1) __________ marketing involve engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.
A) Undifferentiated and differentiated  
B) Mass and targeted  
C) Direct and digital  
D) Internal and external  
E) Standardized and customized  
Answer: C  
Diff: 1  
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.  
AACSB: Information technology

2) Which of the following statements is most likely true about direct and digital marketing?
A) They are used to sell goods to an undifferentiated market segment.  
B) They are inconvenient and lengthen the process for most buyers.  
C) They remain unaffected by the rapid growth of technologies.  
D) They build customer engagement and constitute a complete model for doing business.  
E) They are rarely used by companies as supplementary channels.  
Answer: D  
Diff: 2  
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.  

3) Which of the following are the fastest-growing forms of marketing?
A) direct and digital  
B) undifferentiated and differentiated  
C) internal and external  
D) mass and targeted  
E) standardized and customized  
Answer: A  
Diff: 2  
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.  
AACSB: Information technology
4) How has the Internet most likely affected direct and digital marketing?
A) The time taken by marketers to reach customer segments has increased.
B) The role of technology has become less intense.
C) The expenditures on direct and digital marketing have increased.
D) The growth of digital sales has seen a significant downturn.
E) The number of mass marketing forms has expanded.
Answer: C
Diff: 2
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.
AACSB: Information technology

5) Which of the following is most likely true about direct and digital marketing?
A) They make it increasingly difficult for sellers to adjust their prices.
B) They provide sellers a high-cost alternative for reaching their markets.
C) They have become less dependent on social media and the Internet.
D) They provide buyers with anytime, anywhere access to products.
E) They reduce the number of interaction options between buyers and sellers.
Answer: D
Diff: 2
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.
AACSB: Information technology

6) Direct marketing has undergone a dramatic transformation due to rapid advances in digital technologies.
Answer: TRUE
Diff: 1
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.
AACSB: Information technology

7) Direct marketing is characterized by narrowly defined segments or individual buyers.
Answer: TRUE
Diff: 2
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.
AACSB: Information technology

8) Digital marketing through online, mobile, and social media provides a sense of brand engagement and community.
Answer: TRUE
Diff: 1
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to customers and companies.
AACSB: Information technology
9) Explain the major benefits of direct and digital marketing for both customers and sellers.
Answer: For buyers, direct and digital marketing are convenient, easy, and private. They give
buyers anywhere, anytime access to an almost unlimited assortment of goods and a wealth of
products and buying information. For example, on its Web site and mobile app, Amazon.com
offers more information than most of us can digest, ranging from top-10 product lists, extensive
product descriptions, and expert and user product reviews to recommendations based on
customers' previous purchases. Through direct marketing, buyers can interact with sellers by
phone or on the seller's Web site or app to create exactly the configuration of information,
products, or services they want and then order them on the spot. Finally, for consumers who
want it, digital marketing through online, mobile, and social media provides a sense of brand
engagement and community — a place to share brand information and experiences with other
brand fans. For sellers, direct marketing often provides a low-cost, efficient, speedy alternative
for reaching their markets. Today's direct marketers can target small groups or individual
customers. Because of the one-to-one nature of direct marketing, companies can interact with
customers by phone or online, learn more about their needs, and personalize products and
services to specific customer tastes. In turn, customers can ask questions and volunteer feedback.
Direct and digital marketing also offer sellers greater flexibility. They let marketers make
ongoing adjustments to prices and programs, or make immediate, timely, and personal
announcements and offers. Especially in today's digital environment, direct marketing is a
powerful tool for moving customers through the buying process and for building customer
engagement, community, and relationships. The new direct marketing tools provide rich
opportunities for building close, personalized, interactive customer relationships.

Diff: 2
LO: 14-1: Define direct and digital marketing and discuss their rapid growth and benefits to
customers and companies.
AACSB: Analytical thinking; Information technology

10) Which of the following is a traditional direct marketing tool?
A) catalog
B) e-mail
C) blog
D) online advertisement
E) Web site
Answer: A

Diff: 1
LO: 14-2: Identify and discuss the major forms of direct and digital marketing.
AACSB: Analytical thinking
11) Which of the following is a direct digital marketing tool?
A) printed catalog
B) direct mail
C) telephone
D) television
E) blog
Answer: E
Diff: 1
LO: 14-2: Identify and discuss the major forms of direct and digital marketing.
AACSB: Information technology

12) Social media marketing is a traditional direct marketing tool.
Answer: FALSE
Diff: 1
LO: 14-2: Identify and discuss the major forms of direct and digital marketing.
AACSB: Information technology

13) What are the main forms of direct and digital marketing?
Answer: The main forms of direct and digital marketing include traditional direct marketing tools and the new direct digital marketing tools. Traditional direct marketing tools include face-to-face selling, direct-mail marketing, catalog marketing, telemarketing, direct-response television marketing, and kiosk marketing. These traditional tools are still heavily used and very important in most firm's direct marketing efforts. In recent years, however, a dazzling new set of direct digital marketing tools has burst onto the marketing scene, including online marketing (Web sites, online ads and promotions, e-mail, online videos, and blogs), social media marketing, and mobile marketing.
Diff: 2
LO: 14-2: Identify and discuss the major forms of direct and digital marketing.
AACSB: Analytical thinking; Information technology

