Chapter 13 Digital Marketing and Social Networking

1) All e-business is conducted via the Internet. True False 2) All digital marketing is conducted via the Internet. True False 3) The Internet impedes business transactions. True False 4) Internet markets are more similar to traditional markets than they are different. True False 5) Digital technology has had more impact in industries where the cost of business and customer transactions is very low. True False 6) Digital marketing has many benefits and no discernible drawbacks or challenges. True False 7) One of the greatest drawbacks of digital marketing is the inability of marketers and customers to share information with ease. True False 8) Consumers spend more time on email than they do on social media sites. True False 9) More than 40 percent of the world's population now uses the Internet. True False 10) The product is the most flexible element of the marketing mix. True False 11) User-generated content relates to consumers who create, converse, rate, collect, join, or simply read online materials.

True False

12) Digital media are more consumer-driven than traditional media.

True False

13) LinkedIn is the most popular social networking site in the world.

True False

14) Snapchat is a mobile-photo messaging application popular among teenagers.

True False

15) Blogs are websites where users can add to or edit the content of posted articles.

True False

16) Podcasts have been known to influence buying habits.

True False

17) Metrics can be quantitative or qualitative.

True False

18) One section of the Google Analytics dashboard is financial.

True False

19) Since intellectual property is protected by patents and copyrights, there are very few losses related to intellectual property theft.

True False

Multiple Choice Questions

- 20) E-business differs from traditional business in that
- A) traditional business caters to business-to-business deals, which do not include direct selling.
- B) e-business carries out the goals of business through the use of the Internet.
- C) e-business permits guerilla marketing.
- D) traditional business typically uses the pull strategy.
- E) traditional business typically uses the push strategy.
- 21) Which of the following scenarios relates 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 fruit and vegetables from a farmer's market.
22) In the context of digital communication, is the ability of a marketer to identify customers before they make a purchase. A) control B) interactivity C) connectivity D) addressability E) accessibility
23) Clothes House installs cookies on a user's computer that allows the company to identify when the user returns to its website. Which of the following characteristics of digital marketing does this scenario best describe? A) interactivity B) accessibility C) connectivity D) addressability E) control
24) A furniture store has a website where customers can voice their concerns and get personalized responses from the company. The website also encourages customers to tell the company how they learned about the store. Which of the following characteristics of digital marketing does this scenario best describe? A) interactivity B) accessibility C) connectivity D) addressability E) control
25) Which of the following characteristics distinguishes digital marketing from traditional marketing? A) addressability B) accountability C) adaptability D) creativity E) receptivity
26) An educational publisher has developed an analytics tool on its website, so it can track what customers are looking at and how long they spend looking at each product. Which of the following characteristics of digital marketing does this scenario best describe? A) addressability B) accessibility C) connectivity D) interactivity

E) control
27) A marketing department encouraged customers to share their ideas for new computer features on a public forum on its website. Then, the marketers asked these customers to vote on the features they liked the best. Which of the following characteristics of digital marketing does this scenario best describe? A) control B) accessibility C) connectivity D) addressability E) interactivity
28) Google can use web searches done through its search engine to learn about customer interests. This underlies the aspect of digital communication. A) control B) addressability C) connectivity D) accessibility E) interactivity
29) Crystal wants to buy a concert ticket to see her favorite band. She goes on Ticket Central's website to find the best deal on her ticket. Which of the following characteristics of digital marketing does this scenario best describe? A) connectivity B) control C) addressability D) accessibility E) interactivity
30) marketing typically uses the Internet and mobile and interactive channels to develop communication and exchanges with customers.
A) Cloud B) Database C) Content D) Digital E) Diversity
31) Which of the following media is used by digital marketing? A) newspaper B) magazine C) Yellow Pages D) social networks E) radio

