

Test Bank for Contemporary Advertising 2026 Release 1st Weigold

Correct answers located at the end of the chapter.

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

- 1) The biggest change in advertising in recent years is that it helps brands learn about consumers.
☐ true
☐ false
- 2) Marketing communications refers to the internal communication at a company.
☐ true
☐ false
- 3) According to the interactive model of communication, marketers dominate the exchange of messages.
☐ true
☐ false
- 4) The sponsor of a product usually produces the advertising message.
☐ true
☐ false
- 5) The implied consumers are imagined ideal consumers as opposed to real people.
☐ true
☐ false
- 6) Online reviews affect most consumers' purchasing decisions.
☐ true
☐ false
- 7) Defensive marketing typically costs more than offensive marketing, because with the right advertising, it's relatively easy to lure satisfied customers away from competitors.
☐ true
☐ false

- 8) An example of a basic transactional relationship is when you purchase internet service and the company follows up to persuade you to upgrade your plan.
- ☐ true
 - ☐ false
- 9) In a proactive relationship, a salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments.
- ☐ true
 - ☐ false
- 10) Low profit margins per customer suggest that the marketer should pursue basic transactional relationships augmented by brand image advertising.
- ☐ true
 - ☐ false
- 11) The integration part of IMC means achieving unified communication efforts.
- ☐ true
 - ☐ false
- 12) Profit is the principal benefit of IMC.
- ☐ true
 - ☐ false
- 13) For a company to truly understand IMC, it must look through the eyes of the customers.
- ☐ true
 - ☐ false
- 14) Planned messages often have the most impact and can affect customers' attitudes dramatically.
- ☐ true
 - ☐ false

- 15) Messages from the product, price, or distribution elements are typically referred to as service messages.
- ☐ true
 - ☐ false
- 16) Companies have little control over unplanned messages.
- ☐ true
 - ☐ false
- 17) Of all the business functions, marketing is the only one whose primary role is to bring in revenue.
- ☐ true
 - ☐ false
- 18) While the marketing process isn't involved with pricing products, it is involved with developing them, promoting them, and making them available to customers.
- ☐ true
 - ☐ false
- 19) Companies aim professional advertising at resellers to obtain greater distribution of their products.
- ☐ true
 - ☐ false
- 20) B2B advertising often uses consumer mass media.
- ☐ true
 - ☐ false
- 21) From the consumers' viewpoint, if two brands are equal in price, the one with the higher quality is the better value.
- ☐ true
 - ☐ false

22) Image advertising tends to be explicit about price.

- ☐ true
- ☐ false

23) In global advertising, messages vary significantly in different geographic markets.

- ☐ true
- ☐ false

24) Personal selling would typically be used by companies producing consumer cleaning products such as laundry detergent or hand soap.

- ☐ true
- ☐ false

25) When artificial intelligence is used to create original content, it is called deep learning.

- ☐ true
- ☐ false

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

26) When a company deliberately coordinates and integrates messages about its products or brands, it is practicing

- A) integrated marketing communications.
- B) sales promotion.
- C) word-of-mouth advertising.
- D) personal selling.
- E) viral marketing.

27) _____ is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take action.

- A) Advertising
- B) Word-of-mouth publicity
- C) Sales promotion
- D) Direct marketing
- E) Public relations

- 28) A chain of bookstores hired an advertising agency to promote its products. The chain is the _____ of the advertising.
- A) sponsor
 - B) persona
 - C) player
 - D) author
 - E) actor
- 29) A real or imaginary spokesperson who lends some voice or tone to the ad within the text of the ad is known as a(n)
- A) composer.
 - B) benefactor.
 - C) persona.
 - D) author.
 - E) source.
- 30) An advertisement for a law firm included a young man who received payment from his employer after he was injured on the job. This story persuaded others with workplace injuries to contact the law firm. This is an example of a(n) _____ message.
- A) context
 - B) feedback
 - C) drama
 - D) narrative
 - E) public
- 31) The _____, who are addressed by the ad's spokesperson, are not real.
- A) sponsorial consumers
 - B) actual consumers
 - C) gatekeepers
 - D) implied consumers
 - E) personas

- 32) Everett leads a team in creating a television commercial for running shoes, but before the commercial can air, he must get the approval of the _____, who decide whether the ad will run or not.
- A) authors
 - B) actual consumers
 - C) implied consumers
 - D) personas
 - E) sponsorial consumers
- 33) Madeleine reminded her advertising team that there were numerous advertisements for house paint they would be competing with when they introduced the new line of durable house paint. These competing ads are examples of
- A) noise.
 - B) clout.
 - C) jargon.
 - D) feedback.
 - E) cues.
- 34) A new home goods store placed an ad in the local newspaper to attract consumers during the Christmas season. But most people missed the ad because a newly opened discount department store in the area ran multiple colorful ads in the same newspaper. The ads distracted potential consumers from viewing the home goods ad and sales were lower than expected. The ads of the department store served as _____ for the home goods store.
- A) feedback
 - B) noise
 - C) information overload
 - D) a source maze
 - E) a grapevine

- 35) Raffi and her husband Joel are trying to save money, and whenever they see a coupon on social media for a certain local restaurant, they use it. To the advertiser, this coupon redemption is a form of
- A) gatekeeping.
 - B) noise.
 - C) feedback.
 - D) a cue.
 - E) relationship marketing.
- 36) Mathi recently got engaged, and she sees an advertisement for an upcoming wedding expo featuring numerous vendors. She e-mails the contact for the expo and requests more information. In the context of advertising, her e-mail is a form of
- A) noise.
 - B) word-of-mouth communication.
 - C) social media marketing.
 - D) feedback.
 - E) relationship marketing.
- 37) Noreen thinks it's important for her company to build long-term connections with customers, suppliers, and distributors. She wants to develop trust among all the stakeholders for the good of the company. Noreen demonstrates
- A) transactional marketing.
 - B) relationship marketing.
 - C) mass customization.
 - D) branding.
 - E) social marketing.
- 38) Companies that commit to relationship marketing are generally trying to
- A) win back customers lost from shoddy products or poor service.
 - B) make up for the cost of acquiring new customers.
 - C) acquire data that creates a detailed and sophisticated view of the customer
 - D) lure customers through transactional marketing.
 - E) adopt a marketer-centric perspective in creating brand messages.

- 39) A tire shop encourages its employees to complete tire changes as quickly as possible. Why must the company be cautious of pushing so hard for speed?
- A) It is easy to lure satisfied customers away from competitors.
 - B) 85 percent of a company's profit comes from trial or sporadic purchasers.
 - C) Offensive marketing typically costs less than defensive marketing.
 - D) Great marketing will not win back a customer lost as the result of poor service.
 - E) Reducing customer defections by 30–80 percent can improve profit potential by about 8 percent.
- 40) A maternity wear company is preparing to release a new line of products. As it assesses markets, what should its first market be?
- A) new customers
 - B) sponsorial consumers
 - C) target consumers
 - D) implied consumers
 - E) current customers
- 41) Angel works at a spa. She is responsible for reaching out to new clients after their first visit to check whether the spa met their expectations and ask if there's anything it can improve on. What type of relationship does this spa foster?
- A) accountable
 - B) basic transactional
 - C) brand
 - D) proactive
 - E) reactive
- 42) When a company sells a product but does not follow up in any way, it is involved in a(n) _____ relationship.
- A) primary
 - B) basic transactional
 - C) reactive
 - D) accountable
 - E) proactive

