Integrated Advertising Promotion and Marketing Communications 8th edition Clow Test Bank

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Integrated Advertising, Promotion, and Marketing Communications 8e **(Clow/Baack)**
Chapter 2 Corporate Image and Brand Management

1) When Domino's Pizza sought to increase sales and return customers, one key tactic was to:
A) raise prices.
B) enter new markets.
C) change the brand.
D) buy the largest competing pizza chain.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

2) The feelings consumers and businesses have about a brand is:
A) the result of its advertising program impact.
B) brand equity.
C) brand image.
D) brand persona.
Answer: C
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

3) The brand image of an automobile manufacturer such as Porsche, Mazda, Toyota, or Ford might be based on each of the following *except*:
A) evaluations of vehicles.
B) whether the company is foreign or domestic.
C) economic conditions.
D) customer views of company advertising and the local dealership.
Answer: C
Difficulty: Easy
Skill: Application
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

4) Which is not part of a brand image?
A) Tangible elements
B) Intangible elements
C) What the company stands for as well as how it is known in the marketplace
D) Governmental regulations that affect the company
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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5) Each of the following items is a tangible component of a brand image *except*:
A) goods and services sold.
B) retail outlets where the product is sold.
C) advertising, promotions, and other forms of communication.
D) competing businesses.
Answer: D
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

6) Which is an intangible element of a brand image?
A) A corporate name and logo
B) Ideals and beliefs of corporate personnel
C) Employees
D) Packaging and labeling
Answer: B
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

7) In the mind of the consumer, a strong brand image is linked to:
A) perceptions of economic conditions.
B) ratings by financial advisors.
C) reduction of search time in purchase decisions.
D) finding substitute goods when making purchases.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

8) From a consumer's perspective, a strong brand image provides each of the following *except*:
A) assurance regarding purchase decisions in unfamiliar settings.
B) purchase alternatives.
C) a reduction in search time.
D) social acceptance of purchases.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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9) From a consumer's perspective, a strong brand image generates which element when customers purchase goods or services with which they have little experience?
A) Memorable reference
B) Positive assurance
C) Immediate feedback
D) Increased purchasing options
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

10) Feeling good after making a purchase from a company with a strong and positive image is an example of:
A) an impulse buy.
B) psychological reinforcement.
C) cognitive dissonance.
D) brand metrics.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

11) When you know other people have purchased the same brand that you are buying, the feeling is called:
A) social acceptance.
B) reliability.
C) cognitive dissonance.
D) brand recognition.
Answer: A
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

12) From the perspective of the corporation, a strong brand image is related to each of the following *except*:
A) ability to attract quality employees.
B) higher level of brand parity.
C) positive word-of-mouth recommendations by customers.
D) higher level of channel power.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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13) From the perspective of the corporation, a strong brand image is related to each of the following *except*:
A) being able to charge a higher price.
B) increased competition.
C) more frequent purchases by customers.
D) more favorable ratings by financial observers.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

14) From the company's perspective, a quality brand image enhances the introduction of a new product because:
A) the company can charge a lower price for the new product.
B) a new distribution channel can be established.
C) customers normally transfer their trust in and beliefs about the corporation to a new product.
D) the competition does not know how to respond.
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

15) A corporate or brand image reflects the feelings consumers and businesses have about the overall organization, as well as its individual products.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

16) A corporate or brand image summarizes what the company or brand stands for as well as how it is known in the marketplace.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

17) Effective marketing communications are based on a clearly defined brand image.
Answer: TRUE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Written and oral communication
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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18) What a firm's employees believe about a brand's image is more important than what consumers think.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

19) The most important component of a brand image is the price.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

20) Perceptions of a brand's image are based solely on price and quality.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

21) A brand image contains both visible and intangible elements.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

22) An organizational policy to actively recruit minority employees would be an element of a company's image.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Diverse and multicultural work environments
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

23) From a company's perspective, a brand's image can provide psychological reinforcement and social acceptance of a purchasing decision.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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24) A positive brand image can reduce search time when a consumer is making a buying decision.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

25) While a brand's image plays a key role in marketing to consumers, it is not significant when selling to other businesses.
Answer: FALSE
Difficulty: Difficult
Skill: Application
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

26) Brand image is especially valuable to a company that is expanding internationally because it reduces risk and uncertainty on the part of the buyer.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

27) A strong brand image cannot affect the price a company can charge for its products.
Answer: FALSE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Analytical thinking
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

28) A well-developed, favorable image creates loyal customers who might generate positive word-of-mouth endorsements about the company and its products.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

29) A brand's image has little or no effect on other business activities, such as recruiting employees.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

