

Chapter 2 Corporate Image and Brand Management

1) Gucci has the image of being a high fashion brand.

Answer: TRUE

Diff: 2 Page Ref: 24

2) A firm's image is based on the feeling consumers and businesses have about the overall organization and its individual brands.

Answer: TRUE

Diff: 1 Page Ref: 25

Objective: 2-1

3) Effective marketing communications are based on a clearly defined corporate image.

Answer: TRUE

Diff: 1 Page Ref: 26

Objective: 2-1

4) What a firm's employees believe about the company's image is far more important than what consumers think.

Answer: FALSE

Diff: 2 Page Ref: 26

Objective: 2-1

5) According to a study by Edelman Asia pacific, perceptions of how the firm dealt with customers ranked as the most important component of corporate image.

Answer: FALSE

Diff: 3 Page Ref: 26

Objective: 2-1

6) Perceptions of a corporation's image are based solely on price and quality.

Answer: FALSE

Diff: 2 Page Ref: 26

Objective: 2-1

7) A corporate image contains both visible and intangible elements.

Answer: TRUE

Diff: 1 Page Ref: 27

Objective: 2-1

8) An organizational policy to actively recruit minority employees would be an element of a company's image.

Answer: TRUE

Diff: 2 Page Ref: 27

Skill: AACSB: Multicultural and diversity

Objective: 2-2

9) From the consumer's perspective, corporate image provides psychological reinforcement and social acceptance of a purchasing decision.

Answer: TRUE

Diff: 1 Page Ref: 27

10) A positive corporate image can reduce search time when a consumer is making a buying decision.

Answer: TRUE

Diff: 1 Page Ref: 27

Objective: 2-1

11) While a corporation's image plays a key role in marketing to consumers, it is not significant when selling to other businesses.

Answer: FALSE

Diff: 2 Page Ref: 28

Objective: 2-1

12) Brand image is especially valuable to a company that is expanding internationally because it reduces risk and uncertainty on the part of the buyer.

Answer: TRUE

Diff: 2 Page Ref: 29

Objective: 2-1

13) A strong corporate image does not affect the firm's ability to charge a higher price.

Answer: FALSE

Diff: 2 Page Ref: 29

Objective: 2-1

14) A well-developed, favorable image creates loyal customers who will generate positive word-of-mouth endorsements about the company and its products.

Answer: TRUE

Diff: 1 Page Ref: 29

Objective: 2-1

15) A corporation's image has little or no effect on other business activities, such as recruiting employees.

Answer: FALSE

Diff: 2 Page Ref: 29

Objective: 2-1

16) The image a firm tries to project should accurately portray the firm and coincide with the goods and services being offered.

Answer: TRUE

Diff: 1 Page Ref: 30

Objective: 2-2

17) Reinforcing or rejuvenating a current image is more difficult to accomplish than changing a well-established image.

Answer: FALSE

Diff: 2 Page Ref: 30

Objective: 2-2

18) In some cases, modifying the current image or trying to create an entirely new image for a firm is not possible.

Answer: TRUE

Diff: 2 Page Ref: 30

Objective: 2-2

19) Re-establishing or rebuilding the firm's image that has been hurt by bad press is usually not a difficult task if the firm admits the mistake.

Answer: FALSE

Diff: 3 Page Ref: 30

Objective: 2-2

20) In each industry, the right image is one that sends a clear message about the unique nature of an organization and its products.

Answer: TRUE

Diff: 2 Page Ref: 30

Objective: 2-2

21) The key to successfully rejuvenating a corporation's image is to remain consistent with the previous image while adding new elements.

Answer: TRUE

Diff: 1 Page Ref: 31

Objective: 2-2

22) It is impossible to change a corporation's image.

Answer: FALSE

Diff: 1 Page Ref: 31

Objective: 2-1

23) Changing a corporation's image requires both internal programs and external promotions.

Answer: TRUE

Diff: 2 Page Ref: 32

Objective: 2-2

24) An overt corporate name reveals what the company does.

Answer: TRUE

Diff: 2 Page Ref: 32

Objective: 2-2

25) An overt corporate name captures the essence of what a company offers, but does not reveal it directly.

Answer: FALSE

Diff: 2 Page Ref: 32

Objective: 2-2

26) Krispy Kreme is an example of an overt corporate name.

Answer: FALSE

Diff: 2 Page Ref: 32

Objective: 2-2

27) An implied corporate name contains recognizable words or word parts that suggest what the company does.

Answer: TRUE

Diff: 1 Page Ref: 32

Objective: 2-2

28) Google is an example of an implied corporate name.

Answer: FALSE

Diff: 3 Page Ref: 32

Objective: 2-2

29) A conceptual corporate name seeks to capture the essence of the idea behind the brand.

Answer: TRUE

Diff: 1 Page Ref: 32

Objective: 2-2

30) Federal Express is an example of a conceptual corporate name seeking to suggest the idea of express delivery.

Answer: FALSE

Diff: 3 Page Ref: 32

Skill: AACSB: Reflective thinking

Objective: 2-2

31) Conceptual and implied corporate names require a greater marketing effort to ensure consumers connect the corporate name with the goods and services that are being sold.

Answer: FALSE

Diff: 3 Page Ref: 33

Objective: 2-2

32) Quality corporate logos should be easily recognizable and elicit a consensual meaning among those in the target market.

Answer: TRUE

Diff: 1 Page Ref: 33

Objective: 2-4

33) The notion that a logo can elicit a consensual meaning among customers is known as stimulus codability.

Answer: TRUE

Diff: 2 Page Ref: 33

Objective: 2-4

34) Quality logos and corporate names should meet four tests. They should be 1) easily recognizable, 2) elicit a consensual meaning among those in the firm's target market, 3) be familiar, and 4) evoke positive feelings.

Answer: TRUE

Diff: 3 Page Ref: 33

Objective: 2-4

35) Nike has spent considerable resources developing stimulus codability related to its "Swoosh."