- 43) Rikard owns a computer repair shop. When customers pick up their fixed computers, he always encourages them to call him if they have any problems. What type of relationship does this represent?
- A) accountable
 - B) proactive
 - C) reactive
 - D) basic transactional
 - E) partnership
- 44) In a(n)_____, the salesperson phones customers shortly after the sale to check whether the product meets expectations.
- A) secondary relationship
 - B) proactive relationship
 - C) basic transactional relationship
 - D) accountable relationship
 - E) reactive relationship
- 45) Kareem works for a cell phone service provider, and he contacts existing customers three times each year to let them know about upgrade options and sales on new phones. This is an example of a(n)_____ relationship.
- A) reactive
 - B) accountable
 - C) partnership
 - D) basic transactional
 - E) proactive
- 46) In a(n)_____, the company works continuously with customers (and other stakeholders) to discover ways to deliver better value.
- A) partnership
 - B) proactive relationship
 - C) accountable relationship
 - D) reactive relationship
 - E) basic transactional relationship

- 47) With regard to stakeholders, companies must be aware that
- A) an employee cannot be a stockholder.
 - B) there may be significant overlap in stakeholder roles.
 - C) stakeholders uniformly require reactive relationships.
 - D) the number of stakeholders is unimportant in marketing.
 - E) product messages have negligible influence on a stakeholder's relationship decision.
- 48) What is the principal benefit of IMC?
- A) high profit
 - B) accountability
 - C) synergy
 - D) customer retention
 - E) partnership
- 49) According to advertising scholars Nowak and Phelps, what is one of the tactics the IMC approach focuses on?
- A) decreasing reliance on targeted messages
 - B) reaching larger segments
 - C) lowering use of consumer data
 - D) less emphasis on advertising relative to other strategies
 - E) extensively using electronic and mass media
- 50) Ensuring the various marketing mix elements such as advertising direct-response, sales promotions, and the like, work together is referred to as
- A) viral marketing.
 - B) word-of-mouth public relations.
 - C) advertising.
 - D) partnership.
 - E) coordinated marketing communications.

51) A grocery store uses traditional promotional messages through advertising, publicity, and personal selling. This store is using_____ messages.

- A) planned
- B) product
- C) inferred
- D) service
- E) unplanned

52) Planned messages often have the least impact because

- A) they are expensive.
- B) they may be interpreted as self-serving.
- C) they have a small reach.
- D) they ignore sales promotions.
- E) they are rarely used.

53) According to the integration triangle, which type of message is a “say” message?

- A) service
- B) inferred
- C) planned
- D) product
- E) unplanned

54) Natasha goes online and leaves a review about what she did and did not like about her recent customer service experience with a computer company. Within the integration triangle, this is a(n)_____ message.

- A) say
- B) infer
- C) do
- D) confirm
- E) service

- 55) According to the integration triangle, what is a “do” message?
- A) planned messages
 - B) event sponsorships
 - C) publicity releases
 - D) unplanned messages
 - E) service messages
- 56) What occurs when a brand does what its maker says it will do and then others confirm that it delivers on its promises?
- A) constructive integration
 - B) research and development
 - C) product control
 - D) information management
 - E) synergy
- 57) _____ is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
- A) Advertising
 - B) Market research
 - C) Profit planning
 - D) Promotion
 - E) Marketing
- 58) A firm's advertising is always aimed at a particular segment of the population referred to as the
- A) implied consumers.
 - B) target audience.
 - C) sponsorial consumers.
 - D) niche market.
 - E) concentrated market.

- 59) A firm's marketing activities are always aimed at a particular segment of the population, called the _____ market.
- A) niche
 - B) objective
 - C) target
 - D) implied
 - E) concentrated
- 60) A television commercial for an amusement park falls under the category of _____ advertising.
- A) business
 - B) trade
 - C) corporate
 - D) consumer
 - E) professional
- 61) _____ advertising is aimed at people who buy the product for their own or someone else's use.
- A) Business
 - B) Trade
 - C) Consumer
 - D) Professional
 - E) Farm
- 62) A medical clinic receives a flyer in the mail advertising medical equipment. This flyer is a form of _____ advertising.
- A) public service
 - B) business
 - C) consumer
 - D) retail
 - E) covert

- 63) Companies aim _____ advertising at resellers to obtain greater distribution of their products.
- A) in-store
 - B) professional
 - C) public service
 - D) trade
 - E) consumer
- 64) Advertising targeted at a chain of shoe stores to increase the distribution of a company's boots is an example of _____ advertising.
- A) trade
 - B) professional
 - C) consumer
 - D) noncommercial
 - E) farm
- 65) The type of advertising published in education journals aimed at teachers is referred to as _____ advertising.
- A) trade
 - B) professional
 - C) consumer
 - D) noncommercial
 - E) retail
- 66) The local pharmacy advertises its line of less expensive allergy medicines as equal in strength and quality to more expensive brands. The store is using _____ advertising.
- A) image
 - B) price
 - C) sale
 - D) trade
 - E) professional

- 67) A surfing supply company based in Florida also has branches in California and Hawaii. It uses _____ advertising, in which ads are placed in the local media or regional editions of the national media.
- A) image
 - B) district
 - C) regional
 - D) national
 - E) global
- 68) A company releases a new cell phone and decides to use the same advertising message wherever it advertises around the world. In other words, the company decides to use _____ advertising.
- A) national
 - B) international
 - C) global
 - D) regional
 - E) local
- 69) Roderick decides to advertise his locally grown produce shop through direct mail. Roderick is using _____ advertising.
- A) national
 - B) peripheral
 - C) local
 - D) regional
 - E) global
- 70) Marlena offers catering for events. She invites prospective customers to come in for tastings and to discuss any questions they might have. What type of promotion is Marlena utilizing to sell her business?
- A) personal selling
 - B) social media marketing
 - C) cold calling
 - D) professional advertising
 - E) public service advertising

- 71) A drawback to personal selling is its
- A) low frequency and reach.
 - B) high cost.
 - C) inability to convey information.
 - D) impersonal feel.
 - E) inability to give demonstrations.
- 72) An ad promoting a company's mission or philosophy is called _____ advertising.
- A) awareness
 - B) product
 - C) nonproduct
 - D) noncommercial
 - E) action
- 73) _____ advertising is used around the world by governments and nonprofit organizations to seek donations, volunteer support, or changes in consumer behavior.
- A) Trade
 - B) Product
 - C) Nonproduct
 - D) Noncommercial
 - E) Professional
- 74) Which communication tool should a company consider using when it is willing to offer special incentives to motivate customers to take action?
- A) covert advertising
 - B) personal selling
 - C) image advertising
 - D) noncommercial advertising
 - E) sales promotion

- 75) A chain of ice cream stores receives criticism for the high amount of nonrecyclable waste it produces. The chain hosts a large Earth Day event to raise awareness for environmental responsibility and invites the press. At the event, it presents a check to an environmental nonprofit organization. This is an example of
- A) direct selling.
 - B) public relations.
 - C) noncommercial advertising.
 - D) direct-response advertising.
 - E) personal selling.
- 76) What type of advertising is considered good at creating awareness and credibility for a business firm at relatively low cost?
- A) covert
 - B) public relations
 - C) direct-response
 - D) nonproduct
 - E) professional
- 77) When Hachiro attends a professional baseball game, he receives a flyer with information about games for the rest of the season. This flyer is an example of
- A) sales gimmicks.
 - B) premiums.
 - C) noise.
 - D) bonus goods.
 - E) collateral materials.
- 78) When Dinesh stopped by a city's visitor center, he noticed a rack of brochures promoting restaurants and activities in the area. What form of promotion do these brochures represent?
- A) personal selling
 - B) public relations
 - C) trade fair
 - D) collateral materials
 - E) noise

- 79) When Rita purchases a new box of contact lenses, she receives a rebate on the purchase price if she purchases enough for a whole year. This is an example of the use of
- A) collateral material.
 - B) public relations.
 - C) personal selling.
 - D) sales promotion.
 - E) awareness advertising.
- 80) _____ is used to uncover data patterns and then use these to formulate and test predictions, resulting in prediction outcomes.
- A) Artificial intelligence (AI)
 - B) Generative AI
 - C) A chatbot
 - D) Real-time optimization
 - E) Algorithmic technology
- 81) The use of regression to use inputs that can predict important outcomes is an early example of
- A) machine learning.
 - B) language processing.
 - C) deep learning.
 - D) computer training.
 - E) intelligent data.
- 82) Cory was struggling to get started on his paper on Greek history, so he decided to use AI to create a first draft. This use of AI is called
- A) generative AI.
 - B) deep learning.
 - C) real-time optimization.
 - D) content recommendations.
 - E) chatbots.