14) ________ refers to marketing via the Internet using company Web sites, online advertising and promotions, e-mail marketing, online video, and blogs.
A) Digital marketing
B) Social media marketing
C) Direct marketing
D) Online marketing
E) Multimedia marketing
Answer: D
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology
15) In which of the following cases is a firm employing omni-channel retailing?
A) E-tailers such as Hammon.com market their products through a strong online presence.
B) Wingate Retail sells its products through e-tailers and hundreds of physical superstores.
C) Russel Stores’ sales operations are based on heavy outbound telephone marketing.
D) Lues Wholesalers markets its products to retailers through personal selling.
E) Local convenience stores promote products through word-of-mouth marketing.
Answer: B
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBS: Analytical thinking; Information technology

16) Which of the following is most likely true about the digital age with regards to marketing?
A) The number of businesses connecting people over digital networks is in decline.
B) Digital networks allow marketers many ways to build customer relationships.
C) The Internet has had little impact on the ways consumers purchase products.
D) Most firms are shifting back to traditional marketing forms to build customer value.
E) Online-only marketing is more commonly used by firms than multichannel marketing.
Answer: B
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBS: Information technology

17) Amazon.com and Expedia.com are best described as ________ that sell products and services directly to final buyers via the Internet.
A) search engines
B) content sites
C) transaction sites
D) e-tailers
E) iTV sites
Answer: D
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBS: Analytical thinking; Information technology
18) Which of the following is a transaction site?
A) Wikipedia
B) Yahoo
C) eBay
D) IMDB
E) Facebook
Answer:  C  
Diff: 2  
LO:  14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB:  Analytical thinking; Information technology

19) The growth of the Internet caused many traditional companies to ________ in response to customer demands and a changing marketplace.
A) use traditional direct marketing forms
B) adopt direct-mail marketing
C) use omni-channel retailing
D) develop retail transaction sites
E) expand their outside sales forces
Answer:  C  
Diff: 2  
LO:  14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB:  Analytical thinking; Information technology

20) For most companies, the first step in conducting online marketing is to ________.
A) place an ad online
B) send e-mails
C) create a Web site
D) create a social networking site
E) place search-related ads
Answer:  C  
Diff: 1  
LO:  14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB:  Information technology
21) Which of the following is an online tool designed to engage customers and move them closer to a direct purchase or other marketing outcome?
A) direct mail
B) infomercial
C) printed catalogue
D) branded community Web site
E) marketing Web site
Answer: E
Diff: 1

LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBE: Information technology

22) Which of the following is the primary purpose of branded community Web sites?
A) displaying digital catalogues
B) providing detailed descriptions of products
C) creating customer-product engagement
D) selling products and services
E) sending direct mails to consumers
Answer: C
Diff: 1

LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBE: Information technology

23) Online visitors can’t buy anything at ESPN.com. Instead, the site creates a virtual experience for sports enthusiasts and fans that can be customized to meet their needs. This is most likely an example of a(n) _______.
A) branded community Web site
B) promotional Web site
C) interactive Web site
D) e-tailing Web site
E) direct marketing Web site
Answer: A
Diff: 2

LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSBE: Information technology
24) Backpacks Galore has an online tool that offers a wide variety of backpacks for direct purchase. The tool even allows customers to select an option to monogram their backpacks. Which of the following has Backpacks Galore most likely used?
A) phishing site
B) online forum
C) Web blog
D) community Web site
E) marketing Web site
Answer: E
Diff: 3
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies. 
AACS: Analytical thinking; Information technology

25) Which of the following is a form of online advertising?
A) direct mail
B) rich media ad
C) toll-free number
D) search-related ad
E) printed catalog
Answer: D
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACS: Information technology

26) Which of the following account for the largest portion of firms' online advertising spending?
A) display and search-related advertisements
B) search-related and rich media advertisements
C) digital and rich media advertisements
D) community Web sites and blog posts
E) blog posts and digital media
Answer: A
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies. 
AACS: Information technology
27) ________ might appear anywhere on an Internet user's screen when a user is browsing through an article, and they are often related to the information being viewed.
A) Viral advertisements  
B) Social media sites  
C) Online display ads  
D) Digital catalogs  
E) Printed catalogs
Answer: C
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

28) Every time a search is made using keywords related to construction, search engines display text-based advertisements and links to Regan Builders, a construction firm. The marketing tool used by Regan Builders is best referred to as a ________.
A) display advertisement  
B) contextual advertisement  
C) digital catalog  
D) community Web site  
E) Web blog
Answer: B
Diff: 3
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

29) Which of the following is most likely true about e-mail marketing?
A) It cannot be personalized for individual consumers.  
B) It is a traditional form of direct marketing.  
C) It is restricted to the use of personal computers.  
D) It is used by marketers to send highly targeted messages.  
E) It is always non-intrusive in nature due to spam filters.
Answer: D
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
30) Which of the following is most likely a consequence of permission-based e-mail marketing?
A) higher return rates
B) excessive spamming
C) increased consumer frustration
D) lower consumer response rates
E) reduced consumer interaction
Answer: A
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.