Answer: TRUE

Diff: 3 Page Ref: 33

Objective: 2-4

36) Brands are names generally assigned to individual goods or services or to sets of products in a line.

Answer: TRUE

Diff: 1 Page Ref: 34

Objective: 2-3

37) Consumers recommend brands to their families and friends because of one or more salient attributes.

Answer: TRUE

Diff: 2 Page Ref: 34

Objective: 2-3

38) Developing a strong brand begins with discovering why consumers buy a brand and why they rebuy the brand.

Answer: TRUE

Diff: 1 Page Ref: 34

Objective: 2-3

39) To establish a strong brand image, a brand name must be prominently promoted in repetitious ads or it should be associated with one of the product's benefits.

Answer: FALSE

Diff: 3 Page Ref: 34

Objective: 2-3

40) A family brand is a situation in which a series of companies produce one brand in a co-operative venture.

Answer: FALSE

Diff: 2 Page Ref: 35

Objective: 2-3

41) The goal of branding is to set a product apart from its competitors.

Answer: TRUE

Diff: 1 Page Ref: 35

Objective: 2-3

42) The secret to a successful brand is discovering what influences consumers to make purchases.

Answer: FALSE

Diff: 3 Page Ref: 35

Objective: 2-3

43) Brand parity is the perception that most brands within a product category are relatively similar or have no distinct differences.

Answer: TRUE

Diff: 1 Page Ref: 35

Objective: 2-3

44) Brand equity is the perception that most brands within a product category are relatively similar or have no distinct differences.

Answer: FALSE

Diff: 1 Page Ref: 35

Objective: 2-3

45) Brand equity is a set of characteristics that are unique to a brand that make it seem different and better.

Answer: TRUE

Diff: 1 Page Ref: 35

Objective: 2-3

46) Brand equity is not as important in business-to-business markets because pricing is often the primary decision variable.

Answer: FALSE

Diff: 2 Page Ref: 36

Objective: 2-3

47) Brand equity is not as important in international markets because fewer brands are available.

Answer: FALSE

Diff: 2 Page Ref: 36

Objective: 2-3

48) Brand parity is a strong weapon that might dissuade consumers from looking for a cheaper product or for special deals or incentives to purchase other brands.

Answer: FALSE

Diff: 2 Page Ref: 36

Objective: 2-3

49) The first step in building brand equity is developing brand awareness and brand recognition.

Answer: FALSE

Diff: 3 Page Ref: 36

Objective: 2-3

50) Brand equity is weakened by continuous innovation.

Answer: FALSE

Diff: 3 Page Ref: 36

Objective: 2-3

51) In today's society, customers want product innovations and new products. They also want them fast.

Answer: TRUE

Diff: 1 Page Ref: 36

Objective: 2-3

52) Integrating new and old media is important in building brand equity.

Answer: TRUE

Diff: 1 Page Ref: 36

Objective: 2-3

53) To develop brand equity in today's competitive markets, companies must always be on the cutting edge, create new products, move faster than the competition, and effectively reach consumers.

Answer: TRUE

Diff: 2 Page Ref: 37

Objective: 2-3

54) Brand metrics measure returns on branding investments.

Answer: TRUE

Diff: 1 Page Ref: 37

Objective: 2-3

55) Popular and well-known brands are not always powerful brands.

Answer: TRUE

Diff: 1 Page Ref: 37

Objective: 2-3

56) Although brand equity can be measured using various metrics, CEOs and other corporate leaders often want real, hard numbers.

Answer: TRUE

Diff: 2 Page Ref: 38

Objective: 2-3

57) A brand extension is the use of a new brand name to identify an old product.

Answer: FALSE

Diff: 1 Page Ref: 38

Objective: 2-3

58) A flanker brand is the use of a new brand name to identify a product marketed with another company.

Answer: FALSE

Diff: 1 Page Ref: 39

Objective: 2-3

59) When Proctor & Gamble adds new laundry detergents to help dominate the market, it is an example of using flanker brands.

Answer: TRUE

Diff: 3 Page Ref: 39

Skill: AACSB: Reflective thinking

Objective: 2-3

60) A flanker brand can be introduced when company leaders think that offering the product under the current brand name may adversely affect the overall marketing program.

Answer: TRUE

Diff: 3 Page Ref: 40

Objective: 2-3

61) Ingredient branding is the placement of one brand within another, such as NutraSweet as part of Diet Coke.

Answer: TRUE

Diff: 2 Page Ref: 40

Objective: 2-3

62) Oreo milkshakes sold in a Dairy Queen is an example of complementary branding.

Answer: TRUE

Diff: 2 Page Ref: 40

Objective: 2-3

63) Ingredient branding is the joint venture of two or more brands into a new good or service.

Answer: FALSE

Diff: 2 Page Ref: 40

Objective: 2-3

64) Co-branding succeeds when it builds the brand equity of both brands involved.

Answer: TRUE

Diff: 1 Page Ref: 40

Objective: 2-3

65) Private brands and private label programs diminished greatly in the 1990s, due to increasing levels of consumer affluence.

Answer: FALSE

Diff: 2 Page Ref: 41

Objective: 2-3

66) In recent years, loyalty toward retail stores has been declining, while loyalty toward individual brands has been increasing.

Answer: FALSE

Diff: 2 Page Ref: 41

Objective: 2-3

67) Many retailers are treating private labels more like national brands and investing more money into marketing, advertising, and in-store displays.

Answer: TRUE

Diff: 2 Page Ref: 42

Objective: 2-3

68) A product's package is the final opportunity for a brand to make an impression on a consumer before a purchase is made.

Answer: TRUE

Diff: 2 Page Ref: 43

Objective: 2-4

69) Marketing surveys have revealed that only about one-third of purchases are planned prior to reaching a store.

