

Social Media Marketing (Tuten)

Chapter 1 The Horizontal Revolution

1.1 Multiple Choice

1) Which of the following persons is most likely to be labeled as a "Digital Native?"

- A) Tim, now a college student, wakes up and immediately checks his Facebook page to check on posts about last night's party.
- B) Rob grew up in the 1980's before use of the Internet was widespread.
- C) Your parents remember a time when most of their friends and families did not have a personal computer.
- D) Your grandparents have never used a computer.
- E) Bill Gates is the founder of Microsoft.

Answer: A

Explanation: A) The term "Digital Native" was coined in 2001 to explain a new type of student who was starting to enter educational institutions at that time. These students were born in an era in which digital technology had always existed.

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Difficulty: Moderate

Learning Obj.: 1

Classification: Application

2) Who is most likely to be labeled as a "Digital Native?"

- A) your parents
- B) your grandparents
- C) Bill Gates, founder of Microsoft
- D) a college student today
- E) a college student 20 years ago

Answer: D

Explanation: D) Digital Natives grow up "wired" in a highly networked, always-on world. None of the other persons in the answer choices have entirely grown up in such a world—not even Bill Gates, although he helped to create such a world.

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Difficulty: Moderate

Learning Obj.: 1

Classification: Application

3) The label we use to call the current version of the Internet that allows users to interact with senders is _____.

- A) Web 1.0
- B) Web 2.0
- C) Web 3.0
- D) Facebook
- E) Facebook Connect

Answer: B

Explanation: B) We've moved from a fairly simple one-way communications device (that's Web 1.0) to an interactive social system that's available to most of us 24/7. Widespread access to devices like personal computers, digital video and audio recorders, webcams, and smartphones ensures that consumers who live in virtually any part of the world can create and share content.

Page Ref: 1-3

Difficulty: Easy

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Conceptual

4) Web 2.0:

- A) is a one-way communications device.
- B) provides limited availability to users.
- C) cannot be accessed on devices like smartphones.
- D) is an interactive social system of users and senders.
- E) eliminates conversation between users and senders.

Answer: D

Explanation: D) We call the current version of the Internet that allows users to interact with senders Web 2.0. We've moved from a fairly simple one-way communications device (that's Web 1.0) to an interactive social system that's available to most of us 24/7.

Page Ref: 1-3

Difficulty: Easy

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Conceptual

5) The horizontal revolution is characterized by the fact that:

- A) information flows from big companies down to the people.
- B) information flows from governments down to big companies.
- C) information flows across people.
- D) only companies can communicate with huge numbers of people.
- E) only governments can communicate with huge numbers of people.

Answer: C

Explanation: C) Today each of us communicates with huge numbers of people by a click on a keypad. This fundamental change in the way we live, work, and play is characterized, in part, by the prevalence of social media.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Communication Abilities

Classification: Conceptual

6) Social media are:

- A) anything that involves delivering hosted services online.
- B) the means to harness the collective knowledge of a crowd to solve problems and complete tasks.
- C) the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks.
- D) sets of labels or tags that individuals choose in a way that makes sense to them, as opposed to using predefined keywords.
- E) people who share their views about a product or service even though they're not affiliated with the company.

Answer: C

Explanation: C) Social media exist within a complex and rapidly advancing environment.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Communication Abilities

Classification: Conceptual

7) How are social media like traditional media?

- A) Both are used and function primarily online.
- B) Both do not use nor function online.
- C) Both include only one channel and one vehicle within that channel.
- D) Both include several channels, and within each channel there are specific vehicles.
- E) Social media bears no similarity whatsoever to traditional media.

Answer: D

Explanation: D) For example, television is a broadcast media and *The Today Show* is a vehicle within the medium of television. Social communities are a channel of social media and LinkedIn is a vehicle.

Page Ref: 1-4

Difficulty: Difficult

Learning Obj.: 1

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

8) Which of the following is an example of a synchronous interaction?

- A) Responding a day later to an email from your friend.
- B) Posting a reply to a question on a discussion board within the week it was assigned.
- C) Watching a television commercial.
- D) Reading through all the messages posted on a message board.
- E) Texting back and forth with your friend.

Answer: E

Explanation: E) The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities.

Page Ref: 1-4

Difficulty: Easy

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Application

9) Synchronous interactions _____, while asynchronous interactions _____.

- A) don't require all participants to respond immediately; occur in real time
- B) occur in real time; don't require all participants to respond immediately
- C) require social media; require traditional media
- D) require traditional media; require social media
- E) require mass media; require personal media

Answer: B

Explanation: B) The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Conceptual

10) Facebook is a social utility that offers _____.

- A) synchronous interactions only
- B) asynchronous interactions only
- C) both synchronous and asynchronous interactions
- D) neither synchronous nor asynchronous interactions
- E) These terms are not relevant to understanding the utility of Facebook

Answer: B

Explanation: B) The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Application

11) All of the following statements are true about the phrase, "a culture of participation," EXCEPT:

- A) It is based on the belief in democracy.
- B) It is one in which people freely interact with others.
- C) It exists with open access to venues that allows users to share content.
- D) It facilitates the power to build on the content of others from your own unique point of view.
- E) It discourages people from passively lurking on social media websites.

Answer: E

Explanation: E) Social media enables active participation in the form of communicating, creating, joining, collaborating, working, sharing, socializing, playing, buying and selling, and learning within interactive and interdependent networks.

Page Ref: 1-5

Difficulty: Easy

Learning Obj.: 1

Classification: Synthesis

12) Which of the following represent the supporting components of the Social Media Value Chain?

