

Exam

Name_____

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

- 1) Amazon.com was the first company to use _____, which is technology that sorts through customer purchasing patterns to create personalized site content. 1) _____
- A) collaborative filtering
 - B) mass marketing
 - C) customer filtering
 - D) personalized marketing
 - E) records management
- 2) What are the two main goals of direct marketing? 2) _____
- A) to save marketing dollars and facilitate a purchase
 - B) to obtain an immediate response and to facilitate a purchase
 - C) to obtain an immediate response and build a lasting customer relationship
 - D) to provide information and build a lasting customer relationship
 - E) to identify a potential customer and obtain an immediate response
- 3) Modern direct marketers rely heavily on database technologies and the Internet, while early direct marketers primarily used direct mailers, telemarketing, and _____. 3) _____
- A) e-mail
 - B) catalogues
 - C) POP promotions
 - D) inside salespeople
 - E) door-to-door salespeople
- 4) Amazon.com, eBay, and GEICO employ _____ as the only method of doing business with customers. 4) _____
- A) direct marketing
 - B) public relations
 - C) sales promotion
 - D) mass marketing
 - E) personal selling
- 5) Direct marketing is continuing to become more _____ oriented. 5) _____
- A) radio B) mail C) telephone D) web E) television
- 6) All of the following are benefits of direct marketing for buyers EXCEPT _____. 6) _____
- A) privacy
 - B) guaranteed low prices
 - C) access to numerous products
 - D) access to product reviews
 - E) convenience

- 7) All of the following are benefits of direct marketing for sellers EXCEPT _____. 7) _____
- A) lower cost-per-contact
 - B) mass reach and frequency
 - C) efficiency in reaching markets
 - D) efficiency in order processing
 - E) price and program flexibility
- 8) One of the advantages of direct marketing for sellers is that direct marketing _____. 8) _____
- A) provides statistical information about industry buying habits
 - B) provides comparative information about customers and competitors
 - C) avoids expenses related to a storefront, such as rent, insurance, and utilities
 - D) eliminates the need for a company to employ a sales force
 - E) offers access to buyers outside local markets
- 9) Which of the following is essential for direct marketing to be effective? 9) _____
- A) inbound telephone marketing
 - B) digital direct marketing technologies
 - C) a good customer database
 - D) an online presence
 - E) a well-trained sales force
- 10) A customer database is an organized collection of geographic, demographic, psychographic, and _____ data about individual customers or prospects. 10) _____
- A) ethical
 - B) cultural
 - C) sociological
 - D) medical
 - E) behavioural
- 11) Information about a customer's age, income, and family make-up is in the _____ category of a customer database. 11) _____
- A) demographic
 - B) behavioural
 - C) assessment
 - D) psychographic
 - E) geographic
- 12) Psychographic data, in a customer database used by direct marketers, includes information regarding a customer's _____ and _____. 12) _____
- A) interests; income
 - B) opinions; age
 - C) activities; opinions
 - D) age; buying preferences
 - E) hobbies; income
- 13) All of the following are common uses for a direct marketing customer database EXCEPT _____. 13) _____
- A) identifying prospective customers
 - B) generating sales leads
 - C) profiling customers based on previous purchases
 - D) building long-term customer relationships
 - E) gathering marketing intelligence about competitors

- 14) How does database marketing benefit consumers? 14) _____
A) Customers receive instant credit from more companies.
B) Companies make name-brand products and images readily available to customers.
C) Companies match customer needs and interests with products and services.
D) Customers receive better prices on products and services that they need.
E) Customers receive faster and more reliable service from companies.
- 15) All of the following are forms of direct marketing EXCEPT _____. 15) _____
A) public relations
B) direct-mail marketing
C) personal selling
D) kiosk marketing
E) telephone marketing
- 16) Which kind of marketing involves sending an offer, announcement, reminder, or other item to a person at a particular address? 16) _____
A) digital direct marketing
B) kiosk marketing
C) telephone marketing
D) direct-mail marketing
E) catalogue marketing
- 17) Catalogues, brochures, CDs, and DVDs are all examples of which type of marketing? 17) _____
A) online marketing
B) direct-response marketing
C) direct-mail marketing
D) digital direct marketing
E) kiosk marketing
- 18) Which of the following reasons is LEAST likely to explain why direct-mail marketing is still the most popular form of direct marketing? 18) _____
A) ability to be personalized
B) less expensive than TV and magazine ads
C) flexibility
D) high target market selectivity
E) measurable results
- 19) The use of which of the new forms of direct-mail marketing is booming? 19) _____
A) instant messages
B) Canada Post
C) e-mail
D) voice mail
E) fax mail
- 20) Most companies that create print catalogues now also provide _____ catalogs to eliminate production, printing, and mailing costs. 20) _____
A) store
B) DVD
C) personalized
D) web-based
E) e-mail

- 21) Which of the following is an advantage of printed catalogues over digital catalogues? 21) _____
- A) real-time merchandising
 - B) less competition for customers' attention
 - C) efficiencies in production, printing, and mailing costs
 - D) a stronger emotional connection with customers
 - E) the ability to offer an almost unlimited amount of merchandise
- 22) Marketers use _____ telephone marketing to receive orders from television ads and catalogues. 22) _____
- A) direct-response
 - B) outbound
 - C) interactive
 - D) inbound
 - E) business-to-business
- 23) Which of the following is an advantage of a well-designed and targeted telemarketing plan? 23) _____
- A) limitless merchandise available to customers
 - B) high recruitment and referral rate
 - C) purchasing convenience for customers
 - D) emotional connections with customers
 - E) real-time merchandising
- 24) How has the National Do Not Call List changed the telemarketing industry? 24) _____
- A) Telemarketers are more effectively managing relationships with existing customers.
 - B) Telemarketing has replaced direct mail and personal selling because of low costs.
 - C) Telemarketers are more effectively developing relationships with new customers.
 - D) Telemarketing for nonprofit groups has become nonexistent.
 - E) Telemarketing is no longer used by small and medium sized companies.
- 25) Why are online shops such as eBay and UncommonGoods adding catalogues to their marketing methods? 25) _____
- A) to entertain customers with interesting products
 - B) to attract the attention of new customers
 - C) to reduce the need for telemarketers
 - D) to offer a wider array of merchandise
 - E) to save money and increase profits
- 26) Which of the following is the most accurate name for a 30-minute television advertising program marketing a single product? 26) _____
- A) direct-response TV advertisement
 - B) home shopping channel
 - C) integrated marketing
 - D) infomercial
 - E) direct-response commercial
- 27) What are two major forms of direct-response television marketing? 27) _____
- A) home television response and direct-response TV advertising
 - B) home shopping channels and podcasts
 - C) home shopping channels and infomercials
 - D) call-in response and web-site response
 - E) home-selling and toll-free response