32) Dai owns an automobile mechanic shop. He started using digital media to have real-time exchanges and almost instant communication with his defined consumer groups. All of the

following are benefits of using real-time exchanges EXCEPT they

- A) eliminate the need to have face-to-face interaction with customers.
- B) stimulate interactive communication.
- C) forge closer relationships.
- D) reveal consumer needs.
- E) reveal supplier needs.
- 33) One thing that digital communication is NOT used for is to
- A) conduct marketing research.
- B) advertise.
- C) focus on in-store sales.
- D) provide and obtain price information.
- E) sell goods and services online.
- 34) Chloe's Cosmetics invites its online customers to sample new products and provide feedback. When a product gets rave reviews, the company introduces that product into its stores on a larger scale. This example most demonstrates
- A) offering free items to attract new customers.
- B) introducing new products via guerilla marketing.
- C) selling products before they are fully available.
- D) developing a brand name.
- E) judging consumer demand through online marketing research.
- 35) A successful digital marketing strategy focuses
- A) on creating products that customers need.
- B) on creating products that marketers want.
- C) exclusively on developing a brand name or label.
- D) on reducing costs of online transaction.
- E) exclusively on giving discounts for products.
- 36) Carl manages a tractor supply store. Recently, he has started using digital media to store knowledge, information, and records in a management information system, so his employees can access it when they are faced with problems to solve. Which key business function is Carl focused on improving in this scenario?
- A) leadership
- B) communication
- C) adaptability
- D) productivity
- E) job satisfaction
- 37) Given the crucial role of communication and information in business, the long-term impact of digital media on economic growth is
- A) minimal, but it will likely grow over time.
- B) minimal, and it will inevitably remain constant over time.
- C) substantial, but it will inevitably shrink over time.
- D) substantial, and it will inevitably grow over time.
- E) substantial, and it will remain constant over time.

- 38) Melanie is a manager at an accounting firm. She has noticed that her employees spend at least an hour per day surfing the Internet at work. Which of the following is the best reason Melanie should address this situation quickly and effectively?
- A) Surfing the Internet can escalate to other time-wasting activities.
- B) Letting employees surf the Internet reduces their respect for their managers.
- C) Surfing the Internet could have a negative impact on employee productivity.
- D) The Internet doesn't have any positive effects on business, so it should be banned entirely from the workplace.
- E) Surfing the Internet leads to high levels of employee confusion because it keeps them from paying attention to their work.
- 39) Which of the following statements explains how digital media differ from conventional marketing techniques?
- A) Digital media make customer communications faster and more interactive.
- B) Digital media limit a company's reach to new target markets.
- C) Digital media limit marketers from utilizing new resources.
- D) Digital media make communication more complex and expensive.
- E) Digital media limit consumers' access to information.
- 40) Which of the following is something Nielsen Marketing Research revealed about social network use?
- A) Consumers are becoming busier, so they no longer have time to spend on social networking sites.
- B) The majority of social network users are over 30 years of age.
- C) Social network use is declining.
- D) Consumers spend more time on social networking sites than they do on e-mail.
- E) Small businesses do not benefit from using digital media.
- 41) All of the following are examples of how businesses can use digital media to help them succeed EXCEPT
- A) Candace's Confections uses Facebook to branch out to customers in other states.
- B) Office Giant sends customers a link to its online catalog, so they can order office supplies from their offices or homes.
- C) Shoes Express creates a customer community by encouraging customers to post reviews of their purchases on its website.
- D) Kimball's Karate posts ads in local newspapers to attract new customers.
- E) Chic Furniture Design hosts a blog where the company and customers can post photos and comments on specific pieces of furniture.
- 42) Megan used to do all of her shopping at the local mall. However, recently, she is spending less time at the mall and doing more of her shopping online. Which of the following is likely a reason that Megan has changed her shopping habits?
- A) There is less chance of buying counterfeit items when she shops online.
- B) Although she always has to pay high shipping costs when she shops online, she can get online items at a lower price, which makes up for the shipping costs.

C) She prefers waiting to receive her items over dealing with the crowded stores in the mall.D) She can go to the mall and look at items in person and then order them online to save money
E) She prefers to shop online because it is more convenient, and items are constantly available.
43) Supernova.com provides consumers with a wealth of information about electronic equipmer from various companies. This website allows customers to compare the benefits and prices to determine which items they want to purchase. Thus, Supernova.com is a site. A) distribution B) viral marketing C) brick-and-mortar D) traditional retail E) deal
44) Marketers' ability to process orders electronically and increase the speed of communication thereby reducing costs, inefficiencies, and redundancies, most relates to the element of the marketing mix. A) pricing B) promotion C) distribution D) communication E) advertising
45) One of the best ways businesses can utilize digital media is for purposes, such as increasing brand awareness and connecting with consumers. A) promotion B) distribution C) product D) pricing E) placement
46) Allan owns a small home improvement store. In addition to selling tools and materials, he also offers low-cost installation services when customers buy all the tools and materials for their projects in his store. He uses digital media to communicate this promotion to his customers. The is an example of how Allan A) gets the most money possible out of his customers. B) enhances the value of his products. C) ensures that his employees have plenty of work to do. D) keeps his store in business. E) allows his customers to compare his store with his competitors.
47) is a reviews website. A) Twitter B) LinkedIn C) Wikipedia D) Yelp E) Travelocity

