

Advertising

Chapter Objectives

After completing this chapter, you will be able to:

▶ Section 14.1 Advertising Media

- **Define** advertising.
- **List** types of media that businesses use to reach potential customers.

▶ Section 14.2 Media Measurement and Rates

- **List** the components of media measurement.
- **Identify** how advertising costs are measured.
- **Describe** how media rates are determined.

Ask

STANDARD Industry Classifications & POOR'S

Q: What are industry classifications?

A: Companies that make different types of products often face different challenges in the global economy. To make comparisons easier, analysts use industry classifications to divide the economy into a number of different economic sectors. These sectors are further subdivided into industry groups, industries, and sub-industries. Subdivisions make it easier to compare companies within and across industries.

Mathematics You are interested in two competitors in the information sector of the economy and research their financial histories to find out if one company is better than another. McLain Publishing has a gross profit of 20%, and Fisher Press has a gross profit of 17%. Graphs showing financial histories of the companies suggest that Fisher's gross profit has been steady over the years and that McLain's has fluctuated between 16% and 24%. What conclusions can you draw from this information?

CONCEPT **Interpreting Data** Since the two companies are in the same business, you can assume that the company with better fundamentals is a better company. When looking at gross profit (revenues minus cost of goods sold) keep in mind that the lower gross profit is as a percentage of sales, the more profitably the company can manufacture its products.



● **Target Marketing** Businesses advertise in media that will reach their intended market.
How is this an example of target marketing?

Advertising Media

Reading Guide

Before You Read

Think about the types of media businesses can choose from to advertise their products and services.

Read to Learn

- Define advertising.
- List types of media that businesses use to reach potential customers.

The Main Idea

Businesses must find ways to reach potential customers. Advertising is one type of promotion that can be used to reach local, regional, national, or even worldwide markets.

Key Concepts

- Why Companies Advertise
- Types of Media

Vocabulary

Key Terms

advertising
 mass media
 infomercial
 direct-mail advertising
 pop-up ads
 banner ads
 webcast

@ Go to the *Introduction to Business* Online Learning Center through glencoe.com for a printable graphic organizer.

Academic Vocabulary

You will find these words in your reading and on your tests. Make sure you know their meanings.

media unique
 communicate transit

Graphic Organizer

As you read, list the types of advertising media, and add notes about each in a chart like the one below.

Types of Media	Notes

Academic Standards

English Language Arts

NCTE 1 Read texts to acquire new information

NCTE 9 Develop an understanding of diversity in language use across cultures

Mathematics

Number and Operations Compute fluently and make reasonable estimates

Why Companies Advertise

Advertising is the public promotion of something such as a product, service, business, or event, to attract or increase interest in it. Advertisements, or ads, are everywhere. The average person sees hundreds of ads every day. They are in magazines and movie theaters, and on TV and the street.

Advertisers use humor, creativity, style, and originality to create an image for their products and services. They try to get consumers' attention. Using catchy advertising slogans is one way companies get customers to remember them (see **Figure 14.1**).

As You Read

Think about an item you recently purchased. What image do you feel was attached to the product? Did it influence your purchase?

Types of Media

A *medium* is a channel or system of communication. For example, television is a medium. **Media** are the members of the mass media. **Mass media** are channels of communication, such as television, radio, and newspapers. Advertisements are delivered to consumers through mass media. The type of medium an advertiser uses depends on the market it wants to reach. *Print media* use words and pictures to **communicate**. Print media include newspapers, magazines, signs, and billboards.

Newspapers

Newspapers are the main advertising medium in the United States. Newspapers allow advertisers to target people within a certain area. However, newspaper ads have a short life. Most people throw newspapers away after they read them.

Figure 14.1 — **Catchy Slogans**

Just do it[®]
When It Rains, It Pours[®]
The Breakfast of Champions[®]
The Pause that Refreshes[®]
Where's the Beef?[®]
Good to the Last Drop[®]
The milk chocolate melts in your mouth — not in your hands[®]
We bring good things to life[®]

How Many Do You Know? Some advertising slogans have become so well known that people all over the country recognize them. **Advertising Age** magazine judged these slogans to be some of the best. How many of the products or services can you name?