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

83) Define integrated marketing communications.

84) Why do companies practice IMC?

85) How did Albert Lasker define advertising at the beginning of the 20th century?

86) What does the phrase “advertisements are designed to persuade” mean?

87) What term describes how advertising reaches people?

88) What is “noise” in advertising?

89) What are the three literary forms used in advertising messages?

90) Who are implied consumers?

91) What is relationship marketing?

92) What are the three objectives that companies committed to relationship marketing try to accomplish?

93) Explain the costs of defensive marketing.

94) According to Nowak and Phelps, what are the four related tactics the IMC approach focuses on?

95) Name and briefly describe the four sources of company/brand-related messages according to Duncan and Moriarty.

96) Describe the three types of messages represented in the integration triangle.

97) What are the three priorities for an organization's integration process suggested by Duncan?

98) What occurs in the marketing process?

99) Describe how IMC impacts a purchase decision using an actual purchase scenario.

100) Describe the different components of the advertising definition: Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

101) Describe the traditional human communication process.

102) How does the human communication process relate to the advertising process?

- 103) When considering receiver dimensions, list and briefly describe the three types of consumers.
- 104) According to Kotler and Keller, what are the five levels of relationships that can be formed between a company and its various stakeholders?
- 105) What is the ultimate goal of the marketing process?
- 106) Identify and briefly describe the three types of specialized business advertising.
- 107) What is the difference between global advertising and international advertising?

108) What is the difference between product and nonproduct advertising?

Answer Key

Test name: Chapter 01

- 1) TRUE
- 2) FALSE
- 3) FALSE
- 4) FALSE
- 5) TRUE
- 6) TRUE
- 7) FALSE
- 8) FALSE
- 9) FALSE
- 10) TRUE
- 11) TRUE
- 12) FALSE
- 13) TRUE
- 14) FALSE
- 15) FALSE
- 16) TRUE
- 17) TRUE
- 18) FALSE
- 19) FALSE
- 20) FALSE
- 21) TRUE
- 22) FALSE
- 23) FALSE
- 24) FALSE
- 25) FALSE
- 26) A
- 27) A
- 28) A
- 29) C
- 30) D
- 31) D
- 32) E
- 33) A
- 34) B
- 35) C
- 36) D
- 37) B

- 38) C
- 39) D
- 40) E
- 41) A
- 42) B
- 43) C
- 44) D
- 45) E
- 46) A
- 47) B
- 48) C
- 49) D
- 50) E
- 51) A
- 52) B
- 53) C
- 54) D
- 55) E
- 56) A
- 57) E
- 58) B
- 59) C
- 60) D
- 61) C
- 62) B
- 63) D
- 64) A
- 65) B
- 66) B
- 67) C
- 68) C
- 69) C
- 70) A
- 71) B
- 72) C
- 73) D
- 74) E
- 75) B
- 76) B
- 77) E

- 78) D
- 79) D
- 80) A
- 81) A
- 82) A
- 83) Short Answer
- 84) Short Answer
- 85) Short Answer
- 86) Short Answer
- 87) Short Answer
- 88) Short Answer
- 89) Short Answer
- 90) Short Answer
- 91) Short Answer
- 92) Short Answer
- 93) Short Answer
- 94) Short Answer
- 95) Short Answer
- 96) Short Answer
- 97) Short Answer
- 98) Short Answer
- 99) Short Answer
- 100) Short Answer
- 101) Short Answer
- 102) Short Answer
- 103) Short Answer
- 104) Short Answer
- 105) Short Answer
- 106) Short Answer
- 107) Short Answer
- 108) Short Answer

CHAPTER ONE

ADVERTISING AND IMC TODAY

This chapter introduces students to several important themes and concepts, including advertising, integrated marketing communications (IMC), marketing, and relationship marketing. It also describes how advertising functions as a special kind of communication, one important to many marketing objectives.

Learning Objectives

After studying this chapter, your students will be able to:

- LO1-1 Define integrated marketing communications.
- LO1-2 Clarify what advertising is and how it differs from other kinds of marketing communications.
- LO1-3 Describe the human communication process and compare it with how advertising communicates.
- LO1-4 Offer reasons why companies want relationships with their customers and show how IMC helps them to develop such relationships.
- LO1-5 Define marketing and identify the four elements of marketing strategy.
- LO1-6 Illustrate IMC's role in marketing strategy.
- LO1-7 Identify the roles increasingly played by artificial intelligence in advertising.

What's New?

A returning opening vignette that introduces the issue of digital marketing and privacy concerns, including the GDPR, is thoroughly updated. Privacy as a focus of government and consumer concern has only grown since our last release. Students can now access the site where Google shares what is known about them. The discussion of concept and practice of IMC is updated throughout. The Portfolio Review is thoroughly updated to illustrate how ads communicate. A new section called "The AI Revolution" introduces students to a recurring theme in the book, the transformation of many ad processes through the use of artificial intelligence.

Teaching Tips and Strategies

Using the Chapter Opening Vignette in the Classroom

The vignette provides many examples of information that companies and the government can gain access to. Ask students to supplement this list with their own research. Challenge students to discover how they can tweak Facebook, Google, and Snapchat settings to restrict what they share. Give students a chance to debate the tension between privacy and the data-driven business model of “free” platforms like Facebook and Google.

Other Tips and Strategies

A simple yet effective way I’ve found to help students develop a more sophisticated perspective on ads is to ask them to identify and then describe their favorite ads. This activity helps to accomplish several important things. First, because it is an enjoyable and easy activity, it is a great icebreaker! Students quickly jump in with mentions of their favorite ads, usually with lots of laughing and merriment. As they observe their own reactions and those of others, students begin to recognize how much they enjoy advertising when it is done well. The activity also allows for follow-up questions, such as “Why do you like that one?” and “What makes that ad effective for you?”—questions that encourage students to reflect a bit more deeply about how effective advertising works. At subsequent points in the semester, you might refer to this activity as you explore more deeply the issues surrounding advertising effectiveness.

I then ask if advertising influences everything we buy. Students will tend to debate both sides. Some will maintain that advertising does not influence them in any way. I then write the following brands on the board (please adapt these to fit your style):

- Rolex
- Bayer Aspirin
- Samsung TCL
- Timex
- Rite Aid Aspirin

I ask the students to tell me which are high-end or low-end brands. I then go down the list, writing beside each brand “high-end” or “low-end.” This facilitates a discussion of how we know this information and who put the idea in our minds that Rolex is better than Timex (does that mean surgeons only use Rolexes in complex procedures?) This is a great way to transition into discussing the communication process between the company and the customer. You will also want to discuss different methods of advertising, such as social media, TV, radio, etc. It is also a good opportunity to discuss the consumer and the different media they use to learn about the company, product, or service.