A) social networking sites, message boards, forums, and wikis

B) Web 2.0 infrastructure, social media channels, social software, and the devices we use to interact with social media

C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual worlds

D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts

E) social community, social publishing, social entertainment, and social commerce

Answer: B

Explanation: B) The Social Media Value Chain explains that social media is made up of core activities and supporting components. The core activities include the things people do with social media such as converse, share, post, tag, upload content, comment, and so on.

Page Ref: 1-42

Difficulty: Difficult

Learning Obj.: 2

AACSB Category: Use of IT

Classification: Conceptual

13) All of the following is considered to be a device that supports the Social Media Value Chain EXCEPT:

A) an iPad

B) a Sony digital camera

C) a Dell PC

D) an iPhone

E) a calculator

Answer: E

Explanation: E) In the world of social media, there is one key attribute of a device that is extremely valuable—portability. At one time, our participation online was limited to the times when we had access to a computer. These days many people have access on multiple devices and in many locations.

Page Ref: 1-22

Difficulty: Easy

Learning Obj.: 2

AACSB Category: Use of IT

Classification: Application

14) People who share their views about a product or service, even though they're not affiliated with the company, are labeled as _____.

- A) citizen journalists
- B) digital natives
- C) avatars
- D) connections
- E) citizen advisers

Answer: E

Explanation: E) Social media work only when people participate, create, and share content. Journalists, editors, and publishers still matter in social media, but so do everyday individuals. People support social media through their participation. Bloggers represent a unique hybrid form of "netizens" in that they may create and share content professionally or personally.

Page Ref: 1-23

Difficulty: Moderate

Learning Obj.: 2

Classification: Conceptual

15) All of the following represent enhancements created by the creation of Web 2.0 EXCEPT:

- A) the collective wisdom of its users.
- B) access to micromarkets.
- C) the transfer of content from experts to a large audience of users.
- D) user interfaces that are easy, accessible, and interactive.
- E) software that operates on multiple platforms and beyond.

Answer: C

Explanation: C) The phrase "Web 2.0" is most often attributed to Tim O'Reilly, a thought leader on the future of technology. In a 2005 article entitled "What is Web 2.0?" O'Reilly wrote, "Web 2.0 refers to developments in online technology that enable interactive capabilities in an environment characterized by user control, freedom, and dialogue."

Page Ref: 1-13

Difficulty: Easy

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Synthesis

16) Anything that involves delivering hosted services online is labeled as _____.

- A) crowdsourcing
- B) tagging
- C) cloud computing
- D) blogging
- E) microsharing

Answer: C

Explanation: C) A big chunk of Google's business model is based on this concept. Google aims to offer software for nearly every task, often at no cost to users, with the same anytime, anywhere accessibility of the Web itself. The Google Documents software that enables multiple users in different locations to work on the same file is an example of social software. More recently Amazon has gotten into the cloud business via its Cloud Player that enables music lovers to store their tunes on the company's servers and then lets them access the tunes on multiple devices.

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Difficulty: Difficult

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Conceptual

17) Harnessing collective knowledge to solve problems and complete tasks is labeled as _____.

- A) crowdsourcing
- B) tagging
- C) cloud computing
- D) blogging
- E) microsharing

Answer: A

Explanation: A) The Web 2.0 evolution enabled Internet users to create, publish, rate, edit, and share information. A single person would not have the resources or knowledge to publish an exhaustive, stellar online source, but a mass of individual experts can.

Page Ref: 1-15

Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

18) Which of the following terms describes users as having a say in what producers and marketers offer in the marketplace?

- A) co-creators
- B) cloud computing
- C) tradigital marketing
- D) word of mouth (WOM) communication
- E) crowdsourcing

Answer: A

Explanation: A) Web 2.0 levels the playing field between producers and consumers. It invites each of us to be co-creators in product design, delivery, pricing, and promotion.

Page Ref: 1-16

Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

19) The process social media users undergo to categorize content according to their own folksonomy is labeled as _____.

- A) crowdsourcing
- B) tagging
- C) cloud computing
- D) blogging
- E) microsharing

Answer: B

Explanation: B) This process creates a tag cloud that not only enables others to search and retrieve information using tags that also make the most sense to them personally, but also provides information about the popularity of the tags used.

Page Ref: 1-15

Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Conceptual

20) Which of the following is an example of a folksonomy?

- A) Visitors to Amazon's site can use its search engine to find a book by using the search term of "can't wait to read."
- B) The Google Documents software that enables multiple users in different locations to work on the same file is an example of social software.
- C) Internet users create, publish, rate, edit, and share information with Wikipedia.
- D) Twitter limits posts to 140 characters.
- E) Second Life and Web Alive allow people to participate as avatars.

Answer: A

Explanation: A) Taxonomies are classifications that experts create; for example, you may have learned (and perhaps forgotten) the classic system that biologists use to categorize organisms (the Linnaean taxonomy) that places any living thing in terms of Kingdom, Phylum, Class, Order, Family, Genus, and Specie. In contrast, folksonomies are sets of labels, or tags, individuals choose in a way that makes sense to them, as opposed to using predefined keywords.

Page Ref: 1-16

Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Application

21) The _____ renders each additional user as adding value for all users.

- A) horizontal revolution
- B) digital native
- C) reputation economy
- D) network effect
- E) perceptual beta

Answer: D

Explanation: D) The network effect ensures that there is sufficient participation for the crowdsourced solution to be a good one.

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Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

22) If too many avatars try to enter the space of a virtual rock concert in Second Life, crashes occur because the grid cannot accommodate so many users in one area. Such a crash would put into question the _____ of Second Life.

- A) scalability
- B) radical trust
- C) network effect
- D) crowdsourcing
- E) folksonomy

Answer: A

Explanation: A) Many concepts work well until the number of users grows beyond the system's capacity. At that point, system failures occur.

