

Exam

Name _____

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

- 1) Direct response advertising is advertising in a medium that _____
A) comes directly from an agency.
B) uses billboards.
C) generates an immediate and measurable response.
D) goes directly to consumers.
E) uses direct mail.
- 2) A marketing system for developing products, sending messages directly to customers, and accepting orders through a variety of media, and then distributing the purchase directly to customers is called _____
A) direct response advertising.
B) telemarketing.
C) target marketing.
D) direct marketing.
E) direct advertising.
- 3) Direct mail accounts for _____% of net advertising revenues in Canada. _____
A) 3 B) 23 C) 13 D) 73 E) 33
- 4) Which of the following is NOT one of the reasons cited for the growth of direct marketing? _____
A) niche marketing and micro-marketing
B) the availability of database management techniques
C) expanding media budgets
D) managers demanding greater accountability
E) the focus on forming good relationships with customers
- 5) The objective of direct response communication is to _____
A) encourage action immediately.
B) please upper management.
C) be a good corporate citizen.
D) spend surplus dollars.
E) raise general awareness.
- 6) Which of the following is NOT a traditional form of direct response communications? _____
A) telemarketing
B) direct mail
C) direct response television
D) catalogues
E) event marketing

- 7) Direct response advertising is a subset of _____
A) direct mail.
B) catalogue marketing.
C) direct marketing.
D) direct response television.
E) sales promotion.
- 8) Toys 'R Us places an ad in *Reader's Digest* magazine with a 1- 800 telephone number for customer orders. This is an example of _____
A) direct response advertising.
B) telemarketing.
C) advertising.
D) direct mail.
E) catalogues.
- 9) When a company delivers leaflets and flyers through Canada Post or independent delivery agents, it is engaging in _____
A) database marketing.
B) direct mail.
C) direct response print.
D) sales promotion.
E) catalogue marketing.
- 10) Which of the following is not a common form of internal customer data collected by companies? _____
A) psychographic data
B) addresses
C) when a customer purchases
D) names
E) what a customer purchases
- 11) When Canadian Tire accumulates considerable data on customers through its own credit card, they are able to create _____
A) a list broker.
B) a response list.
C) a merge/purge.
D) a recall list.
E) an internal list.
- 12) When numerous lists are purchased, they are often combined and stripped of duplicate names through this process. _____
A) list brokering
B) response listing
C) merge/purge
D) house listing
E) compiling

- 13) The analysis of information that establishes relationships among pieces of information so that more effective marketing strategies are identified and developed is called 13) _____
- A) data marking.
 - B) data analysis.
 - C) telemarketing.
 - D) data mining.
 - E) marketing research.
- 14) The goal of data mining is 14) _____
- A) to produce lower marketing costs.
 - B) increase efficiency by identifying customers that are more likely to buy.
 - C) devise more creative direct mail.
 - D) to sell products at a higher price.
 - E) Both A and B are goals of data mining.
- 15) Data mining offers organizations two essential benefits. It allows organizations to predict future sales and it 15) _____
- A) allows organizations to predict profitability.
 - B) makes it easier for them to generate sales.
 - C) provides a means of profiling the "best" and the "worst" customers.
 - D) allows organizations to advertise more.
 - E) makes managers more accountable.
- 16) A buyer can provide the profile of the target market and receive a list of possible prospects on a cost-per-name basis from a 16) _____
- A) direct response agency.
 - B) Canada Post.
 - C) house list.
 - D) CRM company.
 - E) list broker.
- 17) A response list is a list of 17) _____
- A) brokers.
 - B) proven direct response buyers.
 - C) magazine subscribers.
 - D) publication information.
 - E) current customers.
- 18) A company that sells yarn and knitting supplies by catalogue, bought a list of book-of-the-month buyers. This would be considered a(n) 18) _____
- A) circulation list.
 - B) compiled list.
 - C) internal list.
 - D) list broker list.
 - E) response list.

