TRUE/FALSE

1. Marketing communications represents all the elements in a brand’s marketing mix that facilitate exchanges by establishing shared meaning with the brand’s customers or clients.

   ANS: T       PTS: 1       DIF: Moderate       TOP: The nature of marketing communications

2. Advertising is a form of person-to-person communication.

   ANS: F       PTS: 1       DIF: Easy       TOP: The marketing communications mix

3. Sales promotion is designed to create brand awareness.

   ANS: F       PTS: 1       DIF: Easy       TOP: The marketing communications mix

4. The concept of brand equity is considered only from the perspective of the customer.

   ANS: F       PTS: 1       DIF: Moderate       TOP: The concept of brand equity
5. A brand is a name, term, sign, symbol or design, or a combination of these, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.

ANS: T  PTS: 1  DIF: Difficult  TOP: The concept of brand equity

6. Successful IMC requires that communication efforts be directed at encouraging some form of investment.

ANS: F  PTS: 1  DIF: Moderate  TOP: Influence the target market’s behaviour

7. The use of IMC is restricted to the mass media.

ANS: F  PTS: 1  DIF: Moderate  TOP: Use the relevant media channels

8. A positioning statement is the key idea that encapsulates what a brand is intended to stand for in its target market’s mind.

ANS: T  PTS: 1  DIF: Moderate  TOP: Achieve communication synergy
9. All modern organisations use various forms of marketing communications to promote their offerings.

ANS: T 
PTS: 1 
DIF: Moderate 
TOP: The nature of marketing communications

10. Advertising consists of all marketing activities that attempt to stimulate quick buyer action or immediate sales of a product.

ANS: F 
PTS: 1 
DIF: Moderate 
TOP: The marketing communications mix

11. The goal of IMC is to directly influence employees’ perception of the brand.

ANS: F 
PTS: 1 
DIF: Moderate 
TOP: Influence the target market’s behaviour

12. IMC is a communications process that entails the planning, creation, integration and implementation of diverse forms of marketing communications that are delivered over time to a brand’s targeted customers and prospects.

ANS: T 
PTS: 1 
DIF: Difficult 
TOP: Defining IMC

13. Regardless of cost, mass media advertising will always be the best approach for marketing a brand.
dependence on mass media advertising

14. IMC does not require that all of a brand’s communication media and messages deliver a consistent message.

ANS: F PTS: 1 DIF: Moderate TOP: Defining IMC

15. From the consumer’s perspective, accepted brands offer assurances of consistent quality and performance, thereby reducing risk associated with buying the brand.

ANS: T PTS: 1 DIF: Difficult TOP: Marketing communications at the brand level

16. A ‘brand’ is a convenient (and appropriate) label for describing only a single object of concerted marketing efforts.

ANS: F PTS: 1 DIF: Difficult TOP: Marketing communications at the brand level

17. According to Keller, brand awareness is made up of brand recall and brand image.

ANS: F PTS: 1 DIF: Moderate TOP: Brand awareness
18. Increased efforts to assess marketing communications’ return on investment constitute one of the reasons for the shift towards IMC.

ANS: T  PTS: 1  DIF: Moderate  TOP: Increased efforts to assess marketing communications’ return on investment

19. The objective of IMC is to reach the target audience efficiently and effectively via one mass media avenue.

ANS: F  PTS: 1  DIF: Moderate  TOP: Defining IMC

20. The two types of decisions that need to be made when developing a marketing communications program are fundamental decisions and subsequent decisions.

ANS: F  PTS: 1  DIF: Moderate  TOP: A model of the marketing communication decision-making process

21. A brand has no equity if only a small number of customers are familiar with it.

ANS: F  PTS: 1  DIF: Moderate  TOP: A model of the marketing communication decision-making process

22. The key feature of IMC planning is that it must start with building relationships between the brand and the customer.

ANS: F  PTS: 1  DIF: Difficult  TOP: Profile the identified
23. The goal of IMC is to affect the behaviour of the targeted audience.