Page Ref: 1-18

Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Application

23) The _____ enables developers to introduce new features in products even if testing and refinement are not yet complete.

- A) horizontal revolution
- B) digital native
- C) reputation economy
- D) network effect
- E) perpetual beta

Answer: E

Explanation: E) Web 2.0 is always changing, always responding to the needs of the community. In the world of innovations, the term beta is used to denote a product in testing.

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Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Conceptual

24) The _____ includes esteem in its measure of the value that people exchange.

- A) horizontal revolution
- B) digital native
- C) reputation economy
- D) network effect
- E) perpetual beta

Answer: C

Explanation: C) In Web 2.0, users trust other users as a source of knowledge. Many active contributors to social media platforms do not get paid a salary.

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Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

25) Amazon reviews and eBay's reputation rankings, which serve as credibility scores for what we can trust online, directly contribute to the _____.

- A) horizontal revolution
- B) digital native
- C) reputation economy
- D) network effect
- E) perpetual beta

Answer: C

Explanation: C) The value of rankings and ratings offered by other users affects our shopping decisions in profound ways.

Page Ref: 1-19

Difficulty: Moderate

Learning Obj.: 3

Classification: Application

26) _____ is the term that refers to when organizations shift control to their consumers and users.

- A) Reputation economy
- B) Radical trust
- C) Network effect
- D) Horizontal revolution
- E) Crowdsourcing

Answer: B

Explanation: B) Radical trust occurs in situations where decision making is decentralized to the online masses.

Page Ref: 1-19

Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

27) Social media:

- A) is a type of mass media.
- B) is a type of personal media.
- C) crosses the boundaries of mass and personal media.
- D) cannot reach a large number of individuals.
- E) is not capable of two-way communications on a small scale.

Answer: C

Explanation: C) Social media enable individuals to communicate with one or a few people, as well as to thousands or even millions of others.

Page Ref: 1-7

Difficulty: Difficult

Learning Obj.: 4

Classification: Synthesis

28) Communication travels using a _____, such as word-of-mouth, television, Internet, or telephone.

- A) digital native
- B) medium
- C) horizontal revolution
- D) social networking site
- E) connection

Answer: B

Explanation: B) Within each medium, marketers can choose specific vehicles to place a message. For instance, within the medium of television, marketers may choose *How I Met Your Mother* as one vehicle to broadcast their message.

Page Ref: 1-7

Difficulty: Moderate

Learning Obj.: 4

AACSB Category: Communication Abilities

Classification: Conceptual

29) Marketers can choose specific _____ to place a message within a medium.

- A) channels
- B) blogs
- C) apps
- D) vehicles
- E) connections

Answer: D

Explanation: D) Social media also have a set of online channels with numerous vehicles within each channel.

Page Ref: 1-7

Difficulty: Moderate

Learning Obj.: 4

AACSB Category: Communication Abilities

Classification: Conceptual

30) Which of the following represents a vehicle as opposed to a medium?

A) *The Wall Street Journal*

B) the Internet

C) telephone

D) radio

E) television

Answer: A

Explanation: A) Communication travels using a medium (or channel) such as word-of-mouth, television, radio, newspaper, magazine, signage, Internet, direct mail, or telephone.

Page Ref: 1-7

Difficulty: Moderate

Learning Obj.: 4

Classification: Application

31) Which of the following constitutes the zones of social media channels?

A) social networking sites, message boards, forums, and wikis

B) microsharing sites, media sharing sites, and social bookmarking and news sites

C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual worlds

D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts

E) social community, social publishing, social entertainment, and social commerce

Answer: E

Explanation: E) Part of the complexity of social media is due to the sheer quantity of channels and vehicles, with new ones coming online all the time. These options are easier to compare and contrast if we group similar channels together. In so doing, we can conveniently organize the social media space into zones.

Page Ref: 1-7

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

32) Which of the following constitutes four types of social communities?

A) social networking sites, message boards, forums, and wikis

B) microsharing sites, media sharing sites, and social bookmarking and news sites

C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual world

D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts

E) the Internet, social software, devices, and social media users

Answer: A

Explanation: A) All four types of social communities emphasize individual contributions in the context of a community, communication and conversation, and collaboration.

Page Ref: 1-7

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

33) All of the following represents an indication of the social presence of a particular member in a social community EXCEPT:

- A) mood.
- B) availability.
- C) friend list.
- D) status.
- E) scalability.

Answer: E

Explanation: E) There are a variety of services common to SNS (such as maintaining a social presence); the focus on the individual communication and collaboration within the context of connections in the community.

Page Ref: 1-9

Difficulty: Easy

Learning Obj.: 4

Classification: Conceptual

34) _____ communicate and share content in a variety of ways including direct messages, wall posts, and chat or instant messaging (IM) options.

- A) Social storefronts
- B) Deal aggregators
- C) Folksonomies
- D) Connections
- E) Tag clouds

Answer: D

Explanation: D) Connections are those who we might call friends, followers, or fans. SNS offers both synchronous and asynchronous forms of communication, and the resulting content may be either permanent or temporary.

Page Ref: 1-9

Difficulty: Difficult

Learning Obj.: 4

Classification: Conceptual

35) To which of the following zones of social media do Facebook applications apply?

- A) social community only
- B) social publishing only
- C) social entertainment and social commerce
- D) social commerce and social community
- E) social community, publishing, entertainment, and commerce

Answer: E

Explanation: E) We differentiate Facebook from typical SNS though, because of the expansive nature of its offerings. Facebook defines itself not as a social network (although it did begin as one, and retains networking functionality), but as a social utility.