- 28) Direct-response advertisements always contain _____, making it easier for marketers to gauge the effectiveness of their sales pitches. 28) _____
- A) pop-ups
 - B) an order number
 - C) a mailing address for comments
 - D) a hit button to record the number of viewers
 - E) a 1-800 number or web address
- 29) Why have direct-response television commercials seen an increase in popularity in recent years? 29) _____
- A) The ability to track phone calls and web-site hits makes it easy to measure the return on advertising investment.
 - B) Consumers are more likely to respond to this type of marketing than to other forms of direct marketing.
 - C) The sophisticated image of home shopping channels has given direct-response commercials more credibility.
 - D) It is has become simpler to replicate the success of classic direct-response TV ads that introduced items such as the Veg-O-Matic.
 - E) Traditional broadcast and cable advertising has become prohibitively expensive for many major corporations.
- 30) A television program or entire channel dedicated to selling goods and services is known as a(n) _____. 30) _____
- A) digital catalogue
 - B) infomercial
 - C) direct-response television advertisement
 - D) home shopping channel
 - E) kiosk
- 31) Firms , such as Kodak and Fuji, are placing _____ in stores, airports, and other locations to provide people with information about products and services or to enable customers to place orders. 31) _____
- A) wireless networks
 - B) vending machines
 - C) kiosks
 - D) TV monitors
 - E) cell phones
- 32) Ring-tone giveaways, mobile games, and text-in contests are all examples of _____ marketing. 32) _____
- A) kiosk
 - B) podcast
 - C) vodcast
 - D) online
 - E) mobile phone

- 33) Marketers view mobile phones as the next big marketing medium for all of the following reasons EXCEPT _____. 33) _____
- A) More consumers are using their cell phones for text messaging, surfing the Web, and watching videos.
 - B) Most consumers always have their cell phones with them.
 - C) Cell phone users can respond instantly to time-sensitive offers.
 - D) Cell phones are very popular with the highly desirable 18-to-34-year-old demographic.
 - E) Unlike telemarketing, mobile phone marketing is initially appealing to most cell phone users.
- 34) Which of the following enables consumers to download files from the Internet to a handheld device? 34) _____
- A) direct-mail
 - B) telemarketing
 - C) interactive TV
 - D) infomercials
 - E) podcasting
- 35) _____ allows consumers to gain additional information about a product through the use of a remote control. 35) _____
- A) Vodcasting
 - B) Interactive television
 - C) Infomercials
 - D) Mobile phone marketing
 - E) Podcasting
- 36) What is the fastest growing form of direct-marketing? 36) _____
- A) mobile-phone marketing
 - B) online marketing
 - C) interactive TV
 - D) podcasts
 - E) direct-response television
- 37) The Internet gave birth to _____, which operate only on the Internet. 37) _____
- A) click-only companies
 - B) Web-and-mortar companies
 - C) click-and-mortar companies
 - D) big box companies
 - E) brick-and-mortar companies
- 38) As one of the first _____, Amazon.com changed the rules of marketing and set the bar high for the online customer experience. 38) _____
- A) content sites
 - B) search engines
 - C) click-and-mortar companies
 - D) transaction sites
 - E) e-tailers

- 39) Digg, TSN.com, and Canada.com are known as _____ because they are socially-driven or general news and information destinations. 39) _____
A) search engines
B) ISPs
C) e-tailers
D) content sites
E) portals
- 40) Traditional companies have set up their own online sales and communications channels, becoming what some call hybrid or _____ companies. 40) _____
A) brick-and-mortar
B) e-business
C) corporate site
D) click-and-mortar
E) offline business
- 41) The growth of the Internet caused many brick-and-mortar firms to _____ in response to customer demands and a changing marketplace. 41) _____
A) expand their outside sales forces
B) become click-and-mortar firms
C) become click-only firms
D) develop more infomercials
E) send out more catalogues
- 42) Which of the following is NOT one of the four major online marketing domains? 42) _____
A) C2B (consumer-to-business)
B) B2R (business-to-retailer)
C) B2B (business-to-business)
D) C2C (consumer-to-consumer)
E) B2C (business-to-consumer)
- 43) The popular press has paid the most attention to _____ online marketing, which is the online selling of goods and services to final consumers. 43) _____
A) C2B B) B2C C) global D) B2B E) C2C
- 44) B2B uses all of the following online resources to reach new business customers EXCEPT _____. 44) _____
A) online product catalogs
B) social networks
C) trading networks
D) e-mail
E) customized Web sites
- 45) The online exchange of goods and information between final consumers is called _____. 45) _____
A) B2B
B) C2C
C) C2B
D) B2C
E) social networking

- 46) Amazon.com Auctions, eBay, and Craigslist.com are popular market spaces that facilitate the online exchange of goods and information and are examples of _____ online marketing. 46) _____
A) B2C
B) B2B
C) C2C
D) global commerce
E) C2B
- 47) What is the benefit to companies of using blogs as marketing tools? 47) _____
A) Blogs provide companies with additional revenue.
B) Long-term customer relationships can be developed through blogs.
C) Demographic information about customers can be easily tracked.
D) Blogs are an inexpensive yet personal way to reach a fragmented audience.
E) Blog content is easy to filter, monitor, and control.
- 48) Which of the following is a potential drawback to advertising on a blog? 48) _____
A) Advertising on a blog is typically expensive.
B) Blogs are losing popularity as consumers begin to favour newer Internet forums.
C) It is difficult to use blogs to reach highly targeted audiences.
D) The content of a blog is difficult to control.
E) Blogs do not provide the kind of personalized medium that today's marketers want.
- 49) _____ online marketing sites are online exchanges in which consumers search out sellers, learn about their offers, and initiate purchases. 49) _____
A) B2B B) C2C C) C2B D) B2C E) B2R
- 50) When consumers drive transactions with businesses, what type of online marketing is being used? 50) _____
A) blogs
B) consumer-to-business
C) podcasting
D) social networking
E) business-to-consumer
- 51) For most companies, the first step in conducting online marketing is to _____. 51) _____
A) develop search-related ads
B) create a web site
C) create a web community
D) place promotions online
E) send e-mails
- 52) What is the main purpose of a corporate web site? 52) _____
A) to sell the company's products directly
B) to build customer goodwill
C) to give out coupons and tell about sales events or contests
D) to point out and explain competitors' weaknesses
E) to show a catalogue and give shopping tips