Web Resources for Enhancing Your Lectures

Advertising Lab	http://adverlab.blogspot.com
Advertising Age	http://adage.com
Adweek	https://www.adweek.com

Pedagogical Features

🔊 **My IMC Campaign 1-A: Overview**

📱 **Ad Lab 1-A: Advertising as a Literary Form**

🌐 **Ethical and Cultural Engagement:** Programs for Advertising Students

🌐 **Portfolio Review:** The Best Recent Work by Agencies Around the World

👤 **People behind the Ads:** Albert Lasker and Claude Hopkins: Advertising Legends

Lecture Outline

I. Vignette: Privacy

Privacy concerns and significant changes in privacy laws. Ask students to identify who is gathering information about them. More advanced: ask students to scrutinize the privacy and data sharing policies of their email provider or online bank.

II. LO1-1

One way to demonstrate how marketing communications work, and at the same time introduce some important concepts, is to tell a story about an ordinary person, perhaps someone similar to yourself. How did Sharon's story help introduce the modern practice of marketing communications? Modern firms strategically plan, coordinate, and integrate messages that target important audiences about their products or brands, a practice known as **integrated marketing communications**, or **IMC**.

III. What Is Advertising?

Many people simply refer to all commercial messages as "advertising," but in fact, the correct term for these tools is **marketing communications**. Advertising is just one of these tools.

Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.

A. Advertising is a type of communication, which is commonly defined as the process through which meaning or information is exchanged between individuals using some system of symbols, signs, or behavior. Advertising is a very structured form of applied communication, employing verbal and nonverbal elements that are composed

- to fill specific space and time formats determined by the sponsor.
- B. Advertising is directed to groups of people, usually audiences, rather than individuals. These people are often **consumers**, who buy products for their personal use, or they might be businesspeople, who buy products for commercial or government use.
 - C. Most advertising is paid for by sponsors; but some sponsors don't have to pay for their ads. Many organizations' **public service messages** are carried at no charge because of their nonprofit status.
 - D. Most advertising is intended to be persuasive—to make audiences more favorably disposed toward a product, service, or idea. Advertising promotes tangible **goods** (e.g., oranges, computers, and cars), publicizes intangible **services** (e.g., bankers, beauticians, restaurants) and advocates a wide variety of **ideas** (concepts based on economics, politics, etc.). In this book the term **product** encompasses goods, services, and ideas.
 - E. Advertising identifies its sponsor (whereas public-relations activities often refrain from open sponsorship).
 - F. Advertising reaches us through a channel of communication referred to as a **medium**. An advertising medium is any nonpersonal means used to present an ad to a large audience. Advertising media include radio, television, newspapers, social media, search engines, video games, billboards, and so on. When you tell somebody how much you like a product, that's sometimes called *word-of-mouth (WOM)* advertising. Although WOM is a communication medium, it has not generally been considered an advertising medium. However, the popularity of social media, such as Facebook and X, is forcing advertisers to reconsider this belief. In fact, social media is an ideal platform for advertisers to encourage digital WOM, such as when people share their favorite brands and ads or provide ratings of their experiences at restaurants and hotels.
 - G. Historically, advertisers used **mass media** (the plural of medium) to deliver their messages. Other types of media include:
 - 1. Addressable media (direct mail).
 - 2. Digital media (Internet).
 - 3. Nontraditional media (shopping carts, blimps, and billboards).
 - H. Two important dimensions of advertising are engagement and integration. Modern advertising is less focused on making a single sale and more focused on engaging customers and establishing relationships. It is also created to complement other marketing communications efforts, such as public relations, sales promotions, and direct sales.
- IV. Communication: What Makes Advertising Unique
- First and foremost, advertising is communication—a special kind of communication. McCann Worldgroup, the former ad agency for MasterCard, claims that advertising is “truth well told.” This means that ethical advertisers and the agencies they employ work

together to discover the best methods possible to tell their story truthfully and creatively. To succeed, they must understand the advertising communication process, which derives from the basic human communication process.

A. The Human Communication Process

The first scholars to study human communication formulated a model like the one in Exhibit 1-1.

1. The human communication process begins with:
 - a. **Source**—party who formulates an idea, then
 - b. **Encodes**—idea as a **message**
 - c. **Message**—sends it via some **channel** to another party
 - d. **Receiver**—the party who receives the message
 - e. **Decode**—the process the receiver takes to understand the message
 - f. **Feedback**—a message that acknowledges or responds to the original message; affects the encoding of a new message.
 - g. **Noise**—the distracting cacophony of many other messages being sent at the same time by other sources.
2. Exhibit 1-2 presents an interactive model of communication. The realization that much contemporary communication, especially in marketing, is better characterized as dialogue has led many scholars to revise the communication model to reflect interactivity. In this model, no single entity operates as a source or receiver. Instead, two entities serve both roles in an ongoing process. This model better represents marketers' understanding of their relationships with consumers today. Marketers no longer dominate the exchange of messages. Rather, they are engaged in a conversation with consumers who send their own messages, both to the marketer and to other consumers.

B. Applying the Communication Process to Advertising

The Stern model, a sophisticated communication model specific to advertising, views advertising as composed commercial text rather than informal speech. The Stern model reminds us that advertising, sources, messages, and receivers have multiple dimensions in advertising:

1. Source Dimensions: The Sponsor, the Author, and the Persona
Who is the source of the communication? The **sponsors** (who are legally responsible for the communication); the **authors** (people outside the text of the message, such as a creative team or ad agency); and the **persona** (the source of the within-text message). Exhibit 1-3 shows that the path from sponsor to consumer can be long and circuitous.
2. Message Dimensions: Autobiography, Narrative, and Drama
Advertising messages use one or a blend of three literary forms:
 - a. **Autobiographical messages** (author tells own story).

- b. **Narrative messages** (third-person persona tells story about others to imagined audience).
 - c. **Drama messages** (characters act out events as though in a play).
 - d. The creators of ads must make important decisions about what kind of persona and which literary form to use to express the message.
 - e. Key considerations are the emotions, attitudes, and motives that drive particular customers in their target audience.
 - 3. Receiver Dimensions: Implied, Sponsorial, and Actual Consumers
 - a. **Implied consumers** (who are addressed by the ad's persona) are not real.
 - b. The **sponsorial consumers** are the gatekeepers who decide if the ad will run or not.
 - c. The **actual consumers** (equivalent to the receiver in oral communication) are people in the real world who make up the ad's target audience.
 - d. The sponsor's messages must compete with hundreds of competing commercial and noncommercial messages every day, referred to as **noise**. So the sender doesn't know how the message is received, or even if it's received, until a consumer acknowledges it.
 - 4. Feedback and Interactivity

Feedback verifies that the message was received. Feedback employs the same sender-message-receiver pattern, except that it is directed from the receiver back to the original source. Feedback can take many forms (e.g., redeemed coupons, website traffic, phone inquiries, visits to the store, retweets, Facebook posts, increased sales, responses to a survey or e-mail inquiries). Low responses to an ad indicate a break in the communication process. Feedback offers companies the chance to nourish relationships with their customers.
- V. IMC and Relationship Marketing
- Customers, not products, are the lifeblood of the business. This realization has created a trend away from simple transactional marketing to **relationship marketing**—creating, maintaining, and enhancing long-term relationships with customers and other stakeholders that result in exchanges of information and other things of mutual value. As Exhibit 1-4 shows, the shift from a transactional to a relationship focus has broad implications for the goals of marketing and the focus of advertising and IMC. Companies that commit to relationship marketing are generally trying to accomplish three things: (1) identify, satisfy, retain, and maximize the value of profitable customers; (2) manage the contacts between the customer and the company to ensure their effectiveness; and (3) develop a full view of the customer by compiling and acquiring useful data. Loyalty programs, such as Starbucks' Rewards Loyalty Program, offer a good example of relationship marketing initiatives that attempt to achieve these three objectives.
- A. Relationships and Customer Loyalty