ANS: T | PTS: 1 | DIF: Moderate | TOP: Defining IMC

24. The positioning of the brand is an implementation decision that needs to be made in the initial stages of the marketing communications program.

ANS: F | PTS: 1 | DIF: Moderate | TOP: A model of the marketing communication decision-making process

25. Brands perform a critical strategic role by providing a key means for differentiating one company’s offering from those of competitive brands.

ANS: T | PTS: 1 | DIF: Moderate | TOP: Marketing communications at the brand level

26. Point-of-purchase communications are effective in creating brand awareness, whereas mass media advertising stimulates in-store brand selection.

ANS: F | PTS: 1 | DIF: Moderate | TOP: The marketing communications mix

27. The types of marketing communications chosen to market a brand depend on the communication objectives of the campaign.
28. Wasted coverage is avoided through targeting.

ANS: T  PTS: 1  DIF: Moderate  TOP: Targeting

29. The allocation of resources among various types of marketing communications is categorised as an implementation decision.

ANS: T  PTS: 1  DIF: Moderate  TOP: Budgeting

30. The trend over the past two decades has been to spend more money on advertising and less on promotions.

ANS: F  PTS: 1  DIF: Difficult  TOP: Selecting the mix of marketing communication elements

31. Positioning, targeting, setting objectives and budgeting are all evaluative decisions.

ANS: F  PTS: 1  DIF: Easy  TOP: A model of the marketing communication decision-making process
32. The primary objective of marketing communications is to enhance brand equity and to move the customer to take favourable action in relation to the brand.

ANS: T  PTS: 1  DIF: Difficult  TOP: A model of the marketing communication decision-making process

33. Advertising consists of all the messages about the brand.

ANS: F  PTS: 1  DIF: Difficult  TOP: The marketing communications mix

34. Although it is impossible to determine a mathematically optimum mixture of advertising and promotion expenditures, a satisfactory mixture can be formulated by considering the different purposes of each of the marketing communication tools.

ANS: T  PTS: 1  DIF: Difficult  TOP: Selecting the mix of marketing communication elements

35. Too much advertising and not enough promotion can diminish a brand’s future value.

ANS: F  PTS: 1  DIF: Moderate  TOP: Selecting the mix of marketing communication elements
36. Inherent in the definition of IMC is the need for synergy.

ANS: T  PTS: 1  DIF: Easy  TOP: Achieve communication synergy

37. Most budgeting practices involve a combination of top-down and all-over budgeting.

ANS: F  PTS: 1  DIF: Moderate  TOP: Budgeting

38. In the automobile market, large competitors such as Toyota, Holden and Ford have to spend a larger proportion of their sales on advertising than smaller competitors such as Hyundai, Daewoo and Mazda.

ANS: F  PTS: 1  DIF: Difficult  TOP: Establishing momentum

39. One reason why it is extremely important to effectively evaluate any marketing communications program is the increasing demand for accountability in organisational spending.

ANS: T  PTS: 1  DIF: Difficult  TOP: Program evaluation

40. According to Keller, brand equity comprises brand awareness and brand knowledge.
41. The main types of marketing communications are advertising, sales promotion, personal selling, sponsorship marketing, publicity and point-of-purchase communications.

42. Deciding on a campaign’s creative strategy is a fundamental decision in the marketing communications program.

43. It is easy to establish a brand that will become well known and respected.

44. Brand recall reflects a relatively superficial level of awareness, whereas brand recognition indicates a deeper form of awareness.
45. The marketing communications imperative is to move brands from a state of unawareness, to recognition, on to recall, and ultimately to top-of-mind awareness (TOMA).

ANS: T  PTS: 1  DIF: Moderate  TOP: Brand awareness

46. A brand can leverage associations by connecting itself with other brands, places, things, and people.

ANS: T  PTS: 1  DIF: Moderate  TOP: Enhancing brand equity

47. Co-branding occurs when two or more brands enter into a partnership that potentially serves to enhance both brands’ equity and profitability.

ANS: T  PTS: 1  DIF: Difficult  TOP: Co-branding and ingredient branding

48. A potential downside for the host brand with respect to ingredient branding is that it runs the risk of being turned into a mere commodity.