Answer: TRUE

Diff: 3 Page Ref: 43

Objective: 2-4

70) Packaging today needs to meet the needs of consumers for speed, convenience, and portability.

Answer: TRUE

Diff: 3 Page Ref: 44

Objective: 2-4

71) Although a label on a package must meet legal requirements, it represents another opportunity to reach consumers with a marketing message.

Answer: TRUE

Diff: 3 Page Ref: 45

Objective: 2-4

72) Positioning is the process of creating a perception in the consumer's mind regarding the nature of a company and its products relative to the competition.

Answer: TRUE

Diff: 1 Page Ref: 45

Objective: 2-5

73) In positioning products, it is important to be sure that the positioning strategy chosen is relevant to consumers and provides them with a benefit that consumers consider to be useful in decision making.

Answer: TRUE

Diff: 3 Page Ref: 45

Objective: 2-5

74) Consumers ultimately determine the position a product holds.

Answer: TRUE

Diff: 2 Page Ref: 45

Objective: 2-5

75) Using an attribute positioning strategy would involve emphasizing a particular trait or characteristic of the product.

Answer: TRUE

Diff: 2 Page Ref: 46

Objective: 2-5

76) A product user positioning strategy is creating a new or unusual product class that the brand can dominate.

Answer: FALSE

Diff: 3 Page Ref: 47

Objective: 2-5

77) When producers promote the idea that orange juice can be consumed at any time during the day, the attempt is to reposition it using the product class positioning approach.

Answer: TRUE

Diff: 3 Page Ref: 47

Objective: 2-5

78) Understanding how consumers view a product is important to successful product positioning.

Answer: TRUE

Diff: 2 Page Ref: 47

Objective: 2-5

79) Because of the nature of the business-to-business purchase decision, product positioning is not typically used.

Answer: FALSE

Diff: 2 Page Ref: 48

Objective: 2-5

80) In expanding internationally, an adaptation strategy means using the same brand name and products across all countries.

Answer: FALSE

Diff: 1 Page Ref: 49

Objective: 2-2

81) In international markets, an adaptation strategy reduces costs.

Answer: FALSE

Diff: 2 Page Ref: 49

Objective: 2-2

82) The Gucci company is an example of:

A) advertising success based on building greater brand awareness

B) an advertising program based on stimulus codability

C) a strong and identifiable corporate image

D) an advertising failure

Answer: C

Diff: 2 Page Ref: 24

Skill: AACSB: Reflective thinking

Objective: 2-1

83) The feelings consumers and business have about an organization and its brand is the corporation's:

A) advertising program impact

B) flanker brand

C) image

D) persona

Answer: C

Diff: 1 Page Ref: 25

Objective: 2-1

84) Maintaining a quality image is primarily the responsibility of:

A) advertising creatives

B) the CEO

C) the advertising agency

D) brand managers and advertising account executives

Answer: D

Diff: 2 Page Ref: 25

Objective: 2-1

85) Effective marketing communication starts with a clearly defined:

- A) advertising campaign
- B) channel structure
- C) corporate image
- D) advertising theme

Answer: C

Diff: 2 Page Ref: 26

Objective: 2-1

86) A study by Edelman Asia Pacific revealed all of the following were important components of a corporate image *except*:

- A) the price the company charged for its goods and services
- B) quality of a company's goods and services
- C) the perception of how the firm dealt with customers
- D) the willingness of a firm to stand behind its goods and services

Answer: A

Diff: 3 Page Ref: 26

Objective: 2-1

87) The following items are tangible components of a corporate image, *except*:

- A) goods and services sold
- B) retail outlets where the product is sold
- C) advertising, promotions, and other forms of communication
- D) competing businesses

Answer: D

Diff: 2 Page Ref: 27

Objective: 2-1

88) Which is an intangible element of a corporate image?

- A) the corporate name and logo
- B) ideals and beliefs of corporate personnel
- C) the employees
- D) the package and label

Answer: B

Diff: 3 Page Ref: 27

Objective: 2-1

89) In the mind of the consumer, a strong corporate image is linked to:

- A) perceptions of economic conditions
- B) ratings by financial advisors
- C) reduction of search time in purchase decisions
- D) finding substitute goods when making purchases

Answer: C

Diff: 2 Page Ref: 27

Objective: 2-1

90) From a consumer's perspective, a strong corporate image provides each of the following functions, *except*:

- A) provides assurance regarding purchase decisions in unfamiliar settings
- B) provides purchase alternatives
- C) reduces search time
- D) provides social acceptance of purchases

Answer: B

Diff: 2 Page Ref: 27

Objective: 2-1

91) Feeling good after making a purchase from a company with a strong and positive image is an example of:

- A) an impulse buy
- B) psychological reinforcement
- C) cognitive dissonance
- D) brand metrics

Answer: B

Diff: 3 Page Ref: 28

Skill: AACSB: Reflective thinking

Objective: 2-1

92) When you know other people have purchased the same brand that you are buying, the feeling is called:

- A) social acceptance
- B) reliability
- C) cognitive dissonance
- D) brand recognition

Answer: A

Diff: 2 Page Ref: 28

Objective: 2-1

93) From a business-to-business perspective, a strong corporate image provides each of the following functions, *except*:

- A) provides assurance regarding purchase decisions in unfamiliar settings
- B) provides purchase alternatives
- C) reduces search time
- D) provides social acceptance of purchases

Answer: B

Diff: 2 Page Ref: 28

Objective: 2-1

94) From the perspective of the corporation, a strong brand image is related to each of the following, *except*:

- A) being able to charge a higher price
- B) psychological reinforcement and social acceptance
- C) more frequent purchases by customers
- D) more favorable ratings by financial observers

Answer: B

Diff: 2 Page Ref: 29

Objective: 2-1

95) From the company's perspective, a quality corporate image enhances the introduction of a new product because:

- A) the company can charge a lower price for the new product
- B) a new distribution channel can be established
- C) customers normally transfer their trust in and beliefs about the corporation to a new product
- D) the competition does not know how to respond

Answer: C

Diff: 3 Page Ref: 29

Objective: 2-1

96) Which of the following statements about image is *false*?