- 48) A factor that has sparked the rise of consumer-generated information is the
- A) increasing dominance of traditional media over digital media.
- B) reluctance of consumers to publish their thoughts and opinions on digital platforms.
- C) dwindling number of consumers using social networking sites.
- D) consumers' tendency to trust other consumers over corporations.
- E) digital media, which are gradually becoming less consumer-driven.
- 49) Paul wants to buy a new car. Which of the following is he most likely to consider when making his decision on the type of car to buy?
- A) the exciting new features a certain type of car includes, as highlighted in a television advertisement
- B) a recommendation from his mother on the best type of car to buy
- C) a recommendation from a local car salesperson on the best type of car to buy
- D) a deal website that compares different types of cars, so he can choose the one he likes best
- E) a car dealership's website that provides information about its cars' features and benefits
- 50) Which of the following trends is having a profound effect on marketing?
- A) consumers' tendency to trust corporations over other consumers
- B) the decrease in creating and reading consumer-generated content
- C) the tendency of marketers to shut down consumer-generated information
- D) the tendency of consumers to keep their product feedback to themselves
- E) the increased tendency of consumers to publish their thoughts, opinions, reviews, and product discussions through blogs or digital media
- 51) Which of the following statements is true of Twitter?
- A) It allows users to create posts of any length.
- 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.
- 52) Social networking sites are useful for______, or the creation of relationships that mutually benefit the business and customer.
- A) digital interaction
- B) relationship marketing
- C) B2C marketing
- D) personal selling
- E) hybrid marketing
- 53) Pizza Express uses Twitter to build relationships with its customers. All of the following are ways Pizza Express can do this EXCEPT
- A) posting announcements about promotions and deals.
- B) posting polls to get customer feedback on pizza flavors.
- C) ignoring customer complaints and keeping its Twitter feed positive.
- D) posting humorous tweets and one-liners.
- E) sharing short promotional videos with customers.

- 60) Nike was involved in a controversy involving its suppliers' use of child labor. As it works to resolve this controversy, what should the company monitor to get a better idea of how consumers feel about the company and its brand?
- A) corporate blogs
- B) consumers' Facebook pages
- C) consumers' Twitter feeds
- D) its own website
- E) relevant wikis
- 61) Which of the following statements is true of 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 tend to be more reactive than promotional.
- 62) Beautiful Face, a company that produces skin care products, uses photos and videos to promote its products on its website. However, it does not interact with consumers through personal messages or responses. In this scenario, what type of website is Beautiful Face using? A) a blog
- B) a social networking site
- C) a media-sharing site
- D) a micro-blogging site
- E) a wiki
- 63) _____ occurs when a message gets sent from person to person. It can be an extremely effective tool for marketers, particularly on the Internet.
- A) Print media
- B) TV infomercial
- C) Viral marketing
- D) Community radio
- E) Firewall
- 64) Which of the following statements is true of viral marketing?
- A) It significantly increases the advertising costs of a company.
- B) It does not use video and photo sharing sites.
- C) It can involve advertising on existing popular videos.
- 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.
- 65) Cameron is a young, aspiring videographer who wants to film weddings and other large events. He started by offering his services at weddings for his family members, friends, and coworkers. After he has taken and creatively designed wedding videos, he posts them on a digital media site. Which of the following is a reason Cameron would want to post his videos?
- A) to give his family members, friends, and co-workers easy access to them

