**Advertising Test #1**

1- One ongoing change in today’s promotions can be seen in the way that the lines between information, entertainment, networking, and commercial messages are blurring.  a) True  b) False

2- The company or organization that pays for an advertisement is referred to as the advertising agency.  
   a) True  b) False

3- Brad Pitt is interviewed on the red carpet walk to the Academy Awards about his latest movie, for which he has been nominated for an Oscar. TV cameras and reporters zoom in to catch his comments. This is a form of advertising.  
   a) True  b) False

4- The marketers at Apple use a number of communication methods—including advertising in many forms of media, personal selling, public relations, event sponsorship, corporate advertising, social networking, and point-of-purchase, among others—in a coordinated process to build and maintain brand exposure. The Apple promoters are demonstrating a form of integrated brand promotion (IBP).  
   a) True  b) False

5- A series of coordinated ads with a similar look, feel, and message—that revolves around one consistent theme is called an ad campaign.  
   a) True  b) False

6- The marketing mix involves four areas—customers, pricing, promoting, and distributing—in the promotion of goods, services, or even ideas.  
   a) True  b) False

7- A late-night television commercial for kitchen knives urges viewers to “call this toll-free number in the next 30 minutes to receive a free cutting board” and assures them that “operators are on duty.” This is an example of a direct response ad.  
   a) True  b) False

8- Nowadays, advertising is virtually the only promotional tool that is used to attract, impress, and persuade consumers.  
   a) True  b) False

9- For a communication to be classified as advertising, which of the following criteria does not have to be met?  
   a) it must be paid for  b) It must be mass-mediated rather than face-to-face  c) It must promote an actual product  
   d) It must attempt to persuade.

10- Integrated brand promotion (IBP) is  
    a) closely monitored and regulated on a federal level by the FDA  
    b) the coordination of a number of promotional tools to create widespread brand exposure.  
    c) the use of more than one media format to deliver a negative message.  
    d) a unique concept mainly seen in international advertising campaigns.

11- Farm Fresh Market, a local grocery store chain, has decided to run a series of advertisements. For this to be considered an advertising campaign, the Farm Fresh Market ads must  
    a) focus on store products rather than store services.  
    b) target a number of segmented audiences.  
    c) appear in multiple forms of media.  
    d) communicate a cohesive and integrated idea or theme.
12- A particular group of consumers that is singled out by an organization for its advertising or IBP campaign is called
a) target audience  b) trade channel  c) household  d) organization.

13- A marketer has been given the task of monitoring all the elements of the marketing mix for a large Oregon winery. He
has many responsibilities, but one aspect that he is not concerned with is the ____ of the winery’s products.
   a) Tasting  b) distribution  c) pricing  d) promotion

14- When consumers are brand loyal, the term inelasticity of demand is often used. This means that
   a) consumers won’t accept price increases for a particular product category.
   b) consumers are less sensitive to price increases for a brand they like.
   c) firms have the flexibility to lower prices if this will increase sales.
   d) firms may decrease production in order to increase demand.

15- One or more of the major business and societal forces—technological advances, economic conditions, cultures,
lifestyles, business philosophies, etc.—are always affecting advertising and promotion efforts.
   a) True  b) False

16- Social media come in highly accessible forms, allowing individuals and groups to share almost unlimited textual and
visual information.  a) True  b) False

17- Despite the explosion of new media in recent years—cable television stations, direct marketing technologies, Web
options, digital and mobile alternatives—today’s media options are actually reduced from those of past decades.
   a) True  b) False

18- Even in the face of new communication formats such as online, branded, and sponsorship options, today’s companies
are putting more faith and energy back into traditional advertising formats placed in mainstream media.
   a) True  b) False

19- The reason prominent advertisers like Apple, Michael Kors, and Revlon do most of their work in-house is to maintain
control over marketing activities such as product development and distribution tactics.  a) True  b) False

20- The marketing mix includes all but the following areas: a) people b) pricing c) promoting d) distributing

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

22- Changes in consumer media use over the past two decades, and particularly in the past five years, have made both
advertisers and agencies question the wisdom of using the commission system.
   a) True  b) False

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

24- Which company has become a media conglomerate, amassing its own digital empire of diverse media?
   a) Disney  b) McDonalds  c) Dell Computers  d) Applebees
25- What is often called the advertising department within the firm?
   a) the creative boutique  b) the digital/interactive firm  c) the media-buying department
d)the in-house agency

