M Advertising 4th edition Arens Test Bank

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M Advertising 4th Edition by Arens CH01

ANSWERS ARE LOCATED IN THE SECOND PART OF THIS DOCUMENT

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

1) Integrated marketing communications involves strategically coordinating and integrating brand messages across all consumer contact points.

- ◎ true
- ◎ false

2) Advertising is more effective when it is guided by a firm's overall IMC program.

- ◎ true
- ◎ false

3) An advertisement promoting a build-it-yourself storage shed kit is an example of advertising that promotes a service.

- ◎ true
- ◎ false

4) The billboard that displays an advertisement for a new Internet service provider is an example of a medium.

- ◎ true
- ◎ false

5) The term "mass media" includes print media only. The other media are part of general media.

- ◎ true
- ◎ false

6) The ultimate goal of the marketing process is to build a strong brand image.

- ◎ true
- ◎ false

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7) A firm's advertising strategy will help determine who the targets of advertising should be, in what markets the advertising should appear, and what goals the advertising should accomplish.

- ◎ true
- ◎ false

8) The U.S. economy is based on the concept of free-market competition.

- ◎ true
- ◎ false

9) One of the functions of advertising as a marketing tool is to build value, brand preference, and loyalty.

- ◎ true
- ◎ false

10) One of the basic functions of advertising is to communicate information about the product, its features, and its location of sale.

- ◎ true
- ◎ false

11) The preindustrial age extended from the beginning of recorded history until the end of World War II.

- ◎ true
- ◎ false

12) Benjamin Franklin opposed the use of advertising.

- ◎ true
- ◎ false

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13) During the industrial age, manufacturers were primarily concerned with production rather than marketing.

- ◎ true
- ◎ false

14) For Americans, the profession of advertising began when Francis Ayer formed an ad agency in Philadelphia in 1869.

- ◎ true
- ◎ false

15) In the early 1900s, public schooling played an important role in forming a reading public capable of understanding print ads.

- ◎ true
- ◎ false

16) The golden age of advertising ended shortly after World War II.

- ◎ true
- ◎ false

17) Budweiser is using product differentiation when it calls its beer the "King of Beers."

- ◎ true
- ◎ false

18) A product's USP is the feature that differentiates it from competitive products.

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19) Product differentiation is a strategy used to identify groups of people or organizations with certain shared needs and characteristics.

◎ true
◎ false

20) Jimmy John's, a fast-food gourmet sandwich chain, used a positioning strategy when it adopted the slogan "Subs So Fast You'll Freak."

◎ true
◎ false

21) Demarketing, which was popular in the industrial age, is no longer used today.

◎ true
◎ false

22) Sales promotion is a more cost-effective marketing communication tool than advertising.

◎ true
◎ false

23) Only the Internet provides advertisers with the ability to engage in narrowcasting.

◎ true
◎ false

24) As a social force, advertising has been a major factor in improving the standard of living in the United States.

◎ true
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25) In 1914, Congress passed the Federal Trade Commission Act to protect the public's health and control drug advertising.

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

51) The term integrated marketing communications means

A) developing a long-term marketing strategy.
B) communicating marketing information to a target audience.
C) linking the sales and communication departments in a firm.
D) training a sales force to use proper marketing skills.
E) coordinating a firm's brand messages from a variety of sources.

52) _____ 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) Marketing
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C) Advertising
D) Feedback
E) Message channeling

53) Which word best describes advertising?

A) free
B) spontaneous
C) persuasive
D) unsponsored
E) unemotional

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B) free to those who view the advertisement.
C) a sponsor-driven strategy.
D) meant to inform rather than persuade.
E) directed to groups of people rather than individuals.

55) When Juliana buys a pair of shoes and Nellie purchases a copy of the *Wall Street Journal*, both are acting as

A) sponsors.
B) consumers.
C) advocates.
D) marketers.
E) adopters.

56) Which organization is *most likely* to use a public service announcement (PSA)?

A) The American Heart Association
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60) Which statement about word-of-mouth advertising is true?

A) It is not a communication medium.
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62) Of all the business functions, _____ is the only function whose primary role is to bring in revenue.

A) finance
B) operations management
C) human resource management
D) marketing
E) accounting

63) _____ 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) Management
B) Advertising
C) Production
D) Logistics
E) Marketing

64) The 4Ps of the marketing mix are

A) product, price, place, and promotion.
B) product, people, process, and promotion.
C) people, price, place, and product.
D) product, process, people, and production.
E) place, people, product, and process.

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A) advertising
B) marketing
C) marketing mix
D) product differentiation
E) positioning

66) _____ has driven the growth of advertising since its earliest beginnings and has made it one of the hallmarks of the free enterprise system.

A) Culture
B) Ethics
C) Economics
D) Literacy
E) Socialism

67) Which statement demonstrates that people tend to act in their self-interest?

A) The more information buyers and sellers have, the more efficient the competition.
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C) A wide variety of buyers helps sellers find customers.
D) People always want more—for less.
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69) Governments often use taxation and/or regulation to compensate for or eliminate the social cost when the sale or consumption of products may benefit or harm other people who are not involved in the transaction and did pay for the product. Which fundamental assumption of a market-driven society does this practice relate to?

A) many buyers and sellers
B) absence of externalities
C) presence of opportunity costs
D) self-interest
E) complete information

70) During the preindustrial age, most advertisements took the form of signs with symbols such as a beer tankard indicating a tavern because

A) most people were illiterate and could not read.
B) most firms could not afford more sophisticated advertisements.
C) local laws prohibited advertising in newspapers.
D) most churches would not approve other forms of advertising.
E) signs and symbols were considered lucky.

71) The period in the evolution of advertising that extended from the beginning of recorded history to roughly the start of the nineteenth century was called the

A) sales era.
B) positioning age.
C) industrial age.
D) industrializing age.
E) preindustrial age.

72) Which age in the evolution of advertising was characterized by the Chinese inventing paper, JohannesGuttenberg inventing the printing press, and the *Boston Newsletter* beginning to carry advertisements that appealed toAmerican colonists?

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A) preindustrial age
B) industrial age
C) golden age
D) postindustrial age
E) global interactive age

73) What did the first newspaper ad advertise?

A) a new edition of the Bible
B) a piece of land
C) a reward for stolen horses
D) a religious service
E) a traveler's inn

74) In the history of advertising, _____ made possible the first advertising formats: posters, handbills, signs, and newspapers.