Page Ref: 1-9

Difficulty: Difficult

Learning Obj.: 4

Classification: Critical Thinking

36) Which of the following constitutes four types of social publishing sites?

- A) social networking sites, message boards, forums, and wikis
- B) microsharing sites, media sharing sites, and social bookmarking and news sites
- C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual worlds
- D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts
- E) the Internet, social software, devices, and social media users

Answer: B

Explanation: B) Social publishing sites represent zone 2 of the social media channels.

Page Ref: 1-10

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

37) Which one of the social media space zones primarily aids in the dissemination of content to an audience?

- A) social community
- B) social publishing
- C) social entertainment
- D) social commerce
- E) social punishment

Answer: B

Explanation: B) Social publishing sites represent zone 2 of the social media channels.

Page Ref: 1-10

Difficulty: Moderate

Learning Obj.: 4

Classification: Conceptual

38) Which of the following represents a type of social publishing site?

- A) forum
- B) blog
- C) virtual world
- D) social storefront
- E) wiki

Answer: B

Explanation: B) Blogs are websites that host regularly updated online content that may include text, graphics, and video. Blogs may be maintained by individuals, journalists, traditional media providers, or organizations, so they feature a wide range of topics. Thus there are blogs that operate much like an online news source or magazine, a tabloid, or simply as an online personal diary. Blogs are social because they are shareable; they include the option for readers to leave comments that can result in threaded discussions related to specific posts.

Page Ref: 1-10

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

39) Which of the following constitutes four types of social entertainment?

- A) social networking sites, message boards, forums, and wikis
- B) microsharing sites, media sharing sites, and social bookmarking and news sites
- C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual worlds
- D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts
- E) the Internet, social software, devices, and social media users

Answer: C

Explanation: C) The zone of social entertainment encompasses channels and vehicles that offer opportunities for play and enjoyment.

Page Ref: 1-11

Difficulty: Moderate

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

40) The virtual worlds of Second Life and Web Alive are categorized under the social media space zone of:

- A) social community.
- B) social publishing.
- C) social entertainment.
- D) social commerce.
- E) social punishment.

Answer: C

Explanation: C) The zone of social entertainment encompasses channels and vehicles that offer opportunities for play and enjoyment.

Page Ref: 1-12

Difficulty: Moderate

Learning Obj.: 4

Classification: Application

41) Which of the following constitutes four types of social commerce?

- A) social networking sites, message boards, forums, and wikis
- B) microsharing sites, media sharing sites, and social bookmarking and news sites
- C) social games and gaming sites, socially enabled console games, alternate reality games, and virtual worlds
- D) reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts
- E) the Internet, social software, devices, and social media users

Answer: D

Explanation: D) Social commerce leverages social shopping behaviors when online shoppers interact and collaborate during the shopping experience.

Page Ref: 1-12

Difficulty: Moderate

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

42) Which one of the social media space zones primarily assists in the online buying and selling of products and services?

- A) social community
- B) social publishing
- C) social entertainment
- D) social commerce
- E) social punishment

Answer: D

Explanation: D) Social commerce channels include reviews and ratings, deal sites and deal aggregators, social shopping markets, and social storefronts.

Page Ref: 1-12

Difficulty: Moderate

Learning Obj.: 4

Classification: Conceptual

43) Which of the following is considered to be social software?

- A) an app
- B) an iPad
- C) a Sony digital camera
- D) a Dell PC
- E) an iPhone

Answer: A

Explanation: A) Social software applications are computer programs that enable users to interact, create, and share data online. For virtually everything you'd like to do online, there is a social software program (or several) that can help you accomplish the activity.

Page Ref: 1-21

Difficulty: Moderate

Learning Obj.: 5

AACSB Category: Use of IT

Classification: Application

44) Which of the following provides the programming we need to carry out social media activities?

- A) devices
- B) perpetual beta
- C) tag cloud
- D) crowdsourcing
- E) social software

Answer: E

Explanation: E) Social media activities are made possible by the underlying infrastructure of the Internet. Just as in the physical world where we need infrastructure in the form of roads, railroads, TV transmitters, and trained people to operate and maintain these structures, in digital environments the pieces that make up Web 2.0 are crucial.

Page Ref: 1-21

Difficulty: Moderate

Learning Obj.: 5

AACSB Category: Use of IT

Classification: Conceptual

45) Which of the following is considered to be social software?

- A) an iPad
- B) Google Alerts
- C) a Dell PC
- D) an iPhone
- E) an Internet-connected game console

Answer: B

Explanation: B) For virtually everything you'd like to do online, there is a social software program (or several) that can help you accomplish the activity. Interested in planning an event? Use an event planner and invitation service like eVite.com. Want to keep a notebook of wedding ideas that you can share with your bridesmaids? Use Evernote.com. Need to keep a newsfeed of all the latest happenings at your school? Use Paper.li or Google Alerts.

Page Ref: 1-22

Difficulty: Moderate

Learning Obj.: 5

AACSB Category: Use of IT

Classification: Application

46) An app on a smartphone is labeled as _____.

- A) a device
- B) social software
- C) a wiki
- D) a connection
- E) cloud computing

Answer: B

Explanation: B) We've all heard the phrase "There's an app for that!"

Page Ref: 1-22

Difficulty: Moderate

Learning Obj.: 5

AACSB Category: Use of IT

Classification: Conceptual

47) Creating programming that is interesting enough to attract people to watch it or listen to it and then interrupting the programming to bring viewers a commercial message is a technique of _____.

- A) search engine marketing
- B) social entertainment
- C) the interruption-disruption model
- D) the horizontal revolution
- E) cloud computing

Answer: C

Explanation: C) This monetization strategy relies upon attracting as many people as possible to the content; the more who pay attention (or who at least tune in even though they may not be paying attention), the more the programmer can charge for the right to insert messages in that vehicle.