Source: Advertising Age Magazine

Humor in Advertising

TV commercials try to grab viewers' attention and leave an impression about the advertised item. This must be done within a few seconds. Companies use humor in ads to help consumers remember their products or services. Think of some funny ads that you have seen. *Did they help you remember the item advertised? Explain your answer.*

Magazines

Most magazines are national and appear every week (such as *Time*) or every month (such as *Seventeen*). People from all over the country see national magazine ads. Many magazines offer regional editions for different parts of the country. Special-interest magazines such as *Sports Illustrated* make it possible to reach target markets on a large scale.

Magazine ads have a longer life than newspaper ads. People take their time when reading magazines. Some even save them.

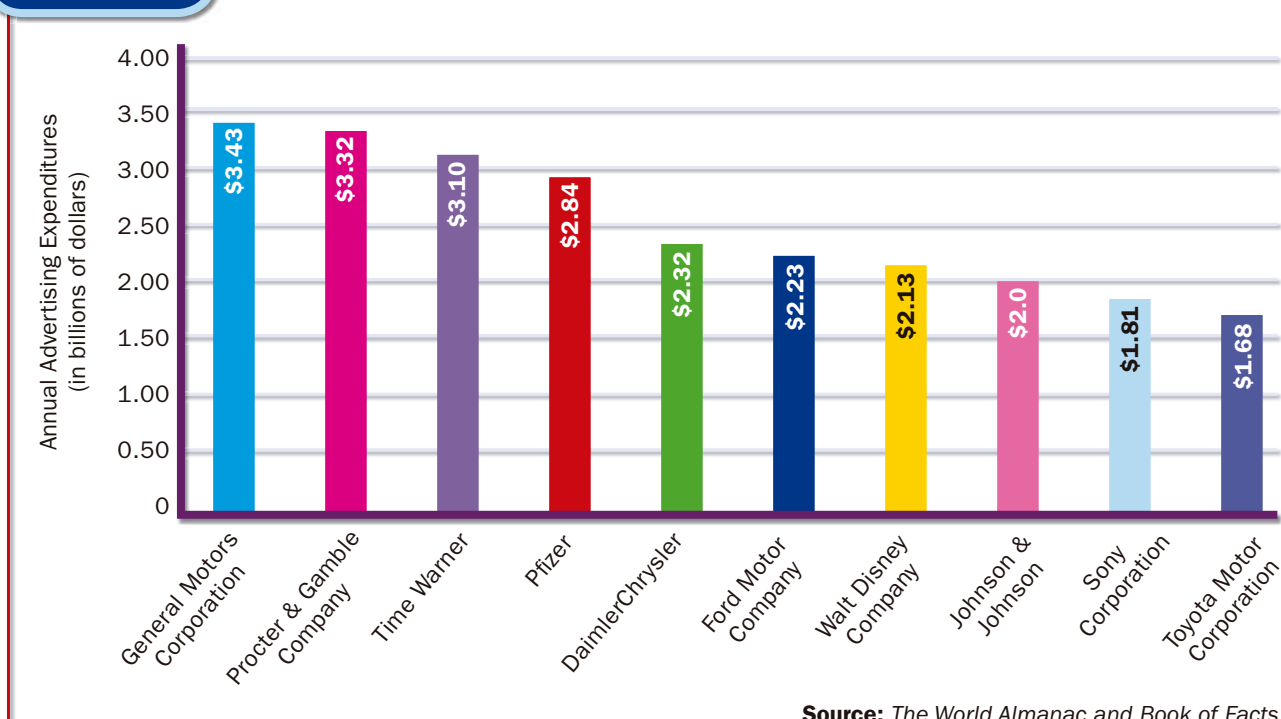
Television

Television advertising combines sounds, images, and motion. TV ads can be informative, entertaining, or creative. Most TV ads are 30 seconds long. A **unique** type of TV ad is the infomercial. An **infomercial** is a 30-minute commercial.