ANS: T  PTS: 1  DIF: Difficult  TOP: Co-branding and ingredient branding
49. Some brands have such exceptional brand equity that they deserve the label world-class.

ANS: T PTS: 1 DIF: Moderate TOP: Characteristics of world-class brands

50. One of the traits of the world’s strongest brands is ‘the brand stays relevant’.

ANS: T PTS: 1 DIF: Difficult TOP: Characteristics of world-class brands

51. Fundamental decisions, which are part of a marketing communications program, are practical and tactical.

ANS: F PTS: 1 DIF: Difficult TOP: Marketing communication implementation decisions

52. Implementations decisions, which are part of a marketing communications program, are conceptual and strategic.

ANS: F PTS: 1 DIF: Difficult TOP: Marketing communication implementation decisions

53. Establishing momentum is a critical strategy for new brands entering the market place.

ANS: F PTS: 1 DIF: Moderate TOP: Establishing
momentum

54. Setting marketing communication objectives is unnecessary for not-for-profit organisations.

ANS: F         PTS: 1         DIF: Easy         TOP: Setting objectives

MULTIPLE CHOICE

1. A form of person-to-person communication would be __________.
   A advertising
   B sales promotion
   C personal selling
   D promotion
   E none of the answers supplied for this question are correct

ANS: C         PTS: 1         DIF: Moderate         TOP: The marketing communications mix

2. Advertising __________.
   A is a form of person-to-person communication
   B consists of all marketing activities that attempt to stimulate quick buyer action
   C consists of all marketing activities that attempt to stimulate immediate sales of a product
D. often assumes the form of news items
E. involves direct communication that is pinpointed to each B2B customer or ultimate consumer

ANS: E       PTS: 1       DIF: Difficult       TOP: The marketing communications mix

3. Sales promotions are designed to __________.
   A. create brand awareness
   B. influence customer attitudes
   C. stimulate immediate sales of a product
   D. reduce manufacturing costs
   E. all of the answers supplied for this question are correct

ANS: C       PTS: 1       DIF: Moderate       TOP: The marketing communications mix

4. The practice of promoting the interests of a company and its brands by associating with a specific event is known as __________.
   A. sales promotion
   B. publicity
   C. point-of-purchase communications
   D. advertising
E sponsorship marketing

ANS: E  PTS: 1  DIF: Moderate  TOP: The marketing communications mix

5. A(n) __________ is the key idea that encapsulates what a brand is intended to stand for in its target market’s mind.
   A advertising platform
   B positioning statement
   C mission statement
   D advertising objective
   E vision

ANS: B  PTS: 1  DIF: Difficult  TOP: Achieve communication synergy

6. For the firms that market them, brands play a key role in __________.
   A achieving economies of scale by producing a brand in mass quantity
   B creating barriers to entry for competitors who want to introduce their own brands
   C providing a key means for differentiating one company’s offering from competitive brands
   D enabling a manufacturer to gain leverage vis-à-vis retailers and other marketing intermediaries
all of the answers supplied for this question are correct

ANS: E  PTS: 1  DIF: Difficult  TOP: Marketing communications at the brand level

7. A __________ is a name, term, sign, symbol or design, or a combination of these, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.
   A  brand
   B  market
   C  tradename
   D  trademark
   E  guarantee

ANS: A  PTS: 1  DIF: Moderate  TOP: The concept of brand equity

8. IMC starts with profiling the __________.
   A  manufacturer
   B  wholesaler
   C  retailer
   D  customer
   E  competitors
9. The goal of IMC is to __________.
   A  increase brand awareness
   B  affect the behaviour of the targeted audience
   C  learn how to outsell the competition
   D  lower production costs
   E  all of the answers supplied for this question are correct

ANS: B  PTS: 1  DIF: Moderate  TOP: Influence the target market’s behaviour

10. IMC __________.
    A  is limited to the use of mass media
    B  starts with identifying the major competitors
    C  strives to achieve synergy
    D  has the main objective of increasing brand awareness
    E  all of the answers supplied for this question are correct

