

## BUS306 EXAM REVIEW & STUDY GUIDE

Below is a list of the important concepts and ideas from the course, which will help to prepare you for the final exam. Please read through it carefully before you take the exam, noting how the various concepts work together to form the overall advertising discipline.

- Advertising's primary function is to inform, persuade, and remind. It is a form of nonpersonal communication, it comes from an identified sponsor, and it persuades. However, it is the most costly of all promotional elements. Advertising not only furnishes useful information to consumers, but it also plays a major role in the economy, as it causes an economic chain reaction. Those who see advertising as a positive force would like to view it as a mirror of our culture. The "economics of information" perspective means that the information provided by advertising helps reduce disutility.
- The Industrial Revolution was the most significant event in the rise of advertising. The current marketing period is known as the Relationship Era. The goal of this era is to maintain customer loyalty and retain existing customers.
- Specialty advertising is the form of sales promotion in which companies place their logos on giveaway items such as pens, shirts, hats, etc. Direct mail is material that is distributed directly to the consumer. Point-of-purchase advertising is a message that is delivered directly to the consumer at the same time as the purchase.
- Ad-supported content is created or modified to feature products or services.
- When consumers share information about a product or service in a public forum such as a company website, they are participating in consumer-generated advertising.
- According to SS+K, an *asymmetric idea* is both about engaging the audience and discovering opportunities to connect with them.
- Preparing to make an advertising pitch to a potential client can be complicated for an advertising agency. When preparing to make the pitch, the agency must allocate material resources and a tremendous number of team hours to meetings, research, and creating the pitch.
- Greenwashing is when a company communicates misleading information about a product's environmental benefits.

- New products and new businesses are stimulated by advertising's ability to help suppliers communicate with customers, and its ability to stimulate demand.
- The Word-of-Mouth Marketing Association (WOMMA) is said to promote Honesty ROI. WOMMA uses the acronym to describe how the industry must be honest in the areas of relationship, opinions, and identity.
- At the heart of FTC enforcement is the idea that advertisers must be able to substantiate their claims.
- Cultural jamming is when groups send out countermessages in response to the corporate world's domination of our cultural landscape in an attempt to disrupt corporate efforts.
- The Ad Council is the best entity to help a nonprofit organization or association in crafting a message that will best communicate their purpose in society.
- Common objections about advertising include the idea that ads make us feel bad about ourselves, in that they constantly throw images of perfect, beautiful people in our faces, invade our privacy, and may reinforce insulting ethnic and racial stereotypes.
- Personal selling plays a much larger role in marketing business products compared to the purchasing process for consumer products. Businesses use personal selling, sales promotion, advertising, and public relations to communicate with their customers.
- Business markets are segmented by demographics, geographics, and end-use of products.
- Added-value is when a company or organization provides additional services that are not expected by the customer or consumer.
- An organization's corporate website provides information to the viewer and is not a retail channel of distribution. The consumer cannot make a purchase from a corporate website.
- *Consumer behavior* refers to the ways in which individuals and organizations make their purchase decisions. The personal determinants of consumer behavior include the individual's needs and motives. Purchases that have a potentially high level of social or economic consequence are known as high-involvement purchase decisions. Cognitive dissonance, the negative and uncomfortable feeling consumers may feel after a purchase, is more likely to occur as the cost and complexity of the purchase increases.

- Primary data is new information that has never before been published. Ways in which this data may be collected include interviews or surveys. The most common method of collecting quantitative information is through surveys. Quantitative information is numerically measurable. Information that a company gathers on its own is known as *proprietary information* and can provide a company with a competitive edge in the marketplace.
- Telephone surveys can be challenging because they have a high cost, low participation by respondents, and are perceived by the public as disguised sales calls.
- Movie studios often conduct test screenings of their films to generate ideas for marketing campaigns. Corporations may do concept testing—a method of research designed to get feedback about a product’s advertising before it is widely distributed so they can make improvements to the message before it is rolled out to the public. Gallup and other organizations that conduct research about consumers’ viewing habits, and provide in-depth reports on their results, are known as *syndicated sources*. These are sources of *primary data*.
- *Qualitative data* is information that can be obtained through verbal methods of communication, such as interviews and focus groups. It is not measurable numerically.
- *Secondary data* is information that is already published and has the advantages of including large sample sizes, being inexpensive, quickly accessible, and reliable.
- An excellent source of secondary research data is the government, as it is a huge supplier of information to the public. Information is provided through such organizations as the Census Bureau, the Bureau of Labor Statistics, and the National Center for Health Statistics.
- The North American Industry Classification System (NAICS) reports on the number of firms within an industry segment, the amount of sales in an industry or nation, and other related information about the industry. This is an excellent source of secondary data.
- Identifying the qualities of consumers who are likely to buy your product and then customizing your activity to meet their unique needs is called *target marketing*. To get a solid vision of the firm’s potential customers, you would segment the population. To determine if a market is a good one, it should be measurable, accessible, and profitable.