- 19) Lists prepared from government, census, telephone, warranty and other publication information are referred to as 19) _____
- A) response lists.
 - B) house lists.
 - C) circulation lists.
 - D) merged lists.
 - E) compiled lists.
- 20) *Reader's Digest* makes their subscription lists available to companies wanting to reach readers with direct mail campaigns. This type of list is a 20) _____
- A) response list.
 - B) compiled list.
 - C) broker list.
 - D) in- house list.
 - E) circulation list.
- 21) The Canadian Medical Association provides lists of their physicians to direct marketers. When a company purchases this for a direct mail campaign, they are purchasing a(n) 21) _____
- A) circulation list.
 - B) in- house list.
 - C) broker list.
 - D) compiled list.
 - E) internal list.
- 22) If you wanted a quick picture of a company and its products (i.e. ownership, sales revenue, number of employees) you could go to a 22) _____
- A) response list.
 - B) compiled list.
 - C) circulation database.
 - D) directory database.
 - E) list broker.
- 23) An information database accessible online to anyone with proper communications facilities is called a(n) 23) _____
- A) directory database.
 - B) house list.
 - C) external database.
 - D) online database.
 - E) internal list.
- 24) Which of the following is NOT a benefit of direct mail? 24) _____
- A) Direct mail provides an opportunity to "tell a story".
 - B) Direct mail is not restricted by time.
 - C) Direct mail offers the opportunity to target customers geographically.
 - D) Direct mail is the least expensive form of direct response advertising.
 - E) Direct mail offers the opportunity to target customers demographically.

- 25) Which of the following is NOT a component of a typical direct mailing? 25) _____
A) postage paid return envelope
B) envelope
C) marketing survey
D) statement stuffer
E) letter
- 26) This goal of this component of a typical direct mailing is to get the recipient to read the contents of the package. 26) _____
A) order form
B) folder
C) envelope
D) leaflet
E) letter
- 27) Statement stuffers are also often called 27) _____
A) folders.
B) sales letters.
C) bounce backs.
D) reply cards.
E) flyers.
- 28) A free gift or offer included in a direct mail package is also called a(n) 28) _____
A) order form.
B) incentive.
C) bounce back.
D) statement stuffer.
E) folder.
- 29) When some companies send out a direct mailing, they include a free gift or a(n) _____ to encourage the buyer to take action. 29) _____
A) order form
B) postage- paid envelope
C) bounce back
D) statement stuffer
E) incentive
- 30) Compared to solo direct mail, cooperative direct mail 30) _____
A) has a higher response rate.
B) is less costly.
C) consists of specialized offers sent directly to prospects.
D) is commonly employed in business- to- business communication.
E) is more expensive.
- 31) Cooperative direct mail refers to the type of direct mail that 31) _____
A) includes a catalogue.
B) contains bounce backs.
C) is commonly employed in business- to- business communication.
D) contains special offers from non- competing products.
E) is a unique offer mailed directly to a target audience.

- 32) A unique advertising offer mailed directly to a target audience by a marketing organization is called _____
A) solo direct mail.
B) selective direct mail.
C) cooperative direct mail.
D) targeted direct mail.
E) Both A and B are correct.
- 33) The median response rate for selective direct mail according to Nielsen Marketing Research is _____
A) 17.5%. B) 4%. C) 12.5%. D) 21.5%. E) 15%.
- 34) Herbal Essence Shampoo often inserts coupons in bundles with offers from other unrelated companies such as Kodak and Kellogg's. This is an example of _____
A) a group mailing.
B) cooperative direct mail.
C) selective direct mail.
D) a statement stuffer.
E) solo direct mail.
- 35) Which of the following is not a form of direct response television? _____
A) a 30- second commercial that sells something
B) direct home shopping
C) an infomercial
D) a 60- second commercial that sells something
E) All of the above are examples of direct response television.
- 36) Which of the following is NOT an advantage of direct mail as an advertising medium? _____
A) audience selectivity
B) measurability
C) image
D) creative flexibility
E) exclusivity
- 37) Which of the following is NOT a disadvantage of direct mail as an advertising medium? _____
A) cost per exposure
B) lack of editorial support
C) often perceived as junk mail
D) measurability
E) image
- 38) One of the disadvantages of direct mail is _____
A) that it is not very flexible.
B) that it is difficult to precisely target.
C) the fact that it competes with other media.
D) that it is difficult to measure.
E) a high total cost per exposure.