A) the quill pen
B) the printing press
C) silk screening
D) laser engraving
E) etching machines

75) Benjamin Franklin was the first American known to

A) use illustrations in ads.
B) use color printing in a newspaper.
C) use copy in ads.
D) eliminate headlines from ads.
E) minimize white space in ads.

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76) During the _____ age, manufacturers were principally concerned with production, and the primary burden of marketing fell on the wholesalers.

A) preindustrial
B) industrial
C) golden
D) postindustrial
E) global interactive

77) Which statement best describes how Volney B. Palmer influenced advertising?

A) In 1729, he became the first to use "white space" and illustration in ads.
B) In 1841, he set up the first professional advertising agency in the United States.
C) In 1869, his advertising agency became the first to prepare ads for manufacturers.
D) In 1888, he founded the *Printer's Ink* magazine.
E) In 1912, he became the first advertising agent to reach $2 million in sales.

78) What role did the firm N. W. Ayers & Sons play in the history of U.S. advertising?

A) It was the first printer to use illustrations in its ads.
B) It was the first manufacturer to use national advertising.
C) It was the first ad agency to charge a commission based on the "net cost of space."
D) Its advertising claims were the first criticized by the Food & Drug Administration.
E) It published the first colonial newspaper with advertisements for local businesses.

79) Who wrote the book *Scientific Advertising*?

A) Francis Ayer
B) Claude Hopkins
C) Volney B. Palmer
D) Albert Lasker
E) N. W. Ayer

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80) Beginning in the 1840s, _____ permitted advertising on a national scale with high-quality reproduction.

A) magazines
B) newspapers
C) handbills
D) direct mailings
E) store signs

81) Why is 1896 considered an extremely important year for direct mail advertising and mail-order selling?

A) Advertising agencies were allowed to charge commissions for their services.
B) The U.S. Post Office was created.
C) The Office of Consumer Affairs guaranteed that consumers could return products that did not meet their needs.
D) The Federal Communications Commission took control of all mail order and direct mail advertising.
E) The federal government inaugurated rural free mail delivery.

82) What occurred near the end of the nineteenth century and accelerated the usage of print ads by manufacturers?

A) World War I finally ended.
B) Global advertising agencies formed.
C) Newspaper advertisements decreased in cost.
D) The United States reached a 90 percent literacy rate.
E) English was established as the official language of the United States.

83) With respect to the evolution of advertising in the United States, the _____ age started at the end of World War II and lasted until about 1979.

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A) preindustrial
B) postindustrial
C) industrial
D) golden
E) global interactive

84) The term _____ best explains why most automobile manufacturers produce similar products yet consumers have preferences for specific brands.

A) market segmentation
B) market formatting
C) product differentiation
D) strategic marketing
E) product segmentation

85) Which term *best* refers to items such as coffee, hand lotion, laundry soap, and packaged lunchmeat?

A) customized packaged goods
B) consumer packaged goods
C) in-house products
D) branded products
E) serviceable goods

86) When Chipotle uses the slogan "Food with Integrity" to appeal to consumers who want healthy food sourced from the best ingredients with respect to the environment and the farmers, it is using the strategy of

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A) market segmentation.
B) agricultural advertising.
C) personal selling.
D) positioning.
E) puffery.

87) A decade after World War I ended, a significant event occurred that caused consumer sales resistance, corporate budget cutting, and a sharp reduction in advertising expenditures. This event was

A) the imposition of a personal income tax by the federal government.
B) the defeat of Germany and its default on loans granted by the Allies.
C) the stock market crash and the beginning of the Great Depression.
D) the creation of the World Bank, which made loans available to state and federal banks.
E) strong challenges to the consumer credit system as established by the federal government.

88) Which term refers to the distinctive benefits that make a product different than any other?

A) perceptual value
B) unique selling proposition
C) economic differential
D) economic advantage
E) benefit segmentation

89) To differentiate its coffee from that produced by other coffee manufacturers, Mountain Grown Coffee advertises that its coffee is made from coffee beans sourced from deep within the mountain ranges of the Caribbean islands and nourished from pure mountain spring water. This commitment to market a specific type of coffee is an example of a(n)

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A) perceptual value.
B) unique selling proposition.
C) economic differential.
D) economic advantage.
E) differential value.

90) Which is the largest advertising medium in terms of advertising revenues?

A) the Internet
B) newspapers
C) magazines
D) television
E) radio

91) _____ is a process by which marketers search for unique groups of people whose needs can be addressed through more specialized products.

A) Product segmentation
B) Targeted diversification
C) Demarketing
D) Market segmentation
E) Market aggregation

92) A Quinceañerais a celebratory rite of passage for Latina girls when they turn 15. In the United States, someteen-oriented magazines such as *Seventeen*have begun including articles and publishing special guides focusedon theQuinceañera. This is an example ofa _____ strategy.

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A) product segmentation
B) targeted diversification
C) demarketing
D) market segmentation
E) market aggregation

93) A _____ is an effective way to separate a particular brand from its competitors by associating that brand with a particular set of customer needs that rank high on the consumer's priority list.

A) logistical strategy
B) universal sales promotion
C) positioning strategy
D) market aggregation strategy
E) promotional mix

94) When it was introduced to the American market, the Patagonian Toothfish, otherwise known as Chilean Sea Bass, became wildly popular. Demand for the fish led to overfishing and the population of Chilean Sea Bass dwindled to dangerously low levels. An effort to restore the fish stock was led by the "Take a Pass on Chilean Sea Bass" campaign, which discouraged consumers from eating the fish and encouraged restaurants to take it off their menus. This campaign was an example of

A) demarketing.
B) a unique selling proposition.
C) un-branding.
D) a differentiation strategy.
E) agricultural advertising.

95) The _____ age, which began around 1980, started a period of cataclysmic change.

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A) industrial
B) preindustrial
C) golden
D) postindustrial
E) global interactive

96) _____ is a type of marketing used to slow down the demand for certain products, such as energy-consuming goods.

A) Market segmentation
B) Demarketing
C) Environmental advertising
D) Eco-marketing
E) Cause marketing

97) During a drought in the southeastern United States, marketing campaigns were implemented to encourage consumers to use less water by increasing rates and issuing fines to those who used more than their fair share. A marketing effort such as this would best be classified as

A) market segmentation.
B) eco-marketing.
C) demarketing.
D) ethical marketing.
E) cause marketing.

98) What era of advertising was characterized by a concerted effort on growth and acquisitions leading to megamergers?