- Demographics include age, gender, lifestyle, income, and education. These are factors that can be measured and quantified. Behavioral segmentation measures a segment's involvement in activities and hobbies.
- Sources that can identify frequent users of a product category include industry group reports, surveys of consumer behavior, and product sales.
- Budget decisions are affected by conditions that are both internal and external to the client. In top-down budgeting, company leaders determine the overall amount the firm will spend on promotional activities for the year. Objective-and-task is the most frequently used bottom-up budgeting approach. High-tech start-ups, who are usually driven by product innovation, generally use the all-you-can-afford approach to advertising budgeting.
- Although many marketing experts traditionally evaluate a campaign's success in terms of intangibles, such as brand awareness, top management insists on more tangible results, such as return on investment (ROI)
- The easiest way to obtain high SOV (Share of Voice) is to buy a lot of ad space.
- Research indicates that less than 20% of companies evaluate their communication campaigns on the basis of the campaign's effect on profits.
- The first step the advertising manager needs to undertake in order to create an advertising strategy is to identify the situation.
- *Branding* is the process of differentiating your product or service from others by using a trademarked name or logo. A branding strategy involves formulating a clear image of a product's values. Branding experts agree that a brand's *value proposition* is the total benefit that a brand provides to its customers relative to the competition. Examples of personality traits often found in brands and branding communication strategies include *self-confident*, *wholesome* and *romantic*. A primary benefit of branding for the manufacturer is that it offers legal protection.
- A solid branding strategy will be so strong that it will create a barrier to market entry for competitors. A *consistency approach* is when a company firmly matches its products and services directly to a particular lifestyle.
- The phases associated with the achievement of an advertising objective through the DAGMAR process include *awareness*, *comprehension*, and *action*.
- The *situation analysis* portion of a strategic or marketing plan includes a comprehensive overview of the target market, the competition, and external factors that might impact a company's sales efforts.

- The integrated marketing communications (IMC) perspective emphasizes use and coordination of all promotional products to support communication, maximization of available resources even when they are scarce, and specific communications objectives and a plan for reaching those objectives.
- The primary reason for using an integrated marketing communications (IMC) approach in advertising is that it creates a unified voice that provides a more powerful and memorable message.
- The most important element of sales promotion is adaptability. *Push money* is when a salesperson is offered an incentive to increase sales for a manufacturer.
- The purpose of public relations (PR) is to build good relationships with the advertiser's publics. For a *media event*, an organization that wants to gain publicity and awareness notifies the press of the event in advance.
- Electronic media has created numerous opportunities for companies to integrate nontraditional approaches into the integrated marketing communications (IMC) perspective. Although, cell phone advertising (ads sent to phones), for example, is still in its infancy in the United States.
- The primary purpose of a coupon that is used as part of an integrated marketing communication campaign is to encourage immediate purchase.
- *Guerilla marketing* is when companies use cost-cutting measures to gain as much publicity and awareness as possible while spending the least amount of money.
- Customer relationship management (CRM) uses specific information about individual consumers to create more effective marketing communications specific to those individuals.
- Newspapers are the most cost-effective medium for presenting the most in-depth information.
- For a media buyer considering network television, disadvantages as well as advantages must be considered. Some disadvantages include *aging viewers*, *high cost* and *ad-skipping* (TiVo).
- The out-of-home media audience is the most difficult to measure and segment.
- Online advertising includes a range of text, still-image, animated graphics, streaming video, and interactive advertising.

- Magazines provide an advertiser with national reach, as well as regional options.
- One of the newest forms of product placement (having your product seen in something other than your own advertising) is *advergaming*, where products are placed into video games.
- When people spread information verbally, through the Internet and mobile devices, they are creating what's known as "buzz" about a product or event.
- In media placement, *continuity scheduling* is most appropriate if an advertiser wants to spread the media's effects evenly across the duration of the campaign.
- When selling a product that has reached the maturity stage, the most effective advertising approach is the *reminder approach*.
- When a "creative" develops an effective ad, he has successfully *executed* the strategy. *Resonance* and *relevance* are key to excellence in advertising. *Likeability* is very important to an ad's success because likeability is the "gatekeeper" to further processing once the likeable ad gets our attention.
- In a commercial message, the function of music throughout the communication is to carry the emotional tone.
- According to research on effective versus ineffective radio ads, duration has great impact. It has been found that commercial spots of 45 seconds or more are most effective.
- A commercial that uses the *logical appeal* focuses on a product's features, advantages, and price.
- The primary reason that many managers cut advertising from their budgets when money needs to be conserved is that they see advertising as a cost rather than as an investment.
- When using ROI as a metric to measure the success of your advertising campaign, the questions you will likely be able to answer include "What did I spend?" and "What did I get in return?"
- When measuring the effectiveness of online ads, an organization can use the cost per click (CPC) metric which notes the revenue only when the user or visitor clicks on an ad.