26- One method of agency compensation has been accused of encouraging advertising agencies to recommend only the most costly media vehicles available. This method is the _____ system.
   a) Commission  b) fee  c) retainer  d) results-based

27- Societies tend to monitor advertising to determine what is irresponsible, unethical, or illegal. Despite social shifts and technological advances, a culture’s views on what is acceptable and unacceptable never change.  a) True  b) False

28- Critics of advertising claim that advertising carries little if any good product information and that most advertising is biased, limited, and inherently deceptive.  a) True  b) False

29- There are those who insist that advertising creates conformity and status-seeking behavior, while others argue that advertising reflects, not causes, America’s age of consumption.  a) True  b) False

30- The calls for restrictions on advertising to children over the years have been based on a number of concerns, one of which is the promotion of superficial material things as necessary and valuable.
   a) True  b) False

31- The FTC’s regulations on deception have no authority over omissions or missing information about a product, but only cover those false statements or misleading claims actually made by the advertiser.  a) True  b) False

32- The Children’s Food and Beverage Advertising Initiative is a voluntary commitment, signed by many well-known corporations, to stop advertising on children’s television programs.  a) True  b) False

33- An advertisement for Jif peanut butter that compared it to Skippy peanut butter, even if the information is accurate, would be illegal because it mentions brand-name goods produced by another firm.  a) True  b) False

34- A powerful ruling by the FTC in dealing with unfair advertising is a cease-and-desist order, in which an advertiser agrees to stop running the ad immediately.  a) True  b) False

35- When an NFL football player begins endorsing a line of energy bars and protein drinks, he is required by the FCC to actually use the products.  a) True  b) False

36- The government restriction on telemarketing required companies to remove households from their calling lists when residents requested this.  a) True  b) False

37- Ethics are moral standards and principles used to evaluate behavior.  a) True  b) False

38- Which of the following claims demonstrates puffery in advertising?
   a) "Only Crest Earns the Dental Seal of Approval Among All Major Brands!"
   b) "Ford Trucks Have Lower MPG than Chevy Trucks!"
   c) "Tide Beats Cheer in Sales 8th Year in a Row!"
   d) "World’s Best Cup of Coffee Served with a Smile Here!"
39- If firms decide to use comparison advertisements, they
   a) may be required by the FTC to substantiate their claims.
   b) share the costs of advertising with local dealers and distributors.
   c) are acting in opposition to the recommendations of the American Association of Advertising Agencies.
   d) cannot legally mention a competing firm or brand by name.

40- An established cereal manufacturer is being investigated by the FTC for claims that its oatmeal can repair damaged arteries and prevent heart disease. Its executives are aware that if the claims are found to be false, the firm may receive the FTC’s most severe penalty, which involves
   a) ordering corrective advertising.
   b) issuing a cease-and-desist order.
   c) ruling on advertising substantiation.
   d) dissolving the corporation

41- Brand loyalty leads to inelasticity of demand: demand is less sensitive to price changes.
   a) True   b) False

42- Which of the following is NOT part of the marketing mix?
   price  b) product  c) discussion  d) distribution

43- The government agency most concerned with the media (television/radio/etc.) is the FDA.  a) True   b) False

44- A target audience is a certain group of individuals or consumers who are singled out by a business or organization for its ad or IBP campaign, usually because they are known to like the product category and may be attracted by this particular brand within that category.  a) True   b) False

45- The target audience for an advertising campaign are the people who will be using or purchasing the product.  a) True   b) False

46- The FCC makes sure that obscene language is not used on television during times when children may be watching.
   a) True   b) False

47- Corrective Advertising is the process of designing a brand so it can occupy a distinct and valued place in the consumer’s mind and communicating this distinction to the consumer.  a) True   b) False

48- Today’s advertisers are the businesses, not-for-profits, and government agencies that want to get their message to certain audiences.  a) True   b) False

49- One method of agency compensation involves checking after marketing a product to see if sales have increased. This method is the _____ system.
   a) Fee  b) commission  c) markup charge  d) pay-for-results

50- A small Midwest agency agrees to a fixed fee, or contract, with a new client. What is the downside for an agency like this when it uses the fixed-fee system?
   a) Most clients do not want to pay a flat 15 percent rate for all ads placed.
   b) Standard percentage rates to be charged keep dropping.
   c) Client and agency rarely agree on results-based fees without hard feelings or conflicts.
   d) More work may be needed than is originally predicted.