TV ads can be shown on national, local, or cable stations. TV advertisers can reach a wide audience. They can also reach target markets by showing ads during certain types of shows.

Ads for TV can be expensive to produce and run. The more popular a show is, the more it costs to air an ad during that show. **Figure 14.2** illustrates the amount of money some corporations spend to advertise their products.

Figure 14.2 — **Big Spenders**



Source: *The World Almanac and Book of Facts*

Big Spenders This chart shows ten companies who spent the most on advertising in a recent year. General Motors Corporation, for example, spent about \$3.4 billion on advertising. **Think about advertisements for these five companies. In what media have you seen their ads?**

International Business

Cross-Cultural Advertising

One of the most difficult challenges for international marketers is communicating to people of diverse cultures. Advertising is about communicating a message to raise awareness or promote a product. When a product is marketed to an international audience, using the same advertising campaign as is used at home will in most cases result in failure. Sayings, symbols, and images speak to different people differently; cultures have different values and perceptions about what enhances status or gives convenience. Therefore, many advertising executives are turning to special consultants for help with cross-cultural advertising.

Examples of Languages Across Cultures

Q: In Spanish, how do you say: “Thank you for your time”?

A: **Gracias por su tiempo.** (pronounced: Grăh-sēē-ŭs pŏhr soo tēē-ĭm-pŏ)

If you were planning an international advertising campaign, what are some things you would need to know about a culture in order to be successful?

Direct-Mail Advertising

Direct-mail advertising is the biggest advertising medium after television and newspapers. **Direct-mail advertising** consists of ads sent by mail to people’s homes and businesses. Direct mail allows advertisers to reach a specific target market.

Direct-mail advertisers contact consumers in a variety of ways. They use letters, flyers, postcards, and catalogs. They often include coupons or free samples. The cost of sending ads through the mail can be high. Direct mail is often referred to as “junk mail.” People who receive direct-mail advertising often throw it out without ever looking at it.

Directory Advertising

Directory advertising appears mostly in phone books. It is especially useful for local advertisers. They can display an ad under a heading for the type of product or service they offer and list their phone number and address. The cost of a directory ad is usually low. A disadvantage of directory ads is that they have to compete with other similar ads.

Radio Advertising

Radio ads can reach a wide audience. However, they may not be as effective as TV or magazine ads because they cannot use images. They use music, dialogue, and sound effects to get a listener’s attention.

As You Read

Think about the junk mail your household gets. If few people actually respond to this mail, why do you think advertisers keep sending it?

Online Media

The two main types of online ads are pop-up and banner ads. **Pop-up ads** appear in a new browser window when you first log on to a Web site. **Banner ads** are displayed across the top or bottom of the Web page.

Webcasting Another way to advertise online is through webcasting. A **webcast** is a broadcast made on the Internet. It often consists of a live broadcast made using a Web camera, or cam.

 **Reading Check** **Identify** Name two kinds of online ads.

Other Types of Media

Billboards provide the most common form of *outdoor advertising*. Most billboards are large and placed near highways where they are very visible. The main disadvantage of them, though, is that people often drive by too quickly to notice them.

Transit advertising usually consists of posters placed on the sides of buses, in subway stations, inside trains, and at airports. These ads are most common in urban areas where public transportation is often used. Just about any space that can be seen by people can be used for advertising.

Section 14.1

● After You Read

Review Key Concepts

1. Why do companies advertise?
2. What are some types of media used by businesses to advertise?
3. What advantages do print and cyber ads share?

Academic Skills

4. **Mathematics** The top rate paid one year for a 30-second TV ad during the Super Bowl was 6% greater than the previous year's top rate. If the new top rate paid was \$2.4 million, what was the top rate paid the previous year?

CONCEPT **Working with Percents** In this problem, \$2.4 million represents 106% of the previous year's rate. Percents can be converted easily to decimals by moving the decimal point two places to the left.



