Chapter 13

Digital Marketing and Social Networking

True / False Questions

1. E-business means carrying out the goals of business exclusively through the use of physical retail stores.
   True  False

2. Digital media refers to media available via computers alone; not mobile or smart phones.
   True  False

3. The Internet often impedes business transactions, making them slower and less efficient.
   True  False

4. The Internet has helped marketers to reach target markets that were previously inaccessible to many businesses.
   True  False

5. The phenomenal growth of digital media has provided new ways of conducting business.
   True  False

6. Internet markets are more different from traditional markets than they are similar.
   True  False

7. Digital technology has had much more impact in certain industries where the cost of business and customer transactions has been very high.
   True  False

8. One of the greatest drawbacks of digital marketing is the inability of marketers and customers to share information with ease.
   True  False

9. With digital media, it is no longer important for marketers to achieve the right marketing mix.
   True  False
10. Digital media make it easy for companies to add benefits and services to enhance products.
   True  False

11. The Internet is not considered a distribution channel.
   True  False

12. The most flexible element of the marketing mix is price.
   True  False

13. Consumer consumption patterns have not changed very much over time.
   True  False

14. Digital marketing can enhance the value of products.
   True  False

15. Consumers’ tendency to trust other consumers over corporations is one factor behind the rise of consumer-generated information.
   True  False

16. Online social networks are a valuable part of marketing because they change the way consumers communicate with each other and with firms.
   True  False

17. Digital media are more consumer-driven than traditional media.
   True  False

18. With customer-generated video content increasingly available, some companies are using it instead of professional advertising firms.
   True  False

19. Companies sometimes utilize Facebook and similar sites to help generate interest about new products.
   True  False

20. The surest way to ensure that you do not fall prey to scams or identity theft online is never to divulge important personal information online.
   True  False
21. Intellectual property is technically protected by laws and regulations, but companies still suffer billions of dollars in losses related to intellectual property theft each year.

True  False

22. The correct blend of traditional and new digital media marketing will vary depending on the business, its size, and its target market.

True  False

23. Crowdsourcing is a scam in which con artists counterfeit a well-known website and send out e-mails directing victims to it.

True  False

24. Illegal sharing of Internet content is not considered an intellectual property problem.

True  False

25. Shopping in a store raises more privacy concerns than shopping online.

True  False

Multiple Choice Questions

26. Which of the following scenarios makes a reference to E-business?

A. Alexis purchases a tablet PC through an online retail store.
B. Keisha purchases tickets for a football match from the stadium.
C. Malik buys a laptop from an electronics store located a few blocks away from his home.
D. Laila buys her favorite brand of cereal from a nearby supermarket.
E. Joshua purchases fruits and vegetables from a roadside farmer's market.

27. Which of the following statements is true of digital communication?

A. It has significantly reduced the connectivity between businesses and customers.
B. It has made it possible for businesses to reach previously inaccessible markets.
C. It has adversely affected businesses’ network with manufacturers.
D. It does not include banner ads.
E. It denies customers control over information they view.
28. In the context of digital communication, _____ is the ability of the marketer to identify customers before they make a purchase.

A. control  
B. interactivity  
C. connectivity  
D. addressability  
E. accessibility  

29. _____, in the context of digital communication, refers to the ability of customers to express their needs and wants directly to the firm in response to its marketing communications.

A. Addressability  
B. Accessibility  
C. Connectivity  
D. Interactivity  
E. Control  

30. _____ refers to marketers' ability to obtain digital information in the context of digital communication.

A. Control  
B. Accessibility  
C. Connectivity  
D. Addressability  
E. Interactivity  

31. In the context of digital communication, _____ refers to consumers' ability to get in touch with marketers along with other consumers.

A. connectivity  
B. control  
C. addressability  
D. accessibility  
E. interactivity  

32. In the context of digital communication, _____ refers to the customer's ability to regulate the information they view as well as the rate and exposure to that information.

A. addressability  
B. accessibility  
C. interactivity  
D. connectivity  
E. control
33. Which of the following statements is true about digital media in the context of business?

A. It has significantly increased the costs of businesses.
B. It makes the quality of products less important.
C. It can also improve communication within and between businesses.
D. It lacks potential to have a long-term impact on economic growth.
E. It greatly helps private organizations but is ineffective for government organizations.

34. One challenge that digital media has created for businesses is:

A. employees wasting time surfing the Internet.
B. increase in the cost of communication.
C. reduced access to information.
D. difficulty in conducting market research.
E. hampered communication within businesses.