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30) From a consumer's perspective, what are the benefits of a strong brand image?
Answer:
1. Assurance regarding purchase decisions of familiar products in unfamiliar settings
2. Assurance concerning purchases where there is little previous experience
3. Reduction of search time in purchase decisions
4. Psychological reinforcement and social acceptance of purchase decisions

Difficulty: Moderate
Skill: Synthesis
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

31) What are the benefits of a strong brand image in the eyes of the company?
Answer:
1. Extension of positive consumer feelings to new products
2. The ability to charge a higher price or fee
3. Consumer loyalty leading to more frequent purchases
4. Positive word-of-mouth endorsements
5. The ability to attract quality employees
6. More favorable ratings by financial observers and analysts

Difficulty: Difficult
Skill: Synthesis
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

32) Define the terms "brand" and "brand image."
Answer: A brand is the word, term, or phrase featured as the name of a product, product line, or company. Brand image reflects the feelings consumers and businesses have about the overall organization as well as its individual products or product lines.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.1 How does a brand's image affect consumers, other businesses, and the company itself?

33) Which of the following statements about image is *false*?
A) Reinforcing or rejuvenating a current image that is consistent with the view of consumers is easier to accomplish than changing a well-established image that is not consistent with the image the company wants to project.
B) It is relatively easy to change the image people hold about a given company.
C) Any negative or bad press can quickly destroy an image that took years to build.
D) The image being projected must accurately portray the firm and coincide with its goods and services.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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34) Which type of brand name reveals what a company does?
A) Overt
B) Implied
C) Conceptual
D) Iconoclastic
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

35) American Airlines and BMW Motorcycles are examples of:
A) overt names.
B) implied names.
C) conceptual names.
D) iconoclastic names.
Answer: A
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

36) Which type of brand name captures the essence of the idea behind the brand?
A) Overt
B) Implied
C) Conceptual
D) Iconoclastic
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

37) Lucent Technologies and Google are examples of:
A) overt names.
B) implied names.
C) conceptual names.
D) iconoclastic names.
Answer: C
Difficulty: Difficult
Skill: Application
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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38) Which type of brand name does not reflect the company's goods or services?
A) Overt
B) Implied
C) Conceptual
D) Iconoclastic
Answer: D
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

39) Which type of brand name is unique, different, and memorable without suggesting the company's goods or services?
A) Overt
B) Implied
C) Conceptual
D) Iconoclastic
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

40) Overt brand names:
A) reveal what the brand does.
B) capture the essence of the idea behind the brand.
C) contain recognizable words or word parts that imply what the brand is about.
D) do not reflect the brand's goods or services, but instead something that is unique, different, and memorable.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

41) Implied brand names:
A) reveal what the brand does.
B) capture the essence of the idea behind the brand.
C) contain recognizable words or word parts that imply what the brand is about.
D) do not reflect the brand, but instead something that is unique, different, and memorable.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

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42) Iconoclastic brand names:
A) reveal what the brand does.
B) capture the essence of the idea behind the brand.
C) contain recognizable words or word parts that imply what the brand is about.
D) do not reflect the brand's goods or services, but instead something that is unique, different, and memorable.
Answer: D
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

43) When Black & Decker introduced a new form of wrench with the name "Black & Decker Adjustable Wrench," which was being used?
A) Family brand
B) Cooperative brand
C) Flanker brand
D) Complementary brand
Answer: A
Difficulty: Difficult
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

44) A brand extension is:
A) a group of related core products sold under one name.
B) the creation of a logo which further explains the brand.
C) the design of a public relations campaign to support a brand.
D) using an established brand name on goods or services not related to the core brand.
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

45) Nike selling a line of clothing to go along with its main product (shoes) is an example of a:
A) flanker brand.
B) brand extension.
C) cooperative brand.
D) complementary brand.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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46) Which of the following is a flanker brand?
A) The offering of two or more brands in a single marketing offer
B) The joint venture of two or more brands into a new product or service
C) Development of a new brand by a company in a good or service category where it currently has other brands
D) A brand with the same name in a different industry
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

47) When Procter & Gamble added a new laundry detergent in Asia called "Panda" to its current line of laundry detergents, the Panda brand would be considered a:
A) brand extension.
B) family brand.
C) flanker brand.
D) complementary brand.
Answer: C
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

48) If a company's marketing team believes that offering a new product under the current brand name may adversely affect the current brand, the best approach would be to introduce the product as a:
A) brand extension.
B) ingredient brand.
C) flanker brand.
D) co-brand.
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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49) Which involves using an established brand name on goods or services that are not related to the core brand?
A) Brand extension
B) Private brand
C) Flanker brand
D) Complementary brand
Answer: A
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

50) When a company develops a new brand in the same category in which the firm already has a branded product, it is a:
A) brand extension.
B) private brand.
C) flanker brand.
D) complementary brand.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

