

Test Bank for Contemporary Advertising 17th Weigold

TEST BANK SAMPLE PREVIEW

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Test Bank

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CORRECT ANSWERS ARE
LOCATED IN THE 2ND HALF OF
THIS DOC.

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

- 1) The proprietary curvy bottle helped customers differentiate Coca-Cola from other drinks.
 - ☐ true
 - ☐ false
- 2) In a free-market economy, when one company starts making significant profits, other companies become more reluctant to enter the market.
 - ☐ true
 - ☐ false
- 3) The most significant function of advertising is to create brand awareness.
 - ☐ true
 - ☐ false
- 4) Archaeologists have found messages aimed to encourage trade dating back as far as 300 AD.
 - ☐ true
 - ☐ false
- 5) Benjamin Franklin is known as the father of advertising art.
 - ☐ true
 - ☐ false
- 6) The emergence of urban markets following the Industrial Revolution fueled the growth of advertising.
 - ☐ true
 - ☐ false
- 7) The advertising industry came into existence during the industrial age.
 - ☐ true
 - ☐ false
- 8) A. C. Nielsen produced the earliest catalogs, bringing a wide variety of products to new, rural markets.
 - ☐ true
 - ☐ false
- 9) A beverage company offering a wide variety of flavors of soft drinks is using product differentiation.
 - ☐ true
 - ☐ false
- 10) A product's unique selling proposition is a feature that differentiates it from competitive products.
 - ☐ true
 - ☐ false
- 11) 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
- 12) Beginning around 1980, the postindustrial age was a period of cataclysmic change.
 - ☐ true
 - ☐ false

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- 13) Demarketing is used by marketers primarily to identify unique groups of people whose needs can be addressed through more specialized products.
- ☐ true
 - ☐ false
- 14) A megamerger occurs when more than two companies merge.
- ☐ true
 - ☐ false
- 15) The marketing world in the postindustrial age was characterized by competition intensified by lower trade barriers and growing international trade.
- ☐ true
 - ☐ false
- 16) The importance of competition in individual countries depends on the country's level of development and national attitude toward promotion.
- ☐ true
 - ☐ false
- 17) Advertising revenue in newspapers peaked in 1990 and has been in decline ever since.
- ☐ true
 - ☐ false
- 18) Gayle needs a new car. Since she liked the car she had before, she purchases a new car from the same brand. The car company is demonstrating how a brand is a promise about a product.
- ☐ true
 - ☐ false
- 19) Brands should be considered to be neither an asset nor a liability to a company.
- ☐ true
 - ☐ false
- 20) Ads from the early 19th century did not focus on brands.
- ☐ true
 - ☐ false
- 21) The tagline for De Beers diamonds is "A diamond is forever." This is an example of a brand promise.
- ☐ true
 - ☐ false
- 22) Advertising has been a major factor in improving the standard of living in the United States and around the world.
- ☐ true
 - ☐ false
- 23) Advertising helps create personalities for products in the market.
- ☐ true
 - ☐ false
- 24) Paid advertising on media sites restricts freedom of the press and discourages the availability of more complete information.
- ☐ true
 - ☐ false

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25) In 1914, Congress passed the Fair Trade Act to protect the public from unfair business practices, including misleading and deceptive advertising.

- Ⓐ true
- Ⓑ false

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

26) 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

27) Coca-Cola's campaign, "One Coke Away From Each Other," 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

28) An ad for a meal delivery service offers your first weekly meal kit for free and a discount for your first year of subscription. The primary function of the ad was to

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

29) 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.

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- 30) During the_____, Gutenberg invented the printing press in Germany.
- A) preindustrial age
 - B) Industrial Revolution
 - C) information revolution
 - D) industrial age
 - E) postindustrial age
- 31) 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
- 32) 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
- 33) In the mid-1700s, a soap company realized that its advertisements were being ignored because advertisements were so numerous that consumers did not pay close attention. As a result, the company exaggerated the benefits of its products in order to gain consumers' attention, a tactic known as
- A) yellow ads.
 - B) puffery.
 - C) silk screening.
 - D) perception molding.
 - E) fake ads.
- 34) 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
- 35) 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
- 36) 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