- 53) _____ are designed to build customer goodwill and to supplement other sales channels, rather than to sell the company's products directly. 53) _____
- A) Marketing web sites
 - B) Small business web sites
 - C) Corporate web sites
 - D) Rich media display ads
 - E) Non-profit corporation web sites
- 54) _____ are designed to engage consumers in interactions that will move them closer to a direct purchase or other marketing outcome. 54) _____
- A) Marketing web sites
 - B) Corporate web sites
 - C) Affiliate programs
 - D) Brand web sites
 - E) Web communities
- 55) To attract new visitors and to encourage revisits, online marketers should pay close attention to the seven Cs of effective web site design. Which of the following is NOT one of the seven Cs? 55) _____
- A) commerce: the site's ability to enable commercial transactions
 - B) customer: the way the customer is given incentives to use the Web site
 - C) context: the site's layout and design
 - D) content: text, pictures, sounds, and video that the Web site contains
 - E) connection: the degree that the site is linked to other sites
- 56) Of the seven Cs of effective Web site design, _____ refers to the ways that the site enables user-to-user communication. 56) _____
- A) content
 - B) cause
 - C) customization
 - D) context
 - E) community
- 57) According to the seven Cs of effective Web site design, a Website's capability to enable commercial transactions is its level of _____. 57) _____
- A) commerce
 - B) connection
 - C) communication
 - D) customization
 - E) content
- 58) Many companies are developing exciting new _____ display ads, which incorporate animation, video, sound, and interactivity. 58) _____
- A) pop-up
 - B) rich media
 - C) search-related
 - D) banner ads
 - E) contextual ads

- 59) Which of the following types of ads can users block through the use of applications developed by Web browser providers? 59) _____
- A) pop-unders
 - B) pop-ups
 - C) contextual ads
 - D) banners
 - E) rich-media ads
- 60) Display ads that incorporate animation, video, sound, and interactivity are called _____. 60) _____
- A) pop-ups
 - B) rich-media ads
 - C) contextual ads
 - D) pop-unders
 - E) banners
- 61) A large percentage of online advertising expenditures goes towards _____, which are text-based ads and links that appear alongside search engine results. 61) _____
- A) reminder advertisements
 - B) informative advertisements
 - C) contextual advertisements
 - D) corporate sponsorships
 - E) content sponsorships
- 62) When companies work with each other online and offline to promote each other, they are creating _____. 62) _____
- A) alliance and affiliate programs
 - B) interstitial relationships
 - C) contextual advertisements
 - D) search-related advertisements
 - E) content sponsorships
- 63) What does the term *viral marketing* mean? 63) _____
- A) It refers to problems associated with computer viruses.
 - B) It is another term for *online security*.
 - C) It refers to negative publicity associated with company blogs.
 - D) It refers to word-of-mouth marketing that occurs online.
 - E) It is another term for *online privacy*.
- 64) Which of the following is a primary disadvantage of viral marketing? 64) _____
- A) Viral messages are blocked by most search engines.
 - B) Marketers have little control over who receives the viral message.
 - C) The costs of viral marketing are too high for most companies.
 - D) Viral messages are offensive to many potential customers.
 - E) The brand associated with the viral message is usually forgotten.
- 65) All of the following are examples of online social networks EXCEPT _____. 65) _____
- A) pop-ups
 - B) YouTube
 - C) blogs
 - D) virtual worlds
 - E) MySpace.com

- 66) Online communities where people socialize or exchange information and opinions are called _____. 66) _____
- A) corporate Web sites
 - B) marketing Web sites
 - C) affiliate programs
 - D) online social networks
 - E) interactive Web sites
- 67) Which of the following is a challenge of marketing through online social networks? 67) _____
- A) Users often resent an intrusive marketing message.
 - B) Existing networks are resistant to direct advertising.
 - C) Virtual worlds will most likely replace social networks in the near future.
 - D) Most existing networks are already controlled by major corporations.
 - E) Measuring the frequency and volume of network usage is difficult.
- 68) What characteristic of niche sites makes the medium MOST appealing to marketers? 68) _____
- A) podcasting and vodcasting capabilities
 - B) audiences of people with similar interests
 - C) audience sizes larger than those of social networking sites
 - D) commercial transaction capabilities
 - E) wide variety of demographics and purchasing patterns
- 69) Unsolicited and unwanted commercial e-mail is known as _____. 69) _____
- A) e-tailing
 - B) pop-up ads
 - C) display ads
 - D) spam
 - E) phishing
- 70) According to your textbook, what role will online marketing play in the future? 70) _____
- A) Online marketing will remain an important approach in an integrated marketing mix.
 - B) The growth of online marketing will continue but at a much slower pace.
 - C) Online marketing will replace magazines, newspapers, and eventually stores as sources for information and products.
 - D) The use of online marketing will decline until its effectiveness can be better measured.
 - E) Online social networking will become the primary type of online marketing.
- 71) In an attempt to take advantage of impulsive buyers, merchants use _____ to deceive customers. 71) _____
- A) direct-response television marketing
 - B) kiosk marketing
 - C) telephone marketing
 - D) mobile phone marketing
 - E) direct-mail marketing