Page Ref: 1-25

Difficulty: Moderate

Learning Obj.: 6

Classification: Conceptual

48) Which of the following is a NOT a form of psychic income for posting a positive review of a product?

- A) getting a check in the mail for posting the review
- B) feeling satisfaction of sharing your opinions with the masses
- C) receiving a rating on some sites that designate you as a star reviewer
- D) receiving online feedback from others that your review was helpful to them
- E) being recognized by others for your product expertise

Answer: A

Explanation: A) The currency that we exchange doesn't necessarily have to be money. Psychic income is the perceived value that is not expressed in monetary form.

Page Ref: 1-26

Difficulty: Moderate

Learning Obj.: 6

Classification: Application

49) Which of the following is labeled in the chapter as the "fifth P"?

- A) perception
- B) psychology
- C) person
- D) participation
- E) posting

Answer: D

Explanation: D) Social media offers marketers opportunities to reach consumers where they work and live. The element of participation is key in this context also: social media enables consumers to have more of a say in the products and services that marketers create to meet their needs.

Page Ref: 1-27

Difficulty: Moderate

Learning Obj.: 6

Classification: Conceptual

50) Traditional marketing focuses on _____, which is a term that describes one-way communication delivered to the target audience.

- A) crowdsourcing
- B) social media
- C) participation
- D) push messaging
- E) microblogging

Answer: D

Explanation: D) Such marketing uses a large dose of broadcast and print media to reach a mass audience. There are minimal opportunities for interaction and feedback between customers and the organization, and what is possible is facilitated by boundary spanners (employees who interact directly with customers) who operate in service roles.

Page Ref: 1-27

Difficulty: Moderate

Learning Obj.: 6

AACSB Category: Communication Abilities

Classification: Conceptual

51) _____ particularly appeal(s) to _____.

- A) Push messaging; social media marketers
- B) Niche products; micromarkets
- C) Niche products; mass audiences
- D) Traditional media; Digital Natives
- E) Push messaging; social media consumers

Answer: B

Explanation: B) E-commerce offers greater speed, cost efficiencies, and access to micromarkets. It is feasible for even a small company that offers a limited inventory to reach potential customers around the globe. The Internet enables efficient access to these markets, and in turn allows customers to search for very specialized, niche products

Page Ref: 1-28

Difficulty: Difficult

Learning Obj.: 6

Classification: Synthesis

52) A pop-up bubble asks you to click on a link to learn more about low rates on car insurance while you browse a website. This is an example of:

- A) search engine marketing.
- B) social entertainment.
- C) the interruption-disruption model.
- D) the horizontal revolution.
- E) cloud computing.

Answer: C

Explanation: C) In this model, the source of a communication delivers messages to audiences whether they want to receive them or not, and regardless of whether these messages are directly relevant to their unique needs. By design, an advertising message interrupts some prior activity

Page Ref: 1-29

Difficulty: Moderate

Learning Obj.: 6

Classification: Application

53) All of the following characterizes tradigital marketing EXCEPT:

- A) applies the familiar model of the 4 Ps to the digital domain.
- B) improves interactivity and measurement.
- C) retains the primarily vertical flow of power in the channels of communication and distribution.
- D) is largely impersonal.
- E) delivered from many to many.

Answer: E

Explanation: E) Whether you read the front page of the *New York Times* online or peruse the physical newspaper at your kitchen table, the content from the publisher is delivered vertically through the channel of communication.

Page Ref: 1-29

Difficulty: Easy

Learning Obj.: 6

Classification: Conceptual

54) Which of the following marketing objectives are achievable utilizing social media marketing techniques?

- A) branding only
- B) marketing research only
- C) customer service and branding
- D) relationship management and marketing research
- E) branding, marketing research, customer service, and relationship management

Answer: E

Explanation: E) Just as the digital lives of consumers intersect across the four zones of social media, brands reach consumers in those same spaces to build awareness, promote themselves, and encourage users to try them.

Page Ref: 1-31

Difficulty: Easy

Learning Obj.: 7

Classification: Conceptual

55) Which of the following represent two overarching objectives relevant to the use of social media marketing as part of a brand's promotional mix?

- A) Extend and leverage the brand's media coverage; Influence the consumer throughout the decision-making process
- B) Charge consumers for as many experiences as possible; Use social media as vertical, one-way mass communication tools
- C) Create efficiencies in the brand supply chain management process; Use social media as vertical, one-way mass communication tools
- D) Influence the consumer throughout the decision-making process; Create efficiencies in the brand's supply chain management process
- E) Charge consumers for as many experiences as possible; Create efficiencies in the brand's supply chain management process

Answer: A

Explanation: A) Marketers have many possible techniques to promote goods, services, ideas, places, or people.

Page Ref: 1-31

Difficulty: Difficult

Learning Obj.: 7

Classification: Conceptual

56) Which of the following scenarios includes an overarching objective relevant to the use of social media marketing as part of a brand's promotional mix?

A) A hair salon charges customers a small fee to book online appointments through their Facebook page.

B) A retailer uses its Facebook page to create a smoother supply chain process among the producers that supply products.

C) Paul monitors his company's Facebook page to react to and influence consumers in their decision-making process when purchasing his company's products.

D) Mary uses her Facebook page primarily to send out mass communication promotional messages to her consumers.

E) Mark is always thinking of ways to charge customers on his company's Facebook page.

Answer: C

Explanation: C) One overarching objective relevant to the use of social media marketing as part of a brand's promotional mix is to influence the consumer throughout the decision-making process.