For math help, go to the Math Appendix.



Go to the *Introduction to Business* Online Learning Center through glencoe.com to check your answers.

Media Measurement and Rates

Reading Guide

Before You Read

Think about how companies make plans to advertise and determine the cost of an advertisement.

Read to Learn

- List the components of media measurement.
- Identify how advertising costs are measured.
- Describe how media rates are determined.

The Main Idea

Businesses need to reach as many targeted customers as possible. Many companies do this by advertising. It is important to calculate ad costs and measure media effectiveness to best reach a potential audience.

Key Concepts

- Media Planning
- Media Measurement
- Media Rates

Vocabulary

Key Terms

media planning	impression
advertising agency	frequency
ad campaign	cost per thousand (CPM)
audience	prime time

Academic Vocabulary

You will find these words in your reading and on your tests. Make sure you know their meanings.

medium
display

prime
network

Graphic Organizer

As you read, write notes about media planning questions in a figure like the one below.

Media Planning Questions

1.	?
2.	?
3.	?



Go to the *Introduction to Business* Online Learning Center through glencoe.com for a printable graphic organizer.

Academic Standards

English Language Arts

NCTE 1 Read texts to acquire new information

NCTE 3 Apply strategies to interpret texts

NCTE 4 Use written language to communicate effectively

NCTE 5 Use different writing process elements to communicate effectively

NCTE 9 Develop an understanding of diversity in language use across cultures

Science

Content Standard C Students should develop an understanding of the behavior of organisms

As You Read

Think about the different images that some companies convey in their ads.

Media Planning

Media planning is the process of selecting advertising media and deciding the time and space in which the ads should appear. To create a media plan and select the right **medium** to use, advertisers address three basic questions:

1. Can the medium present the product or service and the appropriate business image?
2. Can the desired customers be targeted with the medium?
3. Will the medium get the desired response rate?

Effective media planning can help a business project the desired image to the target market.

Advertising Agencies

Many businesses develop advertising by hiring advertising agencies. An **advertising agency** is a business that specializes in developing ads and ad campaigns for its clients. An **ad campaign** is a series of ad messages that share a single idea and theme. Ad agencies vary in size—from small agencies that serve regional markets to large international firms.

Science/TechTRENDS

Sensory Branding

Some of the world's most recognizable brands from the 20th century are Ivory® soap, Gerber® baby food, Kodak® cameras, Coca-Cola®, and McDonald's®. These brands mean something to most people and have managed to become part of our everyday lives. How are companies creating the brands of the future? Marketing and branding guru Martin Lindstrom is encouraging today's marketing professionals to appeal to all the senses, not just sight and sound. He says that touch and smell are the future when it comes to creating a brand identity. For example, chemists develop special scents, and aestheticians design sound and tactile elements. These create a deeper emotional connection to the brand. Singapore Airlines used a patented smell called Stefan Floridian Waters throughout its airplanes to differentiate its brand from others. They even put it on flight attendants' uniforms and on the hot towels they gave passengers.

Web Quest

Go to the *Introduction to Business* Online Learning Center through glencoe.com for links to Web sites where you can find out more about how marketers are appealing to all the senses when establishing brand identity. Give some specific examples, and explain how appealing to all the senses can help influence people's attitudes, preferences, and purchasing behavior.

Media Measurement

Media planners are concerned with the correct medium to use and its costs. They are also concerned with how to measure an ad's overall effectiveness. An effective ad will help raise a firm's sales.

To understand media measurement, you need to become familiar with several key terms. First, the number of homes or people exposed to an ad is called the **audience**. A single exposure to an advertising message is called an **impression**. **Frequency** is the number of times an audience sees or hears an ad. **Cost per thousand (CPM)** is the media cost of exposing 1,000 readers or viewers to an advertising impression. (The "M" in CPM comes from the word *mille*, which is Latin for "thousand.")