31) Posting digital content on brand Web sites or on social media sites such as YouTube, Facebook, Vine, and others are forms of ________ marketing.
A) corporate intranet
B) online video
C) viral blog
D) media portal
E) digital kiosk
Answer: B
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.

AACSB: Information technology

32) Which of the following is true of viral marketing?
A) It is the digital version of word-of-mouth marketing.
B) It refers to online marketing problems caused by technical glitches.
C) It is another term for the unethical invasion of online privacy.
D) It is an automated system that manages digital sales and marketing functions.
E) It is a system that allows a supplier to access a customer's inventory levels online.
Answer: A
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
33) Clenzo is a company that provides house cleaning services in major urban and suburban areas. Marketers at Clenzo developed a short, humorous video promoting the company's services and hope that customers who see the video will be so entertained that they will pass the video on to their friends and colleagues. The marketers at Clenzo are using techniques to facilitate ________.

A) direct-mail marketing  
B) viral marketing  
C) catalog marketing  
D) contextual advertising  
E) display advertising

Answer: B  
Diff: 3  
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB: Analytical thinking; Information technology

34) Which of the following is a primary disadvantage of viral marketing?
A) The costs of viral marketing are generally too high for most companies.  
B) The brand associated with the viral message is usually forgotten.  
C) Marketers have little control over who receives a viral message.  
D) Viral messages are less likely to be viewed than other types of online promotions.  
E) Viral messages are blocked by most search engines.

Answer: C  
Diff: 2  
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB: Information technology

35) Coca-Cola Unbottled is an online forum where Coke fans and company insiders can "look at what's beyond the bottle," sharing posts on everything from new products and sustainability initiatives to fun and inspiring fan stories. This is an example of a ________.

A) blog  
B) catalog  
C) search engine  
D) spam post  
E) viral message

Answer: A  
Diff: 2  
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.  
AACSB: Analytical thinking; Information technology
36) Which of the following is a drawback of using blogs as a marketing medium?
   A) Advertising on a blog is typically very expensive.
   B) It is difficult to use blogs to reach highly targeted audiences.
   C) The content of a blog is difficult to control.
   D) A company cannot have more than one blog.
   E) Blogs do not provide the kind of personalized medium that today's marketers want.
   Answer:  C
   Diff: 2
   LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
   AACSB: Information technology

37) Which of the following is true of marketing through blogs?
   A) Starting and maintaining blogs is expensive.
   B) Blogs are a form of traditional direct marketing.
   C) Blogs are typically used to provide automated responses to consumer conversations.
   D) Companies should not monitor blogs if they want to reach customers effectively.
   E) Blogs are an inexpensive yet personal way to connect with consumers.
   Answer:  E
   Diff: 2
   LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
   AACSB: Information technology

38) Elise Philips, a leading fashion designer, connects with her followers through a strong online presence, promoting her brand and discussing fashion tips through articles and videos on her personal fan page. In this case, which of the following marketing forms does Elise use?
   A) direct e-mail
   B) a catalog
   C) a search engine
   D) a spambot
   E) a blog
   Answer:  E
   Diff: 2
   LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
   AACSB: Analytical thinking; Information technology
39) Unsolicited and unwanted commercial e-mail is referred to as _______.
A) an infomercial
B) an advertorial
C) viral marketing
D) social media
E) spam
Answer: E
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

40) Olivia is searching for natural almond butter on SquirrelsApp, a mobile Web application for nut lovers. While browsing the application, a banner appears on the mobile screen showcasing offers and discounts on jelly and jam products. The banner is best referred to as a(n) _______.
A) online display advertisement
B) contextual advertisement
C) infomercial
D) phishing scam
E) advertorial
Answer: A
Diff: 3
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Analytical thinking; Information technology

41) The first step for most firms that are venturing into online marketing involves sending promotional e-mails.
Answer: FALSE
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

42) A branded community Web site aims to present content that engages consumers rather than sell products to them.
Answer: TRUE
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology
43) Stephanie Archer has been saving her money to buy a BMW convertible. Archer has spent hours on the BMW Web site choosing the exterior and interior colors and studying the various options and models. In this case, Archer has been using BMW's marketing Web site.
Answer: TRUE
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Analytical thinking; Information technology

44) Viral marketing involves creating videos, ads, and other marketing events that are so infectious that customers will seek them out or pass them along to others.
Answer: TRUE
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

45) Amazon.com targets opt-in customers with a limited number of helpful "we thought you'd like to know" messages based on their expressed preferences and previous purchases. This is referred to as permission-based e-mail advertising.
Answer: TRUE
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Analytical thinking; Information technology

46) Blogs are online forums where people post their thoughts and other content, usually on a narrowly defined topic.
Answer: TRUE
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

47) The blogosphere is cluttered and difficult to control.
Answer: TRUE
Diff: 1
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology
48) Differentiate between branded community Web sites and marketing Web sites. Provide examples to illustrate your response.