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- 37) 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.
- 38) 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
- 39) The origin of the first American ad agency is usually traced to
- A) Claude Hopkins.
 - B) Volney B. Palmer.
 - C) Benjamin Franklin.
 - D) Samuel Johnson.
 - E) Francis Ayer.
- 40) Which ad agency was the first to charge a commission based on the net cost of space?
- A) Hopkins & Sons
 - B) N.W. Ayer & Sons
 - C) Nielsen & Sons
 - D) Lasker & Sons
 - E) Palmer & Sons
- 41) What event resulted in direct-mail advertising and mail-order selling to take off?
- A) the development of motion pictures
 - B) government inauguration of rural-free mail delivery
 - C) the invention of the printing press
 - D) the invention of the automobile
 - E) the advent of public schooling
- 42) 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

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- 43) 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
- 44) 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
- 45) 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 solar panels 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 electronics manufacturer is trying to lower the cost of production by manufacturing a smaller number of computers 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.
- 46) 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.

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- 47) The features that differentiate a video game console 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.
- 48) 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.
- 49) A furniture company creates a chair that has a button to lift the seat, helping the person sitting in the chair to stand. It markets this chair toward older people and people who live with pain or muscle weakness that makes standing up difficult. What process is the furniture company using?
- A) relationship marketing
 - B) demarketing
 - C) action advertising
 - D) branding
 - E) market segmentation
- 50) A publishing company prints three monthly magazines—one each for vegetarians, knitting enthusiasts, and those living with diabetes—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.
- 51) Which strategy best describes a company's efforts to slow the demand for vaping through public service messages?
- A) macromarketing
 - B) product positioning
 - C) corrective advertising
 - D) demarketing
 - E) image advertising

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- 52) 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 slow demand for products, especially those that create unwanted costs for society
 - E) to encourage consumers to reuse products
- 53) When Udi's advertises its gluten-free breads, 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
- 54) When a smoothie company released a pure-fruit smoothie with no added sugar or preservatives, it found favor with more health-conscious consumers. This 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
- 55) A hair care company launches a line of all-natural products and advertises the lack of chemicals in its products. Its strategy is to associate its brand with both healthy hair and healthy living. Which strategy is the company using in this instance?
- A) vertical integration strategy
 - B) diversification strategy
 - C) positioning strategy
 - D) horizontal integration strategy
 - E) product placement strategy
- 56) 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.

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- 57) Tourist traffic to an ancient Incan site has grown rapidly over the past decade, causing damage to the ancient ruins and surrounding area. As a result, the government comes up with a plan to slow the number of tourists visiting the site. They could use a(n)_____ strategy to accomplish this objective.
- A) diversification
 - B) ecomarketing
 - C) market segmentation
 - D) demarketing
 - E) relationship marketing
- 58) An ad for a beer company that asks consumers to enjoy beer in moderation and drink responsibly is most likely using
- A) conservation marketing.
 - B) demarketing.
 - C) trade advertising.
 - D) green marketing.
 - E) relationship marketing.
- 59) After the Iron Curtain fell, multinational companies and their 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
- 60) 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.
- 61) 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.

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- 62) 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.
- 63) 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 recession, stock market decline, and the bust of the dot-coms.
 - D) rapid deregulation of the media industry.
 - E) the increasing use of the internet as an advertising medium.
- 64) _____ created a social media company called Facebook.
- A) Larry Page
 - B) Mark Zuckerberg
 - C) Charles Saatchi
 - D) Tom Cuniff
 - E) Sergey Brin
- 65) Typically, advertising expenditures are higher in countries with higher
- A) budget deficits.
 - B) personal incomes.
 - C) commodity prices.
 - D) media regulations.
 - E) inflation rates.
- 66) Which of these has become a recent competitor to cable and broadcast television?
- A) Disney+
 - B) off-premise media
 - C) premium channels
 - D) smart watches
 - E) Internet of things