35. Which of the following statements is true about digital media?

A. They make customer communications interactive.
B. They limit the companies’ reach to new target markets.
C. They limit marketers from utilizing new resources.
D. They make communication complex and expensive.
E. They limit consumers’ access to information about products.

36. Which of the following statements is true about digital media?

A. They hold little relevance to brick-and-mortar companies.
B. They do not relieve businesses of the task of achieving the right marketing mix.
C. They do not help businesses enhance the benefits of their products.
D. They do not give businesses the scope to offer more products than traditional stores.
E. They make it more difficult to anticipate customer needs.

37. Which of the following statements is true about the impact of digital media in the marketing mix?

A. Digital media has increased the opportunities for word-of-mouth marketing.
B. For the business that wants to compete on price, digital marketing provides no opportunities.
C. The concept of online shopping created by the digital media can be found only in the western world.
D. Consumer consumption patterns have undergone little change with the advent of digital media.
E. Social networking sites are the least useful when it comes to boost the brand exposure of a firm.
38. Supernova Inc. is a gadgets and accessories retailer which has recently introduced a new concept. A customer can order products not usually available in its stores from Supernova’s website; the products are then shipped to the Supernova store nearest to the customer. The customer can pick up the products from the store at his convenience without having to pay any shipping charges. This concept is called ____.

A. digital shipping  
B. viral marketing  
C. brick and mortar  
D. traditional retail  
E. site to store

39. Marketers’ ability to process orders electronically and increase the speed of communications thereby reducing costs, inefficiencies, and redundancies most relates to which element of the marketing mix?

A. Pricing  
B. Promotion  
C. Distribution  
D. Communication  
E. Advertising

40. ____ is the most flexible element of the marketing mix.

A. Promotion  
B. Distribution  
C. Product  
D. Price  
E. Placement

41. A(n) ____ is a web-based meeting place for friends, family, co-workers, and peers that lets users create a profile and connect with other users for a wide range of purposes.

A. peer-to-peer sharing  
B. webcast  
C. podcast  
D. wiki  
E. social network
42. Which of the following statements is true about social networking?

A. Social networks have existed in some form or other for 40 years.
B. As the number of social network users increases, interactive marketers are finding it difficult to access new target markets.
C. Professionals such as professors, doctors, and engineers are yet to start using social networks.
D. Social networks do not encompass certain demographic segments such as mothers.
E. Social networks are personal spaces of users and marketers refrain from using them to advertise products.

43. Many social networking sites today provide users with the ability to:

A. download applications.
B. access information in the absence of the Internet.
C. manipulate content on other websites.
D. develop software.
E. restrict others from accessing any kind of online information.

44. Which service allows users to "like" a company's profile and thereby interact and build a relationship with the firm?

A. Facebook
B. Wikipedia
C. Twitter
D. Second Life
E. CafeMom

45. A factor that has sparked the rise of consumer-generated information is:

A. the increasing dominance of traditional media over digital media.
B. the reluctance of consumers to publish their thoughts and opinions on digital platforms.
C. the dwindling number of consumers using social networking sites.
D. the consumers' tendency to trust other consumers over corporations.
E. the digital media which is gradually becoming less consumer driven.

46. Which of the following statements is true about Facebook?

A. It is essentially a microblogging site than a social network.
B. It allows users to write posts consisting of not more 140 characters.
C. It appeals to a wide demographic that includes parents and grandparents.
D. It is still overshadowed by the popularity of Myspace.
E. It does not allow users to create public profiles.

Source: M Business 5th edition
47. Which of the following statements is true about Twitter?

A. It allows users to create posts of any lengths.
B. It is a hybrid of a social networking site and a micro-blogging site.
C. It has had minimal impact on digital media.
D. It cannot be used to build customer relationships.
E. It lacks the potential to give companies a competitive advantage.

48. _____ are web-based journals in which writers can editorialize and interact with other Internet users.

A. Online newspapers
B. Wikis
C. Social networking sites
D. Blogs
E. Virtual realities

49. Which of the following statements is true about blogs?

A. They allow users to post content consisting of only 140 characters.
B. They give users the power to even post false or negative information.
C. They lack the potential to increase sales even if they contain positive reviews about products.
D. They cannot be spread across the Internet.
E. They are not even read by half of the Internet users.