51) A company's marketing team introduces a new brand in a product category where it already has brands in an effort to appeal to consumers the team believes is not being reached by the company's current brands. Which is being used?
A) Brand extension
B) Private brand
C) Flanker brand
D) Complementary brand
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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52) In introducing a new brand, which approach is often used by firms operating in high-end markets in order to avoid damaging the high-end brand's reputation?
A) Brand extension
B) Co-branding
C) Flanker brand
D) Complementary brand
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

53) A firm that expands to international markets often adds additional brands to current brands in order to strengthen an international presence, reflecting which strategy?
A) Brand extension
B) Private brand
C) Flanker brand
D) Complementary brand
Answer: C
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

54) Co-branding or alliance branding can take each the following forms, *except*:
A) flanker brand.
B) ingredient brand.
C) cooperative brand.
D) complementary brand.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

55) Ingredient branding involves:
A) placing one brand within another.
B) developing a new brand to be sold in a category where the firm already has a brand.
C) a joint venture of two brands in one product.
D) marketing two brands together to encourage co-consumption.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

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56) Intel Pentium processors placed inside of computers is a form of:
A) ingredient branding.
B) flanker brand.
C) cooperative branding.
D) complementary branding.
Answer: A
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

57) Cooperative branding is:
A) private labeling with a major brand.
B) placing one brand in another as a form of cooperation.
C) the joint venture of two or more brands in one product.
D) the marketing of two brands together to encourage co-consumption.
Answer: C
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

58) Alliance or co-branding works best when:
A) the two brands are unrelated.
B) a well-known brand is attached to a lesser-known brand.
C) a private label is co-branded with a manufacturer's brand.
D) it builds the brand equity of both brands.
Answer: D
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

59) Complementary branding is:
A) using a private label to complement the main brand.
B) placing one brand within another brand.
C) the joint venture of two or more brands in one product.
D) marketing two brands together to encourage co-consumption.
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
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60) Selling Reese's Peanut Butter Cup milkshakes at Dairy Queen is an example of:
A) flanker branding.
B) extension branding.
C) cooperative branding.
D) complementary branding.
Answer: D
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

61) The placement of one brand within another brand is:
A) ingredient branding.
B) cooperative branding.
C) complementary branding.
D) flanker branding.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

62) The marketing of two or more brands together to encourage co-consumption or co-purchases is:
A) ingredient branding.
B) cooperative branding.
C) complementary branding.
D) flanker branding.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

63) In terms of co-branding, the highest risk strategy is:
A) ingredient branding.
B) cooperative branding.
C) complementary branding.
D) flanker branding.
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Analytical thinking
LO: 2.2 What are the different types of brands and brand names?

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64) While rejuvenating a brand's image can be difficult, it usually does not take a long time to accomplish.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

65) A conceptual brand name captures the essence of what a company offers, but does not reveal it directly.
Answer: FALSE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

66) An implied brand name contains recognizable words or word parts that suggest what the company does.
Answer: TRUE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

67) A conceptual brand name seeks to capture the essence of the idea behind the brand or a vision of what the company does.
Answer: TRUE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

68) Conceptual and implied brand names require a greater marketing effort to ensure consumers connect the brand name with the product being sold.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

69) A family brand relationship occurs when two companies produce one brand in a cooperative venture.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

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70) A brand extension is the use of a new brand name to identify an old product.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

71) A flanker brand is the use of a new brand name to identify a product marketed with another company.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

72) When Proctor & Gamble adds new laundry detergents to reach different market segments, the company has created flanker brands.
Answer: TRUE
Difficulty: Difficult
Skill: Application
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

73) A flanker brand can be introduced when company leaders think that offering the product under the current brand name may adversely affect the overall marketing program.
Answer: TRUE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

74) Flanker branding is the placement of one brand within another, such as NutraSweet as part of Diet Coke.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

75) Placing Oreo cookies in Dairy Queen milk shakes is an example of a brand extension.
Answer: FALSE
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

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76) Co-branding or alliance branding succeeds when it builds the brand equity of both brands involved.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

77) What are the four types of brand names?
Answer: Overt names, implied names, conceptual names, iconoclastic names.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

78) Describe the differences between brand extensions and flanker brands.
Answer: Brand extensions use an established brand name on goods or services not related to a core brand. Flanker brands are brands used by a company in a category in which the company currently has an offering.
Difficulty: Moderate
Skill: Synthesis
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

79) What are the three forms of co-branding or alliance branding? Define each one.
Answer:
1. Ingredient branding is placement of one brand within another brand.
2. Cooperative branding is the joint venture of two brands or more into a new product or service.
3. Complementary branding is marketing of two brands together to encourage co-consumptions or co-purchases.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.2 What are the different types of brands and brand names?