- 72) Which of the following is a type of identity theft that uses deceptive e-mails and fraudulent web sites to fool consumers into revealing their personal data? 72) _____
- A) unauthorized groups
 - B) viral feeds
 - C) reverse information
 - D) phishing
 - E) spyware
- 73) Which of the following is NOT a deception or fraud concern for Internet users and marketers? 73) _____
- A) eavesdropping
 - B) spyware
 - C) phishing
 - D) viral marketing
 - E) access by unauthorized groups
- 74) If a firm needs to mail you something, it can ask for your home address, but it may not request additional information unrelated to this task. Which of the four key principles of Canada's Personal Information Protection and Electronic Documents Act does this fall under? 74) _____
- A) Privacy
 - B) Right to access
 - C) Accuracy
 - D) Limitations
 - E) Consumer knowledge and consent
- 75) All of the following are the likely results of direct marketing abuses EXCEPT _____. 75) _____
- A) decreased consumer response rates
 - B) requests for more Internet oversight and legislation
 - C) increasingly negative consumer attitudes
 - D) decreased returns on advertising expenses
 - E) requests for more restrictive legislation of direct marketing

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

- 76) Direct marketing rarely occurs on a one-to-one, interactive basis. 76) _____
- 77) Mega Music sells products to customers only through its web site. Mega Music employs the direct model as its marketing approach. 77) _____
- 78) Companies such as Amazon, eBay, and GEICO have built their entire approach to the marketplace around direct marketing. 78) _____
- 79) For customers, the benefits of direct marketing are that it is an easy, private, and convenient way to shop. 79) _____
- 80) Today's marketers use database marketing to promote their offerings through personalized communications to small target groups or even individual customers. 80) _____
- 81) The marketing manager of Charlie's Car Parts uses a customer database to e-mail promotional information to customers. The demographic information in the database provides the manager with the data he needs regarding his customers' buying preferences. 81) _____

- 82) The Cornerstone Group of Companies is Canada's largest manager of Canadian direct-mail and email lists. 82) _____
- 83) Database marketing requires little initial investment beyond training personnel to code and mine data. 83) _____
- 84) Though direct-mail permits high target-market selectivity and can be personalized, it does not allow easy measurement of results. 84) _____
- 85) Catalogue marketing has grown explosively during the past 25 years, and recently the Internet has helped boost its popularity even more. 85) _____
- 86) With inbound telephone marketing, the company provides a toll-free phone number to receive orders from television ads, print ads, direct mail, and catalogues. 86) _____
- 87) Do-not-call legislation has made telemarketing an ineffective form of direct marketing, especially for nonprofit groups. 87) _____
- 88) Because of its association with somewhat questionable pitches and get-rich-quick schemes, direct-response television is becoming less popular than traditional broadcast and cable advertising. 88) _____
- 89) The Shopping Channel, Canada's leading home-shopping channel with hundreds of thousands of customers, has a predominantly male audience. 89) _____
- 90) You receive a text message from Upscale Furnishings about an upcoming sale on custom furniture. Upscale Furnishings is developing a direct customer relationship with you through kiosk marketing. 90) _____
- 91) Podcast listening has doubled in English Canada since 2006. 91) _____
- 92) Because several satellite broadcast systems are now offering ITV capabilities, interactive TV is likely to become a more widely used direct marketing medium. 92) _____
- 93) Today, many click-and-mortar companies are experiencing more online success than their click-only competitors. 93) _____
- 94) B2C Web sites deal with exchanges between businesses and companies. 94) _____
- 95) Unlike Internet consumers, traditional offline consumers initiate and control contact with marketers. 95) _____
- 96) Sales via B2B online marketing are expected to decrease in the next decade. 96) _____
- 97) Business customers of Dell Computer have access to customized web sites that include purchasing and asset management reports and system-specific technical information. Dell uses B2B online marketing. 97) _____

- 98) Companies such as eBay and Overstock.com facilitate C2C online marketing. 98) _____
- 99) C2B online marketing often involves the interchange of information through Internet forums, including customers' praise for and complaints about products. 99) _____
- 100) Companies conduct online marketing by creating a web site, placing ads and promotions online, setting up or participating in online social networks, or mailing catalogues to potential customers. 100) _____
- 101) Natalie Brennan has been saving her money to buy a BMW convertible. Natalie has spent hours on the BMW Web site choosing the exterior and interior colours and studying the various options and models. Natalie has been using BMW's marketing web site. 101) _____
- 102) Banners are online ads that pop up between changes on a Web site. 102) _____
- 103) Search ads can be an effective means of linking consumers to other forms of online promotion. 103) _____
- 104) Permission-based e-mail advertising allows marketers to send tailored messages to targeted customers who choose to have chosen to receive them. 104) _____
- 105) The 2007 Internet Crime Complaint Report cited Canada as the place where online crimes affecting U.S. residents originated the most. 105) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 106) In a brief essay, explain the major benefits of direct marketing to both customers and sellers.
- 107) How can a customer database be used as a relationship-building tool?
- 108) In a short essay, identify the major advantage of the following forms of direct marketing: telephone, direct-mail, catalogue, direct-response television, and kiosk.
- 109) How has the implementation of the National Do-Not-Call List changed telephone marketing in Canada?
- 110) List and briefly describe the four major online marketing domains.
- 111) How do Internet consumers differ from traditional offline consumers?
- 112) Compare and contrast the purpose and content of a corporate Web site to that of a marketing Web site.
- 113) To attract new visitors and to encourage revisits, online marketers should pay close attention to the seven Cs of effective Web site design. Briefly describe four of these seven Cs.
- 114) Describe two ways that marketers can participate in online social networks. What are the challenges and advantages of these approaches?
- 115) Internet marketing practices have raised a number of ethical and legal questions. Why is invasion of privacy perhaps the number-one online marketing concern?