50. Which of the following is NOT a reason why a company might maintain a blog?

A. To answer consumer concerns and questions
B. To defend corporate reputation
C. To build enthusiasm for its products
D. To highlight positive company news and information
E. To document internal operational flaws

51. _____ are websites where users can add to or edit the content of posted articles.

A. Online newspapers
B. Blogs
C. Wikis
D. Social networking sites
E. Virtual realities
52. Which of the following statements is true about wikis?

A. They do little to give companies an idea about what consumers feel about them.
B. They are being used by some companies as internal tools for teams working on projects that require a great deal of documentation.
C. They seldom carry negative information or publicity about businesses, and there is little at stake for businesses if they ignore wikis.
D. They do not allow users to add or edit information that has already been posted.
E. They are being used by almost all the Fortune 500 companies.

53. Which of the following statements is true about media sharing sites?

A. They are more limited in scope in how companies interact with consumers.
B. They have minimal popularity which provides no potential for firms to reach a global audience of consumers.
C. They do not allow firms to post videos or photographs like other sites.
D. They provide no visual ways through which businesses can share their corporate messages.
E. They are more limited in scope when it comes to viral marketing.

54. _____ tend to allow businesses to be more promotional than reactive because they do not permit companies to respond to or interact with customers.

A. E-mails
B. Social networking sites
C. Media sharing sites
D. Microblogging sites
E. Mailers

55. _____ is a tool that uses the Internet, particularly social networking and video sharing sites, to spread a message and create brand awareness.

A. Print media
B. TV infomercial
C. Viral marketing
D. Community radio
E. Firewall
56. Which of the following statements is true about viral marketing?

A. It significantly increases the advertising costs of a company.
B. It does not use video and photo sharing sites.
C. It occurs when a message gets sent from person to person to person.
D. It involves the e-mailing of bulky video files that take a long time to load.
E. It essentially uses newspaper and magazine ads.

57. _____ is one of the most popular photo sharing sites on the Internet which enables the user to upload images, edit them, classify the images, create photo albums, and share photos with friends.

A. Myspace
B. Gmail
C. 6 Degrees
D. Flickr
E. Final Cut Pro

58. _____ is the most popular mobile photo sharing application which allows users to make their photos look dreamy or retrospective with different tints and then share them with their friends.

A. Flickr
B. Instagram
C. Myspace
D. Orkut
E. 6 Degrees

59. _____ is a photo sharing bulletin board site that combines photo sharing with elements of bookmarking and social networking.

A. Pinterest
B. Final Cut Pro
C. Flickr
D. Wikipedia
E. Myspace
60. _____ are audio or video files that can be downloaded from the Internet via a subscription that automatically delivers new content to listening devices or personal computers.

A. Podcasts  
B. Wikis  
C. Blogs  
D. Social networking sites  
E. Virtual realities

61. _____ allow users to develop avatars that live and play online, and sometimes even have their own currency.

A. Virtual reality  
B. Social networking sites  
C. Wikis  
D. Micro-blogs  
E. Virtual worlds

62. The little black and white squares that sometimes appear in magazines, posters, and store displays which let a consumer with a smart device view a website, video, or image with additional marketing information is known as a(n):

A. tweet.  
B. FB code.  
C. QR code.  
D. podcast.  
E. widget.

63. Widgets are:

A. little black and white squares that appear in magazines, posters, and store displays.  
B. antivirus programs that help individuals avoid identity theft.  
C. characters in Second Life which is a virtual world.  
D. small bits of software on a website, desktop, or mobile device that enables users to interface with the application and operating system.  
E. identifying string of text, on users' computers that permit website operators to track how often a user visits the site, what he or she looks at while there, and in what sequence.
64. Individuals who upload original videos, publish blogs and personal web pages, upload original music, and write and post articles and stories are most likely to fall under the _____ segment of consumers on the basis of their Internet activity.

A. inactives  
B. spectators  
C. creators  
D. joiners  
E. collectors

65. Jerome is not very fond of posting original content or reviews and ratings on the website but spends some time posting updates on social network sites like Twitter and Facebook. He puts up statuses at least once in a week. Jerome is most likely to fall under the category of _____ according to the Forrester research.

A. inactives  
B. creators  
C. joiners  
D. critics  
E. conversationalist

66. According to Forrester Research, which of the following groups of Internet users is most likely to post ratings and reviews of products and companies and to comment on blogs?

A. Critics  
B. Conversationalists  
C. Collectors  
D. Joiners  
E. Inactives

67. Betty spends most of her online time reading blogs and watching videos uploaded by other users. She also reads customer ratings and reviews about different products. On online forums she prefers more of reading than posting content. Betty is most likely to fall under which segments of consumers according to the Forrester research?