Answer: Web sites vary greatly in purpose and content. Some Web sites are primarily marketing Web sites, designed to interact with customers to move them closer to a direct purchase or other marketing outcome. For example, GEICO operates a marketing Web site at www.geico.com. Once a potential customer clicks in, GEICO wastes no time trying to turn the inquiry into a sale, and then into a long-term relationship. A bold headline urges potential customers to "Get a quote," and the site provides all the information and tools needed to do just that, complete with an auto insurance calculator to help buyers estimate the right insurance coverage, rates, and savings. The straightforward site also makes it easy for current customers to manage their accounts and policies, add or replace vehicles, and make and view claims, all under the watchful eye of the familiar GEICO Gecko. Customers can also use GEICO's mobile app to access the brand's mobile Web site, where they can pay bills, get account and coverage information, view their ID cards, and even watch the latest GEICO ads and chat with Lily, their GEICO insurance voice assistant. In contrast, branded community Web sites don't try to sell anything at all. Instead, their primary purpose is to present brand content that engages consumers and creates customer-brand community. Such sites typically offer a rich variety of brand information, videos, blogs, activities, and other features that build closer customer relationships and generate engagement with and between the brand and its customers. For example, one can't buy anything at ESPN.com. Instead, the site creates a vast branded sports community, where sports fans can access an almost overwhelming repository of sports information, statistics, and game updates. They can customize site content by sport, team, players, and authors to match their own special sports interests and team preferences. The site engages fans in contests and fantasy games.

Diff: 3

LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.

AACSB: Information technology; Analytical thinking
49) Compare display ads and search-related ads. Provide examples to illustrate your response.

Answer: (Students' answers may vary. The answer given below is indicative.)

The main forms of online advertising are display ads and search-related ads. Online display ads might appear anywhere on an Internet user's screen and are often related to the information being viewed. Such display ads have come a long way in recent years in terms of engaging consumers and moving them along the path to purchase. Today's rich media ads incorporate animation, video, sound, and interactivity. For example, while browsing sports-related content on your laptop, tablet, or phone, you might see a bright blue and green banner ad for Gillette Fusion PROGLIDE razors floating at the bottom of the page, with the provocative headline, "Our Gentlest Shave." A click on the banner expands it into a full interactive display ad, complete with an embedded 15-second demonstration video plus click-throughs to the Gillette Fusion PROGLIDE microsite and a buy-now link. Using search-related ads (or contextual advertising), text- and image-based ads and links appear atop or alongside search engine results on sites such as Google, Yahoo!, and Bing. For example, search Google for "LCD TVs." At the top and side of the resulting search list, you'll see inconspicuous ads for 10 or more advertisers, ranging from Samsung and Panasonic to Best Buy, Amazon.com, Walmart.com, Crutchfield, and CDW. Almost 90 percent of Google's $66 billion in revenues last year came from ad sales. Search is an always-on kind of medium, and the results are easily measured. A search advertiser buys search terms from the search site and pays only if consumers click through to its site. For instance, type "Coke" or "Coca-Cola" or even just "soft drinks" or "rewards" into your search engine and almost without fail "My Coke Rewards" comes up as one of the top options, perhaps along with a display ad and link to Coca-Cola's official Google page. This is no coincidence. Coca-Cola supports its popular online loyalty program largely through search buys. The soft drink giant started first with traditional TV and print advertising but quickly learned that search was the most effective way to bring consumers to its www.mycokerewards.com Web site to register. Now, any of dozens of purchased search terms will return mycokerewards.com at or near the top of the search list.

Diff: 2

LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.

AACSB: Information technology; Analytical thinking
50) As the marketing manager at Secure Services, a home security systems company, you have been asked to devise a new sales and marketing strategy for a new line of sophisticated alerting systems called "Imperio." These alerting systems can be programmed to meet individual specifications, have special child lock features, and require the thumb impression of the homeowner(s) for a visitor to be allowed inside the house. The two previous promotional ventures failed to elicit much consumer response because most people were unaware of the benefits of such devices except for those consumers who were specifically looking for them. Can the use of e-mail marketing by Secure services be justified for its current marketing effort? Why or why not?
Answer: (Students' answers may vary. The answer given below is indicative.)
E-mail marketing remains an important and growing digital marketing tool. "Social media is the hot new thing," says one observer, "but e-mail is still the king." By one estimate, 91 percent of all U.S. consumers use e-mail every day. What's more, e-mail is no longer limited to PCs and workstations; 66 percent of all e-mails are now opened on mobile devices. Not surprisingly, then, a recent study found that e-mail is 40 times more effective at capturing customers than Facebook and Twitter combined. Secure is selling a product that many families may need but do not have sufficient information about. An e-mail describing the product, its features, benefits, and costs may be one of the best ways to enhance consumer awareness and demand. Few customers may object, but many may actually welcome such promotional messages for such an important product.
Diff: 3
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Analytical thinking; Information technology

51) Describe spam and permission-based e-mail marketing.
Answer: Spam refers to unsolicited, unwanted commercial e-mail messages that clog up our e-mail boxes. It produces consumer irritation and frustration. According to one research company, spam now accounts for 64 percent of the billions of e-mails sent worldwide each day, almost 2 out of 3 e-mails. To address these concerns, most legitimate marketers now practice permission-based e-mail marketing, sending e-mail pitches only to customers who "opt in." Many companies use configurable e-mail systems that let customers choose what they want to get. Amazon.com targets opt-in customers with a limited number of helpful "we thought you'd like to know" messages based on their expressed preferences and previous purchases. Few customers object, and many actually welcome such promotional messages. Amazon.com benefits through higher return rates and by avoiding alienating customers with e-mails they don't want.
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology
52) Explain the concept of viral marketing.
Answer: Viral marketing, the digital version of word-of-mouth marketing, involves creating videos, ads, and other marketing content that are so infectious that customers will seek them out or pass them along to their friends. Because customers find and pass along the message or promotion, viral marketing can be very inexpensive. And when video or other information comes from a friend, the recipient is much more likely to view or read it.
Diff: 2
LO: 14-3: Explain how companies have responded to the Internet and the digital age with various online marketing strategies.
AACSB: Information technology