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

- 116) Adams Cutlery has always relied upon advertising to market its products to final customers. However, the marketing team at Adams Cutlery now wants to begin a direct marketing campaign consisting of a company Web site, e-mails to current customers, and an online catalogue. Which of the following would the marketing team expect to gain as a result of implementing this direct marketing plan? 116) _____
- A) a wealth of information about competitors and their products
 - B) the ability to increase the range of products the company offers
 - C) the ability to learn more about their customers and tailor offerings to fit their needs
 - D) more control over customers' interactions with the company
 - E) a higher cost-per-contact that could prove to be more cost effective than advertising in mass media
- 117) Financial services provider Clarica sends materials about teaching teenagers how to drive safely to Clarica customers who have children approaching driving eligibility age. Clarica is using _____ information from a customer database to determine which customers should receive the materials. 117) _____
- A) psychographic
 - B) demographic
 - C) behavioural
 - D) key contact
 - E) geographic
- 118) Fiona Lambrech is the marketing director of a charity that raises funds to help provide educational services to children and families in developing countries. Fiona wants to reach a select market of individuals who have recently donated to international charities. Which of the following types of direct marketing will Fiona most likely use? 118) _____
- A) catalogue marketing
 - B) direct-mail marketing
 - C) kiosk marketing
 - D) telephone marketing
 - E) direct-response television marketing
- 119) Organic Designs is a small, successful chain of stores offering stylish clothes made of all-organic materials for infants, toddlers, and young children. Most of the Organic Designs stores are located in urban areas. Now Organic Designs is considering using direct marketing to reach potential customers who live outside of the company's existing markets, with the goal of creating emotional connections and long-term relationships with a new group of customers. Which of the following methods of direct marketing would most likely be effective in accomplishing this goal? 119) _____
- A) interactive TV marketing
 - B) mobile phone marketing
 - C) kiosk marketing
 - D) catalogue marketing
 - E) direct-response television marketing
- 120) Neal Murphy sells his company's unique gift items on television programs and entire channels dedicated to selling goods and services. Neal is using _____. 120) _____
- A) Internet-based infomercials
 - B) vodcasting
 - C) prime-time selling
 - D) B2B online marketing
 - E) direct-response television advertising

- 121) A producer of beverages and snack foods wants to market its products to the 18-to-34-year-old demographic by providing incentives to respond instantly to time-sensitive offers. Which of the following forms of direct marketing would this producer most likely choose? 121) _____
- A) interactive TV
 - B) direct mail
 - C) podcasting
 - D) mobile phone
 - E) direct-response TV
- 122) Company X began as a brick-and-mortar company. Which of the following statements MUST be true? 122) _____
- A) By adding online marketing options, Company X would become a click-only company.
 - B) Company X is probably not making a profit.
 - C) Company X is also considered a click-only dot-com.
 - D) By adding online marketing options, Company X would become a click-and-mortar company.
 - E) Company X should not be concerned about consumer-to-consumer online marketing.
- 123) Office Depot is a click-and-mortar company. Which of the following is LEAST likely to be an advantage that Office Depot has over click-only competitors? 123) _____
- A) By offering online marketing, Office Depot offers customers more options.
 - B) Office Depot is a known name with greater financial resources.
 - C) Office Depot has a large, established customer base.
 - D) Office Depot focuses on large accounts through its online presence and small businesses through its retail stores.
 - E) Customers can find a local store and check its available stock online.
- 124) Green Gardens is a click-and-mortar seller of gardening and landscaping goods and equipment, but the marketing department wants to promote the Green Gardens Web site. When customers are unable to find a product they need on the shelves of their local Green Gardens, the marketing department wants them to search for the product on the Green Gardens Web site. Which of the following marketing devices is the best match for this goal? 124) _____
- A) catalogue marketing
 - B) e-mail
 - C) kiosks
 - D) mobile phones
 - E) telemarketing
- 125) Jane Cheatham, a stay-at-home mother, regularly posts new entries on a widely read blog. In these entries, she often reviews consumer products that she uses during the course of her day. Jane participates in _____. 125) _____
- A) content sponsorship
 - B) C2C online marketing
 - C) online social networks
 - D) viral marketing
 - E) C2B online marketing

- 126) By using Priceline.com, potential buyers can bid for airline tickets, hotel rooms, rental cars, cruises, and vacation packages. It is then up to sellers to decide whether or not to accept an offered bid. This is an example of _____. 126) _____
- A) C2C online marketing
 - B) C2B online marketing
 - C) B2B online marketing
 - D) multi-channel marketing
 - E) B2C online marketing
- 127) Converse has a Web site that welcomes consumers to "the Converse Century," invites readers to post their Converse stories, and offers a wide variety of Converse shoes for direct purchase. The site even allows customers to individually design their own shoes. The Converse site is most accurately categorized as which of the following types of Web sites? 127) _____
- A) a C2C site
 - B) a corporate site
 - C) a B2B site
 - D) a marketing site
 - E) a C2B site
- 128) Oscar Aviation has a corporate web site. Prospective customers are most likely able to do all of the following on the site EXCEPT _____. 128) _____
- A) purchase products
 - B) learn about Oscar's philosophy
 - C) ask online questions
 - D) register to receive more information from the company
 - E) enjoy entertainment features on the site
- 129) In attempting to design an effective web site, Company A tried to address all of the seven Cs. The site, however, has a weak layout and design. Which C does this represent? 129) _____
- A) community
 - B) content
 - C) context
 - D) connection
 - E) customization
- 130) You are looking up airline schedules on the Internet. A bar at the top of the screen reads, "Stay at Holiday Inn and get a 25 percent discount!" This is a(n) _____. 130) _____
- A) banner
 - B) content sponsorship
 - C) pop-under
 - D) pop-up
 - E) interstitial
- 131) Sarah Flynn is using the Internet to find the best fare possible to fly to Cuba and notices that several ads for all-inclusive resorts near Havana appear on Google's search results page. These are examples of _____ ads. 131) _____
- A) banner
 - B) rich media
 - C) content sponsorship
 - D) search-related
 - E) pop-up