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99) The Cold War ended with the collapse of the Soviet Union, and Western companies and financiers began to invest heavily in what were once called the Warsaw Pact countries. Big multinational companies and their advertising agencies went on a binge, buying other big companies and adding a new term for this process to the financial lexicon. This term was

A) partnering.
B) capitalism.
C) oligopoly.
D) megamerger.
E) gigantism.

100) Since pickleball is a fairly new sport in the U.S., a manufacturer of pickleball racquets is choosing only to advertise to consumers whose cities have installed pickleball courts for its residents. In doing so, the manufacturer is using _____ to determine where to advertise.

A) positioning
B) demarketing
C) product differentiation
D) market aggregation
E) market segmentation

101) What type of strategy is being used by a car rental agency when it describes itself as "the only rental company with door-to-door service" to emphasize that the company will deliver cars to customers' at their homes or place of business?

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A) market penetration
B) target differentiation
C) positioning
D) market segmentation
E) sales promotion

102) Two related economic factors characterized the marketing world of the late 1980s and early 1990s in the United States. One of those factors was

A) an aging upper management that led to a lack of innovation.
B) a growing burden of debt, which forced governments to increase business taxes.
C) the implementation of affirmative action policies.
D) the aging of traditional products and a corresponding growth of competition.
E) the development of strong consumer trust.

103) During the 1980s, many companies begin using more sales promotions because sale promotions

A) took advantage of social media.
B) reached a broader audience.
C) were more cost-effective.
D) added value to brands.
E) used celebrity endorsements to advantage.

104) Which term describes how cable networks devote entire channels to food, home repair, golf, history, or animals?

A) mass marketing
B) two-way media
C) relationship marketing
D) narrowcasting
E) broadcasting

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105) Which statement *best* describes how the growth of new media has affected traditional media?

A) New media have massively disrupted traditional media, such as newspapers, by costing them revenue.
B) As new media have grown more popular, they have earned far more advertising revenues than traditional media.
C) New media grew sharply at first but proved to be a short-lived fad that did not affect traditional media.
D) The new media have merged with traditional media like newspapers and prevented them from closing.
E) New media have had no effect at all on traditional media.

106) Which is a social benefit of advertising?

A) It facilitates freedom of the press and promotes more complete information.
B) It discourages economic competition.
C) It emphasizes consumerism over other values.
D) It perpetuates longstanding stereotypes.
E) It exposes people to thousands of commercial messages daily.

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D) eliminate headlines from ads.
E) minimize white space in ads.

132) During the _____ age, manufacturers were principally concerned with production, and the primary burden of marketing fell on the wholesalers.

A) preindustrial
B) industrial
C) golden
D) postindustrial
E) global interactive

133) Which statement best describes how Volney B. Palmer influenced advertising?

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A) In 1729, he became the first to use "white space" and illustration in ads.
B) In 1841, he set up the first professional advertising agency in the United States.
C) In 1869, his advertising agency became the first to prepare ads for manufacturers.
D) In 1888, he founded the *Printer's Ink* magazine.
E) In 1912, he became the first advertising agent to reach $2 million in sales.

134) What role did the firm N. W. Ayers & Sons play in the history of U.S. advertising?

A) It was the first printer to use illustrations in its ads.
B) It was the first manufacturer to use national advertising.
C) It was the first ad agency to charge a commission based on the "net cost of space."
D) Its advertising claims were the first criticized by the Food & Drug Administration.
E) It published the first colonial newspaper with advertisements for local businesses.

135) Who wrote the book *Scientific Advertising*?

A) Francis Ayer
B) Claude Hopkins
C) Volney B. Palmer
D) Albert Lasker
E) N. W. Ayer

136) Beginning in the 1840s, _____ permitted advertising on a national scale with high-quality reproduction.

A) magazines
B) newspapers
C) handbills
D) direct mailings
E) store signs

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137) Why is 1896 considered an extremely important year for direct mail advertising and mail-order selling?

A) Advertising agencies were allowed to charge commissions for their services.
B) The U.S. Post Office was created.
C) The Office of Consumer Affairs guaranteed that consumers could return products that did not meet their needs.
D) The Federal Communications Commission took control of all mail order and direct mail advertising.
E) The federal government inaugurated rural free mail delivery.

138) What occurred near the end of the nineteenth century and accelerated the usage of print ads by manufacturers?

A) World War I finally ended.
B) Global advertising agencies formed.
C) Newspaper advertisements decreased in cost.
D) The United States reached a 90 percent literacy rate.
E) English was established as the official language of the United States.

139) With respect to the evolution of advertising in the United States, the _____ age started at the end of World War II and lasted until about 1979.

A) preindustrial
B) postindustrial
C) industrial
D) golden
E) global interactive

140) The term _____ best explains why most automobile manufacturers produce similar products yet consumers have preferences for specific brands.

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A) market segmentation
B) market formatting
C) product differentiation
D) strategic marketing
E) product segmentation

141) Which term *best* refers to items such as coffee, hand lotion, laundry soap, and packaged lunchmeat?

A) customized packaged goods
B) consumer packaged goods
C) in-house products
D) branded products
E) serviceable goods

142) When Chipotle uses the slogan "Food with Integrity" to appeal to consumers who want healthy food sourced from the best ingredients with respect to the environment and the farmers, it is using the strategy of

A) market segmentation.
B) agricultural advertising.
C) personal selling.
D) positioning.
E) puffery.

143) A decade after World War I ended, a significant event occurred that caused consumer sales resistance, corporate budget cutting, and a sharp reduction in advertising expenditures. This event was

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A) the imposition of a personal income tax by the federal government.
B) the defeat of Germany and its default on loans granted by the Allies.
C) the stock market crash and the beginning of the Great Depression.
D) the creation of the World Bank, which made loans available to state and federal banks.
E) strong challenges to the consumer credit system as established by the federal government.

144) Which term refers to the distinctive benefits that make a product different than any other?

A) perceptual value
B) unique selling proposition
C) economic differential
D) economic advantage
E) benefit segmentation

145) To differentiate its coffee from that produced by other coffee manufacturers, Mountain Grown Coffee advertises that its coffee is made from coffee beans sourced from deep within the mountain ranges of the Caribbean islands and nourished from pure mountain spring water. This commitment to market a specific type of coffee is an example of a(n)

A) perceptual value.
B) unique selling proposition.
C) economic differential.
D) economic advantage.
E) differential value.