Media Audiences

TV audience measurement is based on diaries and viewer data collected by Nielsen Media Research®. The Nielsen organization takes a sample of TV viewers in more than 200 markets. Arbitron Inc.® uses listener diaries to measure radio audiences in more than 260 markets. Online audiences are measured through surveys and computer software tracking systems.

Knowing the potential audience, how frequently your ad will be seen, and its CPM can tell you if the rates charged by various media are right for your ad budget.



Reading Check

Analyze Why do advertisers rely on media measurement?

Media Rates

To reach customers, advertising uses a set format that is defined in terms of time (a 60-second TV or radio ad) or space (a half-page newspaper ad). Media costs vary greatly, not just with type of media but also with geographic location and audience.

A *media rate* or *advertising rate* is the amount of money it costs to **display** or broadcast an ad. It is separate from the amount it costs to make an ad. Ad rates are determined by several factors: the size of the ad, the number of people it reaches, how often it appears, when it appears, and where it is placed.



Successful Ads The purpose of advertising is to attract attention and transmit a message. **What catches your attention in this ad?**



Ad Campaigns That Fail

Taco Bell® used to run ads featuring a Chihuahua that said, “Yo quiero Taco Bell” (“I want Taco Bell”). The commercials were so popular that the dog’s image was put on T-shirts, window decals, and toys. After a while, the company determined that the ads did not lead to more sales, so they stopped running them. *If the ads were popular, why do you think they did not increase sales?*

Print Media Ad Rates

Ad rates for newspapers and magazines are based on circulation, or the number of people who buy them, and audience, the number of readers per issue. An advertiser usually pays a rate for every 1,000 people (CPM) a newspaper or magazine reaches.

The size of the ad also affects the cost. Newspaper and magazine ads are sold by the inch on a page. A column inch is an area that is one column wide by one inch deep. If a newspaper quotes a column inch rate, multiply the number of inches by the number of columns. This gives you the total number of column inches. Then multiply the total column inches by the rate. For example, if the rate for a column inch is \$17, then an ad that measures four inches long by three columns wide will cost \$204 ($\$17 \times 4 \text{ inches} \times 3 \text{ columns} = \204).

Magazine rates are based on circulation, the type of readership, and production techniques. *Premium position* refers to ad placement. Ads placed in **prime** positions, such as on the back cover or the inside of the first page, are more expensive to buy.

BusinessWeek Reader and Case Study

TV Eyeballs Close-Up

A handful of companies are figuring out how to give advertisers better feedback on who’s watching television.

Ever since the advent of commercial television, advertisers have wondered exactly what they get for the megabucks they spend on 30-second spots. After all, the networks and cable companies offer only a crude approximation of who is watching what. With such thin information, advertisers can’t target specific neighborhoods or consumer tastes. Yet the Web, with its sophisticated per-click metrics, does all of that billions of times a day. “The problem,” says Yankee Group analyst Aditya Kishore, “is that there’s not enough math in [the TV] business.”

But aQuantive Inc. aims to change that. A marketing firm that also owns the Avenue A | Razorfish™ Web ad agency, aQuantive helps clients measure online audiences and tailor ads to specific surfers. Having locked up a sizable chunk of that business, the Seattle outfit

is eager to bring its smarts to television, promising advertisers their first real fix on the viewing and spending habits of Americans. Despite the hoopla about advertisers moving online, the \$70 billion television ad market still dwarfs the Web business 5 to 1. Says aQuantive CEO Brian P. McAndrews, once an ABC executive: “TV is the largest medium out there.”



CASE STUDY Go to the *Introduction to Business Online Learning Center* through glencoe.com for the *BusinessWeek Reader Case Study*.

Active Learning

Watch a TV show and write down all of the products that are advertised during the program. Use a spreadsheet to keep track of the age and gender of any people appearing in the ads. Use your results to predict the show’s target demographics.

Broadcast Media Ad Rates

The cost of TV and radio ads depends on the size of the audience, the reach of the station, and the time of day an ad is broadcast. **Prime time** is the time period when the **network** TV or radio audience is the largest. TV audiences are usually largest between 7 P.M. and 11 P.M., when most viewers are at home. For radio, prime time on weekdays is during the morning or afternoon hours, also called drive times.