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- 67) Kobe owns a successful restaurant and bar that has been popular for many years. How might the COVID pandemic in 2020 have impacted Kobe's restaurant?
- A) He temporarily transitioned his business to take-out orders and his profits remained the same.
 - B) He continued to run his business as usual, and due to the restaurant's popularity, he continued to receive the same amount of business.
 - C) His business significantly declined during the year.
 - D) His bar business increased because people were stressed about the pandemic.
 - E) His business temporarily declined in the first half of 2020, then grew significantly in the second half of the year.
- 68) A large pharmaceutical company creates a wide variety of medications. What is the company's most valuable asset?
- A) its brand
 - B) its most profitable product
 - C) its customers
 - D) its manufacturing plants
 - E) its patents
- 69) A company 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.
- 70) 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
- 71) A company from the early 19th century created and sold razor blades. The ads for this company most likely focused on
- A) the company's brand.
 - B) customer relationships.
 - C) the generic products.
 - D) the low cost.
 - E) how the product compared to its competition.

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- 72) Google hires students from universities well-known for having the best technology programs because its brand draws these students to the company. Which of the benefits of having a strong brand is Google 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.
- 73) A(n)_____ 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
- 74) In the commercials for Lincoln cars, Matthew McConaughey conveys a certain lifestyle and aesthetic. He reflects the brand
- A) strategy.
 - B) image.
 - C) picture.
 - D) attribute.
 - E) personality.
- 75) 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.
- 76) 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.
- 77) 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.

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78) 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.

82) How did Benjamin Franklin make ads more readable?

83) What are consumer packaged goods and when did they become commonplace?

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

79) What is the definition of branding?

84) What was the role of N.W. Ayers & Sons in the evolution of advertising in America?

80) The logo and bottle shape of Coca-Cola illustrate the differentiation function of branding. Identify another company and explain how its visual presentation of its product differentiates it from competitors.

85) During the "Golden Age" of advertising, the introduction of which advertising medium helped make the advertising industry a focus of great attention?

81) In the context of early advertising, what were the results of the introduction of printing?

86) What is the objective of market segmentation?

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87) What marketing strategy is an automobile company using when it emphasizes its superior safety record, a need that is ranked high on the consumer's priority list?

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

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

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

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

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

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90) What is a company's most important asset?

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

91) Name three ways that advertising impacts society.

96) What is meant by the USP of a product?

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

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

99) Explain the following statement:
“Advertising has been a major factor in improving the standard of living in the United States and around the world.”

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Answer Key

Test name: Chapter 02

1) TRUE

The proprietary curvy bottle helped customers differentiate Coca-Cola from other drinks. The creation of the Coca-Cola logo and contour bottle illustrates one of the most basic functions of branding as well as advertising: to identify products and their source and to differentiate them from others.

2) FALSE

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

3) FALSE

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

4) FALSE

Thousands of years ago, most human effort was devoted to meeting basic survival needs: food, clothing, and shelter. There were no mass media available for possible advertisers to use. Nevertheless, archaeologists have found evidence of messages meant to encourage trade among the Babylonians dating back as far as 3000 BC.

5) TRUE

Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines, white space and illustrations.

6) TRUE

In the mid-1700s, the Industrial Revolution began in England, and by the early 1800s it had reached North America. As people migrated from farms to cities, mass urban markets began to emerge, further fueling the growth of advertising.

7) TRUE

Ads were created prior to the industrial age, but it was not until this period that it can be said that an advertising industry existed anywhere in the world.

8) FALSE

Montgomery Ward and Sears Roebuck produced the earliest catalogs, bringing a wide variety of products to new, rural markets.

9) TRUE

The strategy of product differentiation seeks to portray a brand as different from and better than the competition by offering consumers quality, variety, and convenience.

10) TRUE

Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's USP (unique selling proposition)—features that differentiate it from competitive products.

11) FALSE

Market segmentation is a process by which marketers searched for unique groups of people whose needs are addressed by more specialized products.

12) TRUE

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Beginning around 1980, the postindustrial age was a period of cataclysmic change.

13) FALSE

Demarketing is used to slow demand for products, especially those that create unwanted costs for society.

14) FALSE

To expand globally, multinational companies and their agencies went on a binge during the postindustrial age, buying other big companies and creating a new word in the financial lexicon: megamerger.

15) TRUE

The most important economic factor that characterized the marketing world of the postindustrial age was competition, intensified by lower trade barriers and growing international trade.