146) Which is the largest advertising medium in terms of advertising revenues?

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A) the Internet
B) newspapers
C) magazines
D) television
E) radio

147) _____ is a process by which marketers search for unique groups of people whose needs can be addressed through more specialized products.

A) Product segmentation
B) Targeted diversification
C) Demarketing
D) Market segmentation
E) Market aggregation

148) A Quinceañerais a celebratory rite of passage for Latina girls when they turn 15. In the United States, someteen-oriented magazines such as *Seventeen*have begun including articles and publishing special guides focusedon theQuinceañera. This is an example ofa _____ strategy.

A) product segmentation
B) targeted diversification
C) demarketing
D) market segmentation
E) market aggregation

149) A _____ is an effective way to separate a particular brand from its competitors by associating that brand with a particular set of customer needs that rank high on the consumer's priority list.

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A) logistical strategy
B) universal sales promotion
C) positioning strategy
D) market aggregation strategy
E) promotional mix

150) When it was introduced to the American market, the Patagonian Toothfish, otherwise known as Chilean Sea Bass, became wildly popular. Demand for the fish led to overfishing and the population of Chilean Sea Bass dwindled to dangerously low levels. An effort to restore the fish stock was led by the "Take a Pass on Chilean Sea Bass" campaign, which discouraged consumers from eating the fish and encouraged restaurants to take it off their menus. This campaign was an example of

A) demarketing.
B) a unique selling proposition.
C) un-branding.
D) a differentiation strategy.
E) agricultural advertising.

151) The _____ age, which began around 1980, started a period of cataclysmic change.

A) industrial
B) preindustrial
C) golden
D) postindustrial
E) global interactive

152) _____ is a type of marketing used to slow down the demand for certain products, such as energy-consuming goods.

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A) Market segmentation
B) Demarketing
C) Environmental advertising
D) Eco-marketing
E) Cause marketing

153) During a drought in the southeastern United States, marketing campaigns were implemented to encourage consumers to use less water by increasing rates and issuing fines to those who used more than their fair share. A marketing effort such as this would best be classified as

A) market segmentation.
B) eco-marketing.
C) demarketing.
D) ethical marketing.
E) cause marketing.

154) What era of advertising was characterized by a concerted effort on growth and acquisitions leading to megamergers?

A) industrial
B) preindustrial
C) golden
D) postindustrial
E) global interactive

155) The Cold War ended with the collapse of the Soviet Union, and Western companies and financiers began to invest heavily in what were once called the Warsaw Pact countries. Big multinational companies and their advertising agencies went on a binge, buying other big companies and adding a new term for this process to the financial lexicon. This term was

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A) partnering.
B) capitalism.
C) oligopoly.
D) megamerger.
E) gigantism.

156) Since pickleball is a fairly new sport in the U.S., a manufacturer of pickleball racquets is choosing only to advertise to consumers whose cities have installed pickleball courts for its residents. In doing so, the manufacturer is using _____ to determine where to advertise.

A) positioning
B) demarketing
C) product differentiation
D) market aggregation
E) market segmentation

157) What type of strategy is being used by a car rental agency when it describes itself as "the only rental company with door-to-door service" to emphasize that the company will deliver cars to customers' at their homes or place of business?

A) market penetration
B) target differentiation
C) positioning
D) market segmentation
E) sales promotion

158) Two related economic factors characterized the marketing world of the late 1980s and early 1990s in the United States. One of those factors was

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A) an aging upper management that led to a lack of innovation.
B) a growing burden of debt, which forced governments to increase business taxes.
C) the implementation of affirmative action policies.
D) the aging of traditional products and a corresponding growth of competition.
E) the development of strong consumer trust.

159) During the 1980s, many companies begin using more sales promotions because sale promotions

A) took advantage of social media.
B) reached a broader audience.
C) were more cost-effective.
D) added value to brands.
E) used celebrity endorsements to advantage.

160) Which term describes how cable networks devote entire channels to food, home repair, golf, history, or animals?

A) mass marketing
B) two-way media
C) relationship marketing
D) narrowcasting
E) broadcasting

161) Which statement *best* describes how the growth of new media has affected traditional media?

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A) New media have massively disrupted traditional media, such as newspapers, by costing them revenue.

B) As new media have grown more popular, they have earned far more advertising revenues than traditional media.

C) New media grew sharply at first but proved to be a short-lived fad that did not affect traditional media.

D) The new media have merged with traditional media like newspapers and prevented them from closing.

E) New media have had no effect at all on traditional media.

162) Which is a social benefit of advertising?

A) It facilitates freedom of the press and promotes more complete information.
B) It discourages economic competition.
C) It emphasizes consumerism over other values.
D) It perpetuates longstanding stereotypes.
E) It exposes people to thousands of commercial messages daily.

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

163) What is integrated marketing communications?

164) Define advertising.

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165) What is marketing?

166) Briefly describe the 4Ps of the marketing mix.

167) One of the principles of free-market economics is that our market-driven society believes in "complete information." What does this mean?

168) What are the fundamental assumptions of free-market economics that a market-driven society strives to achieve?

169) What is the most basic function of branding?

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170) Which technical innovations of the Industrial Revolution assisted the advertising industry?

171) What important development in the history of advertising was brought about by Johannes Gutenberg?

172) What was the role of Francis Ayer in the evolution of advertising?

173) Describe how advertising fits into the marketing process.

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174) Differentiate between marketing strategy and advertising strategy.

175) List and briefly describe the four fundamental assumptions of free-market economics.

176) How has the Coca-Cola Company gone about achieving the most basic function of branding?

177) Describe how advertising evolved during the preindustrial age.

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178) Describe who bore the burden of marketing in the industrial age.

179) Describe how advertising evolved during the industrial age.

180) How did the spread of public schooling in the United States affect the advertising industry?

181) Why did advertisers during the mid-twentieth century believe that every advertisement must point out their product's unique selling proposition?

182) Explain the following statement: "As a social force, advertising has been a major factor in improving the standard of living in the United States."

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M Advertising 4th Edition by Arens CH01

Answer Key

Test name: CH01

1) TRUE
Integrated marketing communications (IMC) is the coordination and integration of brand messages from a variety of sources.

2) TRUE
In the past, advertising campaigns were created without much thought to how the ads would work with other marketing communications. Today, advertising is just one element in the marketing communications toolbox and is more effective when guided by a firm's overall integrated marketing communications (IMC) program.

