**Digital Marketing: Strategy & Tactics**

**Chapter 1: Digital Marketing and the 4 P’s**

**MULTIPLE CHOICE**

1. Why is digital marketing important to study distinct from traditional marketing?

|  |  |
| --- | --- |
| a. | More marketing budgets are being spent on digital than traditional channels and are growing fast. |
| b. | Digital is much more trackable and proven effective. |
| c. | Digital is different than traditional media in many ways, from pricing to creative. |
| d. | All of the above. |

**ANS:** D

**Notes:** It’s important that students realize the differences between traditional and digital media channels are not just where the marketing happens but are different in the way things are done.

1. What is performance-based pricing for online ads?

|  |  |
| --- | --- |
| a. | You pay only when the ad is shown. |
| b. | You pay only if some desired and trackable action like a click happens. |
| c. | You pay only if the customer likes the ad. |
| d. | You pay only if the customer walks into your store. |

**ANS:** B

**Notes:** Pay-per-click, pay-pre-view, pay-per-call, pay-per-lead are all performance-based metrics for payment. We can’t yet pay for store visits in most cases.

1. What has changed in “Place” because of digital?

|  |  |
| --- | --- |
| a. | Customers can buy online. |
| b. | Customers can buy on their phones (mobile device). |
| c. | Customers can buy in social media settings. |
| d. | All of the above. |

**ANS:** D

**Notes:** Advanced answers may discuss online brands with guide shops but this question is about e-commerce in all its forms.

1. Why are digital channels so important for “Promotion”?

|  |  |
| --- | --- |
| a. | Advertisers need to spend more money. |
| b. | Digital is the cool new thing agencies are pushing. |
| c. | Consumers are spending more and more of their time on digital channels. |
| d. | Television is too expensive to advertise. |

**ANS:** C

**Notes:** Marketers need to reach consumers where they are spending their time in digital and mobile media.

1. What are some ways being a platform (not just selling a product) helps a business market?

|  |  |
| --- | --- |
| a. | Better data about customers through usage information. |
| b. | More opportunities for the brand to interact beyond selling. |
| c. | Increased trust of the brand in their area of expertise (e.g., Nike and fitness). |
| d. | All of the above |

**ANS:** D

**Notes:** Rethinking the brand mission so customers associate you with something they value—their goals and not the products themselves—is key.

1. Where is the biggest source of advertising revenue growth in digital channels?

|  |  |
| --- | --- |
| a. | Amazon |
| b. | Mobile |
| c. | Email |
| d. | Google |

**ANS:** B

**Notes:** Mobile ads across all channels of digital are the source of revenue growth as more and more of the web is accessed through mobile devices.

1. What marketing objectives can be accomplished in digital channels?

|  |  |
| --- | --- |
| a. | Brand building |
| b. | Customer relationship management |
| c. | Customer support |
| d. | Sales and lead generation |
| e. | All of the above |

**ANS:** E

**Notes:** Unlike mass media, digital media is interactive and can not only build brands but generate sales and allow ongoing customer interaction for support and engagement.

**SHORT ANSWER**

1. Describe how “Price” has changed in digital.

**ANS:** The Internet has made pricing much more transparent. Advanced answers will discuss how discounts are transparent as well.

**Notes:** It’s important to note that online stores face heavy price competition and must differentiate themselves in other ways.

1. Describe the “Long Tail” concept and share an example.

**ANS:** The “Long Tail” refers to selling more of the less popular products that wouldn’t be stocked in a brick and mortar store, but added together make up more volume. Examples include Amazon, Netflix, etc.

**Notes:** This is a reflection of the broader changes of moving to digital; no shelf space/rent restrictions.

1. Give examples of 2 kinds of middlemen being disintermediated in online commerce.

**ANS:** Examples include travel agents, real estate agents, car salesmen. Advanced answers may include stores (for manufacturers going direct) or media platers (theaters or TV vs. Netflix).

**Notes:** The direct-to-consumer model is challenging old ways of business.