Page Ref: 1-31

Difficulty: Difficult

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Application

57) Which of the following scenarios includes an overarching objective relevant to the use of social media marketing as part of a brand's promotional mix?

A) A hair salon charges customers a small fee to book online appointments through their Facebook page.

B) Paul has created an online virtual world for his customers to experience his brand of products.

C) A retailer uses its Facebook page to create a smoother supply chain process among the producers that supply products.

D) Mary uses her Facebook page primarily to send out mass communication promotional messages to her consumers.

E) Mark is always thinking of ways to charge customers on his company's Facebook page.

Answer: B

Explanation: B) One overarching objective relevant to the use of social media marketing as part of a brand's promotional mix is to extend and leverage the brand's media coverage.

Page Ref: 1-31

Difficulty: Difficult

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Application

58) When it comes to acquiring space in media to distribute brand messages, marketers have access to the following three core types of media:

- A) public relations, personal selling, and advertising.
- B) social, mass, and personal.
- C) direct mail, advertising, and personal selling.
- D) deal sites, deal aggregators, and social storefronts.
- E) paid, owned, and earned.

Answer: E

Explanation: E) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls.

Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

59) Which of the following is a form of paid media?

- A) advertising
- B) word-of-mouth communication
- C) company blog
- D) company website
- E) publicity

Answer: A

Explanation: A) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls.

Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

60) Search engine marketing is a form of which type of media?

- A) paid
- B) advertising
- C) owned
- D) personal selling
- E) earned

Answer: A

Explanation: A) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls.

Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Difficult

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

61) Which of the following is a form of owned media?

- A) advertising
- B) word-of-mouth communication
- C) company blog
- D) search engine marketing
- E) publicity

Answer: C

Explanation: C) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls. Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

62) A company's website is a form of which type of media?

- A) paid
- B) advertising
- C) owned
- D) personal selling
- E) earned

Answer: C

Explanation: C) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls. Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

63) Which of the following types of media are distributed at no direct cost to the company?

- A) paid
- B) advertising
- C) owned
- D) personal selling
- E) earned

Answer: E

Explanation: E) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls. Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

64) Which of the following is a form of earned media?

- A) advertising
- B) word-of-mouth communication
- C) personal selling
- D) company website
- E) sponsorships

Answer: B

Explanation: B) Marketers are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Owned media are channels the brand controls. Earned media are those messages that are distributed by methods beyond the control of the company.

Page Ref: 1-32

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Communication Abilities

Classification: Conceptual

65) Social media can be used to support _____, which means to offer a free trial of a product.

- A) cloud computing
- B) crowdsourcing
- C) sampling
- D) microblogging
- E) social shopping

Answer: C

Explanation: C) Samples are usually mailed to consumers' homes or distributed in stores or on the street. Social media can be used to recruit interested prospects to qualify for samples.

Page Ref: 1-34

Difficulty: Moderate

Learning Obj.: 7

Classification: Conceptual

66) Which one of the following statements is TRUE?

- A) It's far more difficult to keep old customers than to attract new ones.
- B) It's far more expensive to attract new customers than to keep older ones.
- C) It's about the same in terms of expense to attract new customers and keep older ones.
- D) It's far more expensive to keep older customers than to attract new ones.
- E) It's cheap to attract new customers and keep older ones.

Answer: B

Explanation: B) That's why many organizations work hard to maintain contact with their customers and to provide additional products and services to them over time. Often they rely on sophisticated databases that keep an ongoing record of what a person buys and other pertinent information so that he or she will receive customized follow-up messages and offers that are likely to meet unique needs.

Page Ref: 1-38

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

67) Social _____ embrace(s) software and processes that include the collective intelligence of a firm's customers to more finely tune the offer and build intimacy between an organization and its customers.

- A) advertising
- B) CRM
- C) communities
- D) publishing systems
- E) entertainment

Answer: B

Explanation: B) When brands embrace social CRM, they use social media as it was meant to be used.

Page Ref: 1-38

Difficulty: Moderate

Learning Obj.: 7

AACSB Category: Use of IT

Classification: Conceptual

68) Service recovery refers to the actions:

- A) an organization takes to revive and bolster their customer service department.
- B) an organization takes to reclaim services owed to them by other companies.
- C) an organization takes to correct mishaps and win back dissatisfied customers.
- D) a customer takes to reclaim services owed to them by companies.
- E) a customer takes to contact an organization's customer service department.

Answer: C

Explanation: C) It is very important for organizations to take customers' complaints seriously (especially those who are inclined to post about their experiences). It is also vital to have a plan in place to initiate service recovery when things do go wrong (and they will).

Page Ref: 1-39

Difficulty: Moderate

Learning Obj.: 7

Classification: Conceptual

69) Which of the following is considered to be helpful for a company's service recovery?

- A) search engine marketing (SEM)
- B) the LARA framework
- C) word-of-mouth (WOM) communication
- D) public relations (PR)
- E) the "4 Ps" of the traditional marketing mix

Answer: B

Explanation: B) This framework is as follows: listen to customer conversations; analyze those conversations; relate this information to existing information within your enterprise; and act on those customer conversations.

Page Ref: 1-39

Difficulty: Difficult

Learning Obj.: 7

Classification: Synthesis

70) When hearing about a customer's complaint, Jan makes sure to listen to everything the customer has to say without interrupting them, she then thinks hard about the conversation, asks around if this type of complaint has been heard before, and then creates a solution to the problem to satisfy the customer. Jan's process of handling the complaint falls within the _____ framework.

- A) WOM
- B) PR
- C) LARA
- D) SMART
- E) SEM

Answer: C

Explanation: C) This framework is as follows: Listen to customer conversations; Analyze those conversations; Relate this information to existing information within your enterprise; and Act on those customer conversations.