53) Which aspect of niche online social networks makes the medium most appealing to marketers?
A) They help marketers target the best undifferentiated market segment.
B) They are used by a majority of Internet users in the United States and overseas.
C) They cater to the needs of small communities of like-minded people.
D) They guide organizations on how to set up social media networks.
E) They allow marketers to control the conversations on the network.
Answer: C
Diff: 2
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology

54) Which of the following is most likely an advantage of social media marketing?
A) Social media are targeted and personal.
B) Social media campaign results are easily measured.
C) Social networks are largely marketer controlled.
D) Social media allow marketers to engage in multichannel sales.
E) Social media campaigns are simply implemented and rarely backfire.
Answer: A
Diff: 2
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology
55) ________ marketing features marketing messages, promotions, and other content delivered to on-the-go consumers through their portable electronic devices.
   A) Direct-mail
   B) Mobile
   C) Mass
   D) Viral
   E) Kiosk
   Answer: B
   Diff: 1
   LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
   AACSB: Information technology

56) ________ can provide on-the-go product information, price comparisons, advice and reviews from other consumers, and access to instant deals and digital coupons.
   A) Indirect marketing
   B) Television marketing
   C) Mobile marketing
   D) Inbound telephone marketing
   E) Direct-mail marketing
   Answer: C
   Diff: 1
   LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
   AACSB: Information technology

57) Which of the following is an example of a retailer using mobile marketing to enrich the customer's shopping experience at the same time that they stimulate buying?
   A) Lacey's department store uses a virtual tour app of Paris to promote a week-long celebration revolving around French-themed clothing, jewelry, and fragrances in their stores.
   B) Sharie's boutique issues mobile coupons to existing customers.
   C) Java Lava sends a special e-mail to customers that displays fireworks when it's opened to celebrate the store's 1-year anniversary.
   D) Books Abound uses an app to introduce customers to newly released books that are tailored to their reading preferences.
   E) The Music Store launches an app that plays 10 seconds of a new song every time users access it.
   Answer: A
   Diff: 3
   LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
   AACSB: Analytical thinking; Information technology
58) Which of the following is a disadvantage of using social media for marketing?
A) They are impersonal.
B) They primarily provide static content.
C) They do not provide information in a timely manner.
D) They provide lower returns than television.
E) They are largely user controlled.
Answer: E
Diff: 2
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology

59) Mobile marketing is an unsuitable tool for triggering an immediate purchase from a consumer.
Answer: FALSE
Diff: 1
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology

60) Mobile ads rarely create substantial customer engagement and impact.
Answer: FALSE
Diff: 2
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology
61) Describe two ways in which marketers can engage in social media. What are the advantages and challenges of social media?

Answer: (Students' answers may vary. The answer given below is indicative.)
Marketers can engage in online communities by using existing social media or setting up their own. Using existing social media seems the easiest. Thus, most brands — large and small — have set up shop on a host of social media sites. Check the Web sites of brands ranging from Coca-Cola, Nike, and Victoria's Secret to the Chicago Bulls or even the U.S. Forest Service and you'll find links to each brand's Facebook, Google, Twitter, YouTube, Flickr, Instagram, or other social media pages. Such social media can create substantial brand communities. For example, the Bulls have more than 17 million Facebook fans; Coca-Cola has an eye-popping 90 million Facebook fans. Beyond these independent social media, many companies have created their own online brand communities. For example, in Nike's Nike+ running community — consisting of more than 20 million runners who together have logged more than 1 billion running miles worldwide — members join together online to upload, track, and compare their performances. Due to its success, Nike has expanded Nike+ to both basketball and general training, each with its own unique community site, app, and corresponding products.

Using social media presents both advantages and challenges. The advantages are that social media are targeted and personal, interactive, immediate and timely, and cost effective. The biggest advantage of social media is their engagement and social sharing capabilities. Social media marketing also presents challenges that include determining how to use and measure them effectively, and the considerable control consumers have over social media content.