16) FALSE

The importance of advertising in individual countries depends on the country's level of development and national attitude toward promotion. Typically, advertising expenditures are higher in countries with higher personal incomes.

17) FALSE

In recent years legacy media have struggled. Particularly hard hit has been the newspaper industry. Total circulation peaked around 1990 and has cratered ever since. Advertising revenue did not begin its decline until the late 2000s but is now in free-fall.

18) TRUE

A brand is a promise about a product. It allows consumers to reasonably expect that a particular product will do something consistently, each time the consumer chooses the product.

19) FALSE

One of the foremost experts on branding, David Aaker, argues that brands are company assets. He notes that the value of a brand to a company is significant. The brands Apple, Google, and IBM are worth over \$40 billion to their companies, and brands like Jack Daniel's and Burberry are worth over 50 percent of their companies' total value.

20) TRUE

Given the importance of brands today, it is worth recalling that early ads from the 19th century did not focus on brands. Instead, advertising featured the generic products of manufacturers.

21) FALSE

This is a brand vision. A brand vision, according to Aaker, is "an articulated description of the aspirational image for the brand; what you want the brand to stand for in the eyes of customers and other relevant groups."

22) TRUE

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Advertising has been a major factor in improving the standard of living in the United States and around the world. By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising has encouraged increased productivity by both management and labor.

23) TRUE

You can make a statement about yourself as an individual with the vehicle you purchase. As with many products, advertising has created a personality for each automobile model on the market.

24) FALSE

Facebook, Google, magazines, radio and television networks and stations, and many websites receive their primary income from advertising. This facilitates freedom of the press and promotes the availability of more complete information.

25) FALSE

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

26) D

The functions and effects of advertising as a marketing tool are: to identify products and differentiate them from others; to communicate information about the product, its features, and its place of sale; to induce consumers to try new products and to suggest reuse; to stimulate the distribution of a product; to increase product use, to build value, brand preference, and loyalty; and to lower the overall cost of sales.

27) D

To battle the constant competitive threat, Coca-Cola has funded ongoing marketing communications campaigns to accomplish another function of *advertising*: to build value, brand preference, and loyalty. Coca-Cola advertising, such as its current campaign, "One Coke Away From Each Other," has always promoted a common voice and a common theme: Coca-Cola makes life's relaxing moments even better.

28) D

One of the functions and effects of using advertising as a marketing tool is to induce customers to try new products and to suggest reuse.

29) A

There was very little advertising when civilizations began emerging because most people made what they used themselves.

30) A

During the preindustrial age, Johannes Gutenberg invented the printing press in Germany. Printing allowed information to be created, substantiated, recorded, and transported. Some entrepreneurs bought printing presses, mounted them in wagons, and traveled from town to town selling printing. This resulted in the first true instances of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

31) C

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In 1472, the first ad in English appeared: a handbill tacked on church doors in London announcing a prayer book for sale.

32) B

The printing press made possible the early instances of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

33) B

Samuel Johnson, a famous English literary figure, observed in 1758 that advertisements were so numerous they were “negligently perused,” and it had become necessary to gain attention “by magnificence of promise.” This was the beginning of puffery in advertising.

34) A

Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines, white space, and illustrations.

35) B

The industrial age started during the second half of the 19th century and lasted well into the 20th.

36) C

As the U.S. industry met the basic needs of most of the population, commodity markets became saturated. Fresh mass markets then developed for the new, inexpensive brands of consumer luxury and convenience goods called consumer packaged goods.

37) D

During the 1800s, manufacturers were principally concerned with production. The burden of marketing fell on wholesalers, who used advertising primarily as an information vehicle.

38) C

During the 1800s, ads appeared in publications called price currents that informed retailers about the sources of supply and shipping schedules for commodities.

39) B

The origin of the first American ad agency is usually traced to the day Volney B. Palmer set up business in Philadelphia in 1841. Palmer was essentially a go-between, buying large volumes of discounted newspaper advertising space and reselling to advertisers at a profit.

40) B

N. W. Ayer & Sons was the first agency to charge a commission based on the “net cost of space” and the first to conduct a formal market survey. It was the first agency to set up a copy department and the first to employ a full-time copywriter.