1. To succeed, companies must focus on managing loyalty among carefully chosen customers and stakeholders (employees, centers of influence, stockholders, the financial community, and the press).
 2. This is important for a number of reasons:
 - a. The cost of lost customers. The real profit lost is the **lifetime customer value (LTCV)** to a firm.
 - b. The cost of acquiring new customers.
 - c. The value of loyal customers.
 3. A company's first market should always be its current customers. They have discovered the primary benefit of focusing on relationships: increased retention and optimized lifetime customer value.
- B. Levels of Relationships
1. Kotler and Armstrong distinguish five levels of relationships that can be formed between a company and its various stakeholders, depending on their mutual needs.
 - a. *Basic transactional relationship*. The company sells the product but does not follow up in any way (McDonald's).
 - b. *Reactive relationship*. The company (or salesperson) sells the product and encourages customers to call if they encounter any problems (Men's Wearhouse).
 - c. *Accountable relationship*. The salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments. This information helps the company continuously improve its offering (Acura dealers).
 - d. *Proactive relationship*. The salesperson or company contacts customers from time to time with suggestions about improved product use or helpful new products (Verizon).
 - e. *Partnership*. The company works continuously with customers (and other stakeholders) to discover ways to deliver better value (a financial planner).
 2. The more stakeholders there are, the more difficult it is to develop an extensive personal relationship with each.
 3. Interactive customer relationships make it easy for companies and customers to communicate in digital media. In such relationships, companies like Mountain Dew, encourage consumers to "GET OUT AND DO" by offering reimbursements for consumers who pursue fishing, camping, hiking, and other outdoor activities.
 4. Exhibit 1-5 compares relationship levels as a function of profit margin and number of customers. Low profit margins imply a marketer should pursue basic transactional relationships augmented by brand-image advertising.
 5. The concept of integration is wholeness. Achieving this wholeness in communications creates synergy—the principal benefit of IMC—because each

element of the communications mix reinforces the others for greater effect.

C. The Evolution of the IMC Concept

1. The IMC approach focuses on four related tactics:
 - a. less emphasis on advertising relative to other promotional tools
 - b. heavier reliance on targeted messages and on reaching smaller segments
 - c. increased use of consumer data
 - d. changed expectations for marketing communications suppliers
2. Nowak and Phelps noted that IMC is used by some to mean “one voice” (i.e., ensuring all elements of the marketing mix converge on a single idea), by others to mean integrated communications (that advertising can and should achieve both action and awareness objectives simultaneously), and by still others to mean coordinated marketing communications (ensuring the various marketing mix elements such as advertising direct-response, sales promotions, and the like, work together).
3. IMC is best defined as “the concept and process of strategically managing audience-focused, channel-centered, and results-driven brand communication programs over time.”
4. How the Customer Sees Marketing Communications
 - a. Various communications or brand contacts, sponsored or not, create an integrated product in the consumer’s mind.
 - b. IMC gives companies a better opportunity to manage or influence those perceptions and create a superior relationship with those stakeholders.
5. The Four Sources of Brand Messages

To influence customers’ perceptions, marketers must understand one of the basic premises of IMC: that everything we do (and don’t do) sends a message. There are four types of company/brand-related messages stakeholders receive:

 - a. *Planned messages*: traditional promotional messages (advertising, sales promotion, personal selling, merchandising materials, publicity releases, event sponsorships); have the least impact because they are seen as self-serving.
 - b. *Product (inferred) messages*: messages from the product, price, or distribution elements; includes packaging; have great impact.
 - c. *Service messages*: employee interactions send messages to customers; have greater marketing impact than the planned messages.
 - d. *Unplanned messages*: emanate from employee gossip, unsought news stories, comments by the trade or competitors, word-of-mouth rumors, or major disasters; company has no control over.
6. The Integration Triangle
 - a. The integration triangle developed by Duncan and Moriarty is a simple illustration of how perceptions are created from the various brand message sources (see Exhibit 1-6).

- b. Planned messages are *say* messages—what companies say about themselves.
- c. Product and service messages are *do* messages because they represent what a company does.
- d. Unplanned messages are *confirm* messages because that's what others say and confirm (or not) about what the company says and does.
- e. Constructive integration occurs when a brand does what its maker says it will do and then others confirm that it delivers on its promises.

D. The Dimensions of IMC

- 1. To maximize the synergy benefits of IMC an organization should first ensure consistent positioning, then facilitate purposeful interactivity between the company and its customers or other stakeholders, and finally, actively incorporate a socially responsible mission in its relationships with stakeholders.
- 2. IMC offers accountability by maximizing resources and linking communications activities directly to organizational goals and the resulting bottom line.

VI. Marketing: Determining the Type of IMC Message to Use

Every business performs a number of diverse activities, typically classified into three broad functional divisions:

- 1) Operations (production/manufacturing)
- 2) Finance/administration
- 3) Marketing

A. What Is Marketing?

- 1. **Marketing** is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
- 2. Marketing is a **process**—a sequence of actions or methods—aimed at satisfying customer needs profitably.
- 3. This process includes developing products, pricing them strategically, making them available to customers through a distribution network, and promoting them through sales and advertising activities.

B. Advertising and the Marketing Process

- 1. Advertising is an important IMC tool that can help the organization achieve its marketing goals.
- 2. The marketing strategy will determine who the targets of advertising should be, where ads should appear, what media should be used, and what advertising should accomplish.
- 3. Exhibit 1-7 shows some of the ways advertising can be classified, based on these strategic marketing elements.

C. Identifying Target Markets and Target Audiences

A firm's marketing activities are aimed at a particular segment of the population, its **target market**. Advertising is aimed at a particular group called the **target audience**.

There are two main types of target markets: consumers and businesses.

1. Consumer Markets

- a. **Consumer advertising**, usually sponsored by the producer (or manufacturer) of the product or service, are typically directed at **consumer market** (people who buy the product for their own or someone else's personal use).
- b. **Retail advertising** is advertising sponsored by retail stores and businesses.
- c. Consumer advertising can include public service announcements (PSAs) from organizations such as the American Cancer Society.
- d. Consumer behavior is the province of another specialty in marketing.

2. Industrial/Business Markets

- a. Companies use **business advertising** to reach people who buy or specify goods and services for business use. Also called **business-to-business advertising (B2B)**. There are three types of business advertising:
- b. **Trade advertising** targets resellers (wholesalers, dealers, and retailers) to obtain a greater distribution of their products.
- c. **Professional advertising** is aimed at teachers, doctors, dentists, architects, engineers, lawyers and the like. Three objectives in professional advertising; to convince professionals to recommend or prescribe a specific product or service to their clients, to buy particular brands of equipment and supplies for use in their work, or to use the product personally.
- d. **Agricultural (or farm) advertising** promotes products and services used in agriculture to farmers and others employed in agribusiness.

D. Implementing Marketing Strategy

After selecting a target market for its products, an advertiser designs a strategy to serve that market profitably. Marketing strategy is a mix of the 4Ps of marketing: product, price, place, and promotion.

1. Product: Features and Benefits

- a. Products have multiple features and solve a variety of problems. Advertising typically focuses on those features (product or brand components) or benefits (problems the brand can solve or ways the brand can provide desired rewards) of greatest relevance to the target audience.
- b. Advertising messages remind us why each brand is special. Compare a Tesla with its electric engine to a BMW 7 series to a Ford Bronco.

2. Price: Strategies for Emphasizing Value

- a. Consumers view value as the ratio of a brand's quality to its price.
- b. Some products (Suave personal care brands, No-Ad lotions) are publicized using **price advertising**, in which an ad claims the product is equal in quality to higher priced brands.
- c. **Image advertising**, which creates a perception of a company or a personality for a brand, is rarely explicit about price.