Diff: 2
LO: 14-4: Discuss how companies use social media and mobile marketing to engage consumers and create brand community.
AACSB: Information technology

62) Which kind of marketing involves sending an offer, announcement, reminder, or other item to a person at a particular postal address?
A) kiosk marketing  
B) direct digital marketing  
C) mass marketing  
D) direct-mail marketing  
E) telephone marketing

Answer: D

Diff: 1

LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
63) The process in which printed catalogs, brochures, samples, and DVDs are distributed to customers using highly selective mailing lists is known as ________.
A) mass marketing
B) direct-mail marketing
C) telemarketing
D) internal marketing
E) kiosk marketing
Answer: B
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

64) Eric Dylan is the marketing director of a charity that raises funds to help provide educational services to children and families in developing countries. Eric targets a selective market of individuals who have recently donated to international charities by sending letters with charity information and donation instructions. Eric uses ________ in this scenario.
A) direct-mail marketing
B) mass marketing
C) telephone marketing
D) digital marketing
E) kiosk marketing
Answer: A
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking

65) The promotion of products and services through printed material with multiple pages that sell multiple products has been traditionally referred to as ________ marketing.
A) catalog
B) viral
C) telephone
D) television
E) e-mail
Answer: A
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking
66) Bradley Springs, a chain of superstores, promotes its business by handing out printed materials which contain lists and descriptions of an assortment of its products. In this case, the company's promotional strategy is referred to as ________.
A) e-mail marketing
B) telemarketing
C) catalog marketing
D) kiosk marketing
E) viral marketing
Answer: C
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking

67) An advantage of ________ is that they allow real-time merchandising; products and features can be added or removed as needed, and prices can be adjusted instantly to match demand.
A) digital catalogs
B) blogs
C) kiosks
D) traditional catalogs
E) mobile apps
Answer: A
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking; Information technology

68) What is telemarketing?
A) It is the process of promoting products through 30-minute-long infomercials.
B) It is a form of marketing that uses the telephone to sell directly to businesses and consumers.
C) It is the process of marketing products and services using direct-response television advertising.
D) It is a marketing system where product information is provided through unmanned ordering machines.
E) It is the process of selling products through affiliate networks and social media sites.
Answer: B
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking
69) Which of the following is an example of inbound telemarketing?
A) Sterns Media advertises its services by sending letters to potential customers and prompting them to contact the firm through a toll-free number.
B) Sterns Media purchases customer information and later cold calls these customers to generate potential leads.
C) Sterns Media spends a lot of time and effort to train its sales force to call businesses and inform them about its B2B products.
D) Sterns Media utilizes interactive cable systems to enable customers to obtain product information by using their TV remotes.
E) Sterns Media airs advertising programs called infomercials to attract viewers and get them to order products from its Web site.
Answer: A
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking

70) Which of the following has been limited in recent years by the implementation of the National Do Not Call Registry?
A) calls by nonprofit groups
B) business-to-business telemarketing
C) unsolicited outbound telemarketing by businesses
D) inbound telephone marketing
E) "opt-in" calling systems
Answer: C
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Information technology

71) Which of the following direct marketing forms includes infomercials?
A) direct-response television marketing
B) outbound telephone marketing
C) print-catalog marketing
D) direct-mail marketing
E) face-to-face marketing
Answer: A
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking
72) A 30-minute or longer advertising program on television that markets a single product is called a(n) ________.
A) phishing program
B) infomercial
C) podcast
D) catalog
E) spambot
Answer: B
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Information technology

73) Technologies such as interactive cable systems, Internet-ready smart TVs, and smartphones and tablets allow consumers to use their TV remotes, phones, or other devices to obtain more information or make purchases directly from TV ads. This is referred to as ________ advertising.
A) virtual world
B) interactive TV
C) direct-response TV
D) podcast
E) e-catalog
Answer: B
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Information technology

74) M&Ms engages DirecTV or Dish Network viewers in a candy themed video game through the arrow keys on their television remotes. This is an example of ________ advertising.
A) virtual world
B) interactive TV
C) direct-response TV
D) podcast
E) e-catalog
Answer: B
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking; Information technology
75) ________ are everywhere these days, from self-service hotel and airline check-in devices to in-store ordering devices that let you order merchandise not carried in the store.
A) Infomercials
B) Viral videos
C) Kiosks
D) Podcasts
E) Catalogs
Answer: C
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

76) Green Gardens sells gardening and landscaping goods and equipment. The marketing department places an unmanned machine in the store with touchscreen technology to provide product information. Consumers can use this machine to learn about the company's products and services. The company's marketing form is best referred to as ________ marketing.
A) kiosk
B) mobile
C) telephone
D) interactive
E) personalized
Answer: A
Diff: 3
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking

77) Which of the following is a type of identity theft that uses deceptive e-mails and fraudulent Web sites to fool consumers into revealing their personal data?
A) cold calling
B) crowdcasting
C) viral marketing
D) phishing
E) crowdsourcing
Answer: D
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Ethical understanding and reasoning
78) Fox Scully received an e-mail promoting a new financial services institution that offers surprisingly low mortgage rates. The e-mail asked customers to provide their address, date of birth, Social Security number, and current mortgage information in order to receive a free loan quote. Suspicious of the offer, Fox researched the company and discovered that the e-mail was fraudulent. This is an example of ________.
A) cold calling
B) phishing
C) crowdsourcing
D) data mining
E) viral marketing
Answer:  B
Diff: 3
LO:  14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB:  Analytical thinking; Ethical understanding and reasoning

79) Which of the following is generally regarded as the toughest issue of public policy and ethics confronting the direct marketing industry?
A) customization of search results
B) unwanted e-mail spam
C) invasion of consumer privacy
D) increasing costs of browsing
E) restrictions on digital offers and discounts
Answer:  C
Diff: 1
LO:  14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB:  Ethical understanding and reasoning