41) B

In 1896, when the federal government inaugurated rural-free mail delivery, direct-mail advertising and mail-order selling flourished.

42) C

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During the Great Depression in America, brands competed to convince the public of their own special qualities. Manufacturers followed this strategy of product differentiation vigorously, seeking to portray their brands as different from and better than the competition by offering consumers quality, variety, and convenience.

43) C

The stock market crash of 1929 launched the Great Depression and advertising expenditures plummeted. In the face of evaporating sales and corporate budget cuts, the advertising industry was challenged to prove its effectiveness.

44) B

Prior to the 20th century, wholesalers controlled the marketing process because they distributed the manufacturers' unbranded commodity products. The manufacturers changed their focus from a production orientation to a marketing orientation to get back control over the marketing process.

45) E

By following the strategy of product differentiation, manufacturers seek to portray their brands as different from and better than the competition by offering consumers quality, variety, and convenience.

46) B

Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's USP (unique selling proposition)—features that differentiate it from competitive products.

47) E

Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's unique selling proposition (USP)—features that differentiate it from competitive products.

48) E

The postwar period from 1946 through the 1970s is sometimes referred to as advertising's "Golden Age." This is because the introduction of television helped make the advertising industry a focus of great attention, which led to both acclaim and criticism.

49) E

Market segmentation refers to a process by which marketers search for unique groups of people whose needs are addressed by more specialized products.

50) B

Market segmentation is a process by which marketers search for unique groups of people whose needs could be addressed through more specialized products.

51) D

Demarketing is used to slow demand for products, especially those that create unwanted costs for society.

52) D

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Demarketing is used to slow demand for products, especially those that create unwanted costs for society.

53) C

Positioning strategy is an effective way to distinguish a brand by associating the brand with a particular set of important customer needs in an explicit contrast to leading brands.

54) C

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55) C

Positioning strategy is an effective way to distinguish a brand by associating the brand with a particular set of important customer needs in an explicit contrast to leading brands.

56) C

The postindustrial age began around 1980 and was a period of cataclysmic change. Citizens became increasingly aware of the sensitive environment in which we live and alarmed by our dependence on vital natural resources. Acute energy shortages of the 1970s and 1980s introduced a new marketing term, demarketing. Producers of energy and energy-consuming goods used advertising to slow the demand for their products. Ads asked people to refrain from operating washers and dryers during the day when the demand for electricity peaked.

57) D

Demarketing is used to slow down the demand for certain products, especially those that create unwanted costs for society.

58) B

Demarketing is a type of marketing used to slow the demand for products, especially those that create unwanted costs for society.

59) D

To expand globally, multinational companies and their agencies went on a binge, buying other big companies and creating a new word in the financial lexicon: megamerger.

60) D

Two related economic factors characterized the marketing world of the postindustrial age: (1) the aging of traditional products, with a corresponding growth in competition, and (2) the growing affluence and sophistication of the consuming public, led by the huge baby boomer generation.

61) A

Two related economic factors characterized the marketing world of the postindustrial age: (1) the aging of traditional products, with a corresponding growth in competition, and (2) the growing affluence and sophistication of the consuming public, led by the huge baby boomer generation.

62) A

As the 1990s unfolded, the traditional advertising industry found itself threatened on all sides and suffering from overpopulation.

63) C

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In 2001, the combination of a recession, a stock market decline, and the bust of the dot-coms set off a record decline in advertising activity.

64) B

Mark Zuckerberg dropped out of Harvard, headed west, and named his new social media company Facebook.

65) B

Typically, advertising expenditures are higher in countries with higher personal incomes.

66) A

The long steady adoption of cable now seems to be in decline as consumers are getting video content over the Internet. Services as Netflix, Disney+, Hulu, and Amazon Prime are gaining thousands of new adopters every day. Even subscription services HBO and Showtime, which have operated as premium cable channels since their inceptions, now focus their services on Internet viewers.

67) C

The global pandemic has affected trade, travel, and marketing across the world. The effects of COVID have been uneven, with some household brands seeing surging sales and others (travel, movie theaters, ride sharing, restaurants) finding business coming to a standstill.

