countries with higher

- A) budget deficits.
- B) personal incomes.
- C) commodity prices.
- D) media regulations.
- E) inflation rates.

**49)** Which of these has become a recent competitor to cable and broadcast television?

- A) Hulu
- B) off-premise media
- C) CNN
- D) Apple Watch
- E) Internet of things

**50)** Which term accurately describes the television industry's model following the advent of numerous cable and online viewing options?



- A) time shifting
- B) advertainment
- C) narrowcasting
- D) file sharing
- E) channel surfing

**51)** In the global marketplace, a company's most valuable asset is its

- A) product.
- B) stockholders.
- C) customer.
- D) employees.
- E) message.

**52)** Company X created a marketing plan for a new product line that coordinated its advertising, public relations, customer communications, and sales efforts so that they worked together. This describes the process of

- A) customer relationship marketing.
- B) cohesive marketing effort.
- C) integrated marketing communications.
- D) unified marketing campaign.
- E) cohesive messaging.

**53)** What is a basic function of branding?

- A) to ensure that all products are offered at everyday low prices
- B) to inspire customer loyalty
- C) to dampen the demand for unwanted products
- D) to search for unique groups of people with special product needs
- E) to impede the distribution of products

**54)** Early ads from the 19th century focused on

- A) brands.
- B) customer relationships.
- C) products.
- D) cost.
- E) the competition.

**55)** Apple Computer hires students from universities well-known for having the best technology programs because Apple's brand draws these students to the company. Which of the benefits of having a strong brand is Apple capitalizing on?

- A) It allows them to charge more for their product.
- B) It affords protection against price wars.
- C) It affords leverage in negotiating with channel partners.
- D) It garners customer loyalty.
- E) It helps them recruit top talent.

**56)** A \_\_\_\_\_ is a description of what you want the brand to stand for in the eyes of customers.

- A) vision
- B) image
- C) picture
- D) attribute
- E) personality

**57)** The Toyota spokesperson is a woman in its commercials who extolls the benefits of the cars. She reflects the brand

- A) strategy.
- B) image.
- C) picture.
- D) attribute.
- E) personality.

**58)** By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising in the United States has

- A) encouraged increased productivity.
- B) encouraged demarketing.
- C) discouraged relationship marketing.
- D) discouraged reuse of products.
- E) encouraged divestment.

**59)** Advertising has been a major factor in

- A) eliminating price wars between global brands.
- B) eliminating economic inequities in the society.
- C) establishing cultural diversity.
- D) improving the standard of living in the United States and around the world.
- E) creating and sustaining trade monopolies in the United States and around the world.

**60)** When an organization like the Red Cross uses advertising to promote its services, and consequently receives financial support from consumers, it is using advertising to

- A) facilitate freedom of the press.
- B) eliminate economic inequities in the society.
- C) establish cultural diversity.
- D) foster growth and understanding of social issues and causes.
- E) stimulate product sales.

**61)** In the 1970s, a new American consumer movement grew out of the widespread disillusionment following the

- A) rise in the cost of living.
- B) Civil Rights Movement.
- C) Cold War.
- D) fall of the Berlin Wall.
- E) Vietnam War.

**62)** What is the definition of branding, and what is its most basic function?

- 63)** In the context of early advertising, what were the benefits of the introduction of printing?
- 64)** How did Benjamin Franklin make ads more readable?
- 65)** What are consumer packaged goods and when did they become commonplace?
- 66)** What was the role of Francis Ayer in the evolution of advertising in America?
- 67)** During the "Golden Age" of advertising, the introduction of which advertising medium helped make the advertising industry a focus of great attention?

**68)** What is the objective of market segmentation?

**69)** What marketing strategy is a company using when it tries to separate its brand of cereal breakfast from competitors by associating it with healthy living, a need that is ranked high on the consumer's priority list?

**70)** What is demarketing, and why was it introduced during the postindustrial age?

**71)** In what way does the importance of advertising depend on a country's level of development?

**72)** Why do companies brand their products?

73) Name three ways that advertising impacts society.