- d. **Sale advertising** is used most often by retailers, dealers, and shops to call attention to a recent drop in the price of a brand or service.
- 3. Place: The Distribution Element
 - a. Global marketers such as Coca-Cola, Toyota, and IBM may use **global advertising** in which messages are consistent in ads placed around the world.
 - b. Other firms may promote their products in foreign markets with **international advertising**, which may contain different messages and even be created locally in each geographic market.
 - c. Companies that market in several regions of the U.S. and use the major mass media are called national advertisers, and their promotion is called **national advertising**.
 - d. Some companies sell in only one part of the country or in two or three states; they use **regional advertising**.
 - e. Businesses and retailers that sell within one small trading area typically use **local advertising** placed in local media or direct mail.
- 4. Promotion: The Communication Element
 - a. **Marketing communications** refers to all the planned messages created to support marketing objectives and strategies. In addition to advertising, major marketing communication tools include personal selling, sales promotion, public relations activities, and collateral materials.
 - b. In **personal selling**, salespeople deal directly with customers either face-to-face or via telemarketing, offering the flexibility possible only through human interaction.
 - c. To promote their goods and services, companies use **product advertising**.
 - d. To sell ideas, organizations use **nonproduct advertising**.
 - e. **Noncommercial advertising** is used around the world by governments and nonprofit organizations to seek donations, volunteer support, or changes in consumer behavior.
 - f. The objectives of **awareness advertising**, for example, are to create an image for the brand the next time consumers shop.
 - g. A direct-mail ad, on the other hand, exemplifies **action** (or **direct-response**) **advertising** because it seeks an immediate, direct response from the reader.
 - h. **Sales promotion** is a communication tool that offers special incentives to motivate people to act right away.
 - i. **Public relations (PR)** is an umbrella process—much like marketing—responsible for managing the firm's relationships with its various publics. These publics may include customers but are not limited to them. Public relations is also concerned with employees, stockholders, vendors and suppliers, government regulators, interest groups, and the press. So PR is much larger than just a tool of marketing communications.

- j. Marketers use a number of **public relations activities** because they are so good at creating awareness and credibility for the firm at a relatively low cost.
 - k. **Marketing public relations (MPR)** include publicity, press agency, sponsorships, special events, and a special kind of advertising called **public relations advertising**, which uses the structured, sponsored format of media advertising to accomplish public relations goals.
 - l. Companies use a wide variety of promotional tools other than media advertising to communicate information about themselves and their brands. These **collateral materials** include fliers, brochures, catalogs, posters, sales kits, product specification sheets, instruction booklets, and so on.
- E. Additional Benefits of Integrating Marketing Communications
- In recent years, as new media have proliferated and the cost of competition has intensified, sophisticated marketers have searched for new ways to get more bang (and accountability) from their marketing communications buck. The result has been a growing understanding on the part of corporate management that (1) the efficiencies of mass media advertising are not what they used to be; (2) consumers are more sophisticated, cynical, and distrusting than ever before; (3) tremendous gaps exist between what companies say in their advertising and what they actually do; and (4) in the long run, nourishing good customer relationships is far more important than making simple exchanges.
- F. The AI Revolution
- Recently firms have begun to use artificial intelligence (AI) to perform many functions formally done by humans. Defined as “technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy,” AI uncovers data patterns to make predictions and then uses that information to make better predictions over time. AI plays a major role in modern ad practice. In fact, according to Mike Kaput, “AI literally determines if your ads succeed or fail.” AI has evolved over time. Early models used statistical concepts such as regression to predict outcomes and natural processing programs like ELIZA simulated human conversations. **Deep learning** is a set of processes that can extract complex features from data. It can be used for computer vision (i.e., facial recognition), language processing, speech and audio processing, and autonomous systems such as self-driving cars. Another form is **generative AI** which is used to create original content, such as text, images, music, videos, and more. Generative AI is used in many industries, and its use has increased in advertising. The “Advertising Experience” section at the end of the chapter offers tools that are available for free or a nominal cost that anyone can use.
- 1. The Use of AI in Advertising
 - a. **Personalized Targeting:** by assessing consumer preferences, demographics, and behaviors, AI ensures ads are delivered at the right moment to the right

people.

- b. **Predictive Analytics:** AI can predict trends and customer behavior by crunching large datasets, allowing marketers to make data-driven decisions.
- c. **Ad Creation:** AI tools can generate ad copy, visuals, and even videos.
- d. **Real-Time Optimization:** AI can automatically adjust ad campaigns in real time by revising budgets, placements, and creative elements based on ad performance.
- e. **Chatbots and Customer Interaction:** AI-driven chatbots provide personalized customer service and product recommendations. The result is increased engagement and conversion rates.
- f. **Media Buying:** Programmatic advertising automates the purchase of digital ad space, making it faster and more cost-effective while ensuring ad placements are served to the right audiences.
- g. **Sentiment Analysis:** AI tools can analyze customer sentiment from reviews, social media, and other platforms to gauge public opinion and tailor campaigns accordingly.
- h. **Content Recommendations:** Platforms like YouTube, Netflix, and Instagram use AI to recommend content to their subscribers, which influences ad placements and strategy.

The shift to reliance on AI has allowed advertisers to become more efficient, creative, and data-driven. However, it also raises challenges, such as maintaining ethical use of data, ensuring privacy compliance, and addressing concerns about AI's impact on human jobs within the industry.

VII. Chapter Summary

- A. Advertising, one type of marketing communications, is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future.
- B. Advertising is, first and foremost, communication. The basic human communication process begins when a source formulates an idea, encodes it as a message, and sends it via some channel or medium to a receiver.
- C. Advertising is an important tool for companies that practice IMC (integrated marketing communication) and involves strategically managing and coordinating the sources of information consumers have about brands. Practiced well, IMC creates synergies among various channels of communications and is fundamentally important for guiding companies in building and establishing credible relationships. Marketing's primary role is to attract revenue, so advertising is important. Marketers address two major types of audiences with advertising: consumers and businesses.
- D. A firm's marketing mix—or strategy—establishes the type of advertising needed and the skills required to implement it. The marketing mix includes those elements over

- which the marketer has control: product, price, distribution, and communication.
- E. The distribution strategy dictates the firm's use of local, regional, national, or international advertising and can use a mix of communication tools such as advertising, personal selling, sales promotion, public relations activities, and collateral materials.
 - F. To achieve consistency in all the organization's messages, sophisticated companies seek to integrate their marketing communications with all other corporate activities through a process called integrated marketing communications.
 - G. The biggest recent change in the practice of advertising is the industry's reliance on artificial intelligence (AI) in many areas that once relied on human labor. AI is used to aid or perform virtually every task required in the formulation, creation, and placement of ads.