68) C

In the global marketplace, a company's most important asset is their customer and the relationship they have with that person or organization.

69) C

It's not enough to produce outstanding advertising anymore. Companies must integrate all their marketing communications with everything else they do, too. That's what integrated marketing communications means.

70) B

A function of branding is to inspire loyalty and admiration.

71) C

Early ads from the 19th century did not focus on brands. Instead, advertising featured the generic products of manufacturers—the companies that made textiles, equipment, or canned goods, for instance.

72) E

Having a strong brand helps companies recruit top talent because people want to work for a successful company.

73) A

A brand vision, according to Aaker, is “an articulated description of the aspirational image for the brand; what you want the brand to stand for in the eyes of customers and other relevant groups.”

74) E

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Matthew McConaughey reflects the brand personality. He is the personification of the brand vision.

75) A

By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising has encouraged increased productivity by both management and labor.

76) D

Advertising has been a major factor in improving the standard of living in the United States and around the world. By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising has encouraged increased productivity by both management and labor.

77) D

Some advertising organizations foster growth and understanding of important social issues and causes through public service. The Red Cross, United Way, and other noncommercial organizations receive continuous financial support and volunteer assistance due in large part to the power of advertising.

78) E

In the 1970s, a new American consumer movement grew out of the widespread disillusionment following the Kennedy assassination, the Vietnam War, the Watergate scandals, and the sudden shortage of vital natural resources—all communicated instantly to the world via new satellite technology.

79) Short Answer

Branding is a marketing function that identifies products and their source and differentiates them from all other products.

80) Short Answer

Students should provide an example of a real company. Examples might include the Nike swish, the Ford logo, the distinct shape of the McDonald's Happy Meal box, or the Target circles.

81) Short Answer

Printing allowed information to be created, substantiated, recorded, and transported. Movable type helped to democratize information because many people could now publish ideas and opinions. These developments resulted in the first true instances of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

82) Short Answer

Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines, white space, and illustrations.

83) Short Answer

Consumer packaged goods were the new, inexpensive brands of consumer luxury and convenience goods developed during the industrial age, which started during the second half of the 19th century and lasted well into the 20th. As the U.S. industry met the basic needs of much of the population, commodity markets became saturated, leading to the development of consumer goods.

84) Short Answer

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In 1869, N. W. Ayer & Sons became the first agency to charge a commission based on the “net cost of space” and the first to conduct a formal market survey. Ayer established many functions still present in modern agencies—planning, creating, and executing complete ad campaigns in exchange for media-paid commissions or fees from advertisers. N.W. Ayer & Sons was the first agency to set up a copy department and the first to employ a full-time copywriter.

85) Short Answer

During the golden age of advertising, the introduction of television helped make the advertising industry a focus of great attention, which led to both acclaim and criticism.

86) Short Answer

The objective of market segmentation is to address the needs of unique groups of people through more specialized products.

87) Short Answer

The company is using positioning strategy by associating the brand with a particular set of important customer needs in an explicit contrast to leading brands.

88) Short Answer

Beginning around 1980, the postindustrial age was a period of cataclysmic change. Citizens became increasingly aware of the sensitive environment in which we live and alarmed by our dependence on vital natural resources. Acute energy shortages of the 1970s and 1980s introduced a new marketing term, demarketing. Producers of energy and energy-consuming goods used advertising to slow the demand for their products. Ads asked people to refrain from operating washers and dryers during the day when the demand for electricity peaked.

89) Short Answer

The importance of advertising in individual countries depends on the country’s level of development and national attitude toward promotion. Typically, advertising expenditures are higher in countries with higher personal incomes.

90) Short Answer

Companies are realizing that their most important asset is not capital equipment, or research capability, or their line of products. In the global marketplace, their most important asset is their customer and the relationship they have with that person or organization. Protecting that asset is the marketing imperative for the 21st century.

91) Short Answer

Advertising has increased productivity by management and labor. It facilitates freedom of the press and promotes the availability of more complete information. It fosters growth and understanding of social issues and causes through public service.