- 39) George Foreman sold over 90,000 of his cooking grills on The Shopping Channel. This is an example of 39) _____
- A) advertising.
 - B) direct home shopping.**
 - C) a catalogue.
 - D) direct mail.
 - E) telemarketing.
- 40) Which of the following is NOT true of direct response television? 40) _____
- A) Infomercials today are presented in a more entertaining and less "hard sell" manner.
 - B) Consumers are more accepting of infomercials than they once were.
 - C) Direct response television ads have improved in quality over recent years.
 - D) Infomercials are more popular with advertisers than traditional television ads.**
 - E) Well- produced infomercials are being run by serious mainstream marketing organizations.
- 41) An insert that is glued to a page in a publication using a removable adhesive is also called a(n) 41) _____
- A) glued insert.
 - B) top- up.
 - C) tip-in.**
 - D) free- standing insert.
 - E) statement stuffer.
- 42) A central operation from which a company operates its inbound and outbound telemarketing programs is known as a 42) _____
- A) main office.
 - B) telemarketing office.
 - C) call centre.**
 - D) central centre.
 - E) telemarketing centre.
- 43) _____ telemarketing refers to calls received by an order desk, a customer enquiry and calls generated from toll- free telephone numbers promoted on direct response television commercials. 43) _____
- A) Rebound telemarketing.
 - B) Outbound telemarketing
 - C) Customer- based telemarketing.
 - D) Infomercial
 - E) Inbound telemarketing**
- 44) One of the characteristics of telemarketing is the fact that consumers find it 44) _____
- A) convenient.
 - B) unwelcome and intrusive.**
 - C) user- friendly.
 - D) misleading.
 - E) a part of customer service.
- 45) Outbound telemarketing refers to calls that 45) _____
- A) are generated by classified advertisements.
 - B) a company receives.
 - C) a company makes to clients.**
 - D) are 1- 800 calls.
 - E) are made by an agency.

- 46) Xerox Canada often calls clients or potential clients to generate a sales lead. This is an example of 46) _____
 A) a call center.
 B) cataloguing.
 C) inbound telemarketing.
 D) prospecting.
 E) **outbound telemarketing.**
- 47) The primary advantage of telemarketing is 47) _____
 A) exclusivity.
 B) flexibility.
 C) **cost.**
 D) image.
 E) intrusiveness.
- 48) Which of the following is NOT one of the roles typically performed by telemarketing? 48) _____
 A) **awareness building**
 B) sales support
 C) fund raising
 D) personal selling
 E) fulfillment
- 49) The largest catalogue distributor in Canada is 49) _____
 A) **Canadian Tire.**
 B) Sears.
 C) Lands' End.
 D) Toys 'R Us.
 E) L.L. Bean.
- 50) The Canadian catalogue market is currently 50) _____
 A) too specialized.
 B) dominated by European catalogues.
 C) saturated with catalogues.
 D) **underdeveloped.**
 E) dominated by American catalogues.