80) The Children's Online Privacy Protection Act requires online operators targeting children to ________.
A) educate children about digital technologies
B) post privacy policies on their sites
C) collect and store the personal information of parents of these children
D) collect personal information from children under age 13 for security purposes
E) avoid sending e-mails to the parents of children whom they target
Answer:  B
Diff: 2
LO:  14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB:  Ethical understanding and reasoning
81) Which of the following is true of the Privacy Promise launched by the Direct Marketing Association (DMA)?
A) It forbids all DMA members from spending excessively on digital advertising.
B) It requires all DMA members to notify customers when any personal information is rented, sold, or exchanged with others.
C) It recommends that DMA members help each other by sharing customer psychographic data.
D) It forbids DMA members from sending e-mail, mail, or phone offers to any customer.
E) It encourages DMA members to create more digital content that is tailored for children under age 13.
Answer: B
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Ethical understanding and reasoning

82) The marketing results from direct mail are difficult to measure.
Answer: FALSE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

83) An advantage of direct mail marketing over digital forms is that it provides something tangible for people to hold and keep and it can be used to send samples.
Answer: TRUE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

84) Whereas space is limited in an online catalog, print catalogs can offer an almost unlimited amount of merchandise.
Answer: FALSE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

85) Printed catalogs hold very little importance to marketers in the digital era.
Answer: FALSE
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

86) Properly designed and targeted telemarketing provides many benefits, including purchasing convenience and increased product and service information.
Answer: TRUE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
87) Marketers use inbound telephone marketing to sell to customers directly.
Answer: FALSE
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

88) For inbound telephone marketing, the company provides a toll-free phone number so it can receive orders solicited by television, print ads, direct mail, and catalogs.
Answer: TRUE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

89) The National Do Not Call Registry is managed by the Federal Trade Commission.
Answer: TRUE
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

90) Telemarketing is infrequently used as a fundraising tool for nonprofit and political groups.
Answer: FALSE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

91) Although do-not-call legislation has hurt parts of the consumer telemarketing industry, inbound and outbound consumer telemarketing remain strong and growing.
Answer: FALSE
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Ethical understanding and reasoning

92) Direct-response television (DRTV) marketing takes one of two major forms: direct-response television advertising and interactive TV (iTV) advertising.
Answer: TRUE
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

93) iTV lets viewers interact with television programming and advertising using their remote controls.
Answer: TRUE
Diff: 1
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
94) Nellie Wills, an emergency medicine professional, is getting married in six months. Since her job is very demanding, Nellie lacks the time to go shopping for all the products and services she requires for the wedding. However, Nellie is a careful shopper and likes to evaluate many alternatives before finalizing a purchase. Explain at least one direct marketing method that may meet the specific needs of Nellie.

Answer: (Students' answers may vary. The answer given below is indicative.) Since Nellie is a careful shopper who is short of time, printed catalogs would be a good option. Printed catalogs cover a wide range of products and have many other advantages as well. With the stampede to the Internet and digital marketing, more and more catalogs are going digital. Digital catalogs eliminate printing and mailing costs. And whereas space is limited in a print catalog, online catalogs can offer an almost unlimited amount of merchandise. They also offer a broader assortment of presentation formats, including search and video. Finally, online catalogs allow real-time merchandising; products and features can be added or removed as needed, and prices can be adjusted instantly to match demand. Customers can carry digital catalogs anywhere they go, even when shopping at physical stores.

Diff: 3
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking; Information technology

95) How has the implementation of the National Do Not Call Registry changed telephone marketing?

Answer: The National Do Not Call Registry was created by legislation passed in 2003; it bans most business telemarketing calls to registered phone numbers. However, people can still receive calls from nonprofit groups, politicians, and companies with which they have recently done business. Millions of customers have joined the do-not-call list, and businesses that break the law can be fined heavily. The use of unsolicited outbound telemarketing has greatly decreased due to the law, but inbound consumer telemarketing and outbound business-to-business telemarketing remain strong and growing. Telemarketing also remains a major fundraising tool for nonprofit and political groups. Interestingly, do-not-call regulations appear to be helping some direct marketers more than it's hurting them. Rather than making unwanted calls, many of these marketers are developing "opt-in" calling systems, in which they provide useful information and offers to customers who have invited the company to contact them by phone or e-mail. The opt-in model provides better returns for marketers than the formerly invasive one.

Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking
96) Describe direct-response television (DRTV) marketing.
Answer: Direct-response television (DRTV) marketing takes one of two major forms: direct-response television advertising and interactive TV (iTV) advertising. Using direct-response television advertising, direct marketers air television spots, often 60 or 120 seconds in length, which persuasively describe a product and give customers a toll-free number or an online site for ordering. It also includes full 30-minute or longer advertising programs, called infomercials, for a single product. A more recent form of direct-response television marketing is interactive TV (iTV) marketing. It lets viewers interact with television programming and advertising using their remote controls. Interactive TV gives marketers an opportunity to reach targeted audiences in an interactive, more involved way.
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Analytical thinking