- A) Reinforcing or rejuvenating a current image that is consistent with the view of consumers is easier to accomplish than changing a well-established image that is not consistent with the image the company wants to project.
- B) It is relatively easy to change the image people hold about a given company.
- C) Any negative or bad press can quickly destroy an image that took years to build.
- D) The image being projected must accurately portray the firm and coincide with its goods and services.

Answer: B

Diff: 3 Page Ref: 30

Objective: 2-2

97) In making decisions about the image to be projected, it will be the easiest for marketers to:

- A) rejuvenate an image that is consistent with consumer's current view of the company
- B) reinforce an image that is not consistent with a consumer's current view of the company
- C) develop a new image for a new company
- D) revert to an earlier image of the company

Answer: A

Diff: 3 Page Ref: 30

Skill: AACSB: Reflective thinking

Objective: 2-2

98) It is important that the image being projected by a company's marketing messages:

- A) reinforce the competition's concept of the image
- B) accurately portray the firm and coincide with the goods and services being offered
- C) be consistent with what consumers already believe about the firm
- D) coincide with what competitors are doing

Answer: B

Diff: 3 Page Ref: 30

Objective: 2-2

99) The right image is one that:

- A) coincides with the majority of companies within the industry
- B) highlights the quality of products being sold by the company
- C) is consistent with the views of management of each company
- D) sends a clear message about the unique nature of an organization and its products

Answer: D

Diff: 3 Page Ref: 30

Objective: 2-2

100) Keeping a consistent image while incorporating new elements is an example of:

- A) developing a new image
- B) image positioning
- C) rejuvenating an image
- D) completing an image

Answer: C

Diff: 2 Page Ref: 31

Objective: 2-2

101) When business travelers began to view Holiday Inn as outdated with old decor, the management team remodeled many properties and terminated contracts with proprietors that did not meet the new standards, which is an example of:

- A) reinforcing the current image
- B) developing a new image
- C) rejuvenating an image
- D) changing an image

Answer: C

Diff: 2 Page Ref: 31

Objective: 2-2

102) Hewlett-Packard's management team decided to move their image from being viewed as a staid company run by engineers to an ultimate lifestyle technology company in tune with pop culture is an example of:

- A) developing a new image
- B) reinforcing a current image
- C) rejuvenating an image
- D) changing an image

Answer: D

Diff: 3 Page Ref: 31

Skill: AACSB: Reflective thinking

Objective: 2-2

103) Changing an image is most necessary:

- A) every few years to meet changing consumers
- B) when sales begin to decline
- C) when target markets shrink or disappear or a firm's image no longer matches industry trends and consumer expectations
- D) when a competitor enters the market with a product that is viewed as being superior

Answer: C

Diff: 2 Page Ref: 31

Objective: 2-2

104) AT&T had the image of being an old-fashioned landline telephone company that also produced huge yellow telephone directories. When AT&T purchased Cingular cell service, AT&T's management team recognized it:

- A) could change the image of AT&T by using the orange color of Cingular
- B) could adopt Cingular's image of an innovative cell phone company
- C) could never change people's opinion of AT&T
- D) would not be easy to change an image that had developed over decades

Answer: D

Diff: 3 Page Ref: 32

Skill: AACSB: Reflective thinking

Objective: 2-2

105) Changing an image requires more than one well-made ad or press release □ it begins with:

- A) hiring a public relations firm to plan the image change
- B) designing a series of advertisements that take customers through the rationale for the image change
- C) selling the idea to internal company personnel and then moving outward to suppliers, other businesses, and customers
- D) selling the idea to customers and then working inward to company personnel

Answer: C

Diff: 2 Page Ref: 32

Objective: 2-2

106) Which type of corporate name reveals what a company does?

- A) overt
- B) implied
- C) conceptual
- D) iconoclastic

Answer: A

Diff: 1 Page Ref: 32

Objective: 2-2

107) American Airlines and BMW Motorcycles are examples of:

- A) overt names
- B) implied names
- C) conceptual names
- D) iconoclastic names

Answer: A

Diff: 2 Page Ref: 32

Objective: 2-2

108) Which type of corporate name contains recognizable words or word parts that imply what the company is about?

- A) overt
- B) implied
- C) conceptual
- D) iconoclastic

Answer: B

Diff: 2 Page Ref: 32

Objective: 2-2

109) Federal Express and International Business Machines (IBM) are examples of:

- A) overt names
- B) implied names
- C) conceptual names
- D) iconoclastic names

Answer: B

Diff: 3 Page Ref: 32

Objective: 2-2

110) Which type of corporate name captures the essence of the idea behind the brand?

- A) overt
- B) implied
- C) conceptual
- D) iconoclastic

Answer: C

Diff: 2 Page Ref: 32

Objective: 2-2

111) Lucent Technologies and Google are examples of:

- A) overt names
- B) implied names
- C) conceptual names
- D) iconoclastic names

Answer: C

Diff: 3 Page Ref: 32

Skill: AACSB: Reflective thinking

Objective: 2-2

112) Which type of corporate name does not reflect the company's goods or services?

- A) overt
- B) implied
- C) conceptual
- D) iconoclastic

Answer: D

Diff: 1 Page Ref: 32

Objective: 2-2

113) Which type of corporate name is unique, different, and memorable without suggesting the company's goods or services?