80) Describe conceptual and iconoclastic brand names.
Answer: Conceptual names capture the essence of what a company offers; iconoclastic names represent something unique, different, and memorable.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

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81) Describe overt and implied brand names.
Answer: Overt names reveal what a company does; implied names contain recognizable words or word parts that convey what a company does.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

82) Define brand logo and stimulus codability.
Answer: A brand logo is a symbol used to identify a brand; stimulus codability occurs when a logo elicits a shared meaning across consumers.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

83) Define family brand, brand extension, and flanker brand.
Answer: A family brand means a company offers a series or group of products under one brand name; a brand extension is the use of an established brand name on new goods or services; and a flanker brand is the development of a new brand by a company in a good or service category in which it currently has a brand offering.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.2 What are the different types of brands and brand names?

84) Which type of brand name contains recognizable words or word parts that imply what the company is about?
A) Overt
B) Implied
C) Conceptual
D) Iconoclastic
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.3 What are the characteristics of effective logos?

85) FedEx and International Business Machines (IBM) are examples of:
A) overt names.
B) implied names.
C) conceptual names.
D) iconoclastic names.
Answer: B
Difficulty: Difficult
Skill: Application
LO: 2.3 What are the characteristics of effective logos?

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86) Monster.com is an example of a(n):
A) overt name.
B) implied name.
C) conceptual name.
D) iconoclastic name.
Answer: D
Difficulty: Difficult
Skill: Definition (Concept)
LO: 2.3 What are the characteristics of effective logos?

87) Conceptual brand names:
A) capture the essence of the idea behind the brand.
B) contain recognizable words or word parts that imply what the brand is about.
C) do not reflect the brand's goods or services, but instead something that is unique, different, and memorable.
D) reveal what the brand does.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.3 What are the characteristics of effective logos?

88) The symbol used to identify a brand is a(n):
A) trademark.
B) patent.
C) icon.
D) logo.
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

89) Stimulus codability is:
A) a form of brand name.
B) the perception that the brand is known.
C) consensually held meanings among customers.
D) another name for product positioning.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

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90) When a logo elicits shared meanings across consumers, it exhibits:
A) stimulus codability.
B) reliability.
C) consensus.
D) referent response.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

91) McDonald's arches create shared meaning across consumers in the United States and around the world, which means the arches exhibit:
A) duality.
B) stimulus codability.
C) brand endurance.
D) brand equity.
Answer: B
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

92) A logo with a consensually held meaning, such as the Prudential Rock, displays:
A) brand prominence.
B) stimulus codability.
C) brand parity.
D) product positioning.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

93) Brand logos:
A) are unrelated to image but are related to positioning.
B) help with recall of advertisements and brands.
C) usually are inexpensive to develop.
D) increase search time in product purchase decisions.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

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94) Quality logos and brand names should pass each of the following tests, *except*:
A) be similar to others in the industry.
B) be familiar.
C) elicit a consensual meaning among those in the firm's target market.
D) evoke positive feelings.
Answer: A
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

95) The Nike swoosh is an example of a(n):
A) brand.
B) package.
C) label.
D) logo.
Answer: D
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

96) Logos help with in-store shopping because:
A) they are more readily recognized by shoppers.
B) they move traffic past goods which are not being purchased.
C) they are a form of clutter.
D) consumers have made up their minds prior to arrival.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

97) Krispy Kreme is an example of an overt brand name.
Answer: FALSE
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

98) Google is an example of an implied brand name.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

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99) FedEx is an example of a conceptual brand name seeking to suggest the idea of express delivery.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

100) Quality brand logos should be easily recognizable and elicit a consensual meaning among those in the target market.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

101) The notion that a logo can elicit a consensual meaning among customers is known as logo congruence.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

102) Quality logos and brand names should be easily recognizable, and evoke positive feelings.
Answer: TRUE
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

103) Nike's Swoosh logo had a natural relationship with the company's products, and therefore did not require extensive advertising to embed the logo in consumers' minds.
Answer: FALSE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.3 What are the characteristics of effective logos?

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104) What four tests should quality logos and brand names pass?
Answer:
1. They should be easily recognizable.
2. They should be familiar.
3. They should elicit a consensual meaning among those in the firm's target market.
4. They should evoke positive feelings.
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.3 What are the characteristics of effective logos?