Internet Ad Rates

The cost of Internet advertising is based on the type, size, and format of ads. Types include banner ads, rich-media enhanced banner ads, and pop-up ads. The length of time an ad runs also affects the price. Like newspaper and magazine ads, Internet advertisers pay a certain amount for every 1,000 people who get the ad. Rates vary based on the volume of monthly page views.

Paid search ads are Internet ads that online advertisers bid on for search engine queries. The advertiser pays a fee to the search engine whenever someone clicks on the ad. The advertiser that bids the highest for a particular keyword has its ad show up first on the list of ads next to the search results.

As You Read

Think about the different costs for magazine ads. Why would it cost more to place an ad on the back of a magazine than on the inside?

Section 14.2

After You Read

Review Key Concepts

1. What are the three basic questions advertisers must address in media planning?
2. Name the four components of media measurement.
3. Define media rate or advertising rate.

Academic Skills

4. **English Language Arts** Work with a partner to create a radio ad for a product you both like and think would interest other people your age. Write a 30-second script and use music or other sound effects to enhance the ad. Use words and music that will have special appeal to your audience. If possible, record the ad and play it for your class. Join in a discussion with your classmates about the ad's effectiveness.
5. **English Language Arts** Which type of text structure best describes these sentences: Transit advertising is most common in urban areas where public transportation is widely used. For this reason, it is useful for advertising things such as concerts, public events, and local TV. compare and contrast, cause and effect, or statement and example? Write a few sentences of your own that use the same type of structure.



Go to the *Introduction to Business* Online Learning Center through glencoe.com to check your answers.

Chapter 14 Review and Activities

Section 14.1 Summary

Advertising Media Businesses use advertisements, or ads, to promote their products and services. Ads are everywhere—in movie theaters, on the street, and on the Internet. They are placed in print media, which includes newspapers, magazines, and direct mail. Commercials run on TV and radio. Businesses try to build an image for their products and services through their ads. Companies often use humor in ads to leave a lasting impression with consumers. They carefully select the types of advertising and media they will use to reach their target market.

Section 14.2 Summary

Media Measurement and Rates Media planning is the process of selecting advertising media and deciding when and where ads should appear to meet the marketing objective. A media plan helps advertisers present an interesting message and project the desired business image to the target market. It is important to calculate costs and measure media effectiveness to best reach an audience. Ad rates vary according to the medium in which the ad appears and how long it runs. Other factors include size, length of time, and the type of ad used.

Vocabulary Review

1. On a sheet of paper, use each of these key terms and academic vocabulary terms in a sentence.

Key Terms

advertising	advertising agency
mass media	ad campaign
infomercial	audience
direct-mail advertising	impression
pop-up ads	frequency
banner ads	cost per thousand (CPM)
webcast	prime time
media planning	

Academic Vocabulary

media	medium
communicate	display
unique	prime
transit	network

Review Key Concepts

2. Define advertising.
3. List the types of media that businesses use to reach potential customers.
4. List the components of media measurement.
5. Identify how advertising costs are measured.
6. Describe how media rates are determined.

Critical Thinking

7. Think about your favorite magazine. When you read it, do you glance at the ads, or do you read them carefully? Explain your answer.
8. What products or services are advertised in your favorite magazine? Why would you purchase any of those products or services?
9. Do you think advertising on network TV will be done less or more often in the future? Why?
10. When people record a TV show, they are likely to skip the ads when they watch the show later. What do you think this means to TV advertisers?
11. Many companies advertise their goods and services on the Internet. They also sell space on their Web sites to advertisers. However, the response rates to online ads are low. Why do you think more advertisers are using online ads even if the response rates are low?
12. Why do you think a TV producer would sign a contract with an ad agency?
13. What impact do you think the increasing popularity of cable TV will have on advertising?