ANS: C  PTS: 1  DIF: Moderate  TOP: Achieve communication synergy

11. Initially, the marketing communication program involves making __________.
    A  fundamental decisions and budgeting decisions
    B  fundamental decisions and implementation decisions
C implementation decisions and evaluation decisions
D financial decisions and evaluation decisions
E none of the answers supplied for this question are correct

ANS: B PTS: 1 DIF: Moderate TOP: Making brand-level marketing communication decisions

12. The adoption of IMC necessitates __________.
   A increased faith in mass media advertising
   B decreased reliance on highly targeted communication methods
   C greater demands imposed on communication suppliers
   D decreased efforts to assess communications’ return on investment
   E none of the answers supplied for this question are correct

ANS: C PTS: 1 DIF: Difficult TOP: Changes in marketing communication practices

13. IMC requires that all of a brand’s communication media __________.
   A deliver consistent messages
   B reach the same audience
   C utilise in-store displays
   D seek long-term objectives
   E all of the answers supplied for this question are correct
14. Marketing communications implementation decisions include __________.
   A mixing elements, creating messages, selecting media and establishing momentum
   B creating messages, planning media and evaluating responses
   C designing advertisements, pre-testing advertisements and evaluating responses to advertisements
   D mixing elements, creating messages, selecting media and evaluating responses
   E none of the answers supplied for this question are correct

15. The marketing mix for a brand consists of __________.
   A product
   B price
   C promotion
   D place
   E all of the answers supplied for this question are correct
16. In general, the single-voice, or synergy, principle involves selecting a specific __________ for a brand.

A  positioning statement
B  marketing mix
C  pricing strategy
D  advertising budget
E  none of the answers supplied for this question are correct

ANS: A  PTS: 1  DIF: Difficult  TOP: Achieve communication synergy

17. The notion that all elements of the marketing mix must be coordinated and that all must speak with one voice is called __________.

A  micromarketing
B  integrated marketing communications
C  the marketing concept
D  the promotion concept
E  the single-voice theory of communications

ANS: B  PTS: 1  DIF: Moderate  TOP: Achieve communication synergy

18. An implicit characteristic of IMC is the building of relationships with customers. Which of the following features is not a characteristic of relationship building?
A. repeat purchases
B. huge acquisition costs
C. enduring links between a brand and consumers
D. customer loyalty
E. none of the answers supplied for this question are correct

ANS: B  PTS: 1  DIF: Difficult  TOP: Build customer relationships

19. Fundamental marketing communication decisions include __________.
A. positioning, mixing elements, budgeting and setting objectives
B. targeting, budgeting, evaluating and planning
C. positioning, evaluating, planning and forecasting
D. positioning, targeting, setting objectives and budgeting
E. none of the answers supplied for this question are correct

ANS: D  PTS: 1  DIF: Moderate  TOP: A model of the marketing communication decision-making process

20. Using different forms of marketing communications, communications’ basic objective is __________.
A. to facilitate the successful introduction of new brands
B. to improve corporate relations with special interest groups
C. to create good publicity
D. to increase customer loyalty
21. The TOMA model represents __________.
   A  too many advertisements
   B  top-of-mind awareness
   C  top model appreciation
   D  towards money allocation
   E  none of the answers supplied for this question are correct

ANS: B  PTS: 1  DIF:  Easy  TOP: Brand awareness

22. The process whereby thoughts are conveyed and meaning is shared between individuals or between organisations and individuals is known as __________.
   A  communication
   B  marketing
   C  personal selling
   D  exchanging
   E  promotion

ANS: A  PTS: 1  DIF:  Easy  TOP: The nature of marketing communications
23. The world’s strongest brands are characterised by many traits, one of which is __________.
   A consistency
   B design
   C innovation
   D all of the answers supplied for this question are correct
   E none of the answers supplied for this question are correct

ANS: A       PTS: 1       DIF: Difficult       TOP: Characteristics of world-class brands

24. According to Keller, brand awareness comprises __________.
   A brand knowledge and brand experience
   B brand recognition and brand recall
   C brand knowledge and brand recall
   D brand equity and brand knowledge
   E none of the answers supplied for this question are correct