- 132) Uptown Cleaning Crew is a company that provides house cleaning services in major urban and suburban areas. Marketers at Uptown Cleaning Crew developed a short, humorous video promoting the company's services, and they hope that customers who see the video will be so entertained that they will pass it on to their friends and colleagues. The marketers at Uptown Cleaning Crew are using _____. 132) _____
- A) a marketing Web site
 - B) rich media ads
 - C) C2B marketing
 - D) viral marketing
 - E) a content sponsorship
- 133) Runners can compare performances, set up profiles, and meet new friends on Nike's Nike Plus Web site. Nike Plus is an example of a _____. 133) _____
- A) viral marketing site
 - B) contextual advertisement
 - C) alliance and affiliate program
 - D) C2C marketing site
 - E) web community
- 134) After selecting a sweater on the Lands' End Web site, Kelly Oldham filled out the required customer and credit card information. A box with a checkmark inside was next to the following statement : "Yes, I would like to receive promotional information via e-mail from Lands' End." The statement suggests that Lands' End is using which of the following marketing tools? 134) _____
- A) niche marketing
 - B) catalogue marketing
 - C) phishing
 - D) spam
 - E) permission-based e-mail marketing
- 135) Charlie Putnam received an e-mail promoting a new financial services institution that offers surprisingly low mortgage rates. The e-mail simply asked customers to provide their address, date of birth, social security number, and current mortgage information in order to receive a free loan quote. Suspicious of the offer, Charlie researched the company and discovered that the e-mail was a fraud. This is an example of _____. 135) _____
- A) online eavesdropping
 - B) phishing
 - C) heat marketing
 - D) malware
 - E) viral marketing

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

- 136) How does direct marketing give buyers access to more comparative information about companies, products, and competitors? 136) _____
- 137) How does online direct marketing provide flexibility for sellers? 137) _____
- 138) What kind of information is likely to be included in a business-to-business customer database? 138) _____

139) Why are people reached by direct mail better prospects for a company than those reached by mass media such as television or magazines?	139)	_____
140) Why are CDs and DVDs now among the fastest-growing direct-mail media?	140)	_____
141) Why are printed catalogues still thriving in the face of the growing popularity of Web-based catalogues?	141)	_____
142) Explain how the creation of the National Do-Not-Call List may have helped telemarketers more than it hurt them.	142)	_____
143) Why is the use of direct-response television growing in popularity?	143)	_____
144) Provide an example of how a marketer uses kiosk marketing.	144)	_____
145) Why is DRTV is growing more quickly than traditional broadcast and cable advertising.	145)	_____
146) Why do fewer Canadians than Americans own mobile phones?	146)	_____
147) Why are many marketers now integrating podcasts and vodcasts into their direct-marketing programs?	147)	_____
148) How did Procter & Gamble use ITV for its Tide To Go brand?	148)	_____
149) What types of services do B2B marketers offer online?	149)	_____
150) What are two ways that marketers can tap into blogs as a medium for reaching carefully targeted consumers?	150)	_____
151) Explain how a company benefits from monitoring the blogosphere.	151)	_____
152) Provide two reasons that many companies are shifting more of their marketing dollars to online advertising.	152)	_____
153) What is the purpose of content sponsorship? Provide an example of content sponsorship.	153)	_____
154) Explain the goal of viral marketing.	154)	_____
155) What are consumer's biggest fears when it comes to online security?	155)	_____

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

Refer to the scenario below to answer the following questions.

The Treble Clef offers a complete line of sheet music, musical instruments, and novelty gifts of a musical nature. In recent years, owner Gary Zahn has even served as the local representative of several musical instrument manufacturers, providing a contact person for three local school districts. "If we don't have it, chances are excellent that we can get it for you," Gary tells all Treble Clef visitors and customers.

Most walk-ins are particularly interested in a specific piece of sheet music from a particular era or just browsing among the hundreds of musical knick-knacks in the store. Gary spends most of his time making presentations to beginning music students at the local schools and making bi-weekly visits to the schools in order to deliver instruments, to make minor repairs when possible, or to pick up instruments to ship to the manufacturer for more complicated repairs.

After dragging his feet for quite some time, Gary was convinced that a Treble Clef web site could benefit a variety of customers. He began with a simple site explaining store hours and depicting types of gifts and services available. The site received so much response that Gary added a question-and-answer option. Questions poured in, ranging from "Where can I get the sheet music for 'Hello, Dolly'?" to "Do you carry clarinet reeds?" to "My saxophone needs two new pads. When will you be at Elmhurst school to repair it?" The Web site is now able to accept credit card orders, and gifts can even be wrapped and shipped for no extra charge.

"I don't know how we did it without our web site," Gary admitted. "It allows us to be so responsive. And our novelties sales have doubled!"

- 156) What type of online marketing is Gary Zahn using to promote the Treble Clef? 156) _____
A) B2B
B) viral marketing
C) contextual advertising
D) B2C
E) social networking
- 157) Treble Clef could add pages to their web site which allow their customers to buy or exchange used musical instruments. Which online marketing domain would this represent? 157) _____
A) contextual advertising
B) B2C
C) C2C
D) BCB
E) viral marketing
- 158) Which of the following BEST describes the Treble Clef? 158) _____
A) a brick-and-mortar retailer that is struggling to compete with click-only firms
B) a brick-and-mortar company that established a Web community for musicians
C) a dot-com that has added a storefront to service local customers
D) a click-and-mortar company that used to be a brick-and-mortar retailer
E) a brick-and-mortar company that is now a click-only retailer
- 159) Many Treble Clef customers are seeking specific sheet music that Gary does not always have in-stock. Gary would like to provide a link on the store's web site to a sheet music supplier with which he does business. On which of the following web site design elements should Gary focus? 159) _____
A) context
B) connection
C) customization
D) content
E) community

- 160) Many Treble Clef customers are interested in very specific instruments and types of music and would love to be able to see only that information when they visit the Treble Clef site. On which of the following web site design elements should Gary focus? 160) _____
- A) community
 - B) connection
 - C) content
 - D) context
 - E) customization
- 161) Gary's advertising plan includes placing ads on his sheet music suppliers' web sites. He could purchase _____ ads that will appear suddenly in a new window in front of the window being viewed. 161) _____
- A) contextual
 - B) pop-up
 - C) banner
 - D) rich media
 - E) search-related
- 162) Gary is considering placing ads on Yahoo and Google so that when users search keywords such as "sheet music" or "musical instruments", ads for Treble Clef will appear with the search results. Gary is considering placing _____ ads. 162) _____
- A) rich media
 - B) pop-up
 - C) search-related
 - D) banner
 - E) contextual
- 163) Treble Clef could e-mail offers on instruments and sheet music to customers who have "opted-in" to receiving them. This is known as _____. 163) _____
- A) permission-based email
 - B) phishing
 - C) spam
 - D) consensual email
 - E) contextual email
- 164) Gary realizes that a good customer database can be a potent relationship-building tool for Treble Clef. Which type of customer information stored in a database would allow Gary to send birthday offers to his customers? 164) _____
- A) buying behaviour
 - B) buying patterns
 - C) geographics
 - D) demographics
 - E) psychographics

165) Spurred on by the success of his web site, Gary is considering using other new digital direct-marketing technologies to promote Treble Clef. Which of the following new forms of direct marketing will allow his customers to download audio files or video files via the Internet to a handheld device and then listen to or view them whenever and wherever they wish?

