

Think Critically

1. Why is promotion important to a business?

2. What are the advantages and disadvantages of publicity?

3. Why is it important for a business to consider its target market when selecting an advertising medium?

True or False

- ____ 1. In choosing an advertising medium, cost is the most important factor.
 - ____ 2. The promotional mix usually involves one specific form of product promotion.
 - ____ 3. Online advertising is a cost-effective way for businesses to reach potential customers.
 - ____ 4. Although television advertising is very effective, it is expensive and generally reaches too broad an audience for most businesses.
 - ____ 5. A radio station will provide a psychographic profile of its listeners so that businesses can be sure they reach their target market.
 - ____ 6. Newspaper advertising is good for small firms because it targets a limited geographic area.
 - ____ 7. An advantage of advertising in a telephone directory is that people look there for a particular type of business.
 - ____ 8. Direct-mail advertising is effective only if people read it.
 - ____ 9. Although publicity is free, it can be negative if the media coverage is unfavorable.
 - ____ 10. A press release is a statement issued by the media to inform the public of an event.
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Multiple Choice

- ____ 1. A paid form of communication sent out by a business about a product or service is (a) publicity, (b) sales promotion, (c) advertising, (d) a press release.
- ____ 2. In choosing an advertising medium, you should (a) always get advice from an advertising agency, (b) consider its effectiveness in reaching your target market, (c) decide whether to use a commercial or a paid advertisement, (d) distribute flyers in your area.

- _____ 3. An online ad that changes the background of the page being viewed is called a (a) pop-up ad, (b) wallpaper ad, (c) banner ad, (d) floating ad.
- _____ 4. Transit advertising consists of signs on (a) buildings, (b) semi-tractor trailers, (c) public transportation, (d) private automobiles.
- _____ 5. A disadvantage of radio advertising is that (a) it is only an audio message, (b) radio stations tend to attract a particular kind of listener, (c) it is very expensive, (d) it reaches too broad an audience to be effective.
- _____ 6. Newspaper advertising is good for small businesses because (a) it reaches too many people, (b) it targets a limited geographic area, (c) an advertisement competes with many others, (d) it is the largest form of advertising in the United States.
- _____ 7. The main advantage of direct-mail advertising is that (a) the same advertisement can be used in a telephone directory, (b) most people read items sent through the mail, (c) mailing lists for target markets are available for purchase, (d) none of these.
- _____ 8. Publicity is free promotion that (a) is generated by media coverage, (b) may involve staging an event or bringing in a celebrity, (c) may be favorable or unfavorable, (d) all of these.

Problem Solving

Complete the following table by naming one advantage and one disadvantage of each of the forms of advertising listed.

Type of Advertising	Advantage	Disadvantage
Online		
Television		
Radio		
Newspaper		
Telephone directory		
Direct mail		
Magazine		
Outdoor (billboards)		
Transit (buses and trains)		

Turn Features Into Benefits

Listed below are features of several different products. Assume you will be selling these products to customers. To improve your sales presentation, turn each of the features below into a benefit (advantage) to help your customers see the value of the products.

Product/Feature	Benefit
Cookware with a lifetime warranty	
Refrigerator with icemaker	
Bank with free online banking services	
Whitening toothpaste	
Automobile with built-in car alarm	
Mobile hotspot	
Bluetooth speaker	
Household cleaner with 100% natural ingredients	
Laundry detergent with fabric softener added	
Sugar-free cookies	
Water-resistant watch	
Leather shoes	
Home remodeling business that is fully insured	
Computer with 30" monitor	