ANS: B       PTS: 1       DIF: Moderate       TOP: Brand awareness

25. Products that are high in quality and represent good value potentially possess high __________.
   A brand availability
   B brand equity
   C brand personality

   D none of the answers supplied for this question are correct
D  all of the answers supplied for this question are correct
E  none of the answers supplied for this question are correct

ANS: B       PTS: 1       DIF: Difficult       TOP: Enhancing brand equity

26. According to the brand awareness pyramid, top-of-mind awareness (TOMA) comes directly after consumers _________.
   A  recognise the brand
   B  buy the brand
   C  recall the brand
   D  trial the brand
   E  none of the answers supplied for this question are correct

ANS: C       PTS: 1       DIF: Moderate       TOP: Brand awareness

27. According to the brand awareness pyramid, consumers begin by being _________.
   A  aware of the brand
   B  true to the brand
   C  unaware of the brand
   D  not sure of the brand
   E  skeptical of the brand
28. The basic dimension of brand equity is __________.
   A  brand image
   B  brand associations
   C  brand personality
   D  brand awareness
   E  all of the answers supplied for this question are correct

ANS: D  PTS:  1  DIF:  Moderate  TOP: Brand awareness

29. When a brand has strong, favourable and unique associations in consumers’ minds, this is an example of __________.
   A  brand equity
   B  brand personality
   C  brand dimensions
   D  brand associations
   E  brand value

ANS: A  PTS:  1  DIF:  Moderate  TOP: Brand image

30. Data collected from the EquiTrend online survey identified six world-class brands, including Waterford Crystal, Craftsman tools and the Discovery Channel. What all of these brands had in common was __________.
   A  a straightforward promise of what they delivered and consistent delivery

   B  a promise of innovation
   C  a promise of quality
   D  a promise of value
   E  a promise of variety

   ANS: A  PTS:  1  DIF:  Moderate  TOP: Brand awareness
over time

B  a large marketing department and expert advisers
C  unlimited access to marketing funds
D  international recognition
E  both C and D

ANS: A  PTS:  1  DIF: Difficult  TOP: Characteristics of world-class brands

31. According to Keller, brand knowledge comprises __________.
   A  brand equity and brand image
   B  brand equity and brand communications
   C  brand awareness and brand image
   D  brand awareness and brand loyalty
   E  brand awareness and brand advertising

ANS: C  PTS:  1  DIF: Moderate  TOP: The concept of brand equity

32. The world’s strongest brands have all the following traits except __________.
   A  innovation
   B  positioning
   C  continuing relevance
   D  corporate monitoring of sources of brand equity
   E  consistency
33. When two brands enter into an agreement that has the potential to enhance the brand equity and profitability of both brands, this is known as __________.
   A  dual branding  
   B  dominant branding 
   C  equitable branding 
   D  co-branding 
   E  twin branding 

ANS: D   PTS: 1   DIF: Moderate   TOP: Co-branding and ingredient branding 

34. The most important requirement for successful co-branding is that the brands possess __________.
   A  a common budget    
   B  a common manufacturing base  
   C  a common fit  
   D  a common country of origin 
   E  none of the answers supplied for this question are correct 

ANS: C   PTS: 1   DIF: Moderate   TOP: Co-branding and
ingredient branding

35. The goal of establishing successful relationships between customers and brands is to generate __________.
   A customer loyalty
   B increased revenues
   C synergy
   D brand equity
   E none of the answers supplied for this question are correct

   ANS: A           PTS: 1           DIF: Moderate           TOP: Build customer relationships

36. Making brand-level marketing communications decisions include making __________.
   A fundamental decisions and implementation decisions
   B evaluation decisions and financial decisions
   C short-term decisions and long-term decisions
   D fundamental decisions and subsequent decisions
   E none of the answers supplied for this question are correct

   ANS: A           PTS: 1           DIF: Difficult           TOP: Making brand-level marketing communication decisions