Answers to Pedagogical Features

🔊 My IMC Campaign 1: Overview

Welcome to My IMC Campaign, an important feature of this text. My IMC Campaign, should be useful in any of the following situations:

- Your instructor has asked you and others in your class to work on part or all of an ad campaign, either individually or in groups.
 - You are doing an internship and want practical advice on how to help your company advertise.
 - You would like to apply the concepts and ideas that you are reading about in this book in the real world.
1. Let's begin with a definition. An IMC campaign involves the creation and placement of a series of strategic communications that are unified by an underlying theme or core message.
 2. The My IMC Campaign topics are listed below. You may find it useful or necessary to jump around as you develop your own campaign.
 1. Overview
 2. Tools for Teamwork
 3. Your Assignment
 4. Understanding Your Client; Creating Local Advertising; Agency Review; Ways to Be a Better Client
 5. Understanding What Consumers Look for in a Product
 6. Segmenting the Audience
 7. Research; Methods for Pretesting; Methods for Posttesting; Developing an Effective Questionnaire
 8. Developing the Situation Analysis; Developing IMC Objectives; Ways to Set IMC Budgets
 9. Developing Media Objectives and Strategies
 10. The Creative Brief

11. Product Facts for Creatives; Creating Great Headlines and Copy; Design Principles; Writing Effective Copy; Creating Effective Radio Commercials; Creating Effective TV Commercials
12. Producing Ads
13. The Pros and Cons of Magazine Advertising; The Pros and Cons of Newspaper Advertising; Planning and Evaluating Print Media
14. Planning and Buying TV and Radio; The Pros and Cons of Broadcast TV Advertising; The Pros and Cons of Cable TV Advertising; The Pros and Cons of Radio Advertising
15. Using Interactive Media
16. Using Social Media
17. Using Out-of-Home, Exhibitive, and Supplementary Media
18. Developing a Plans Book; Corporate Blogging; The Client Presentation

 Ad Lab 1–A: Advertising as a Literary Form

1. Can you identify which two literary forms appear in example 4? Does it have a persona and/or an implied consumer? If so, describe their use.
Example 4 combines autobiography and drama, because it is a fictionalized representation of Eminem, an actual person. The Eminem character in the ad is a persona, who represents the advertiser.

 Ethical and Cultural Engagement: Programs for Advertising Students

1. Career opportunities in advertising must be made available to all people. Ads should represent the diversity of people from all walks of life.
2. The industry is still making progress in accomplishing this.
3. Two important programs students of advertising should learn about.
 1. The American Association of Advertising Agencies sponsors an internship program known as MAIP (Multicultural Advertising Internship Program).
 2. The American Advertising Federation (AAF) sponsors the Most Promising Multicultural Students program.

STUDENT OPPORTUNITIES

1. Today's students have a real opportunity to bring change to the advertising industry. What forms of ad discrimination have you seen? What changes do you think the industry can make to better reflect diversity?

Answer Guidelines:

The path toward a conscious representation of people from all walks of life in advertisements can begin by integrating these individuals into all aspects of the advertising industry.

- a. Students should be encouraged to seek out internship opportunities in the various aspects of the industry.
 - Discuss the current state of diversity in advertisements—how it has developed, especially in the last ten years.

- What issues still exist in terms of a diverse representation in advertising—both in terms of job opportunities and the representation of various cultures in ads?
- Reveal the types of activities an internship provides.

Portfolio Review: Building Brand Value

Great ads speak to consumers in a way that helps them see value in a brand. Study the array of ads in this portfolio and consider how well each one illustrates the contemporary definition of advertising presented in this text. Next, select one ad from the portfolio and analyze the multiple dimensions of the communication process as they apply to that ad. Finally, select a different ad from the portfolio and determine which of the six functions of advertising are applicable to the ad.

People behind the Ads: Albert Lasker and Claude Hopkins: Advertising Legends

- Lasker's persuasive talents were rooted in his gifts as both a leader and a visionary. Impressing everyone he worked with, Lasker was quickly promoted through the agency ranks. He was still in his early twenties when he bought Lord & Thomas and began creating the first true “modern” ad agency.
- Hopkins believed advertising had one function: selling. Hopkins advocated finding a “preemptive claim” for each brand, an attribute that could be used to distinguish the brand from its competitors.

Review Questions

1. What is advertising and how does it differ from other marketing communication techniques? Advertising is a form of communication, often defined as a process through which meaning is exchanged between individuals or groups using a system of symbols, signs, or behavior. It differs from other communication forms in that it is a very structured form of applied communication.
2. In the marketing communication process, what are the various dimensions of the source, the message, and the receiver?
The communication process begins when one party, called the source (the sponsor), formulates an idea, encodes it as a message (the ad), and sends it via some channel (medium) to another party, called the receiver (the consumer or prospect). The Stern model proposes a more sophisticated communications model; it is derived from the traditional model, but it acknowledges that the source, the message, and the receiver all have multiple dimensions. The source dimensions are the sponsor, author, and persona. The message dimensions are autobiography, narrative, and drama. The receiver dimensions are implied, sponsorial, and actual consumers.

3. Why do many companies practice IMC and what benefits does it afford companies that practice it well?
Because IMC helps companies adopt a consumer-centric, rather than marketer-centric, perspective when they create brand messages. And in today's marketing environment, nothing is more important than understanding and effectively communicating with consumers. Another reason companies use an IMC perspective is that consumers learn about brands from far more sources than just advertising.
4. What kinds of relationships do brands have with consumers and what considerations determine the type of relationship a company seeks?
 - a. Basic transactional relationship. The company sells the product but does not follow up in any way.
 - b. Reactive relationship. The company (or salesperson) sells the product and encourages customers to call if they encounter any problems.
 - c. Accountable relationship. The salesperson phones customers shortly after the sale to check whether the product meets expectations and asks for product improvement suggestions and any specific disappointments. This information helps the company continuously improve its offering.
 - d. Proactive relationship. The salesperson or company contacts customers from time to time with suggestions about improved product use or helpful new products.
 - e. Partnership. The company works continuously with customers (and other stakeholders) to discover ways to deliver better value.

Different stakeholders require different types of relationships. The relationship a company seeks with a customer is different from the one it seeks with its suppliers. Some companies have significant overlap in stakeholder roles. An employee may be a customer and a stockholder. The number of stakeholders also affects the relationship level.
5. What are the advantages of the interactive communications model over the traditional one? How has the growth of interactive communications improved the practice of IMC?
The interactive model allows companies and consumers to build relationships. Consumers feel like they are part of the brand in a unique way. No single entity operates as a source or receiver. The model better represents marketers' understanding of their relationships with consumers today.
6. What are some other groups besides consumers with whom brands seek to develop relationships? And why?
Companies must build loyalty with stakeholders including employees, centers of influence, stockholders, financial community, and the press.
7. What are the two broad categories of target markets?
The two broad categories of target markets are consumer markets and industrial/business markets.
8. In addition to consumer advertising, what specific form of business advertising would a pharmaceutical company likely employ?

Professional advertising is used to convince physicians to prescribe the pharmaceutical company's products to the physician's patients.

9. What are the four elements that compose a company's marketing strategy (or marketing mix) and how do they affect the type of advertising a company uses?
Product concept, pricing, place, and promotion are the four elements that compose a company's marketing strategy. The type of advertising used depends on the company's marketing strategy.
10. What kinds of messages do companies create from an IMC perspective? What are some examples of these messages?
There are four types of messages that companies create: planned messages, product messages, service messages, and unplanned messages. Each influences relationship decisions, so marketers must know where these messages originate, what effect they have, and the costs to influence them.
11. What important marketing activities fall under the heading of "promotions"?
Promotional activities include personal selling, advertising, sales promotion, public relations, and collateral materials.
12. What is artificial intelligence (AI) and why is it an important development in the ad world?
IBM defines AI as "technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy." Mike Kaput at the Marketing AI Institute claims "modern advertising runs on AI" and that "AI literally determines if your ads succeed or fail."

The Advertising Experience

1. Brand Relationships

This chapter has emphasized building relationships as an important objective for IMC. Think about your favorite brands. If you feel loyal to those brands, what does that mean? Do you feel as though you have a relationship with any? What do the companies that support these brands do to ensure your satisfaction in the relationship? How does this relationship affect your response to new product offerings from these companies? How and when do you communicate to others your excitement about the brands?