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

- 51) As an advertising medium, direct mail ranks ahead of magazines and radio in Canada. 51) _____
- 52) An advantage of direct response advertising is that it can be measured for success quickly. 52) _____
- 53) Direct response communications are playing a less prominent role in the overall media mix of Canadian companies. 53) _____
- 54) The best list to use for direct mail is a list purchased from an outside source. 54) _____
- 55) In addition to encouraging immediate action, direct response advertising may be designed to build brand image or alter perception. 55) _____
- 56) Solo direct mail is also known as selective direct mail. 56) _____

- 57) On line communications is a form of direct response communication. 57) _____
- 58) Measurability is a key disadvantage of direct mail as an advertising medium. 58) _____
- 59) With the growing popularity of infomercials and direct- response print, direct mail no longer dominates direct response communication. 59) _____
- 60) Direct response commercials do not always have to sell something. 60) _____
- 61) According to Canada Post, most Canadians open direct mail if their name is on it. 61) _____
- 62) Given its negative image among consumers, direct response television is loosing popularity with advertisers. 62) _____
- 63) Direct response commercials are not a good media tool if your objective is to create awareness. 63) _____
- 64) Generally, the United States is well ahead of Canada in terms of direct response television and home shopping penetration. 64) _____
- 65) The Canadian catalogue market is overdeveloped relative to the United States. 65) _____
- 66) Direct response advertising is one segment of the direct marketing industry that is experiencing no growth at present. 66) _____
- 67) Direct marketing is a subset of direct response advertising. 67) _____
- 68) Telemarketing is a form of advertising communicated to prospects via television commercials. 68) _____
- 69) When the absolute costs of direct mail are totaled, they are usually lower than other media. 69) _____
- 70) Direct mail is not a prestigious medium. It is perceived as junk mail by many consumers. 70) _____
- 71) Direct mail is the most common way of delivering messages to consumers. 71) _____
- 72) One of the reasons that direct response communications is increasing is that executives want managers to be more accountable for the expenditures they oversee. 72) _____

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

- 73) Explain the traditional forms of direct response communications. 73) _____
- 74) Distinguish between direct marketing and direct response advertising. 74) _____
- 75) What are the goals of data mining? 75) _____
- 76) What is data mining? 76) _____

- 77) What are the benefits of data mining? 77) _____
- 78) List and give examples of the three types of lists available to marketers. 78) _____
- 79) Describe the merge/purge process as it relates to direct mail. 79) _____
- 80) What is an online database? Give an example of an online database. 80) _____
- 81) Describe the five media that comprise the direct response tool kit. 81) _____
- 82) Describe the components of the typical direct mailing. 82) _____
- 83) What is the difference between selective direct mail and cooperative direct mail? 83) _____
- 84) Explain the benefits of direct mail over other forms of direct response advertising. 84) _____
- 85) List and explain the three forms of direct response television. 85) _____
- 86) Explain the difference between inbound telemarketing and outbound telemarketing. 86) _____
- 87) Discuss five of the roles that telemarketing performs, citing examples of each to illustrate your answer. 87) _____

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

- 88) Direct response communications will continue to grow for several reasons. Discuss the reasons for this growth.
- 89) Discuss the direct response planning process, outlining each step and discussing how the steps fit together.
- 90) Direct mail is still the most popular form of direct response advertising. Explain the benefits of direct mail.
- 91) If you were a marketer about to launch a brand new brand of shampoo, explain how you could use the traditional forms of direct response communications.
- 92) Discuss the role of database management techniques in the design and implementation of direct response strategies.

Answer Key

Testname: UNTITLED1

- 1) C
- 2) D
- 3) C
- 4) C
- 5) A
- 6) E
- 7) C
- 8) A
- 9) B
- 10) A
- 11) E
- 12) C
- 13) D
- 14) E
- 15) C
- 16) E
- 17) B
- 18) E
- 19) E
- 20) E
- 21) D
- 22) D
- 23) D
- 24) D
- 25) C
- 26) C
- 27) C
- 28) B
- 29) E
- 30) B
- 31) D
- 32) E
- 33) C
- 34) B
- 35) E
- 36) C
- 37) D
- 38) E
- 39) B
- 40) D
- 41) C
- 42) C
- 43) E
- 44) B
- 45) C
- 46) E
- 47) C
- 48) A
- 49) B
- 50) D