3) FALSE
Advertising promotes tangible goods such as oranges, iPads, and cars, as well as the intangible services of bankers, beauticians, bike repair shops, bill collectors, and bakeries. In this case, a build-it-yourself storage shed kit is an example of a tangible product.

4) TRUE
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 its target audience.

5) FALSE
Mass media are print or broadcast media that reach very large audiences. They include radio, television, newspapers, magazines, and billboards.

6) FALSE

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The ultimate goal of marketing is to earn a profit for the firm by exchanging products or services with those customers who need or want them.

7) FALSE
A firm's marketing strategy will help determine who the targets of advertising should be, in what markets the advertising should appear, and what goals the advertising should accomplish. The advertising strategy, in turn, will refine the target audience and define what response the advertiser is seeking—what that audience should notice, think, and feel.

8) TRUE
Our capitalist economy is based on the notion of free-market competition. While there is no such thing as perfect competition, there are four fundamental assumptions of free-market economics that a market-driven society strives to achieve: self-interest, complete information, many buyers and sellers, and absence of externalities (social costs).

9) TRUE
One of the seven functions and effects of advertising as a marketing tool is to build value, brand preference, and loyalty.

10) TRUE
Advertising has many functions including the communication of information about the product, its features, and its location of sale.

11) FALSE
The preindustrial age was the period of time between the beginning of written history and roughly the start of the nineteenth century; the industrial age lasted roughly from about 1800 until the end of World War II (1945).

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12) FALSE
In the American colonies, the *Boston Newsletter* began carrying ads in 1704. About 25 years later, Benjamin Franklin,the father of advertising art, made ads more readable by using large headlines and considerable white space. In fact,Franklin was the first American known to use illustrations in ads.

13) TRUE
During the industrial age, which lasted roughly until the end of World War II (1945), manufacturers were principally concerned with production.

14) FALSE
For Americans, the profession of advertising began when Volney B. Palmer set up business in Philadelphia in 1841.
15) TRUE
Public schooling helped the nation reach an unparalleled 90 percent literacy rate. Manufacturers gained a large reading public that could understand print ads.

16) FALSE
The golden age of advertising began at the end of World War II and lasted until about 1979.

17) TRUE
Manufacturers following a strategy of product differentiation seek to portray their brands as different from and better than the competition by offering consumers quality, variety, and convenience. In this case, Budweiser wants consumers to believe that its beer is superior to other brands on the market.

18) TRUE

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USP (unique selling proposition)—features that differentiate a product from competitive products.

19) FALSE
Manufacturers follow the strategy of product differentiation vigorously, seeking to portray their brands as different from and better than the competition by offering consumers quality, variety, and convenience. Market segmentation involves identifying groups with shared needs and characteristics.

20) TRUE
Positioning involves separating a particular brand from its competitors by associating that brand with a particular set of needs that rank high on the consumer's priority list. In this case, the slogan positions the restaurant as the fastest place to go for gourmet sandwiches.

21) FALSE
During the postindustrial age, demarketing became a more aggressive strategic tool for advertisers to use against competitors, political opponents, and social problems, and it is still used. For example, many organizations today actively seek to demarket the use of tobacco.

22) TRUE
As the U.S. economy slowed during the 1980s, many companies were chasing too few consumer dollars. Clients trimmed their ad budgets, and many turned to more cost-effective sales promotion alternatives, such as coupons, direct mail, and direct marketing to build sales volume.

23) FALSE
Narrowcasting involves delivering programming to a specific group defined by demographics and/or program content, rather than mass appeal. Television offers narrowcasting opportunities especially through cable channels, such as ESPN and HGTV.

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24) TRUE
Advertising has been a major factor in improving the standard of living in the United States and around the world.

25) FALSE
In 1906, Congress passed the Pure Food and Drug Act to protect the public's health and control drug advertising. In 1914, it passed the Federal Trade Commission Act to protect the public from unfair business practices, including misleading and deceptive advertising.

26) TRUE
Integrated marketing communications (IMC) is the coordination and integration of brand messages from a variety of sources.

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In 1906, Congress passed the Pure Food and Drug Act to protect the public's health and control drug advertising. In 1914, it passed the Federal Trade Commission Act to protect the public from unfair business practices, including misleading and deceptive advertising.

51) E
Integrated marketing communications (IMC) is the modern practice of strategically coordinating and integrating brand messages across all consumer contact points. Marketers today know that it is no longer possible to reach and effectively persuade their audiences with traditional media alone—television, radio, magazines, newspapers, direct mail, and outdoor. They need to combine and coordinate those communications tools with public relations, personal selling, sales promotion, and digital media to mount an effective marketing campaign.

52) C

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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.

53) C
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.

54) E
Advertising is typically directed to groups of people rather than to individuals. It is therefore nonpersonal, or mass, communication.

55) B
Consumers buy products for their own personal use.

56) A
A public service announcements (PSA) is an advertisement serving the public interest, often for a nonprofit organization, carried by the media at no charge. The American Heart Association is the only nonprofit organization listed.

57) C
In addition to promoting tangible goods such as oranges, iPads, and cars, advertising helps publicize the intangible services of bankers, beauticians, bike repair shops, bill collectors, and bakeries. Of the alternatives listed, only a delivery van is a tangible good. The rest are all services.

58) C

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In addition to promoting tangible goods such as oranges, iPads, and cars, advertising helps publicize the intangible services of bankers, beauticians, bike repair shops, bill collectors, and bakeries. Of the alternatives listed, only the seminar is intangible. The rest are all tangible goods.

59) D
Public Service Announcements (PSAs) are advertisements serving public interest, often for a nonprofit organization, which are carried by the media at no charge. The American Red Cross is the only nonprofit organization in the listed scenarios.

60) D
Word-of-mouth (WOM) advertising is the passing of information, especially product recommendations, in an informal, unpaid, person-to-person manner, rather than through advertising or other forms of traditional marketing. Although WOM is a communication medium, it has not generally been considered an advertising medium. However, the popularity of social media is forcing advertisers to reconsider this belief.

61) B
Advertising reaches us through channels of communication referred to as media (the plural of medium). An advertising medium is any nonpersonal means used to present an ad to its target audience.

62) D
Of all the business functions, marketing is the only one whose primary role is to bring in revenue.

63) E
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.

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64) A
The marketing mix is typically broken down into the 4Ps: developing *products, pricing* them strategically, distributingthem so they are available to customers at appropriate *places*, and *promoting* them through sales and advertising activities.