- A) mobile phone marketing
- B) podcasts and vodcasts
- C) DRTV
- D) interactive TV
- E) kiosks

165) _____

Answer Key

Testname: UNTITLED4

- 1) A
- 2) C
- 3) B
- 4) A
- 5) D
- 6) B
- 7) B
- 8) E
- 9) C
- 10) E
- 11) A
- 12) C
- 13) E
- 14) C
- 15) A
- 16) D
- 17) C
- 18) B
- 19) C
- 20) D
- 21) D
- 22) D
- 23) C
- 24) A
- 25) B
- 26) D
- 27) C
- 28) E
- 29) A
- 30) D
- 31) C
- 32) E
- 33) E
- 34) E
- 35) B
- 36) B
- 37) A
- 38) E
- 39) D
- 40) D
- 41) B
- 42) B
- 43) B
- 44) B
- 45) B
- 46) C
- 47) D
- 48) D
- 49) C
- 50) B

Answer Key

Testname: UNTITLED4

- 51) B
- 52) B
- 53) C
- 54) A
- 55) B
- 56) E
- 57) A
- 58) B
- 59) B
- 60) B
- 61) C
- 62) A
- 63) D
- 64) B
- 65) A
- 66) D
- 67) A
- 68) B
- 69) D
- 70) A
- 71) E
- 72) D
- 73) D
- 74) D
- 75) B
- 76) FALSE
- 77) TRUE
- 78) TRUE
- 79) TRUE
- 80) TRUE
- 81) FALSE
- 82) TRUE
- 83) FALSE
- 84) FALSE
- 85) TRUE
- 86) TRUE
- 87) FALSE
- 88) FALSE
- 89) FALSE
- 90) FALSE
- 91) TRUE
- 92) TRUE
- 93) TRUE
- 94) FALSE
- 95) FALSE
- 96) FALSE
- 97) TRUE
- 98) TRUE
- 99) TRUE
- 100) FALSE

Answer Key

Testname: UNTITLED4

- 101) TRUE
- 102) FALSE
- 103) TRUE
- 104) TRUE
- 105) TRUE
- 106) For customers, direct marketing is convenient, easy to use, and private. It gives buyers ready access to a wealth of products and information, at home or work and around the globe. It is immediate and interactive. For sellers, direct marketing is powerful for building customer relationships. Using database marketing, marketers can target small groups or individual consumers, tailor offers to individual needs, and promote these offers through personalized communications. It provides great timing and offers a low-cost, efficient alternative for reaching markets. Direct marketing has become the fastest-growing form of marketing.
- 107) A customer database is an organized collection of data about individual customers or prospects, including detailed geographic, demographic, psychographic, and behavioural data. Companies can mine their databases to learn about customers in detail, and then fine-tune their market offerings and communications to the special preferences and behaviours of target segments or individuals. As the customer relationship continues, the company can learn more about the customer and can more accurately fine-tune its offerings to satisfy the customer's needs.
- 108) Telephone marketing provides purchasing convenience and increased product and service information. Direct mail marketing permits selectivity and personalization. Catalogue marketing allows customers to buy just about anything they desire, and through online catalogues marketers can use real-time merchandising, adding or removing products based on their availability. Direct-response television marketing allows live demonstrations without salespeople coming to your home or business. Kiosk marketing places information and ordering machines in convenient places, such as airports, stores, and malls.
- 109) In 2008, the CRTC established the "Unsolicited Telecommunications Rules," which encompass three sets of rules: telemarketing rules, the National Do Not Call List rules, and the Automatic Dialing and Announcing Device rules. Charities, political parties and riding associations, and newspapers are exempt from the rules. As of January 2009, 5.8 million consumers had registered their telephone numbers on the Do Not Call List, an indication of how many resented unsolicited calls. The Do Not Call List appears to be helping most direct marketers more than it's hurting them. Many of these marketers are shifting their call centre activity from making cold calls on often resentful customers to managing existing customer relationships. They are developing "opt-in" calling systems in which they provide useful information and offers to customers who have invited the company to contact them by phone or email.
- 110)
 - a. B2C (business-to-consumer) online marketing involves businesses selling goods and services online to final consumers. Today, almost anything can be purchased online.
 - b. B2B (business-to-business) online marketing involves businesses using Web sites, e-mail, online product catalogues, online trading networks, and other online resources to reach new business customers, better serve existing business customers, and obtain buying efficiencies and better prices.
 - c. C2C (consumer-to-consumer) online marketing involves consumers buying or exchanging goods or information directly with one another. Web sites such as eBay and Craigslist.com facilitate C2C trading, and blogs are an influential source of consumer-to-consumer information sharing.
 - d. C2B (consumer-to-business) online marketing involves consumers searching out online sellers, learning about their offers, and initiating purchases, sometimes even setting the terms of a transaction.
- 111) They differ in their approaches to buying and in their responses to marketing. The exchange process via the Internet has become more customer-initiated and customer-controlled. In traditional marketing, the audience is somewhat passive; in online marketing, customers actively select which web sites they will visit and what marketing information they will receive about which products and under what conditions.