74) When Coca Cola advertised that it was "delicious, exhilarating, refreshing, and invigorating," it was demonstrating the advertising function of increasing product use.

- true
- false

75) In a free-market economy, when one company starts making significant profits, other companies immediately jump in to compete.

- true
- false

76) The most significant function of advertising is to lower the overall cost of sales.

- true
- false

77) Messages aimed to encourage trade were unheard of in preindustrial societies.

- true
- false

**78)** Benjamin Franklin was the first American known to use illustrations in ads.

- true
- false

**79)** The emergence of urban markets following the Industrial Revolution hindered the growth of advertising.

- true
- false

**80)** The advertising industry existed before the industrial age.

- true
- false

**81)** A. C. Nielsen produced the earliest catalogs, bringing a wide variety of products to new, rural markets.

- true
- false

**82)** A vodka company using the slogan "Spirit for the Spirited" in order to enhance the appeal of its brand is using product differentiation.

- true
- false



**83)** A product's unique selling proposition is a feature that differentiates it from competitive products.

- true
- false

**84)** Market segmentation is a process by which manufacturers seek to portray their brands as different from and better than the competition by offering consumers quality, variety, and convenience.

- true
- false

**85)** Beginning around 1980, the postindustrial age has been a period of relative stability.

- true
- false

**86)** Demarketing is used by marketers primarily to identify unique groups of people whose needs can be addressed through more specialized products.

- true
- false

**87)** A megamerger occurs when big multinational companies buy other big companies in order to expand globally.

- true
- false

**88)** The marketing world in the postindustrial age was characterized by competition intensified by lower trade barriers and growing international trade.

- true
- false

**89)** The importance of advertising in individual countries depends on the country's level of development and national attitude toward promotion.

- true
- false

**90)** Small companies and product marketers that appeal to a limited clientele use TV to reach audiences with unique interests.

- true
- false

**91)** Yolanta needs a new couch and she wants one that is comfortable above all else. She heads to the Lazy Boy store because its ads say, "Live life comfortably." Lazy Boy is demonstrating how a brand is a promise about a product.

- true
- false

**92)** Brands should be considered company assets.

- true
- false

**93)** Even the early ads from the 19th century focused on brands.

- true
- false

**94)** Maytag's tagline is "What's inside matters." This is an example of a brand promise.

- true
- false

**95)** Advertising has been a major factor in improving the standard of living in the United States and around the world.

- true
- false

**96)** Advertising helps create personalities for products in the market.

- true
- false

**97)** Paid advertising on media sites facilitates freedom of the press and promotes the availability of more complete information.

- true
- false

**98)** In 1914, Congress passed the Federal Trade Commission Act to protect the public from unfair business practices, including misleading and deceptive advertising.

- true
- false

## Answer Key

Test name: Advertising 2

- 9) D
- 10) D
- 11) D
- 12) A
- 13) A
- 14) C
- 15) B
- 16) B
- 17) A
- 18) B
- 19) C
- 20) D
- 21) C
- 22) B
- 23) B
- 24) B
- 25) C
- 26) C
- 27) B
- 28) E
- 29) B
- 30) E
- 31) E
- 32) E
- 33) B
- 34) D

- 35) D
- 36) C
- 37) C
- 38) C
- 39) C
- 40) D
- 41) B
- 42) D
- 43) D
- 44) A
- 45) A
- 46) C
- 47) B
- 48) B
- 49) A
- 50) C
- 51) C
- 52) C
- 53) B
- 54) C
- 55) E
- 56) A
- 57) E
- 58) A
- 59) D
- 60) D
- 61) E
- 74) FALSE
- 75) TRUE
- 76) TRUE

- 77) FALSE
- 78) TRUE
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- 81) FALSE
- 82) TRUE
- 83) TRUE
- 84) FALSE
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- 86) FALSE
- 87) TRUE
- 88) TRUE
- 89) TRUE
- 90) TRUE
- 91) TRUE
- 92) TRUE
- 93) FALSE
- 94) FALSE
- 95) TRUE
- 96) TRUE
- 97) TRUE
- 98) TRUE