65) A
Advertising helps the organization achieve its marketing goals. The marketing strategy will help determine who the targets of advertising should be, in what markets the advertising should appear, and what goals the advertising should accomplish. The advertising strategy, in turn, will refine the target audience and define what response the advertiser is seeking—what that audience should notice, think, and feel.

66) C
Economics has driven the growth of advertising since its earliest beginnings and has made it one of the hallmarks of the free enterprise system.

67) D
People and organizations tend to act in their own self-interest. People always want more—for less.

68) D
One of the functions and effects of advertising as a marketing tool is to increase product use.

69) B
Absence of externalities (social costs): Sometimes the sale or consumption of products may benefit or harm other people who are not involved in the transaction and didn't pay for the product. In these cases, the government may use taxation and/or regulation to compensate for or eliminate the externalities.

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70) A
At first, merchants hung carved signs in front of their shops so passersby could see what products were being offered. Most people could not read, so the signs often used symbols, such as a boot for a cobbler.

71) E
The preindustrial age, for Western civilization, extended from the beginning of recorded history to roughly the start of the nineteenth century.

72) A
The preindustrial age is the period of time between the beginning of written history and roughly the start of the nineteenthcentury.The Chinese invented paper and Europe had its first paper mill by 1275. In the 1440s, Johannes Gutenberg inventedthe printing press in Germany. In 1704, the *BostonNewsletter*in the American colonies began to carry ads.

73) C
In the mid-1600s, the first newspaper ad was published and offered a reward for the return of 12 stolen horses.

74) B
The introduction of the printing press meant that people no longer had to rely on their memories for record keeping. This new technology made possible the first formats of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

75) A
Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines and considerable white space. In fact, Franklin was the first American known to use illustrations in ads.

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76) B
During the industrial age, manufacturers were principally concerned with production. The burden of marketing fell on wholesalers. They used advertising primarily as an information vehicle. Advertising to consumers was the job of the local retailer and the large mail-order catalog companies.

77) B
For Americans, the profession of advertising began when Volney B. Palmer set up business in Philadelphia in 1841. He contracted with newspapers for large volumes of advertising space at discount rates and then resold the space to advertisers at a higher rate.

78) C
N. W. Ayer & Sons was the first agency to charge a commission based on the "net cost of space" and the first to conduct a formal market survey.

79) B
By the 1920s, the era of salesmanship had arrived, and its bible was *Scientific Advertising* (1923), written bythe legendary copywriter Claude Hopkins at Albert Lasker's agency, Lord & Thomas.

80) A
In the 1840s, some manufacturers began using magazine ads to reach the mass market and stimulate mass consumption. Magazines provided for national advertising and offered the best quality reproduction.

81) E
In 1896, the federal government inaugurated rural free mail delivery. Direct-mail advertising and mail-order selling flourished.

82) D

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Public schooling helped the nation reach an unparalleled 90 percent literacy rate. Manufacturers gained a large reading public that could understand print ads.

83) D
The golden age that started at the end of World War II (1945) lasted until about 1979.

84) C
Product differentiation seeks to portray a brand as different from and better than the competition by offering consumers quality, variety, and convenience. Such a strategy explains why some consumers strongly prefer Honda over Toyota even though the two manufacturers make similar products.

85) B
Everyday-use consumer products packaged by manufacturers and sold through retail outlets are known as consumer packaged goods. Generally these are goods such as food and beverages, health and beauty care, cleaning products, and detergents that get used up and have to be replaced frequently.

86) D
The association of a brand's features and benefits with a particular set of customer needs, clearly differentiating it from the competition in the mind of the customer, is known as positioning.

87) C
On October 29, 1929, the stock market crashed, the Great Depression began, and advertising expenditures plummeted.
In the face of consumer sales resistance and corporate budget cutting, the advertising industry realized it needed to improve its effectiveness.

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88) B
Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's USP (unique selling proposition)—features that differentiate it from competitive products.

89) B
A product's USP is a feature or features that differentiate it from competitive products.

90) D
After World War II, television advertising grew rapidly, and in time achieved its current status as the largest advertising medium in terms of revenues.

91) D
With market segmentation, marketers search for unique groups of people whose needs can be addressed through specialized products.

92) D
Market segmentation is a process by which marketers search for unique groups of people whose needs can be addressed through more specialized products.

93) C
Positioning is effective in separating a particular brand from its competitors by associating that brand with a particular set of needs that rank high on the consumer's priority list.

94) A
Positioning is an effective way to separate a particular brand from its competitors by associating that brand with a particular set of customer needs that ranked high on the consumer's priority list.

95) D

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Beginning around 1980, the postindustrial age has been a period of cataclysmic change. People became truly aware of the sensitive environment in which we live and alarmed by our dependence on vital natural resources. In addition, the Cold War ended, changing the need for a defense-driven economy.

96) B
During the energy shortages of the 1970s and 1980s, a new term, , appeared. Producers of energy started using advertising to slow the demand for their products.

97) C
Demarketing is a type of marketing used to slow down the demand for certain products, such as energy-consuming goods.

98) D
During the postindustrial age, after the Cold War, big multinational companies and their advertising agencies went on a binge, buying other big companies and creating a new word in the financial lexicon: megamerger.

99) D
Companies were anxious to develop the untapped markets in the former Warsaw Pact states. To expand their power globally, big multinational companies and their advertising agencies went on a binge, buying other big companies and creating a new word in the financial lexicon.

100) E
Market segmentation is a strategy that involves identifying groups of people or organizations with certain shared needs and characteristics within the broad markets for consumer or business products and aggregating these groups into larger market segments according to their mutual interest in the product's utility.

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101) C
Positioning is the association of a brand's features and benefits with a particular set of customer needs, clearly differentiating it from the competition in the mind of the customer.

102) D
Two related economic factors characterized marketing in this period: (1) the aging of traditional products, with a corresponding growth in competition, and (2) the growing affluence and sophistication of the consuming public, led by the huge baby-boomer generation.

103) C
As the U.S. economy slowed in the 1980s, many companies were chasing too few consumer dollars. Clients trimmed their ad budgets, and many turned to more cost-effective sales promotion alternatives, such as coupons, direct mail, and direct marketing to build sales volume.

104) D
With cable TV and satellite receivers, viewers can watch channels devoted to single types of programming, such as straight news, home shopping, sports, or comedy. This shift transformed television from the most widespread of mass media to a more specialized, narrowcasting medium.