Answer Key

Testname: UNTITLED4

- 112) Corporate Web sites are designed to build customer goodwill and to supplement other sales channels, rather than to sell the company's products directly. They offer a rich variety of information and other features in an effort to answer customer questions, build closer relationships, and generate excitement about the company. In contrast, marketing Web sites are designed to go beyond the function of a corporate Web site and actually engage consumers in an interaction that will move them closer to a direct purchase. A marketing Web site allows customers to view, research, and purchase specific items.
- 113) a. Context: the site's layout and design
b. Content: the text, pictures, sound, and video that the Web site contains
c. Community: the ways that the site facilitates user-to-user communication
d. Customization: the site's ability to tailor itself to different users or to allow users to personalize the site
e. Communication: the ways the site enables site-to-user, user-to-site, or two-way communication
f. Connection: the degree that the site is linked to other sites
g. Commerce: the site's capabilities to enable commercial transactions
- 114) Marketers can engage in online communities by participating in existing web communities or setting up their own. Many major brands have set up MySpace pages and profiles and opened virtual stores in virtual worlds such as Second Life. Companies can efficiently market to many potential customers as more and more people participate in online social networks. Although the large online social networks such as MySpace and Facebook have grabbed most of the headlines, a new breed of more focused niche networks has recently emerged. These more focused networks cater to the needs of smaller communities of likeminded people, making them ideal vehicles for marketers who want to target special interest groups. However, participating successfully in existing online social networks presents challenges. First, online social networks are new and results are hard to measure, and most companies are still experimenting with how to use them effectively. Second, such web communities are largely user controlled, so a company must learn how to add value for consumers in order to avoid being seen as an intrusion.
- 115) Web site activities provide extensive personal information. This may leave consumers open to information abuse if companies make unauthorized use of the information in marketing their products or exchanging databases with other companies. Critics worry that through database marketing, marketers know too much about consumers' lives and may not use that information responsibly, taking unfair advantage of consumers.
- 116) C
117) B
118) B
119) D
120) E
121) D
122) D
123) D
124) C
125) B
126) B
127) D
128) A
129) C
130) A
131) D
132) D
133) E
134) E
135) B
- 136) Catalogues and web sites, both forms of direct marketing, can provide extensive product information and helpful product reviews. Customers can easily research companies, products, and competitors by comparing information in catalogues or on business-to-consumer and consumer-to-consumer Web sites.

Answer Key

Testname: UNTITLED4

- 137) Direct Online marketing allows the marketer to make ongoing adjustments to its offers and programs. Online catalogues, if used, can be adjusted daily or even hourly if needed. Because the Internet is a global tool, it allows buyers and sellers to click from one country to another country in seconds.
- 138) Data might include products and services purchased by the customer, projected customer spending, competing suppliers, status of current contracts, key contacts and personal information, and assessments of competitive strengths and weaknesses in selling and servicing the account.
- 139) Unlike mass media, direct mail allows for high target-market selectivity, so only consumers who are likely to become customers can be contacted; in addition, direct mail can be personalized for each individual, which helps to build customer relationships.
- 140) The direct-mail industry constantly seeks new methods and approaches. One study showed that including a CD or DVD in a marketing offer generates responses between 50 and 1000 percent greater than traditional direct mail.
- 141) Printed catalogues are more effective at creating an emotional connection with customers and continue to be one of the best ways to lead customers to online catalogues.
- 142) Instead of making cold calls to people who are likely to resent the intrusion, telemarketers have switched gears and now focus on managing existing customer relationships through "opt-in" calling systems that provide useful information and offers to customers who have given the company permission to contact them.
- 143) Direct-response TV commercials are usually less expensive to produce than traditional television advertisements, and the media purchase is less costly; also, it is easy for marketers to track the effectiveness of a direct-response TV commercial because the ads always include a 1-800 number or Web address.
- 144) Answers will vary. Many airlines and hotels use kiosks as self-service check-in devices; many retail stores offer in-store ordering kiosks; kiosks in Target stores connect customers to relevant articles from *Consumer Reports* magazine.
- 145) Direct-response TV commercials are usually cheaper to make and the media purchase is less costly. Moreover, unlike most media campaigns, direct-response ads always include a 1-800 number or web address, making it easier for marketers to track the impact of their pitches.
- 146) In 2009, about 65 percent of Canadians had a mobile phone, compared to 88 percent in the United States. The Canadian market is dominated by three main players who control 95 percent of the market: Rogers, Bell, and Telus. Some claim that the big three have kept prices 45 percent higher than in the United States, thereby holding back wireless growth.
- 147) A 2008 survey of 12 000 Canadians by BBM Analytics found that podcast listening had doubled in English Canada since 2006. This growth is driven by the increase in sales of MP3 players and expanding consumer demand for more personal content. Twenty percent of Canadians listen to a podcast on a monthly basis. Another recent study predicts that the North American podcast audience will exceed 65 million by 2012, up from just 6 million in 2005. As a result, this new medium is drawing much attention from marketers.
- 148) Interactive TV gives marketers an opportunity to reach targeted audiences in an interactive, more involving way. For example, Procter & Gamble ran interactive ads for its Tide To Go brand. The 30-second TV spots contained remote control links giving interested consumers instant access to more information about the product as well as coupons and the opportunity to enter a sweepstakes to win a trip to an amusement park.
- 149) Most major B2B marketers now offer product information, customer purchasing, and customer support services online.
- 150) One way is to advertise on an existing blog or to influence content there. The other way is for marketers to set up their own blogs.
- 151) By staying up-to-date with the content on relevant blogs, a company can gain insights from its consumers and adjust its marketing programs accordingly; for example, a company might learn about the weaknesses or strengths of a new marketing campaign by monitoring reactions on blogs.
- 152) More companies are increasing the portion of their marketing budget spent on online advertising because consumers are spending more and more time on the Internet. Rich media ads are particularly effective in engaging viewers, and search-related ads reach an audience likely to be interested in the product.

Answer Key

Testname: UNTITLED4

- 153) Content sponsorships are a form of Internet promotion; many companies gain exposure on the Internet by sponsoring special content on various Web sites, such as news and financial information. Sponsorships are best placed in carefully targeted sites where they can offer relevant information or service to the audience. Scotts, the lawn-and-garden company sponsors the Local Forecast section on WeatherChannel.com.
- 154) Viral marketing is the Internet version of word-of-mouth marketing. Viral marketing involves creating a Web site, e-mail message, or other event that is so infectious that customers will want to pass it along to their friends.
- 155) Consumers fear that unscrupulous snoopers will eavesdrop on their online transactions, picking up personal information or intercepting credit and debit card numbers.
- 156) D
- 157) C
- 158) D
- 159) B
- 160) E
- 161) B
- 162) C
- 163) A
- 164) D
- 165) B