92) Short Answer

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The functions are

- ☐ To identify products and differentiate them from others.
- ☐ To communicate information about the product, its features, and its location of sale.
- ☐ To induce consumers to try new products and to suggest reuse.
- ☐ To stimulate the distribution of a product.
- ☐ To increase product use.
- ☐ To build value, brand preference, and loyalty.
- ☐ To lower the overall cost of sales.

Students should be able to demonstrate understanding of three of these as they relate to a real-life company.

93) Short Answer

During the preindustrial age, several

important events contributed to the eventual development of modern advertising. Europe had its first paper mill by 1275, and in 1439, Johannes Gutenberg invented the printing press in Germany.

Some entrepreneurs bought printing presses, mounted them in wagons, and traveled from town to town selling printing. This new technology made possible the early instances of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

In 1472, the first ad in English appeared: a handbill tacked on church doors in London announcing a prayer book for sale. Two hundred years later the first newspaper ad was published, offering a reward for the return of 12 stolen horses. Soon newspapers carried ads for coffee, chocolate, tea, real estate, medicines, and even personal ads. These early ads were still directed to a very limited number of people: the customers of the coffeehouses where most newspapers were read.

Samuel Johnson, a famous English literary figure, observed in 1758 that advertisements were now so numerous that they were “negligently perused” and that it had become necessary to gain attention “by magnificence of promise.” This was the beginning of puffery in advertising.

In the colonies, the Boston Newsletter began carrying ads in 1704. About 25 years later, Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines, white space, and illustration.

94) Short Answer

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During the 1800s, manufacturers were principally concerned with production. Marketing efforts fell to wholesalers, who used advertising primarily as an information vehicle. Ads appeared in publications called price currents that informed retailers about the sources of supply and shipping schedules for commodities. On the consumer side, Montgomery Ward and Sears Roebuck produced the earliest catalogs, bringing a wide variety of products to new, rural markets. Only a few innovative manufacturers (mostly of patent medicines, soaps, tobacco products, and canned foods) foresaw the usefulness of mass media advertising to stimulate consumer demand.

95) Short Answer

In the United States, the industrial age started during the second half of the 19th century and lasted well into the 20th. Although ads were created prior to the industrial age, it was not until this period that it can be said that an advertising industry existed anywhere in the world. It was a period marked by tremendous growth and maturation of the country's industrial base. As U.S. industry met the basic needs of most of the population, commodity markets became saturated. Fresh mass markets then developed for the new, inexpensive brands of consumer luxury and convenience goods called consumer packaged goods.

96) Short Answer

Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's unique selling proposition (USP). The USP refers to product features that differentiate it from competitive products. The USP was a logical extension of the Lasker and Hopkins "reason why" credo.

97) Short Answer

The two factors that best characterize the marketing world during the postindustrial age are: (1) the aging of traditional products, with a corresponding growth in competition, and (2) the growing affluence and sophistication of the consuming public, led by the huge baby boomer generation.

98) Short Answer

The long steady adoption of cable now seems to be in decline as consumers are getting video content over the Internet. Services such as Netflix, Disney+, Hulu, and Amazon Prime are gaining thousands of new adopters every day. Even subscription services HBO and Showtime, which have operated as premium cable channels since their inceptions, now focus their services on Internet viewers.

In recent years legacy media have struggled. Particularly hard hit has been the newspaper industry. Total circulation peaked around 1990 and has cratered ever since.

Advertising revenue did not begin its decline until the late 2000s but is now in free-fall. It seems unlikely that except for a few profitable brands, such as *The Wall Street Journal* and *The New York Times*, the industry can recover

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99) Short Answer

By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising has increased productivity in both management and labor.

Advertising serves other social needs besides simply stimulating sales. Free media are not really “free”; newspapers must pay for paper, ink, and energy, and radio stations require equipment, buildings, and towers.

All media organizations must pay salaries and benefits for reporters, engineers, and management. Facebook, Google, magazines, radio, television networks and stations, and many websites receive their primary income from advertising. This facilitates freedom of the press and promotes the availability of more complete information.

Some advertising organizations also foster growth and understanding of important social issues and causes through public service. The Red Cross, United Way, and other noncommercial organizations receive continuous financial support and volunteer assistance due in large part to the power of advertising.

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