97) Define telemarketing, and distinguish between outbound and inbound telemarketing.
Answer: Telemarketing involves using the telephone to sell directly to consumers and business customers. U.S. marketers spent an estimated $43 billion on telemarketing last year, almost as much as on direct mail. We’re all familiar with telephone marketing directed toward consumers, but business-to-business (B-to-B) marketers also use telemarketing extensively. Marketers use outbound telephone marketing to sell directly to consumers and businesses. They also use inbound toll-free numbers to receive orders from television and print ads, direct mail, or catalogs.
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
98) What are the main privacy concerns and Internet security issues associated with online marketing?
Answer: Some direct marketers have been accused of taking unfair advantage of impulsive or less-sophisticated buyers. Television shopping channels, enticing Web sites, and program-long infomercials targeting television-addicted shoppers seem to be the worst culprits. They feature smooth-talking hosts, elaborately staged demonstrations, claims of drastic price reductions, "while they last" time limitations, and unequaled ease of purchase to inflame buyers who have low sales resistance. Fraudulent schemes, such as investment scams or phony collections for charity, have also multiplied in recent years. One common form of Internet fraud is phishing, a type of identity theft that uses deceptive e-mails and fraudulent online sites to fool users into divulging their personal data. Although many consumers are now aware of such schemes, phishing can be extremely costly to those caught in the net. It also damages the brand identities of legitimate online marketers who have worked to build user confidence in Web, e-mail, and other digital transactions. Many consumers also worry about online and digital security. They fear that unscrupulous snoops will eavesdrop on their online transactions and social media postings, picking up personal information or intercepting credit and debit card numbers. Another Internet marketing concern is that of access by vulnerable or unauthorized groups.
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Ethical understanding and reasoning

99) Internet marketing practices have raised a number of ethical and legal questions. Why is invasion of privacy perhaps the number-one online marketing concern?
Answer: Invasion of privacy is perhaps the toughest public policy issue now confronting the direct marketing industry. Consumers often benefit from database marketing; they receive more offers that are closely matched to their interests. However, many critics worry that marketers may know too much about consumers' lives and that they may use this knowledge to take unfair advantage of consumers. At some point, they claim, the extensive use of databases intrudes on consumer privacy. Consumers, too, worry about their privacy. Although they are now much more willing to share personal information and preferences with marketers via digital and social media, they are still nervous about it. In these days of "big data," it seems that almost every time consumers post something on social media or send a tweet, visit a Web site, enter a sweepstakes, apply for a credit card, or order products by phone or online, their names are entered into some company's already bulging database. Using sophisticated big data analytics, direct marketers can mine these databases to "microtarget" their selling efforts. Most marketers have become highly skilled at collecting and analyzing detailed consumer information both online and offline. Even the experts are sometimes surprised by how much marketers can learn.
Diff: 2
LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.
AACSB: Ethical understanding and reasoning; Information technology
Describe the various legislative actions that have been taken to regulate the manner in which online, social media, and mobile operators obtain and use consumer information. 

Answer: To curb direct marketing excesses, various government agencies are investigating not only do-not-call lists but also do-not-mail lists, do-not-track online lists, and Can Spam legislation. In response to online privacy and security concerns, the federal government has considered numerous legislative actions to regulate how online, social media, and mobile operators obtain and use consumer information. For example, Congress is drafting legislation that would give consumers more control over how online information is used. In addition, the FTC is taking a more active role in policing online privacy. Of special concern are the privacy rights of children. In 2000, Congress passed the Children's Online Privacy Protection Act (COPPA), which requires online operators targeting children to post privacy policies on their sites. They must also notify parents about any information they're gathering and obtain parental consent before collecting personal information from children under age 13. With the subsequent advent of online social media, mobile phones, and other digital technologies, Congress in 2013 extended COPPA to include "identifiers such as cookies that track a child's activity online, as well as geolocation information, photos, videos, and audio recordings." The main concern is the amount of data mined by third parties from social media as well as social media's own hazy privacy policies. Many companies have responded to consumer privacy and security concerns with actions of their own. Still others are taking an industry-wide approach. For example, TRUSTe, a nonprofit self-regulatory organization, works with many large corporate sponsors, including Microsoft, Yahoo!, AT&T, Facebook, Disney, and Apple, to audit privacy and security measures and help consumers navigate the Internet safely. According to the company's Web site, "TRUSTe believes that an environment of mutual trust and openness will help make and keep the Internet a free, comfortable, and richly diverse community for everyone." To reassure consumers, the company lends its TRUSTe privacy seal to Web sites, mobile apps, e-mail marketing, and other online and social media channels that meet its privacy and security standards. The direct marketing industry as a whole is also addressing public policy issues. For example, in an effort to build consumer confidence in shopping direct, the Direct Marketing Association — the largest association for businesses practicing direct, database, and interactive marketing, including nearly half of the Fortune 100 companies — launched a "Privacy Promise to American Consumers." The Privacy Promise requires that all DMA members adhere to a carefully developed set of consumer privacy rules. Members must agree to notify customers when any personal information is rented, sold, or exchanged with others. They must also honor consumer requests to opt out of receiving further solicitations or having their contact information transferred to other marketers. Finally, they must abide by the DMA's Preference Service by removing the names of consumers who do not wish to receive mail, phone, or e-mail offers.

LO: 14-5: Identify and discuss the traditional direct marketing forms and overview public policy and ethical issues presented by direct marketing.

AACSB: Ethical understanding and reasoning; Information technology