2. Role of Advertising

In this chapter, you learned about the standard definition of advertising and the various roles and forms that advertising can take. Browse through the following websites and discuss what type of advertising each uses and what the purpose of the advertising is:

- a. American Cancer Society: www.cancer.org
- b. Amazon: www.amazon.com
- c. Nike: www.nike.com
- d. Ford: www.ford.com
- e. McDonald's: www.mcdonalds.com
- f. MINI: www.MINIUSA.com

g. United Parcel Service: www.ups.com

3. Literary Forms in Television Ads

Watch three television or YouTube ads and examine them for literary form. Do they take the form of autobiography, narrative, or drama? For each ad, discuss why you think its creator chose this particular form over another.

4. Applying the IMC perspective

Reread the brief account of fictional shopper Sharon and her discovery of a new clothing store, Green Threads. From this story, identify elements that fit with the four sources of brand messages described by Duncan and Moriarty. Also apply their Integration Triangle framework to the story, identifying elements that fit with the say, do, confirm components. Using these models, describe how Green Threads capitalized on an IMC perspective to develop a relationship with Sharon. Finally, using Kotler and Armstrong's five levels of relationship model, what kind of relationship is the company seeking to cultivate with Sharon?

Answer Guidelines:

Answers could refer to Green Threads' integrated approach through the use of pamphlets, employee-customer relations, higher pricing strategy, environmental emphasis, physical environment of the store (i.e. bike rack), public relations and charity efforts (donations), e-mails, and social media posts, which all worked to create a synergistic identity for Green Threads. Answers could also refer to the original advertisement creating awareness and comprehension of the stores' offerings and unique selling point and elements of her visit to the store contributing to her conviction that Green Threads was a brand she would be happy to support, all of which enhanced her desire to take action and purchase the clothing. Unplanned messages pertaining to environmentally unfriendly practices, inhumane treatment of animals in the creation of the clothing, workplace maltreatment of employees, or sourcing of materials from foreign distributors could all threaten the image Green Threads has cultivated. Consultations with environmental public relations specialists, signing of a public commitment to improved business practices, and a public acknowledgment and apology with reassurances and a plan for more principled actions in the future could be effective methods through which Green Threads could manage such messages.

5. The Double-Edged Sword of Communication Feedback

The feedback that many companies seek from customers has a flip side, consumer privacy concerns. This is explored in the chapter opening. How much privacy should consumers expect? When does a company go too far in obtaining information about its prospects and customers? What will it mean for digital marketers if legislation restricts their access to consumer information?

Answer Guidelines:

Answers could discuss how some research has shown that social media users, particularly Facebook users, do not carry much of an expectation of privacy on these platforms—could this be true in all online spaces? Perhaps internet users expect privacy in certain online spaces including in banking, dating, or on sites relating to health-related information, but not as much on social media sites where users can carefully craft and present exactly what they wish to present to other users. A major discussion in online data privacy relates to whether users should have the opportunity to opt-in to data tracking on certain internet browsers, rather than the current default of consumers automatically being opted-in and being expected to know that they have the option to opt-out. Answers could discuss the ethics of tracking online footprints when discussing when a company has gone too far. For example, answers could discuss the ethics of the automatic opt-in option on web-browsers or the ethics of the ad-tech industry and other large organizations having the capability to track a person throughout their day, completely unbeknownst to the consumer. More stringent regulation on access to consumer information could lead to less targeted or pertinent advertisements in online spaces, a return to more primary consumer research in advertising, or a greater reliance on the use of already collected data to make predictions regarding future consumption habits.

6. Using AI to create Ad Copy

Compare your own writing skills to AI and identify differences in creativity and strategy. To start, choose a real-world brand and write your own ad copy. Be sure you include a headline, a paragraph or so of body copy, a tagline, and a call-to-action. Then ask ChatGPT (ChatGPT) to do the same, that is, ask the program to “generate ad copy for [brand].” Here’s an example for Doritos generated by ChatGPT: **Headline:** *Unleash the Crunch. Taste the Flavor.* **Body:** *Life’s better with a bold crunch. Doritos delivers the perfect balance of flavor and crunch with every bite. Whether you’re kicking back with friends or tackling the day, make every moment epic with the bold, irresistible taste of Doritos.* **Tagline:** *Doritos: For the Bold.* **Call-to-Action:** *Grab a bag and elevate your snack game. Taste the boldness today!*

Connect Activities

Title	Assignment Type	Topic	Learning Objective	AACSB Accreditation Tagging	Bloom’s Taxonomy
An Integrated Marketing Communication Plan from Progressive Insurance	Video Case	Define Advertising, Key Concepts of Integrated Marketing Communications, Relationship Marketing	01-01, 01-02, 01-04, 01-05	Reflective Thinking	Remember

Title	Assignment Type	Topic	Learning Objective	AACSB Accreditation Tagging	Bloom's Taxonomy
Brands Engaging in Relationship Marketing	MC Worksheet	Relationship Marketing	01-04	Knowledge Application	Apply
Developing and Promoting a New Video Game: Marketing or Advertising?	Case Analysis	The Marketing Communication Function; The Role of Advertising and Promotion in Business and Marketing	01-02	Reflective Thinking; Knowledge Application; Analytical Thinking	Apply; Understand ; Analyze
The Use of AI in Advertising	Matching	Artificial Intelligence	01-07	Knowledge Application	Apply

An Integrated Marketing Communications Plan from Progressive Insurance

Activity Summary: This activity aids students in reviewing the differences between integrated marketing communications, advertising, and marketing. They also apply the definition of a medium and of relationship marketing. They watch an ad from Progressive Insurance featuring their new spokesperson, Dr. Rick, who teaches Millennials and Gen X consumers how to “not act like their parents” by using Progressive Insurance.

Follow-Up Class Discussion: Ask students to find another example of a current ad from a brand that they enjoy. This could come from Ads of the World, AdWeek, AdAge, YouTube, or any other online source. What medium is this ad placed in? Ask them to define how this advertisement fits the definition of advertising. What marketing can they find from the brand (information about the products the brand offers, its pricing of those products, and distribution of them)? What examples can they find of an integrated marketing communication approach from the brand?

Brands Engaging in Relationship Marketing

Activity Summary: In this activity, students are given several examples of brands engaging in differing levels of relationship marketing. They must match the activity of the brand described to the type of relationship it best describes.

Follow-Up Class Discussion: Task students or student groups with developing their own examples or brainstorming examples of the varying levels of relationship marketing they have

seen brands engage in with their consumers. Ask students to explain why their example fits the definition of that level of relationship.

Developing and Promoting a New Video Game: Marketing or Advertising?

Activity Summary: In this activity, students are told to imagine that they are working for a video game studio that is preparing for the launch of a new game called Borderlight. To aid in the launch of the game, they are determining what responsibilities fall to their *marketing* team and which fall to their *advertising* team. Students must answer questions clearly distinguishing between marketing and advertising team functions/responsibilities.

Follow-Up Class Discussion: To further emphasize the difference between marketing and advertising, task students or student groups with developing a marketing plan for a game like Borderlight. For their marketing plan, have them identify exactly what the product is/what type of game it would be, research who its main competitors would be and determine what makes Borderlight different/unique, price the game appropriately, make distribution decisions about how/where the game would be sold, and make promotion decisions (e.g., where they would advertise/promote Borderlight, what channels they would spend more ad dollars on, etc.).

The Use of AI in Advertising

Activity Summary: In this activity, students are provided with a scenario from a brand using AI in their advertising efforts. Based on the scenario provided, they must then match the scenario to one of the ways AI is reported to be used in the chapter. The goal of the activity is to gauge students' understanding of the various ways advertisers are (or could be) utilizing AI in their advertising efforts.

Follow-Up Class Discussion: Ask students to discuss ways that they have seen brands using AI in their advertising efforts (e.g., in their creative/to develop their ads, to deliver highly-specific, targeted ads, on their websites as a way for consumers to communicate with them (e.g., an AI chatbot), etc.). How do students see AI's use in advertising evolving in the coming years?