37. An example of ingredient branding is when __________.
A you buy a Qantas flight ticket with an American Express credit card
B you buy petrol and groceries at the same retail outlet
C ink is placed in a Bic pen
D Nicole Kidman advertises Chanel
E Dell computers have a sticker on them saying ‘Intel Inside’

ANS: E PTS: 1 DIF: Moderate TOP: Co-branding an ingredient branding

38. An example of co-branding is when __________.
   A you buy a Qantas flight ticket with an American Express credit card
   B you buy petrol and groceries at the same retail outlet
   C ink is placed in a Bic pen
   D Nicole Kidman advertises Chanel
   E none of the answers supplied for this question are correct

ANS: E PTS: 1 DIF: Moderate TOP: Co-branding an ingredient branding

39. Fundamental marketing communications involves making decisions about __________.
   A targeting
   B positioning
   C campaign objectives
40. Fundamental marketing communications decisions are __________, while implementation decisions are __________.
   A  conceptual; strategic
   B  conceptual; practical
   C  practical; tactical
   D  tactical; conceptual
   E  practical; conceptual

   ANS: B      PTS: 1      DIF: Moderate      TOP: Marketing communication implementation decisions

41. The trend over the last two decades has been to spend __________.
   A  more on billboards and less on movie advertising
   B  more on advertising and less on promotions
   C  more on promotions and less on advertising
   D  less on both advertising and promotions
   E  more on both advertising and promotions
42. Key features of IMC include __________.
   A profiling the target market and using the relevant media
   B achieving communication synergy
   C building customer relationships
   D influencing the target market’s behaviour
   E all of the answers supplied for this question are correct

   ANS: E  PTS: 1  DIF: Moderate  TOP: Key features of IMC

43. When the Nutrasweet logo is included on the packaging of brands such as Diet Coke, this is an example of __________.
   A ingredient branding
   B co-operative branding
   C brand equity
   D brand endorsements
   E all of the answers supplied for this question are correct

   ANS: A  PTS: 1  DIF: Moderate  TOP: Co-branding and ingredient branding

44. The way to create favourable, strong and unique brand associations is through __________.
A brand image
B brand personality
C marketing communications
D brand equity
E none of the answers supplied for this question are correct

ANS: C PTS: 1 DIF: Moderate TOP: Enhancing brand equity

45. The increasing demand for accountability means that ___________ is very important.
   A branding
   B program evaluation
   C objective setting
   D advertising
   E direct mailing

ANS: B PTS: 1 DIF: Moderate TOP: Program evaluation

46. What is the initial challenge for new brands?
   A achieving brand awareness
   B enhancing brand image
   C achieving brand preference
   D achieving brand insistence
47. The new Myer Visa card is an example of __________.
   A ingredient branding  
   B personality branding  
   C retail branding  
   D co-branding  
   E services branding

ANS: D  PTS: 1  DIF: Moderate  TOP: Co-branding and ingredient branding

48. Brand meaning can be leveraged by __________.
   A employees  
   B endorsers  
   C alliances  
   D all of the answers supplied for this question are correct  
   E none of the answers supplied for this question are correct
ANS: D  PTS: 1  DIF: Difficult  TOP: Enhancing brand equity

49. Before consumers recognise the brand they must __________.
   A  be aware of the brand
   B  buy the brand
   C  recommend the brand
   D  go to the shopping mall
   E  none of the answers supplied for this question are correct

ANS: A  PTS: 1  DIF: moderate  TOP: Brand awareness

50. When a brand remains relevant and consistent, it displays characteristics associated with __________.
   A  consumer products
   B  world-class brands
   C  service provision
   D  brand personality
   E  brand wearout

ANS: B  PTS: 1  DIF: Moderate  TOP: Characteristics of world-class brands

51. May is asked by a market researcher to list all the brands of toothpaste she can think of. Which type of awareness is this assessing?
A  recall
B  recognition
C  positive awareness
D  free-association awareness
E  aided recognition

ANS: A      PTS:  1      DIF: Difficult      TOP: Brand awareness

52. Anne is asked by a market researcher to tell him the particular thoughts and feelings she has about UWS libraries. A particular thought or feeling that comes to Anne’s mind is known as a (n) ____.
A  brand dimension
B  cognition
C  brand link
D  association
E  think-feel linkage

