

## 2.5: Exercises

### Tie it All Together

Now that you have read this chapter, you should be able to understand the advertising, promotion, and marketing essentials necessary to win the msnbc.com account:

- You can *define* the term *advertising*.
- You can *differentiate* advertising from other marketing communication forms.
- You have *reviewed* the colorful history and background of advertising.
- You can *classify* the various types of advertising and promotion in use today.
- You can *identify* the four cornerstones of marketing (e.g., the Four Ps).
- You can *recall* how the advertising industry is structured and *recognize* the different types of advertising agencies found in today's marketplace.
- You can *describe* how agencies have been compensated historically and in present times.
- You can *indicate* the type of clients that are available to advertisers and their agencies.
- You can *list* the different careers in advertising available to students and professionals.

### USE WHAT YOU'VE LEARNED

1. If you were to build the perfect laptop computer, how would you design it? This is the very question faced by any company that wishes to compete in today's highly competitive laptop computer market. Two heavyweight competitors, Lenovo and Apple, are betting that their products will win the market share race in the laptop market. Lenovo has the superthin ThinkPad X300 positioned against Apple's MacBook Air. Comparison tables show that each of these highly desirable products has very similar features and characteristics with a slight positive edge going to the ThinkPad X300. Prices are also similar. Considering the facts you have been given and the types of advertising and promotion discussed in this chapter, *recommend* the forms of advertising and promotion that Lenovo should use to exploit its slight advantage over Apple's product. Be sure to consider whom you would address with your message and the best way to reach them as you write your recommendation.
2. Let's assume that you and a few close friends have just invented a new video game that has all the people you know raving about it. It's a spin-off from the wildly popular *Guitar Hero* concept where the music player can become a keyboardist (keyboard sold with game unit), bass player, or drummer (complete with drumsticks and simulated drumhead pad). Given what you know about the video game market and buying video games, take a position and defend it with respect to whether it would be better for your company and partners to pursue a *promotional push* or *promotional pull* communication strategy to present your "*Rock Man*" to the video game market. Explain and support your position.

### DIGITAL NATIVES

Most consumers are familiar with the term *advertising agency*; however, most would be hard pressed to explain exactly what an advertising agency does or even name some of the most prominent agencies. Surprisingly, most advertising agencies do not toot their own horns to the general public. The exact opposite is true with respect to courting potential clients. Advertising agencies are extremely competitive with one another and have different ways of communicating their messages to prospective clients. Today, a solid Web presence is a necessity for any advertising agency. Some take the familiar "listing of services" approach and others take a more creative approach.

### AD-VICE

1. Based on your review of the two SS+K organizational charts presented in the final SS+K Spotlight in the chapter, compare the *organizational structure* to the *work structure*. List and explain any perceived advantages or disadvantages of the two structures.
2. Based on information supplied by your review of the chapter and any outside research you may have conducted, take one of the two following positions and write a three-paragraph defense of your position. Position #1—Traditional media (such as radio, newspapers, and television) are adapting sufficiently to the "wired world" and will most likely retain their strength as the primary choice for advertising dollars. Position #2—Internet advertising and other maverick forms of promotion (such as viral and guerrilla marketing) are now the media of choice and will most likely continue to push traditional media into the background in market share competition.
3. Pick any two products or services to illustrate a *direct* and *indirect channel* of distribution. In each instance explain the advantages and disadvantages of the channel configuration.

4. Our marketing world is filled with product placements. Explain what a product placement is, how it can be used by marketers and advertisers, and what you believe to be the likelihood of success for this form of marketing. Use a real product placement example to illustrate your discoveries and research.

### ETHICAL DILEMMA

Traditionally, the mass media has paid advertising agencies a 15 percent commission on all business brought to them. The advertising agency also represents a client and may receive fees from that client. Since the advertising agency receives a commission on the amount billed from a client from the mass media, some believe that a conflict of interest exists—two masters are being served. While the advertising agency is supposedly cutting the best deal they can with the mass media for their client in terms of media prices, they may also be receiving commissions based on billing where more money is made by the advertising agency as billing revenues for the agency and mass media increase.

After considering the ethics of this situation, take a position on the practice and make comments. Remember to try to see the issue from the viewpoint of all parties—the mass media, the client, and the advertising agency. Be prepared to discuss your thoughts and position.

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