Answer Key

Testname: UNTITLED1

- 51) TRUE
- 52) TRUE
- 53) FALSE
- 54) FALSE
- 55) TRUE
- 56) TRUE
- 57) TRUE
- 58) FALSE
- 59) FALSE
- 60) TRUE
- 61) TRUE
- 62) FALSE
- 63) FALSE
- 64) TRUE
- 65) FALSE
- 66) FALSE
- 67) FALSE
- 68) FALSE
- 69) FALSE
- 70) TRUE
- 71) TRUE
- 72) TRUE
- 73) Direct mail, direct response TV, telemarketing, catalogues.
- 74) In direct marketing, products are developed, messages about the products are sent directly to consumers through a variety of media, orders are accepted, and then distributed directly to customers. In true direct marketing, all wholesale and retail intermediaries are eliminated. Direct response advertising is advertising placed in any medium that generates an immediate and measurable response from the intended target market.
- 75) to produce lower marketing costs and to increase efficiency by identifying prospects that most likely buy in large volume.
- 76) The analysis of information to determine relationships among the data and enable more effective marketing strategies to be identified and implemented.
- 77) Provides a means of profiling the "best" customers and the "worst" customers, and provides a means to predict future sales.
- 78) Response lists, circulation lists, compiled lists.
- 79) A process in which numerous mailing lists are combined and then stripped of duplicate names.
- 80) An information database accessible online to anyone with proper communications facilities. An example is census data from Statistics Canada.
- 81) direct mail, direct response print media, direct response television, telemarketing and catalogues.
- 82) Envelope, letter, leaflet and folder, order form, postage paid return envelope, statement stuffer.
- 83) Selective direct mail is a unique advertising offer mailed directly to a target audience by a marketing organization. Cooperative direct mail is a mailing containing specific offers from non- competing products.
- 84) Direct mail has the ability to personalize the message, can target customers demographically and geographically, provides an opportunity to "tell a story", advertiser is not restricted by time.
- 85) A 30- second commercial (infomercial), a 60- second commercial that sells something, and direct home shopping (a shopping service provided by cable television stations that offer products or services for sale).
- 86) Inbound telemarketing refers to calls received by an order desk, a customer inquiry and call generated from toll-free numbers. Outbound telemarketing refers to calls made by a company to customers to develop accounts, generate leads or close a sale.
- 87) Fundraising, Sales Support, Personal Selling, Fulfillment, Customer Service.

Answer Key

Testname: UNTITLED1

- 88) Direct response communications will grow because companies want managers to be more accountable for the expenditures they oversee. The trend toward niche marketing and micro marketing suggests the importance of forming good relationships with customers. The availability of database management techniques make direct response communications possible.
- 89) The direct response plan stems from the marketing plan. The direct response plan includes: target marketing, objectives, strategies and tactics. The direct response has to fit into and be consistent with other IMC plans. Two components of the direct response plan are direct response message strategy and direct response media strategy. The final consideration in the direct response planning process is fulfillment (order processing, delivery and payment).
- 90) Direct mail has the ability to personalize the message, provides the opportunity to target geographically and demographically, provides the opportunity to "tell a story" and is not restricted by time.
- 91) Direct mail - mailing sent to selected households targeted demographically or geographically. List can be purchased
Direct response print - an ad in a magazine with a 1- 800 number for customers to call for free samples
Telemarketing - inbound telemarketing to take calls from customers requesting samples and to answer customer questions on the product.
Catalogue - feature the product in a related catalogue (Sears)
- 92) Direct response strategies all start with the list - the list makes or breaks the campaign. Companies are compiling databases to keep track of existing customers. A good database management system collects and maintains relevant information about customers. The information is stored in such a manner that managers have easy access to it when developing marketing strategies. Once a database has been collected, the data has to be analysed to determine relationships among the data and to enable more effective marketing strategies - this is data mining. The goals of data mining are to produce lower marketing costs and to increase efficiency by identifying prospects most likely to buy in large volume.