105) When seeking to identify the desired brand image, company leaders first assess:
A) the brand's current image.
B) the external environment.
C) tangible competitor advantages.
D) intangible competitor advantages.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

106) In making decisions about the image to be projected, it will be the easiest for marketers to:
A) rejuvenate an image that is consistent with consumer's current view of the brand.
B) reinforce an image that is not consistent with a consumer's current view of the brand.
C) develop a new image for a new brand.
D) revert to an earlier image of the brand.
Answer: A
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

107) It is important that the image being projected by a brand's marketing messages:
A) reinforces the competition's concept of the image.
B) accurately portray the brand and coincide with the product being offered.
C) be different than what consumers already believe about the brand.
D) coincides with what competitors are doing.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

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108) The desired brand image is one that:
A) coincides with the majority of companies within the industry.
B) avoids comparisons with other brands.
C) is consistent with the views of management of each company.
D) sends a clear message about the unique nature of an organization and its products.
Answer: D
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

109) Keeping a consistent brand image while incorporating new elements is an example of:
A) developing a new image.
B) image positioning.
C) rejuvenating an image.
D) completing an image.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

110) When business travelers began to view Holiday Inn as outdated with old decor, the management team remodeled many properties and terminated contracts with proprietors that did not meet the new standards. This is an example of:
A) reinforcing the current image.
B) developing a new image.
C) rejuvenating an image.
D) changing an image.
Answer: C
Difficulty: Difficult
Skill: Application
AACSB: Analytical thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

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111) Hewlett-Packard's management team decided to alter the impression that the brand was a staid company run by engineers into an ultimate lifestyle technology company in tune with pop culture. This is an example of:
A) developing a new image.
B) reinforcing a current image.
C) rejuvenating an image.
D) changing an image.
Answer: D
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

112) Changing an image is most necessary when:
A) a brand's image has been adversely impacted by entry of new competitors.
B) sales begin to decline.
C) target markets shrink or disappear or a firm's image no longer matches industry trends and consumer expectations.
D) a competitor enters the market with a product that is viewed as being superior.
Answer: C
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

113) Target's addition of designer product lines and advertising intended to raise the brand's prominence is an example of seeking to:
A) reinforce an image.
B) acquire an image.
C) change an image.
D) perfect an image.
Answer: C
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

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114) The image a brand tries to project should accurately portray an image the firm desires. It does not have to coincide with the goods and services being offered.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

115) While rejuvenating an image will help a firm sell more products, it will seldom attract new customers.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

116) Creating a strong advertising campaign is normally sufficient to rejuvenate a brand's image.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

117) In each industry, the right image is one that sends a clear message about the unique nature of an organization and its products.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

118) The key to successfully rejuvenating a brand's image is to completely change it to something new.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

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119) It is impossible to change a brand's image.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

120) Changing a brand's image is most beneficial when the image no longer matches industry trends and customer expectations.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

121) When should a company consider rejuvenating or changing its image and how should it be done?
Answer: A company should consider rejuvenating or changing its image when sales have declined or a competitor has taken a strong market position in the industry. Any time the brand has suffered a decline in brand equity is a good time to consider rejuvenating an image. Rejuvenating an image requires developing a campaign that is consistent with the current image, while at the same time incorporating new elements into the image to expand the firm's target market and to reconnect with previous customers.
Difficulty: Difficult
Skill: Synthesis
AACSB: Written and oral communication
LO: 2.4 What elements are involved in identifying, creating, rejuvenating, or changing a brand's image?

122) Names assigned to individual goods or services or to groups of products in a line are:
A) brands.
B) logos.
C) metrics.
D) designs.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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123) A family brand is:
A) one in which a company offers a series or group of products under one brand name.
B) a type of extension or flanker brand offered by one company.
C) a logo or theme of a brand.
D) one that has a high level of brand equity.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

124) Black & Decker's line of power tools is an example of a(n):
A) adaptation.
B) family brand.
C) flanker brand.
D) private label brand.
Answer: B
Difficulty: Moderate
Skill: Application
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

125) Nike creating a line of clothing to go along with their main products (shoes) is an example of a:
A) flanker brand.
B) brand extension.
C) cooperative brand.
D) complementary brand.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

126) When Procter & Gamble introduces a new laundry detergent with a different brand name, it is an example of creating a(n):
A) family brand.
B) cooperative brand.
C) co-brand.
D) flanker brand.
Answer: D
Difficulty: Moderate
Skill: Application
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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127) A Pillsbury cookie mix featuring Hershey's Chocolate is a form of:
A) flanker branding.
B) cooperative branding.
C) ingredient branding.
D) complementary branding.
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

128) The joint venture of two or more brands into a new good or service is:
A) ingredient branding.
B) cooperative branding.
C) complementary branding.
D) flanker branding.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

129) Strong brands achieve each of the following *except*:
A) allow a company to charge more for products.
B) create brand parity.
C) provide customers assurance of quality.
D) transfer to other products or brands the company sells.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