ANS: D      PTS:  1      DIF: Difficult      TOP: Brand image

53. Marketing communicators ____ meaning and create associations for their brands by connecting them with other objects that already possess well-known meaning.
A  promote
B  locate
54. Jenny went into a jeweller shop to look at the watches, but she was unfamiliar with some of the brands. The salesperson told her that they were all Swiss-made, meaning they were made in Switzerland, which is known worldwide for the quality of the timepieces produced there. From which source are these brands leveraging their brand meaning?

A  other brands  
B  people  
C  places  
D  things  
E  names

ANS: C  PTS: 1  DIF: Moderate  TOP: Enhancing brand equity

55. Which of the following is a source by which brand meaning can be leveraged?

A  other brands  
B  places  
C  things

ANS: C  PTS: 1  DIF: Moderate  TOP: Enhancing brand equity
56. The objective of marketing communications is to enhance brand equity as a means of ____.
   A defining the marketing mix
   B increasing consumer brand loyalty
   C increasing short-term sales
   D reducing the advertising budget
   E reducing the promotional budget

ANS: B PTS: 1 DIF: Difficult TOP: Enhancing brand equity

57. The following events have been influential in changing marketing communication practices:
   A increased reliance on billboard advertising
   B decreased usage of highly targeted communication methods
   C greater competitive environment in luxury goods
   D increased efforts to invest in brand’s recall strategies
   E none of the answers supplied for this question are correct
ANS: E  PTS: 1  DIF: Difficult  TOP: Changes in marketing communication practices

58. A marketing communication objective is ___________.
   A  to improve market share
   B  to reward shareholders
   C  to expand the sales force
   D  to make the brand the envy of the market place
   E  none of the answers supplied for this question are correct

ANS: E  PTS: 1  DIF: Easy  TOP: Setting objectives

59. It has been said that marketing and communications _____________.
   A  are virtually inseparable
   B  require total organisation effort
   C  are difficult to monitor in a competitive environment
   D  produce rewarding return on investment
   E  none of the answers supplied for this question are correct

ANS: A  PTS: 1  DIF: Easy  TOP: The nature of marketing communications

60. Profiling a target market involves_______________.
   A  collecting competitor’s information
B analysing past purchase orders
C determining their lifestyles
D selecting the most suitable statistical method
E none of the answers supplied for this question are correct

ANS: C     PTS: 1     DIF: Easy     TOP: Profile the identified target market

ESSAY

1. Explain the five key features that underpin the philosophy and practice of integrated marketing communications.

ANS:

The five key IMC features are:

1. **Profile the identified target market.** The IMC approach avoids an ‘inside-out’ approach (from company to customer) in identifying who to speak to. Instead IMC starts with profiling and understanding customer (‘outside-in’) needs, wants, opinions, interest, purchase behaviours and media habits to determine those communication methods that will best serve the customers’ information needs and motivate them to purchase the brand. The point of this feature is that brand managers and their agencies should not restrict themselves to only one set of communication media.

2. **Use the relevant media channels.** That is, carefully select those tools that are most appropriate for the communications objective at hand
and relevant to your brand’s target audience. Practitioners of IMC need to be receptive to using all forms of touch points, or contacts, as potential message delivery channels. The key feature of this IMC element is that it reflects a willingness on the part of brand communicators to use any communication outlets that are appropriate for reaching the target audience.

3. **Achieve communication synergy – that is, speak with a single voice.**

   Inherent in the philosophy and practice of IMC is the demand that a brand’s assorted communication elements must all strive to present the same message and convey that message consistently across diverse message channels, or points of contact. Coordination of messages and media is absolutely critical to achieving a strong and unified brand image and moving consumers to action. In general, the single-voice principle involves selecting a specific positioning statement for a brand.

4. **Influence target market’s behaviour.** Marketing communications must do more than just influence brand awareness or enhance consumer attitudes toward the brand. The objective, in other words, is to move people to action.