105) A
The growth of new media has proven massively disruptive for some traditional ones. Particularly hard hit was the newspaper industry, which has seen over a decade of revenue decline.

106) A
Newspapers, magazines, radio, television, and many websites all receive their primary income from advertising. This facilitates freedom of the press and promotes more complete information.

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107) E
Integrated marketing communications (IMC) is the modern practice of strategically coordinating and integrating brand messages across all consumer contact points. Marketers today know that it is no longer possible to reach and effectively persuade their audiences with traditional media alone—television, radio, magazines, newspapers, direct mail, and outdoor. They need to combine and coordinate those communications tools with public relations, personal selling, sales promotion, and digital media to mount an effective marketing campaign.

108) C
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.

109) C
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.

110) E
Advertising is typically directed to groups of people rather than to individuals. It is therefore nonpersonal, or mass, communication.

111) B
Consumers buy products for their own personal use.

112) A
A public service announcements (PSA) is an advertisement serving the public interest, often for a nonprofit organization, carried by the media at no charge. The American Heart Association is the only nonprofit organization listed.

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113) C
In addition to promoting tangible goods such as oranges, iPads, and cars, advertising helps publicize the intangible services of bankers, beauticians, bike repair shops, bill collectors, and bakeries. Of the alternatives listed, only a delivery van is a tangible good. The rest are all services.

114) C
In addition to promoting tangible goods such as oranges, iPads, and cars, advertising helps publicize the intangible services of bankers, beauticians, bike repair shops, bill collectors, and bakeries. Of the alternatives listed, only the seminar is intangible. The rest are all tangible goods.

115) D
Public Service Announcements (PSAs) are advertisements serving public interest, often for a nonprofit organization, which are carried by the media at no charge. The American Red Cross is the only nonprofit organization in the listed scenarios.

116) D
Word-of-mouth (WOM) advertising is the passing of information, especially product recommendations, in an informal, unpaid, person-to-person manner, rather than through advertising or other forms of traditional marketing. Although WOM is a communication medium, it has not generally been considered an advertising medium. However, the popularity of social media is forcing advertisers to reconsider this belief.

117) B
Advertising reaches us through channels of communication referred to as media (the plural of medium). An advertising medium is any nonpersonal means used to present an ad to its target audience.

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118) D
Of all the business functions, marketing is the only one whose primary role is to bring in revenue.

119) E
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.

120) A
The marketing mix is typically broken down into the 4Ps: developing *products, pricing* them strategically, distributingthem so they are available to customers at appropriate *places*, and *promoting* them through sales and advertising activities.

121) A
Advertising helps the organization achieve its marketing goals. The marketing strategy will help determine who the targets of advertising should be, in what markets the advertising should appear, and what goals the advertising should accomplish. The advertising strategy, in turn, will refine the target audience and define what response the advertiser is seeking—what that audience should notice, think, and feel.

122) C
Economics has driven the growth of advertising since its earliest beginnings and has made it one of the hallmarks of the free enterprise system.

123) D
People and organizations tend to act in their own self-interest. People always want more—for less.

124) D

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One of the functions and effects of advertising as a marketing tool is to increase product use.

125) B
Absence of externalities (social costs): Sometimes the sale or consumption of products may benefit or harm other people who are not involved in the transaction and didn't pay for the product. In these cases, the government may use taxation and/or regulation to compensate for or eliminate the externalities.

126) A
At first, merchants hung carved signs in front of their shops so passersby could see what products were being offered. Most people could not read, so the signs often used symbols, such as a boot for a cobbler.

127) E
The preindustrial age, for Western civilization, extended from the beginning of recorded history to roughly the start of the nineteenth century.

128) A
The preindustrial age is the period of time between the beginning of written history and roughly the start of the nineteenthcentury.The Chinese invented paper and Europe had its first paper mill by 1275. In the 1440s, Johannes Gutenberg inventedthe printing press in Germany. In 1704, the *BostonNewsletter*in the American colonies began to carry ads.

129) C
In the mid-1600s, the first newspaper ad was published and offered a reward for the return of 12 stolen horses.

130) B

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The introduction of the printing press meant that people no longer had to rely on their memories for record keeping. This new technology made possible the first formats of advertising—posters, handbills, and signs—and, eventually, the first mass medium—the newspaper.

131) A
Benjamin Franklin, the father of advertising art, made ads more readable by using large headlines and considerable white space. In fact, Franklin was the first American known to use illustrations in ads.

132) B
During the industrial age, manufacturers were principally concerned with production. The burden of marketing fell on wholesalers. They used advertising primarily as an information vehicle. Advertising to consumers was the job of the local retailer and the large mail-order catalog companies.

133) B
For Americans, the profession of advertising began when Volney B. Palmer set up business in Philadelphia in 1841. He contracted with newspapers for large volumes of advertising space at discount rates and then resold the space to advertisers at a higher rate.

134) C
N. W. Ayer & Sons was the first agency to charge a commission based on the "net cost of space" and the first to conduct a formal market survey.

135) B
By the 1920s, the era of salesmanship had arrived, and its bible was *Scientific Advertising* (1923), written bythe legendary copywriter Claude Hopkins at Albert Lasker's agency, Lord & Thomas.

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136) A
In the 1840s, some manufacturers began using magazine ads to reach the mass market and stimulate mass consumption. Magazines provided for national advertising and offered the best quality reproduction.

137) E
In 1896, the federal government inaugurated rural free mail delivery. Direct-mail advertising and mail-order selling flourished.

138) D
Public schooling helped the nation reach an unparalleled 90 percent literacy rate. Manufacturers gained a large reading public that could understand print ads.

139) D
The golden age that started at the end of World War II (1945) lasted until about 1979.

140) C
Product differentiation seeks to portray a brand as different from and better than the competition by offering consumers quality, variety, and convenience. Such a strategy explains why some consumers strongly prefer Honda over Toyota even though the two manufacturers make similar products.

141) B
Everyday-use consumer products packaged by manufacturers and sold through retail outlets are known as consumer packaged goods. Generally these are goods such as food and beverages, health and beauty care, cleaning products, and detergents that get used up and have to be replaced frequently.

142) D

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The association of a brand's features and benefits with a particular set of customer needs, clearly differentiating it from the competition in the mind of the customer, is known as positioning.

143) C
On October 29, 1929, the stock market crashed, the Great Depression began, and advertising expenditures plummeted.
In the face of consumer sales resistance and corporate budget cutting, the advertising industry realized it needed to improve its effectiveness.