Page Ref: 1-39

Difficulty: Difficult

Learning Obj.: 7

Classification: Application

1.2 True/False

1) Digital Natives can recall a time in their lives when the Internet did not exist.

Answer: FALSE

Explanation: Digital Natives grow up "wired" in a highly networked, always-on world.

Page Ref: 1-3

Difficulty: Easy

Learning Obj.: 1

Classification: Conceptual

2) Bill Gates, founder of Microsoft, is considered a Digital Native.

Answer: FALSE

Explanation: Although he helped to create such a world, Bill Gates lived more years in a world when the Internet did not exist.

Page Ref: 1-3

Difficulty: Moderate

Learning Obj.: 1

Classification: Application

3) Web 2.0 is a simple, one-way communications device.

Answer: FALSE

Explanation: Web 2.0 is an interactive social system that's available to most of us 24/7. Widespread access to devices like personal computers, digital video and audio recorders, webcams, and smartphones ensures that consumers who live in virtually any part of the world can create and share content.

Page Ref: 1-3

Difficulty: Easy

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Conceptual

4) The horizontal revolution is supported by the flow of information from government and companies to the people.

Answer: FALSE

Explanation: Today each of us communicates with huge numbers of people by a click on a keypad, so information flows across people as well.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Communication Abilities

Classification: Conceptual

5) Facebook does NOT offer synchronous interactions.

Answer: FALSE

Explanation: The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities.

Page Ref: 1-4

Difficulty: Moderate

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Application

6) Wikipedia is a form of crowdsourcing.

Answer: TRUE

Explanation: The Web 2.0 evolution enabled Internet users to create, publish, rate, edit, and share information. A single person would not have the resources or knowledge to publish an exhaustive, stellar online source, but a mass of individual experts can.

Page Ref: 1-15

Difficulty: Easy

Learning Obj.: 3

Classification: Application

7) The term "co-creators" is used to characterize the say that users have in what producers offer in the marketplace.

Answer: TRUE

Explanation: Web 2.0 levels the playing field between producers and consumers. It invites each of us to be co-creators in product design, delivery, pricing, and promotion.

Page Ref: 1-16

Difficulty: Easy

Learning Obj.: 3

Classification: Conceptual

8) You CANNOT use a term like "happiness" to tag content on social media sites.

Answer: FALSE

Explanation: This process creates a tag cloud that not only enables others to search and retrieve information using tags that also make the most sense to them personally, but also provides information about the popularity of the tags used.

Page Ref: 1-16

Difficulty: Easy

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Application

9) Network effects enable organizations to leverage the value of crowdsourcing.

Answer: TRUE

Explanation: The network effect ensures that there is sufficient participation for the crowdsourced solution to be a good one.

Page Ref: 1-17

Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

10) Scalability is an issue related to the capacity needed for growth of a social media site.

Answer: TRUE

Explanation: Many concepts work well until the number of users grows beyond the system's capacity. At that point, system failures occur.

Page Ref: 1-18

Difficulty: Easy

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Conceptual

11) Perpetual beta is a term that describes the desire for Web 2.0 to remain stable without change.

Answer: FALSE

Explanation: Web 2.0 is always changing, always responding to the needs of the community. In the world of innovations, the term beta is used to denote a product in testing.

Page Ref: 1-19

Difficulty: Moderate

Learning Obj.: 3

AACSB Category: Use of IT

Classification: Conceptual

12) Respect and recognition of your customers comes up significantly short to revenues and profits in the eyes of a company in the reputation economy of social media.

Answer: FALSE

Explanation: In Web 2.0, users trust other users as a source of knowledge. Many active contributors to social media platforms do not get paid a salary.

Page Ref: 1-19

Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

13) The term "radical trust" refers to the trust that organizations place on social media technology to help raise their success in the marketplace.

Answer: FALSE

Explanation: Radical trust occurs in situations where decision making is decentralized to the online masses.

Page Ref: 1-19

Difficulty: Moderate

Learning Obj.: 3

Classification: Conceptual

14) *BusinessWeek* is categorized as a vehicle for a medium.

Answer: TRUE

Explanation: Communication travels using a medium such as word-of-mouth, television, radio, newspaper, magazine, signage, Internet, direct mail, or telephone.

Page Ref: 1-7

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Communication Abilities

Classification: Application

15) Facebook defines itself as a social utility, spanning all zones of social media.

Answer: TRUE

Explanation: The most famous social network is Facebook. We differentiate Facebook from typical SNS though and define it as a social utility, because of the expansive nature of its offerings.

Page Ref: 1-9

Difficulty: Easy

Learning Obj.: 4

Classification: Critical Thinking

16) A threaded discussion occurs when others respond and extend a conversation by posting responses to an individual's original content in social networking sites.

Answer: TRUE

Explanation: There are thousands upon thousands of forums and threaded discussions active online, most oriented around a common interest. For example, RC Universe (www.rcuniverse.com) is a vibrant community of remote-control hobbyists.

Page Ref: 1-9

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

17) Wikis can only be created by companies and NOT by individuals.

Answer: FALSE

Explanation: Wikis are collaborative online workspaces that enable community members to contribute to the creation of a useful and shared resource. Wikis can be about anything and everything. A wiki could be created by a family community to share and update family history, or by an appliance manufacturer that is trying to develop the perfect user manual.

Page Ref: 1-10

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Conceptual

18) Twitter is categorized as a microsharing site.