- A) overt
- B) implied
- C) conceptual
- D) iconoclastic

Answer: D

Diff: 1 Page Ref: 32

Objective: 2-2

114) Monster.com is an example of a(n):

- A) overt name
- B) implied name
- C) conceptual name
- D) iconoclastic name

Answer: D

Diff: 3 Page Ref: 33

Objective: 2-2

115) Overt names:

- A) reveal what the company does
- B) capture the essence of the idea behind the brand
- C) contain recognizable words or word parts that imply what the company is about
- D) do not reflect the company's good or services, but instead something that is unique, different, and memorable

Answer: A

Diff: 2 Page Ref: 32

Objective: 2-2

116) Implied names:

- A) reveal what the company does
- B) capture the essence of the idea behind the brand
- C) contain recognizable words or word parts that imply what the company is about
- D) do not reflect the company's good or services, but instead something that is unique, different, and memorable

Answer: C

Diff: 2 Page Ref: 32

Objective: 2-2

117) Conceptual names:

- A) capture the essence of the idea behind the brand
- B) contain recognizable words or word parts that imply what the company is about
- C) do not reflect the company's good or services, but instead something that is unique, different, and memorable
- D) reveal what the company does

Answer: B

Diff: 2 Page Ref: 32

Objective: 2-2

118) Iconoclastic names:

- A) reveal what the company does
- B) capture the essence of the idea behind the brand
- C) contain recognizable words or word parts that imply what the company is about
- D) do not reflect the company's good or services, but instead something that is unique, different, and memorable

Answer: D

Diff: 2 Page Ref: 32

Objective: 2-2

119) Logos help with in-store shopping because:

- A) they are more readily recognized by shoppers
- B) they move traffic past goods which are not being purchased
- C) they are a form of clutter
- D) consumers have made up their minds prior to arrival

Answer: A

Diff: 1 Page Ref: 33

Objective: 2-4

120) Stimulus codability is:

- A) a form of brand name
- B) the perception that the brand is known
- C) consensually held meanings among customers
- D) another name for product positioning

Answer: C

Diff: 2 Page Ref: 33

Objective: 2-4

121) A logo with a consensually held meaning, such as the Prudential Rock, displays:

- A) brand prominence
- B) stimulus codability
- C) brand parity
- D) product positioning

Answer: B

Diff: 2 Page Ref: 33

Objective: 2-4

122) The Nike Swoosh is an example of a:

- A) brand
- B) package
- C) label
- D) logo

Answer: D

Diff: 2 Page Ref: 33

Objective: 2-4

123) Corporate logos:

- A) are unrelated to image but are related to positioning
- B) help with recall of advertisements and brands
- C) usually are inexpensive to develop
- D) increase search time in product purchase decisions

Answer: B

Diff: 3 Page Ref: 33

Objective: 2-4

124) Quality logos and corporate names should pass each of the following tests, *except*:

- A) be similar to others in the industry
- B) be familiar
- C) elicit a consensual meaning among those in the firm's target market
- D) evoke positive feelings

Answer: A

Diff: 3 Page Ref: 33

Objective: 2-4

125) Names assigned to individual goods or services or to groups of products in a line are:

- A) brands
- B) logos
- C) metrics
- D) designs

Answer: A

Diff: 1 Page Ref: 34

Objective: 2-3

126) Developing a strong brand begins with:

- A) a SWOT analysis
- B) developing a product positioning strategy
- C) discovering why consumers buy a brand and why they rebuy the brand
- D) understanding how a brand compares with competing brands

Answer: C

Diff: 2 Page Ref: 34

Objective: 2-3

127) Two important processes help establish stronger brand prestige. First, the brand name must be prominently promoted through repetitious ads. Second, the brand name:

- A) must equate to high quality
- B) should convey a high level of brand equity
- C) should be associated with the brand's most prominent characteristic
- D) should obtain the highest brand awareness score

Answer: C

Diff: 3 Page Ref: 34

Skill: AACSB: Reflective thinking

Objective: 2-3

128) A family brand is:

- A) one in which a company offers a series or group of products under one brand name
- B) a type of extension or flanker brand offered by one company
- C) a logo or theme of a brand
- D) one that has a high level of brand equity

Answer: A

Diff: 1 Page Ref: 35

Objective: 2-3

129) Black and Decker's line of power tools is an example of a(n):

- A) adaptation
- B) family brand
- C) flanker brand
- D) private label brand

Answer: B

Diff: 2 Page Ref: 35

Objective: 2-3

130) When Black and Decker introduced a new form of wrench with the name "Black and Decker Adjustable Wrench," which was being used?

- A) family brand
- B) cooperative brand
- C) flanker brand
- D) complementary brand

Answer: A

Diff: 3 Page Ref: 35

Objective: 2-3

131) The goal of branding is to:

- A) be able to charge a higher price than the competition
- B) gain the largest market share
- C) set a product apart from its competitors
- D) have a trademark that is easily identifiable

Answer: C

Diff: 2 Page Ref: 35

Objective: 2-3

132) The secret to a long brand life is:

- A) developing a unique brand name
- B) having the largest market share within an industry
- C) having a high level of product quality and high margins
- D) finding one unique selling proposition and sticking with it

Answer: D

Diff: 3 Page Ref: 35

Objective: 2-3

133) The perception that all brands are essentially the same is called:

- A) brand equity
- B) brand parity
- C) flanker branding
- D) the private label problem

Answer: B

Diff: 1 Page Ref: 35

Objective: 2-3

134) Charles sees only minor differences among the various brands of high definition televisions. This is an example of:

- A) brand equity
- B) brand parity
- C) flanker branding
- D) the private label problem

Answer: B

Diff: 2 Page Ref: 35

Objective: 2-3

135) The perception that a brand is different and better is called:

- A) brand equity
- B) brand parity
- C) flanker branding
- D) the private label advantage

Answer: A

Diff: 1 Page Ref: 35

Objective: 2-3

136) When a customer believes Black and Decker makes the best and most reliable tools, this is an example of:

- A) brand parity
- B) brand equity
- C) brand cooperation
- D) brand decision

Answer: B

Diff: 2 Page Ref: 35

Objective: 2-3

137) Which is *not* true concerning brand equity?