144) B
Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's USP (unique selling proposition)—features that differentiate it from competitive products.

145) B
A product's USP is a feature or features that differentiate it from competitive products.

146) D
After World War II, television advertising grew rapidly, and in time achieved its current status as the largest advertising medium in terms of revenues.

147) D
With market segmentation, marketers search for unique groups of people whose needs can be addressed through specialized products.

148) D
Market segmentation is a process by which marketers search for unique groups of people whose needs can be addressed through more specialized products.

149) C

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Positioning is effective in separating a particular brand from its competitors by associating that brand with a particular set of needs that rank high on the consumer's priority list.

150) A
Positioning is an effective way to separate a particular brand from its competitors by associating that brand with a particular set of customer needs that ranked high on the consumer's priority list.

151) D
Beginning around 1980, the postindustrial age has been a period of cataclysmic change. People became truly aware of the sensitive environment in which we live and alarmed by our dependence on vital natural resources. In addition, the Cold War ended, changing the need for a defense-driven economy.

152) B
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164) 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.

165) Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.

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166) The 4Ps of the marketing mix aredeveloping *products, pricing* them strategically, distributing them so they areavailable to customers at appropriate *places*, and *promoting* them through sales and advertising activities.

167) The more information buyers and sellers have about what products are available, at what quality, and at what prices, the more efficient the competition. The outcome is better quality products and lower prices for all.

168) There are four fundamental assumptions of free-market economics that a market-driven society strives to achieve. These are self-interest, complete information, many buyers and sellers, and the absence of externalities (social costs).

169) One of the most basic functions of branding, as well as of advertising, is to identify products and their source and to differentiate them from others.

170) The technological advances of the Industrial Revolution enabled great changes in advertising. Photography, introduced in 1839, added credibility and a new world of creativity. It allowed ads to show products, people, and places as they really were, rather than how an illustrator visualized them. The telegraph, telephone, typewriter, phonograph, and later, films, all let people communicate as never before.

171) In the 1440s, Johannes Gutenberg invented the printing press in Germany. The press was an important development in the history of advertising, and indeed communication, and it revolutionized the way people lived and worked.

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172) In 1869, Francis Ayer formed an ad agency in Philadelphia. N. W. Ayer & Sons was the first agency to charge a commission based on the "net cost of space" and the first to conduct a formal market survey.

173) Advertising helps an organization achieve its marketing goals. Marketing functions such as marketing research have an impact on the type of advertising a company employs. Companies and organizations use many different types of advertising, depending on their particular marketing strategy. The marketing strategy will determine who the targets of advertising are, where the advertising should appear, what media should be used, and what purposes the advertising should accomplish.

174) Marketing strategy is the statement of how the company is going to accomplish its marketing objectives. It will help determine who the targets of advertising should be, in what markets the advertising should appear, and what goals the advertising should accomplish. The advertising objective declares what the advertiser wants to achieve with respect to consumer awareness, attitude, and preference; the advertising strategy describes how to get there. Advertising strategy consists of two substrategies: the creative strategy and the media strategy.

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175) Capitalism is based on the notion of free-market competition. While there is no such thing as perfect competition, there are four fundamental assumptions of free-market economics that a market-driven society strives to achieve: (1) *Self-interest*. People and organizations tend to act in their own self-interest. They always want more—for less. (2) C*ompleteinformation*. Complete information about products leads to greater competition and lower prices. (3) *Many buyers and sellers*.Having a wide range of sellers ensures that if one company does not meet customer needs, another will capitalize on the situationby producing a more market-responsive product. Having a wide range of buyers ensures that sellers can find customers who areinterested in the unique products they are able to produce at a fair price. (4) *Absence of externalities* (social costs). Sometimesthe sale or consumption of products may benefit or harm other people who were not involved in the transaction. The governmentuses taxes and regulations to eliminate the externalitieswhen this occurs.

176) The most basic function of branding is to identify products and their sources and to differentiate them from others. Coca-Cola created a clear identity with its distinctive logo and bottle shape. Over the company's history, its advertising has always promoted a common voice and a common theme: "Coca-Cola makes life's relaxing moments even better."

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177) The preindustrial age began with the beginning of recorded history and ran until the early 1800s. During this time, most human activity was devoted to meeting basic survival needs. Distribution was limited to how far vendors could walk and advertising was how loud they could shout. Over time, the development of literacy, inventions such as the printing press, and the spread of trade away from local producers encouraged the development of advertising. Developments such as print ads spread advertising to wider audiences. Benjamin Franklin introduced the use of illustrations.

178) Manufacturers were mainly concerned with production. The primary marketing burden fell on wholesalers and large mail-order catalog companies like Montgomery Ward and Sears Roebuck. Only a few innovative manufacturers foresaw the usefulness of mass media advertising to stimulate consumer demand for their products.

179) The industrial age ran from the late 1700s (when the Industrial Revolution began in England) to around the middle of the 1900s. The Industrial Revolution reached the United States in the early 1800s. Significant events of this age that could be discussed include the early use of machinery, how population increased, how literacy rates increased, the power of the wholesaler in the distribution channel, how the profession of advertising grew, how early advertising agencies functioned, and how communication devices changed the way advertising was received. In addition, technologies such as the telegraph, telephone, typewriter, phonograph, and films all helped people communicate as never before.

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180) Public schooling helped the nation reach an unparalleled 90 percent literacy rate. Manufacturers gained a large reading public that could understand print ads. The United States thus entered the twentieth century as a great industrial state with a national marketing system propelled by advertising.

181) During the postwar prosperity of the late 1940s and early 1950s, consumers tried to climb the social ladder by buying more and more modern products. Advertising entered its golden era. A creative revolution ensued in which ads focused on product features that implied social acceptance, style, luxury, and success. Rosser Reeves of the Ted Bates Agency introduced the idea that every ad must point out the product's unique selling proposition (USP)—features that would differentiate it from competitive products. The USP was a logical extension of the Lasker and Hopkins "reason why" credo. But as the USP was used over and over, consumers started finding it difficult to see what was unique anymore.

182) By publicizing the material, social, and cultural opportunities of a free enterprise society, advertising has encouraged increased productivity in both management and labor. Besides facilitating sales, advertising has also fostered freedom of the press. Print and broadcast media all receive the majority of their income from advertising. Through PSAs, advertising has provided Americans with important information about social issues.

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