A. Inactives  
B. Critics  
C. Collectors  
D. Creators  
E. Spectators
68. ____ describes how marketers use digital media to find out the opinions or needs of potential markets.

A. Downsizing  
B. Identity theft  
C. Crowdsourcing  
D. Viral marketing  
E. Outsourcing

69. Which of the following statements is true about online shopping?

A. It does not allow businesses to track purchasing habits of customers.  
B. It does not involve the use of cookies, identifying strings of text.  
C. It does not involve sharing of customer information without the customers' knowledge.  
D. It does not allow visitors to customize services.  
E. It does not promise complete anonymity to customers.

70. ____ permit website operators to track how often a user visits the site, what he or she looks at while there, and in what sequence, but they also allow Web users to customize services and content.

A. QR codes  
B. Bar codes  
C. Apps  
D. Widgets  
E. Cookies

71. The European Union passed a law that requires companies to:

A. customize services for consumers.  
B. store cookies in consumers’ computers.  
C. allow consumers to opt for credit card payments.  
D. get users' consent before using cookies to track their information.  
E. track and monitor the contents of consumers' online purchases.

72. ____ occurs when criminals obtain personal information that allows them to impersonate someone else in order to use the person’s credit to obtain financial accounts and make purchases.

A. Firewalling  
B. Phishing  
C. Identity theft  
D. Crowdsourcing  
E. Viral marketing
73. The practice of _____ involves companies offering to harvest personal information from social networking and other sites.

A. scraping  
B. outsourcing  
C. tweeting  
D. phishing  
E. crowdsourcing

74. Which of the following illustrates online fraud?

A. Forgetting login details for e-mail  
B. Reading content on other people's profiles on social networking sites  
C. Posting derogatory remarks about companies in blogs  
D. Posting negative reviews on online forums about companies and individuals  
E. Deceiving Internet users into revealing personal information

75. One growing scam used to initiate identity theft fraud is the practice of ____, whereby con artists counterfeit a well-known website and send out e-mails directing victims to it.

A. firewalling  
B. phishing  
C. cloud computing  
D. scraping  
E. viral marketing

76. What is the best way NOT to become a victim of online fraud or identity theft?

A. Avoiding firewalls  
B. Not divulging personal information  
C. Not updating antivirus programs  
D. Replying to all the e-mails with personal details  
E. Storing credit card details in e-mail accounts

77. Which of the following is NOT a reason used by consumers to rationalize piracy and online fraud?

A. The facts that even their friends engage in piracy and digital swapping  
B. The justification that they do not have enough money to pay for what they want  
C. The feeling that being tech-savvy allows them to exploit the opportunity to pirate  
D. The fear of getting caught and arrested in the cases of online fraud  
E. The prospect of getting a thrill of getting away with something that has limited consequences
Essay Questions

78. What characteristics distinguish digital from traditional communication? Define each of those characteristics.

79. Define the terms "digital media" and "digital marketing." Describe their increasing value in strategic planning.

80. How can digital marketing and media help companies to cut costs and improve communication?
81. Discuss how digital marketing has altered the marketing mix.

82. Discuss how digital media has especially helped businesses in making promotion of their products more effective.

83. Discuss the appeal to marketers of online social networking sites. Why are marketers utilizing them more and more?

84. What factors have sparked a rise of consumer-generated information?
85. Discuss briefly a few important features of Facebook and Twitter and explain how they are being utilized by marketers.

86. What are blogs and wikis? How are marketers utilizing them for their advantage?

87. What is viral marketing? What tools can businesses use to achieve viral marketing for their products?

88. What are podcasts? What benefit does it offer to marketers?
89. What are virtual worlds? How are marketers utilizing them in order to reach consumers?

90. How has mobile marketing changed consumers' consumption patterns and how have marketers adapted?

91. What are widgets? How do they help marketers?

92. Explain the various groupings of consumers based on their online behavior as done by the Forrester Research company.
93. What is crowdsourcing? How does it help marketers?

94. What are some of the ways cybercriminals are using the Internet to commit online fraud?

95. Why is privacy such a problem on the Internet? What can be done to improve privacy for those who choose to surf the web and shop online?

96. Discuss intellectual property and its infringement in digital media.
97. What are some of the reasons given by consumers to rationalize illegal sharing of intellectual property? How has it affected the software industry?