- A) it allows the company to charge a higher price
- B) it reduces name retention
- C) it is helpful in business-to-business markets
- D) it is helpful in international markets

Answer: B

Diff: 2 Page Ref: 35

Objective: 2-3

138) Brand equity offers the following benefits, *except*:

- A) allows manufacturers charge more for their brands
- B) creates higher gross margins
- C) provides retailers and wholesalers with greater power
- D) captures additional shelf space in retail stores

Answer: C

Diff: 3 Page Ref: 35

Objective: 2-3

139) Brand equity offers the following benefits, *except*:

- A) serves as a weapon against consumers switching to another brand due to sales promotions or other competitors' deals
- B) prevents erosion of market share
- C) allows wholesalers and retailers to have a greater profit margin
- D) provides power with wholesalers and retailers

Answer: C

Diff: 3 Page Ref: 36

Objective: 2-3

140) Which is true concerning brand name recognition and brand equity?

- A) they are unrelated
- B) they are synonymous
- C) to gain brand equity, it is not essential to have a high level of brand recognition
- D) recognition is the first phase of developing brand equity

Answer: D

Diff: 3 Page Ref: 36

Objective: 2-3

141) The first step in building brand equity is:

- A) integrating old and new media
- B) engage in continuous improvement
- C) focus on domination
- D) research and analyze what it would take to make the brand distinctive

Answer: D

Diff: 2 Page Ref: 36

Objective: 2-3

142) Which measures returns on branding investments?

- A) brand infringement
- B) brand parity
- C) brand equity
- D) brand metrics

Answer: D

Diff: 1 Page Ref: 37

Objective: 2-3

143) Attitudinal measures associated with branding can be used to track all of the following *except*:

- A) awareness
- B) recall
- C) purchase intentions
- D) recognition

Answer: C

Diff: 2 Page Ref: 37

Objective: 2-3

144) In measuring brand equity companies can use a method called revenue premium, which compares a branded product's revenue to:

- A) the industry's average
- B) a private label brand
- C) a firm's primary competitors
- D) the industry leader

Answer: B

Diff: 3 Page Ref: 38

Objective: 2-3

145) A brand extension is:

- A) a group of related core products sold under one name
- B) the creation of a logo which further explains the brand
- C) the design of a public relations campaign to support a brand
- D) using an established brand name on goods or services not related to the core brand

Answer: D

Diff: 1 Page Ref: 38

Objective: 2-3

146) American Express Traveler's Cheques are a form of:

- A) flanker brand
- B) brand extension
- C) cooperative brand
- D) complementary brand

Answer: B

Diff: 3 Page Ref: 38

Skill: AACSB: Reflective thinking

Objective: 2-3

147) Which is a flanker brand?

- A) the offering of two or more brands in a single marketing offer
- B) the joint venture of two or more brands into a new product or service
- C) development of a new brand by a company in a good or service category where it currently has an offer
- D) a brand with the same name in a different industry

Answer: C

Diff: 2 Page Ref: 39

Objective: 2-3

148) When Procter and Gamble introduces a new laundry detergent with a different brand name, it is an example of creating a:

- A) family brand
- B) cooperative brand
- C) co-brand
- D) flanker brand

Answer: D

Diff: 2 Page Ref: 39

Objective: 2-3

149) When Procter and Gamble added a new laundry detergent in Asia called "Panda" to its current line of laundry detergents, the Panda brand would be considered a(n):

- A) brand extension
- B) family brand
- C) flanker brand
- D) complementary brand

Answer: C

Diff: 2 Page Ref: 39

Skill: AACSB: Reflective thinking

Objective: 2-3

150) If a company feels that offering a new product under the current brand name may adversely affect the current brand, the best approach would be to introduce the product as a(n):

- A) brand extension
- B) ingredient brand
- C) flanker brand
- D) co-brand

Answer: C

Diff: 3 Page Ref: 40

Objective: 2-3

151) Which involves using an established brand name on goods or services that are not related to the core brand?

- A) brand extension
- B) private brand
- C) flanker brand
- D) complementary brand

Answer: A

Diff: 2 Page Ref: 38

Objective: 2-3

152) When a company develops a new brand in the same category in which the firm already has a branded product, it is a:

- A) brand extension
- B) private brand
- C) flanker brand
- D) complementary brand

Answer: C

Diff: 2 Page Ref: 40

Objective: 2-3

153) When a company's marketing team introduces a new brand within a product category where it already has brands in an effort to appeal to target markets the team believes is not being reached by the company's main brand, which is being used?

- A) brand extension
- B) private brand
- C) flanker brand
- D) complementary brand

Answer: C

Diff: 3 Page Ref: 40

Objective: 2-3

154) Which approach is used by firms operating in high-end markets in order to avoid damaging the high-end brand's reputation?

- A) brand extension
- B) private brand
- C) flanker brand
- D) complementary brand

Answer: C

Diff: 3 Page Ref: 40

Objective: 2-3

155) A firm that is expanding to international markets often adds additional brands to current brands in order to strengthen an international presence, reflecting which strategy?

- A) brand extension
- B) private brand
- C) flanker brand
- D) complementary brand

Answer: C

Diff: 2 Page Ref: 40

Objective: 2-3

156) Co-branding can take the following forms, *except*:

- A) flanker brand
- B) ingredient brand
- C) cooperative brand
- D) complementary brand

Answer: A

Diff: 2 Page Ref: 40

Objective: 2-3

157) Ingredient branding involves:

- A) placing one brand within another
- B) developing a new brand to be sold in a category where the firm already has a brand
- C) a joint venture of two brands in one product
- D) marketing two brands together to encourage co-consumption

Answer: A

Diff: 1 Page Ref: 40

Objective: 2-3

158) Intel Pentium processors placed inside computers is a form of:

- A) ingredient branding
- B) flanker brand
- C) cooperative branding
- D) complementary branding

Answer: A

Diff: 2 Page Ref: 40

Objective: 2-3

159) Cooperative branding is:

- A) private labeling with a major brand
- B) placing one brand in another as a form of cooperation
- C) the joint venture of two or more brands in one product
- D) the marketing two brands together to encourage co-consumption

Answer: C

Diff: 1 Page Ref: 40

Objective: 2-3

160) Co-branding works the best when:

- A) the two brands are unrelated
- B) a well-known brand is attached to a lesser-known brand
- C) a private label is co-branded with a manufacturer's brand
- D) it builds the brand equity of both brands

Answer: D

Diff: 3 Page Ref: 40

Objective: 2-3

161) Complementary branding is:

- A) using a private label to complement the main brand
- B) placing one brand within another brand
- C) the joint venture of two or more brands in one product
- D) marketing two brands together to encourage co-consumption

Answer: D

Diff: 1 Page Ref: 40

Objective: 2-3

162) Selling Reese's Peanut Butter Cup milkshakes at the DQ is an example of:

- A) flanker branding
- B) extension branding
- C) cooperative branding
- D) complementary branding

Answer: D

Diff: 2 Page Ref: 40

Objective: 2-3

163) A Pillsbury cookie mix featuring Hershey's Chocolate is a form of:

- A) flanker branding
- B) cooperative branding
- C) ingredient branding
- D) complementary branding

Answer: C

Diff: 3 Page Ref: 40

Skill: AACSB: Reflective thinking

Objective: 2-3

164) The placement of one brand within another brand is:

- A) ingredient branding
- B) cooperative branding
- C) complementary branding
- D) flanker branding

Answer: A

Diff: 2 Page Ref: 40

Objective: 2-3

165) The joint venture of two or more brands into a new good or service is:

- A) ingredient branding
- B) cooperative branding
- C) complementary branding
- D) flanker branding

Answer: B

Diff: 2 Page Ref: 40

Objective: 2-3

166) The marketing of two or more brands together to encourage co-consumption or co-purchases is:

- A) ingredient branding
- B) cooperative branding
- C) complementary branding
- D) flanker branding

Answer: C

Diff: 2 Page Ref: 40

Objective: 2-3

167) In terms of co-branding, the highest risk strategy is

- A) ingredient branding
- B) cooperative branding
- C) complementary branding
- D) flanker branding

Answer: C

Diff: 3 Page Ref: 40

Objective: 2-3

168) A proprietary brand marketed by an organization and normally distributed within the organization's outlets is a:

- A) private label
- B) flanker brand
- C) co-brand
- D) complementary brand

Answer: A

Diff: 1 Page Ref: 41

Objective: 2-3

169) Private brands are:

- A) new brands sold in the same category
- B) the joint venture of two or more brands in a new good or service
- C) the use of established brand names on goods and services not related to the company's core brand
- D) proprietary brands marketed by an organization and normally distributed exclusively within the organization's outlets

Answer: D

Diff: 1 Page Ref: 41

Objective: 2-3

170) Over the past few years, each of the following are changes that have occurred in the area of private branding, *except*:

- A) priced equal to national brands
- B) improved quality
- C) increased advertising of private brands
- D) increased quality of in-store displays of private brands

Answer: A

Diff: 3 Page Ref: 41

Objective: 2-3

171) Private labels are attractive to retail stores because:

- A) they are priced higher than national brands
- B) they do not require any advertising
- C) they tend to have higher margins than national brands
- D) consumers are becoming more loyal to private brand

Answer: C

Diff: 3 Page Ref: 41

Objective: 2-3

172) The following statements about private labels are true, *except*:

- A) quality levels of many private label products have improved
- B) prices for private labels are going up in many markets
- C) consumers still perceive private labels as being inferior to manufacturer's brands
- D) some firms have begun advertising private labels

Answer: C

Diff: 2 Page Ref: 41

Objective: 2-3

173) Manufacturers are using all of the following methods to respond to inroads made by private labels *except*:

- A) focusing on a few core brands
- B) increasing advertising expenditures
- C) introducing new products and new versions of current products
- D) reducing prices to meet private label pricing

Answer: D

Diff: 3 Page Ref: 42

Objective: 2-3

174) Manufacturers are using all of the following methods to respond to inroads made by private labels *except*:

- A) modifying the brand's position in the marketplace
- B) expanding product offerings
- C) using alternative promotional methods
- D) improving in-store displays and packaging

Answer: A

Diff: 3 Page Ref: 42

Objective: 2-3

175) Traditionally, a package provided each of the following functions, *except*:

- A) key component of a company's integrated marketing communications plan
- B) provide for ease of shipping, moving, and handling
- C) protect the contents
- D) provide for easy placement on store shelves

Answer: A

Diff: 3 Page Ref: 43

Objective: 2-4

176) New trends in packaging include the following, *except*:

- A) prevent tampering
- B) meet consumer needs for speed, convenience, and portability
- C) contemporary and striking design
- D) designed for ease of use

Answer: A

Diff: 2 Page Ref: 44

Objective: 2-4

177) Which is positioning?

- A) a form of logo
- B) a form of extension brand
- C) creating a perception in the consumer's mind regarding the nature of a brand relative to the competition
- D) creating the impression that the company is from a particular industry

Answer: C

Diff: 1 Page Ref: 45

Objective: 2-5

178) Creating a perception in the consumer's mind regarding the nature of a company and its products relative to the competition is called:

- A) product positioning
- B) brand management
- C) stimulus codability
- D) changing a corporate image

Answer: A

Diff: 1 Page Ref: 45

Objective: 2-5

179) Positioning a product using the attribute positioning strategy would involve promoting:

- A) a product trait or characteristic which sets the product apart from its competitors
- B) the product in relation to the competition
- C) an extension of a brand name
- D) the price of the product in relation to its best attribute

Answer: A

Diff: 2 Page Ref: 46

Objective: 2-5

180) A brand that is compared to competitors is using which type of product positioning strategy?