Answer: TRUE

Explanation: Microsharing sites, also called microblogging sites, work much like blogs except that there is a limit to the length of the content you can post. A microshare could include a sentence, sentence fragment, embedded video, or link to content residing on another site. Twitter, the most well-known microsharing vehicle, limits posts to 140 characters. Others include Twingly, identi.ca, and Laconica.

Page Ref: 1-11

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Application

19) iTunes is categorized as a virtual world.

Answer: FALSE

Explanation: iTunes is a mediasharing site for music and audio. Alternatively, virtual worlds are three-dimensional communities where people participate as avatars—digital representations of themselves that can take pretty much any form the person desires.

Page Ref: 1-11

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Application

20) MySpace defines itself as an entertainment community.

Answer: TRUE

Explanation: MySpace, once the leading social network, now defines itself as a social entertainment service. Its value lies in the network of musicians and bands and their music offered on the site.

Page Ref: 1-12

Difficulty: Easy

Learning Obj.: 4

AACSB Category: Use of IT

Classification: Application

1.3 Short Answer

1) Give personal examples of using synchronous and asynchronous features on a social media site.

Answer: The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities.

Page Ref: 1-4

Difficulty: Difficult

Learning Obj.: 1

AACSB Category: Use of IT

Classification: Application

2) Reflect on why a culture of participation is critical to the success and effectiveness of social media. In your answer, describe how the values of a society or culture can help to facilitate or hinder a culture of participation.

Answer: Social media enables active participation in the form of communicating, creating, joining, collaborating, working, sharing, socializing, playing, buying and selling, and learning within interactive and interdependent networks.

Page Ref: 1-5

Difficulty: Difficult

Learning Obj.: 1

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

3) Wikipedia is now the go-to encyclopedia source, but Wikipedia is different than traditional encyclopedias. Describe why this is so and reflect on the resulting implications on its users.

Answer: The Web 2.0 evolution enabled Internet users to create, publish, rate, edit, and share information. A single person would not have the resources or knowledge to publish an exhaustive, stellar online source, but a mass of individual experts can.

Page Ref: 1-15

Difficulty: Difficult

Learning Obj.: 3

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

4) A media sharing site like YouTube, where users upload and view more than 35 hours of video every single minute of every day, has adopted radical trust. Reflect on the benefits and limitations of YouTube's radical trust in the lives of social media users and incorporate how the reputation economy allows for radical trust.

Answer: Radical trust occurs in situations where decision making is decentralized to the online masses. The trust enables organizations to expand beyond their own in-house resources and expertise but also puts them at risk: Will the actions taken by the masses be positive ones? Why would such trust be extended? In part, it's because of the reputation economy. Everyone can participate, but everyone is also charged with policing the content. Further, those who participate gain a form of "street cred" as power users; their reputations are at stake.

Page Ref: 1-19

Difficulty: Difficult

Learning Obj.: 3

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

5) Describe the term "perpetual beta" and reflect on its benefits and limitations for social media users.

Answer: Web 2.0 is always changing, always responding to the needs of the community. In the world of innovations, the term beta is used to denote a product in testing. The label enables developers to introduce new features in products even if testing and refinement are not yet complete. Social media users may simultaneously feel inundated and overwhelmed in such an environment.

Page Ref: 1-19

Difficulty: Difficult

Learning Obj.: 3

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

6) Give an example of a medium and a vehicle within that medium that is particularly influential in your life.

Answer: Communication travels using a medium (or channel) such as word-of-mouth, television, radio, newspaper, magazine, signage, Internet, direct mail, or telephone.

Page Ref: 1-7

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Communication Abilities

Classification: Application

7) Describe your (or another's) personal profile, social presence, and connections on a social networking site (SNS).

Answer: There are a variety of services common to SNS (such as maintaining a social presence); the focus is on the individual communication and collaboration within the context of connections in the community.

Page Ref: 1-8

Difficulty: Difficult

Learning Obj.: 4

AACSB Category: Communication Abilities

Classification: Application

8) Reflect on your own personal opinion for answering the following question: Should you have to pay for online content? Incorporate the concepts of the reputation economy and psychic income in your answer.

Answer: Many people (especially college students) believe that "information wants to be free," and they gravitate toward technology that enables them to download songs, newspapers, and yes, even textbooks without cost. As attractive as that sounds, in the long run an entirely free world probably isn't feasible. Remember the old expression, "there's no such thing as a free lunch." At the end of the day, someone has to pay for content and services.

Page Ref: 1-26

Difficulty: Difficult

Learning Obj.: 6

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

9) Reflect on why the "fifth P" is critical to a company's success in this new social media world.

Answer: Consumers discuss, contribute, collaborate, and share—with brands and with each other. The culture of marketing has shifted to an informal one focused on the belief that customers are in control. Marketing guru Peter Drucker once famously said, "The purpose of a business is to create a customer." With the reach and community influence of social media, we can expand this definition: The purpose of a business is to create customers who create other customers.

Page Ref: 1-27

Difficulty: Difficult

Learning Obj.: 6

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking

10) Imagine that before you can watch a full episode of *Gossip Girl* on your laptop, you must sit through a 15-second ad for Verizon Wireless. Label and describe the model that is used in this example and reflect on why many social media users accept this practice.

Answer: The interruption-disruption is used here. Why would Internet users tolerate these disruptions as they surf the Web? For the same reason television viewers and radio listeners have for decades. The ad as interruption provides a stream of revenue for the media provider, which enables this group to provide the content of interest at little or no cost to the audience. Television programming exists to draw audiences, which enables the network to sell space to advertisers who wish to reach that audience. The audience, in turn, accepts the presence of the advertising in order to consume the desired programming.

Page Ref: 1-29

Difficulty: Difficult

Learning Obj.: 6

AACSB Category: Reflective Thinking Skills

Classification: Critical Thinking