5. **Build customer relationships.** A relationship is an enduring link between a brand and its customers. Successful relationships between customers and brands lead to repeat purchasing and perhaps even loyalty toward a brand. One way to build brand/customer relationships is the use of frequency, loyalty, or ambassador programs. Relationships also are nurtured by creating brand experiences that make positive and lasting impressions, such as special events.
2. Discuss the changes in marketing communication practices that have been particularly prominent.

ANS:

1. **Reduced dependence on mass media advertising.** Many brand managers and their agencies have reduced the role of TV advertising, partially due to the fact that it is not as effective or cost efficient as it once was due to audience fragmentation and the availability of many alternative entertainment options. Moreover, other advertising and non-advertising communication tools often are superior to TV in achieving brand managers’ objectives.

2. **Increased reliance on focused communication methods.** Pinpointed communications are often less expensive and more effective than mass media advertising. Targeting messages is especially feasible today with the large, up-to-date databases of customers that are maintained by many organisations.

3. **Increased demands on communications suppliers.** Now it is increasingly important for suppliers to offer multiple services, which explains why some major advertising agencies have expanded their offerings beyond just advertising services to include sales promotion assistance, public relations, direct marketing and event marketing support.

4. **Increased efforts to assess marketing communications’ return on investment.** Systematic efforts are demanded to determine whether
communication programs yield a reasonable return on their investment. The investment in marketing communications must be assessed in terms of the profit-to-investment ratio to determine whether changes are needed or whether other forms of investment might be more profitable.

PTS: 1          DIF: Moderate          TOP: Changes in marketing communication practices

3. Discuss the benefits of brand equity from the firm’s perspective.

ANS:
The firm-based viewpoint of brand equity focuses on outcomes extending from efforts to enhance a brand’s value to its various stakeholders. As the value, or equity, of a brand increases, various positive outcomes result:
1. Achieving a higher market share.
2. Increasing brand loyalty.
3. Being able to charge premium prices. A brand’s elasticity of demand becomes less elastic as its equity increases.

PTS: 1          DIF: Moderate          TOP: The concept of brand equity

4. Name and describe the two forms of brand knowledge from a consumer perspective.

ANS:
Brand equity from the consumer’s perspective consists of two forms of brand-related knowledge:

1. **Brand Awareness**, which is an issue of whether a brand name comes to mind when consumers think about a particular product category and the ease with which the name is evoked. It is the basic dimension of brand equity. From the vantage point of an individual consumer, a brand has no equity unless the consumer is at least aware of the brand. The two levels of awareness are brand recognition and recall. Brand recognition reflects a relatively superficial level of awareness, whereas brand recall indicates a deeper form of awareness. The marcom imperative is to move brands from a state of unawareness, to recognition, on to recall, and ultimately to top-of-mind awareness (TOMA). This pinnacle of brand-name awareness (i.e., TOMA status) exists when your company’s brand is the first that consumers recall when thinking about brands in a particular product category. Although building brand awareness is a necessary step toward brand equity enhancement, it is insufficient.

2. **Brand Image** can be thought of in terms of the types of associations that come to the customer’s or consumer’s mind when contemplating a particular brand. An association is simply the particular thoughts and feelings that a consumer has about a brand. These associations can be conceptualised in terms of types (i.e. attributes, benefits and overall attitude), favourability, strength and uniqueness.

PTS: 1 DIF: Difficult TOP: The concept of brand equity
The experience of the dot.com marketing efforts shows that although building brand awareness is a necessary step toward brand equity enhancement, it is insufficient. Dot.com ventures had gobs of money and worked on the model of being first (or second) to market with the new e-tailing idea and spending a lot on advertising to create brand awareness. The problem, in short, was that most of the dot.com companies spent large sums of money on advertising, but they didn’t invest adequately in building a brand. Investing in and building a brand are a matter of identifying a reason for the brand’s being – its underlying positioning statement and point of distinction from competitive offerings – and then promoting that point of distinction on a consistent basis. In other words, many of the dot.com companies spent heavily on advertising to create awareness, but they failed to build strong and favourable brand images.