130) An advertising campaign created by Hormel that was designed to show customers the rich variety of brands sold by the company sought to:
A) allow the company to charge more.
B) create brand parity across company brands.
C) create perceptions of corporate uniqueness.
D) transfer perceptions of strong brands to other company products.
Answer: D
Difficulty: Moderate
Skill: Application
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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131) A customer's belief in the efficacy and reliability of a brand that has been established over time through personal experience is:
A) brand competence.
B) trust.
C) reliability.
D) distinctiveness.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

132) When customers purchase only one brand and consider no other brand, regardless of price differences, which exists?
A) brand involvement.
B) brand specialty.
C) brand loyalty.
D) brand parity.
Answer: C
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

133) The perception that all brands are essentially the same is:
A) brand equity.
B) brand parity.
C) flanker branding.
D) the private label problem.
Answer: B
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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134) Charles sees only minor differences among the various brands of high definition televisions. This is an example of:
A) brand equity.
B) brand parity.
C) flanker branding.
D) the private label problem.
Answer: B
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

135) The perception that a brand is different and better is:
A) brand equity.
B) brand parity.
C) flanker branding.
D) the private label advantage.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

136) When a customer believes Craftsman makes the best and most reliable tools, it is an example of:
A) brand parity.
B) brand equity.
C) brand cooperation.
D) brand decision.
Answer: B
Difficulty: Moderate
Skill: Application
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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137) Which is *not* true concerning brand equity?
A) It allows the company to charge a higher price.
B) It reduces name retention.
C) It is helpful in business-to-business markets.
D) It is helpful in international markets.
Answer: B
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

138) Which of the following measures returns on branding investments?
A) Brand infringement
B) Brand parity
C) Brand equity
D) Brand metrics
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

139) When brand equity is measured using estimates of the future cash flows of a brand based on its unique strength and characteristics, which will then be discounted to determine a net present value, the method is:
A) financial value.
B) market value.
C) revenue premium.
D) consumer value.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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140) When brand equity is measured using stock valuation with an estimate of the portion of the value allocated to brand equity and not physical assets, the method is:
A) financial value.
B) market value.
C) revenue premium.
D) consumer value.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

141) When brand equity is measured using a comparison of a branded product to the same product without a brand name, such as a private label, the method is:
A) financial value.
B) market value.
C) revenue premium.
D) consumer value.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

142) When brand equity is measured using the value of a brand based on input from consumers, such as familiarity, purchase considerations, customer satisfaction, and willingness to seek out the brand, the method is:
A) financial value.
B) market value.
C) revenue premium.
D) consumer value.
Answer: D
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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143) When measuring brand equity, companies can use a method called revenue premium, which compares a branded product's revenue to:
A) the industry's average.
B) a private label brand.
C) a firm's primary competitors.
D) the industry leader.
Answer: B
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

144) Brands are names generally assigned to individual goods or services or to sets of products in a line.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

145) Ingredient branding is the joint venture of two or more brands into a new good or service.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

146) Consumers recommend brands to their families and friends because of one or more salient attributes.
Answer: TRUE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

147) Developing a strong brand begins with discovering why consumers buy a brand as well as repurchase the brand.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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148) To establish a strong brand image, a brand name must be prominently promoted in repetitious ads or it should be associated with one of the product's benefits.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

149) The goal of branding is to build awareness of the brand name.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

150) Trust represents a customer's belief in the efficacy and reliability of a brand.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

151) Social media does not play a role in brand building because it involves consumers interacting with each other.
Answer: FALSE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

152) A recent trend in brand building has been to incorporate social media.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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153) Brand parity is the perception that there are significant differences among brands within a product category.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

154) Brand equity is a set of characteristics that are unique to a brand that make it seem different and better.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

155) Brand equity is not as important in business-to-business markets because pricing is typically the primary decision variable.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

156) Brand parity is a strong weapon that might dissuade consumers from looking for a cheaper product or for special deals or incentives to purchase other brands.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

157) Brand metrics measure the impact of advertising on a brand's image.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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158) Measuring brand equity using the financial value method estimates the future cash flows of a brand based on its unique strength and characteristics, which will then be discounted to determine a net present value.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

159) Brand equity using the stock market value method estimates the future cash flows of a brand based on its unique strengths that are then discounted to determine a net present value.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

160) The stock market approach to estimate brand equity involves determining the financial value of the company through stock valuation with an estimate of the portion of the value allocated to brand equity and not physical assets.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

161) The revenue premium approach to estimate brand equity involves determining the financial value of the company through stock valuation with an estimate of the portion of the value allocated to brand equity and not physical assets.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

162) The revenue premium approach to estimating brand equity compares a branded product to the same product without a brand name, such as a private label brand.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

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163) Although brand equity can be measured using various metrics, CEOs and other corporate leaders often prefer real, hard numbers.
Answer: TRUE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

164) When developing a strong brand name, what are some typical questions that should be asked?
Answer:
1. Where does your brand stand now?
2. What are your objectives?
3. What are you doing in terms of building your brand and business?
4. What are your brand's strengths? Weaknesses?
5. What opportunities should be pursued first? Where are the pitfalls?

Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

165) Identify the steps in building a high level of brand equity.
Answer:
1. Research and analyze what it would take to make the brand distinctive.
2. Engage in continuous innovation.
3. Move fast.
4. Integrate new and old media.
5. Focus on domination.

Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.5 How are brands developed, built, and sustained in order to build brand equity and fend off perceptions of brand parity?

166) Strong brands achieve the following *except*:
A) allow a company to charge more for products.
B) create brand parity.
C) provide customers assurance of quality.
D) transfer to other products or brands the company sells.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.6 What current trends affect private brands?

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167) The marketing of Velveeta Cheese with Rotel Tomatoes and Diced Green Chilies is an example of:
A) ingredient branding.
B) flanker branding.
C) cooperative branding.
D) complementary branding.
Answer: D
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

168) The goal of branding is to:
A) be able to charge a higher price than the competition.
B) gain the largest market share.
C) set a product apart from its competitors.
D) have a trademark that is easily identifiable.
Answer: C
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

169) A primary feature that keeps a brand strong occurs when the brand contains something that is important to consumers is:
A) diligence.
B) acceptance.
C) salience.
D) divergence.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.6 What current trends affect private brands?

170) Mobile advertising offers the following advantages, *except*:
A) opportunity to interact with consumers.
B) enhance the customer's experience.
C) immediate feedback from customers.
D) customization and personalization of ads.
Answer: C
Difficulty: Moderate
Skill: Critical Thinking
LO: 2.6 What current trends affect private brands?

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171) Attitudinal measures associated with branding are used to track the following, *except*:
A) awareness.
B) recall.
C) purchases.
D) recognition.
Answer: C
Difficulty: Moderate
Skill: Definition (Concept)
LO: 2.6 What current trends affect private brands?

172) A proprietary brand marketed by an organization and distributed within the organization's outlets is a(n):
A) private label.
B) flanker brand.
C) co-brand.
D) complementary brand.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

173) Private brands are:
A) new brands sold in the same category.
B) the joint venture of two or more brands in a new good or service.
C) the use of established brand names on goods and services not related to the company's core brand.
D) proprietary brands marketed by an organization and normally distributed exclusively within the organization's outlets.
Answer: D
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

174) Over the past few years, each of the following are changes that have occurred in the area of private branding, *except*:
A) increase in prices to equal national brands.
B) improved quality.
C) increased advertising of private brands.
D) increased quality of in-store displays of private brands.
Answer: A
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

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175) Private labels are attractive to retail stores because:
A) they are priced higher than national brands.
B) they do not require any advertising.
C) they tend to have higher margins than national brands.
D) consumers are becoming more loyal to private brands.
Answer: C
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

176) The following statements about private labels are true, *except*:
A) quality levels of many private label products have improved.
B) prices for private labels are going up in many markets.
C) consumers still perceive private labels as being inferior to manufacturer's brands.
D) some firms have begun advertising private labels.
Answer: C
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

177) Private brands are proprietary brands marketed by an organization and normally distributed within the organization's outlets.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

178) In recent years, loyalty toward retail stores has been declining, while loyalty toward individual brands has been increasing.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

179) Brand equity is the perception that most brands within a product category are relatively similar or have no distinct differences.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

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180) Many retailers are treating private labels more like national brands and investing more money into in-store displays, but less money into marketing and advertising.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

181) Manufacturers seeking to defend against strong private label brands can respond by focusing on core brands, advertising more, or expanding product offerings.
Answer: TRUE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.6 What current trends affect private brands?

182) Brand equity is not as important in international markets because fewer brands are available.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

183) The revenue premium method of estimating brand equity attempts to measure the value of a brand based on input from consumers through measures such as familiarity, quality, purchase considerations, customer satisfaction, and willingness to seek out the brand.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

184) The revenue premium and stock market methods of estimating brand equity attempts to measure the value of a brand based on input from consumers through measures such as familiarity, quality, purchase considerations, customer satisfaction, and willingness to seek out the brand.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

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185) Why have private labels been more successful in recent years?
Answer:
1. Quality levels have improved.
2. Perceived as a value purchase by consumers.
3. Loyalty toward stores is higher than loyalty to brands.
4. Increased advertising of private labels.
5. Used to differentiate retail outlets.
6. Increased quality of in-store displays and packaging of private labels.

Difficulty: Difficult
Skill: Critical Thinking
AACSB: Application of knowledge
LO: 2.6 What current trends affect private brands?