- A) attribute
- B) competitor
- C) use or application
- D) price-quality relationship

Answer: B

Diff: 1 Page Ref: 46

Objective: 2-5

181) When Arm & Hammer advertises that baking soda can be used as a deodorizer in refrigerators, which product positioning strategy is being used?

- A) attribute
- B) competitor
- C) use or application
- D) price-quality relationship

Answer: C

Diff: 2 Page Ref: 46

Objective: 2-5

182) When Hallmark advertises cards that are for those who "want to send the best," which product positioning strategy is being used?

- A) attribute
- B) competitor
- C) use or application
- D) price-quality relationship

Answer: D

Diff: 3 Page Ref: 47

Objective: 2-5

183) Distinguishing a product from its competitors based on who uses it is a positioning strategy based on:

- A) product user
- B) product class
- C) use or application
- D) competitors

Answer: A

Diff: 1 Page Ref: 47

Objective: 2-5

184) When a vegetable soup is promoted as having less sodium for individuals on a low-sodium diet, the positioning strategy is based on:

- A) attributes
- B) use or application
- C) product user
- D) product class

Answer: C

Diff: 3 Page Ref: 47

Skill: AACSB: Reflective thinking

Objective: 2-5

185) Using a standardized global brand offers all of the following advantages *except*:

- A) lower marketing costs
- B) meets the need of individual cultures within different countries
- C) transference of best practices from one country to another
- D) a higher perceived quality because it is sold in different countries

Answer: B

Diff: 3 Page Ref: 49

Skill: AACSB: Multicultural and diversity

Objective: 2-3

186) Global brands do the best in:

- A) highly visible products such as clothing and furniture
- B) high-profile, low-involvement products
- C) high-profile, high-involvement products
- D) low-involvement everyday products

Answer: C

Diff: 3 Page Ref: 49

Objective: 2-3

187) From a consumer's perspective, what are the benefits of a strong corporate image?

- Answer: 1. Assurance regarding purchase decisions of familiar products in unfamiliar settings
2. Assurance concerning purchases where there is little previous experience
 3. Reduction of search time in purchase decisions
 4. Psychological reinforcement and social acceptance of purchase decisions

Diff: 2 Page Ref: 27

Objective: 2-1

188) What are the benefits of a strong corporate image in the eyes of the company?

Answer: 1. Extension of positive consumer feelings to new products

2. The ability to charge a higher price or fee

3. Consumer loyalty leading to more frequent purchases

4. Positive word-of-mouth endorsements

5. The ability to attract quality employees

6. More favorable ratings by financial observers and analysts

Diff: 3 Page Ref: 29

Objective: 2-1

189) When should a company consider rejuvenating its image and how should it be done?

Answer: A company should consider rejuvenating its image when sales have declined or a competitor has taken a strong market position in the industry. Any time the brand has suffered a decline in brand equity is a good time to consider rejuvenating an image. Rejuvenating an image requires developing a campaign that is consistent with the current image while at the same time incorporating new elements into the image to expand the firm's target market and to reconnect with previous customers.

Diff: 3 Page Ref: 31

Skill: AACSB: Communication

Objective: 2-2

190) When are the four types of corporate names?

Answer: Overt names, implied names, conceptual names, iconoclastic names.

Diff: 2 Page Ref: 32

Objective: 2-2

191) What four tests should quality logos and corporate names pass?

Answer: 1. They should be easily recognizable.

2. They should be familiar.

3. They should elicit a consensual meaning among those in the firm's target market.

4. They should evoke positive feelings.

Diff: 2 Page Ref: 38

Objective: 2-4

192) When developing a strong brand name, what are some typical questions that should be asked?

Answer: 1. What are the most compelling benefits?

2. What emotions are elicited by the brand either during or after the purchase?

3. What one word best describes the brand?

4. What is important to consumers in the purchase of the product?

Diff: 3 Page Ref: 34

Objective: 2-3

193) Identify the steps in building a high level of brand equity.

Answer: 1. Research and analyze what it would take to make the brand distinctive.

2. Engage in continuous innovation.

3. Move fast.

4. Integrate new and old media.

5. Focus on domination.

Diff: 3 Page Ref: 36

Objective: 2-3

194) Describe brand extensions and flanker brands.

Answer: Brand extensions use an established brand name on goods or services not related to a core brand. Flanker brands are brands used by a company in a category in which the company currently has an offering.

Diff: 1 Page Ref: 38-40

Objective: 2-3

195) What three forms of co-branding are there? Define each one.

Answer: 1. Ingredient branding is placement of one brand within another brand.

2. Cooperative branding is the joint venture of two brands or more into a new product or service.

3. Complementary branding is marketing of two brands together to encourage co-consumptions or co-purchases.

Diff: 2 Page Ref: 40

Objective: 2-3

196) Why have private brands or private labels been more successful in recent years?

Answer: 1. Quality levels have improved.

2. Perceived as a value purchase by consumers.

3. Loyalty toward stores is higher than loyalty to brands.

4. Increased advertising of private labels.

5. Used to differentiate retail outlets.

6. Increased quality of in-store displays and packaging of private labels.

Diff: 3 Page Ref: 41-42

Objective: 2-3

197) What traditional elements should be incorporated into packaging design and what are the new trends that impact packaging?

Answer: Traditional elements of packaging include:

1. Protect the product inside
2. Provide for ease in shipping, moving, and handling
3. Provide for easy placement on store shelves
4. Prevent or reduce the possibility of theft
5. Prevent tampering

New trends in packaging include:

1. Meet consumer needs for speed, convenience, and portability
2. Must be contemporary and striking
3. Must be designed for ease of use

Diff: 3 Page Ref: 43

Objective: 2-4

198) What are the types of product positioning?

Answer: 1. Attributes

2. Competitors
3. Use or application
4. Price/quality relationship
5. Product user
6. Product class
7. Cultural symbol positioning

Diff: 2 Page Ref: 45-47

Objective: 2-5