B) to showcase his talent for the chance to launch a successful business C) to make his family members, friends, and co-workers into instant celebrities D) to get a job at an established company that employs videographers E) to catch the attention of an arts and entertainment television network, so his work can be viewed internationally
66) is one of the most popular photo sharing sites on the Internet and enables users to upload images, edit them, classify the images, create photo albums, and share photos with friends. A) YouTube B) Snapchat C) FaceTime D) Flickr E) Twitter
67) Sarah took a picture of her horse. She used filters and tints to alter her photo before sharing it with her friends on Facebook. Which popular mobile photo-sharing application did Sarah most likely use to alter and share her photo? A) Flickr B) Instagram C) Facebook D) Pinterest E) Six Degrees
68) 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) Facebook
69) Paula uses Pinterest to post images conveying a certain emotion that represents her company's brand. What is something Paula would want to learn about using Pinterest? A) how to "pin" potential customers on her company's Pinterest page B) how to develop a Pinterest page that doesn't pressure consumers to purchase her products C) how to convince customers that it is their idea to purchase her products D) how to influence a customer to proceed from showing interest in her products to having an intent to purchase them E) how to convert her Pinterest account to a direct sales account
70) 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
71) Which of the following is a common mobile marketing tool? A) podcasts B) wikis C) viral marketing D) multimedia messages E) bitcoins
72) 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, are known as A) tweets. B) FB codes. C) QR codes. D) podcasts. E) widgets.
 73) Google Wallet is a A) virtual currency that can be used to make a payment via smartphone. B) mobile app that stores credit card information on smartphones. C) widget that provides stock quotes. D) QR scanning app that stores hidden messages contained in the code. E) software that stores virtual currency to make payments via smartphone easy.
74) is a virtual peer-to-peer currency that can be used to make a payment via smartphone. A) Google Wallet B) Square Cash C) Bitcoin D) Speedy cash E) Zynga coin
75) Adrian went to Anime Boston, a large annual anime convention. As she was looking at the various vendors, she saw a Japanese dress she wanted to buy. She handed her credit card to the vendor, and the vendor used a smartphone swiping device to swipe her card. After the transaction was complete, the vendor sent her a receipt via e-mail. Which of the following mobile payment options does this scenario describe? A) Bitcoin B) Google Wallet C) Square D) Apple Pay E) QR Pay
76) 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 perform a simple purpose, such as providing stock quotes.
- E) identifying strings 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.
- 77) Larry's Lawnmower Company uses an innovative digital marketing tool to personalize its web page, alert users to the latest company information, and spread awareness of the company's products. Which of the following is most likely the digital marketing tool Larry's Lawnmower Company is using?
- A) a Bitcoin
- B) widgets
- C) a virtual world
- D) a podcast
- E) cookies
- 78) _____ describes how marketers use digital media to find out the opinions or needs of potential markets.
- A) Crowdsourcing
- B) Networking
- C) Collecting
- D) Groupthink
- E) Surveying
- 79) Compute his a company that sells computers and software. The company has a website that allows customers to post comments about the computers and software it sells. Why is it important for this company to encourage customer feedback?
- A) Consumers are more likely to say positive things about companies that value their opinions.
- B) Negative consumer feedback can actually attract more customer interest in the product.
- C) Most online shoppers will only buy products if they can voice their opinions about them after the purchase.
- D) Allowing consumer feedback makes it less likely that consumers will provide their feedback.
- E) Most online shoppers search the Internet for ratings and reviews before making major purchase decisions.
- 80) All of the following are true regarding how marketers can use digital media to learn about consumers EXCEPT they can
- A) conduct mail, telephone, or personal interviews.
- B) use Twitter and Facebook as substitutes for focus groups.
- C) use social networking sites to gather useful information about consumers.
- D) use social networking sites to determine consumer preferences.
- E) conduct online surveys.
- 81) Which of the following is true of digital media forums and the purpose they serve for businesses?