186) Traditionally, a package provided each of the following functions, *except*:
A) allow customers to see the product.
B) provide for ease of shipping, moving, and handling.
C) protect the contents.
D) provide for easy placement on store shelves.
Answer: A
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

187) New trends in packaging include each of the following, *except*:
A) prevent tampering.
B) meet consumer needs for speed, convenience, and portability.
C) contemporary and striking design.
D) designed for ease of use.
Answer: A
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

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188) Labels on packages serve the following purposes, *except*:
A) provide legal requirements in terms of content.
B) provide consumers with pricing per unit information.
C) another marketing opportunity to reach consumers.
D) provide warranty and guarantee information.
Answer: B
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

189) Brand infringement occurs when:
A) an internet domain is used that is similar to a brand name.
B) individuals purchase domain names just for the purpose of selling them later to famous individuals or companies.
C) a company creates a brand name that closely resembles a popular or successful brand name.
D) the brand name is used in advertisements by competitors.
Answer: C
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

190) Domain squatting occurs when:
A) an internet domain is used that is similar to a brand name.
B) individuals purchase domain names just for the purpose of selling them later to famous individuals or companies.
C) a company creates a brand name that closely resembles a popular or successful brand name.
D) the brand name becomes a generic term for the product category.
Answer: B
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

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191) Manufacturers are using all the following methods to respond to inroads made by private labels, *except*:
A) modifying the brand's position in the marketplace.
B) expanding product offerings.
C) using alternative promotional methods.
D) improving in-store displays and packaging.
Answer: A
Difficulty: Difficult
Skill: Definition (Concept)
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

192) A product's package is the first opportunity for a brand to make an impression on a consumer before a purchase is made.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

193) Marketing surveys have revealed that less than 10 percent of purchases are planned prior to reaching a store, which increases the importance of in-store displays.
Answer: FALSE
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Reflective thinking
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

194) Packaging should meet the needs of consumers for speed, convenience, and portability.
Answer: TRUE
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

195) Brand infringement occurs when a company creates a product that looks identical to a current brand.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

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196) Buying domain names on the internet that may be important to famous people or businesses with the idea of making money from selling the domain name to them is called internet brand infringement.
Answer: FALSE
Difficulty: Moderate
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.7 How can packaging and labels support an IMC program - domestically and in foreign settings?

197) Using a standardized global brand offers all of the following advantages, *except*:
A) lower marketing costs.
B) meets the need of individual cultures within different countries.
C) transference of best practices from one country to another.
D) a higher perceived quality because it is sold in different countries.
Answer: B
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Diverse and multicultural work environments
LO: 2.8 How are brands managed in international markets?

198) Global brands perform best with:
A) highly visible products, such as clothing and furniture.
B) high-profile, low-involvement products.
C) high-profile, high-involvement products.
D) low-involvement everyday products.
Answer: C
Difficulty: Difficult
Skill: Definition (Concept)
AACSB: Diverse and multicultural work environments
LO: 2.8 How are brands managed in international markets?

199) Which is the most recent new trend in packaging and labeling?
A) Providing warranty information
B) Meeting legal requirements
C) Adding QR codes
D) Protecting product content
Answer: C
Difficulty: Easy
Skill: Definition (Concept)
LO: 2.8 How are brands managed in international markets?

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200) When expanding internationally, an adaptation strategy means using the same brand name and products across all countries.
Answer: FALSE
Difficulty: Easy
Skill: Definition (Concept)
AACSB: Application of knowledge
LO: 2.8 How are brands managed in international markets?

201) In international markets, an adaptation strategy reduces costs.
Answer: FALSE
Difficulty: Moderate
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.8 How are brands managed in international markets?

202) Because a label on a package must meet legal requirements it does not represent a good opportunity to reach consumers with a marketing message.
Answer: FALSE
Difficulty: Difficult
Skill: Critical Thinking
AACSB: Reflective thinking
LO: 2.8 How are brands managed in international markets?

203) The placement of QR codes for consumers to access with mobile devices represents a new trend in packaging and labeling.
Answer: TRUE
Difficulty: Easy
Skill: Definition (Concept)
LO: 2.8 How are brands managed in international markets?

204) What are the primary purposes of packaging?
Answer: Elements of packaging include:
1. Protect the product inside.
2. Provide for ease in shipping, moving, and handling.
3. Provide for easy placement on store shelves.
4. Prevent or reduce the possibility of theft.
5. Prevent tampering.
6. Meet consumer needs for speed, convenience, and portability.
7. Communicate a marketing message.
Difficulty: Difficult
Skill: Synthesis
AACSB: Application of knowledge
LO: 2.8 How are brands managed in international markets?

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