A) Digital media forums only collect negative consumer-generated content about firms. B) Digital media forums allow businesses to closely monitor what their customers are saying. C) Digital media forums do not allow businesses to communicate with consumers to address problems or complaints. D) Digital media forums only collect positive consumer-generated content about firms. E) Digital media forums make communication between firms and consumers more difficult than through traditional communication channels. help determine the percentage of customers who clicked on a link on a site. A) Digital footprints B) Metrics C) Performance measures D) Audience reports E) Conversions 83) All of the following are sections of the Google Analytics dashboard EXCEPT A) real time. B) demographics. C) audience. D) behavior. E) conversions. 84) Kim knows that businesses track consumers' shopping habits, and she wants to remain anonymous during the shopping process. Which of the following is something she can do to maintain her anonymity? A) She can use a shopping card. B) She can use coupons to save money. C) She can pay for her purchases with a credit card. D) She can shop online. E) She can pay for her purchases with cash. 85) Which of the following statements is true of online shopping? A) It does not allow businesses to track purchasing habits of customers. B) It does not involve the use of cookies by identifying strings of text. C) It does not involve sharing customer information without the customer's knowledge. D) It does not allow visitors to customize services. E) It does not allow customers to completely protect their personal information. permit website operators to track how often a user visits the site, what he or she looks at while there and in what sequence, and also allow web users to customize services and content. A) OR codes

B) Bar codesC) AppsD) WidgetsE) Cookies

87) Due to consumer concerns over privacy, the is considering developing regulations that would better protect consumer privacy by limiting the amount of consumer information that businesses can gather online. A) Consumer Financial Protection Bureau B) Federal Bureau of Investigation C) Federal Trade Commission D) U.S. Securities and Exchange Commission E) National Cyber Security Division
 88) 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.
89) Gary is a web advertiser for an online company that sells cars. He uses consumer information to better target his advertisements to online customers. As a result, which of the following would he see as a threat?
A) cookies B) a "do not track" bill C) self-regulation measures D) current tracking technology E) customized services
90) 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
91) Niran has initiated a scam in which he counterfeited a well-known banking website and sent out e-mails to direct victims to it. By making this website look authentic, he was able to get victims to reveal their social security numbers, bank account numbers, and credit card numbers. What type of scam is Niran running in this scenario? A) hacking B) password breaking C) phishing D) intellectual property theft E) utility fraud
92) To deter identity theft, the National Fraud Center wants financial institutions to A) use QR scanning applications.

- B) use virtual peer-to-peer currency that can be used to make a payment via smartphone.
- C) implement new technologies such as digital certificates, digital signatures, and biometrics.
- D) use cookies that permit website operators to track how often a user visits the site.
- E) keep the identity of online traders completely anonymous.
- 93) Which of the following situations 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 on blogs
- D) posting negative reviews on online forums about companies and individuals
- E) deceiving Internet users into revealing personal information
- 94) Which of the following is a way people can avoid becoming victims of online fraud?
- A) avoid using a pin number when doing online transactions
- B) use a different password for each website user's visit
- C) create simple passwords that only have meaning to the specific user
- D) avoid visiting websites that use biometrics
- E) use credit cards with magnetic tape rather than embedded chips
- 95) Which of the following practices is considered online fraud?
- A) viral marketing
- B) debugging
- C) phishing
- D) tracking
- E) spamming
- 96) Carl broke into Office Mega Store's website and stole its customers' personal information.
- Which method of online fraud is Carl using?
- A) phishing
- B) credit card fraud
- C) intellectual property theft
- D) hacking
- E) tracking
- 97) Amy wants to ensure that she is safe from online fraud and identity theft. What is the best thing she can do to ensure this?
- A) avoid firewalls
- B) refrain from divulging personal information
- C) refrain from updating antivirus programs
- D) reply to all the e-mails with personal details
- E) store credit card details in e-mail accounts
- 98) Which of the following is least likely to be a reason used by consumers to rationalize piracy and online fraud?
- A) the fact 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 obtaining thrills out of getting away with something that has limited consequences
- 99) Which of the following protects intellectual property?
- A) bitcoins
- B) antiviruses
- C) brand logo
- D) patents
- E) section 123

Essay Questions

- 100) What characteristics distinguish digital from traditional communication? Define each of those characteristics.
- 101) How can digital marketing and media help companies cut costs and improve communication?
- 102) When businesses use digital media to create marketing strategies on the web, they focus on product, distribution, promotion, and pricing considerations. Explain each of these considerations and how they impact marketing decisions.
- 103) Explain how user-generated content can be used by marketers.
- 104) Define the terms blog and wiki. Who uses these and how do they use them?
- 105) What is Google Analytics? What does this tool allow marketers to do?
- 106) Define identity theft and explain how to avoid it. What are the most common kinds of database threats?