Write About It

14. What are some ways to promote a business besides advertising? Write a brief essay offering some examples.
15. Write one page describing an ad from a magazine. Name the product advertised, and list some product descriptions from the ad. Decide if the ad is well designed.
16. In two or more paragraphs, describe the purposes of the following characters used in ads: the Energizer Bunny® (Energizer® batteries); and Tony the Tiger (Kellogg's Frosted Flakes®).
17. Look at a newspaper, and review its ads. Write a one-page description of three ads that appear. Compare and contrast their effectiveness.
18. What will be the effect on online advertising if people use software to block pop-up ads? Write at least two paragraphs on your response.
19. Companies pay more to advertise their products and services during special events, such as the *Academy Awards* or the Olympics. Why do you think advertisers are willing to pay up to \$400,000 for a 30-second ad? Write a brief summary of your thoughts.

Technology Applications

Word-Processing Software

20. Select one of the following advertising agencies to research: Ogilvy & Mather; McCann Worldgroup; TBWA Worldwide; Leo Burnett Worldwide; BBDO Worldwide; Agency.com; J. Walter Thompson Company; or Saatchi & Saatchi. Write a two-page report about the ad agency's services. Include some of its clients and the types of ads it helped create.

Business Ethics

Ethical Advertising

21. Companies must disclose all information necessary for a customer to make a safe and informed decision. If a company promotes a food product as a "diet product," what types of information do you think it should provide in order to be ethical in its advertising? What would you consider to be unethical? Write at least two paragraphs on your responses.

Chapter 14 Review and Activities

Applying Academics to Business

English Language Arts

22. List businesses that advertise on TV, radio, and billboards. Are there any types of businesses that advertise using all three media? Do large, multinational corporations seem to use one type more than others? Which is used by smaller, more local businesses? Write a one-page paper explaining what you have learned.

Mathematics

23. Of a company's \$140 million in sales, 56% was credited to TV ads, $\frac{1}{4}$ to magazine ads, and 10% to radio. The rest of the business came from direct mail. What percent of the total revenue was generated by direct mail?

CONCEPT Fractions, Decimals, and

Percents Fractions, decimals, and percents are similar in that they are all used to represent part of a whole. To solve this problem, start by converting the fractions and percents to decimals.

English Language Arts

24. List the words below on a sheet of paper. Four of them have something in common. Cross out the word that does not belong. Add a fifth word from the chapter that does belong. Write a sentence or two explaining your choices.

update lifespan infomercial
billboard webcast

Mathematics

25. Production costs for a 30-second TV commercial are \$420,000. Airtime costs $\frac{1}{3}$ of that each time the ad runs. Write an equation to find the total cost of creating the commercial and then running it 12 times. Write a sentence or two explaining the steps to take to find the solution.

CONCEPT Order of Operations Equations are solved by first performing any operations within parentheses, then exponents, multiplication and division from left to right, and finally addition and subtraction from left to right.

Active Learning

Describe TV Ads

26. Ads sometimes convey their message by showing people using a product in their everyday life. Others present a fantasy. Some ads use a song or jingle to help people remember the product or service. Others give information. Watch three popular TV shows. List the products that are advertised during those shows. For each product, describe the approach of the ad.

Business in the Real World

Small Business Advertising

27. Interview a person who has a service business that is seasonal, such as a lawn mowing or snow removal company. Ask the business owner if he or she advertises. If so, how? Are there highs and lows in the owner's business? If so, does the owner offer other services in the off-season in order to have a steady income? How does advertising affect the business's budget?

Real LIFE skills

SUITABLE ADVERTISING

28. Advertisers use different types of appeals to reach their potential customers. Write a short report describing the types of appeals that are successful in persuading teens to buy products. If you could advise advertisers on marketing to teens, what advice would you give them? What can advertisers do that will convince teens to buy their products?

COOL Business CAREERS

FIND YOUR DREAM JOB

29. Go to the *Introduction to Business* Online Learning Center through glencoe.com for a link to the Occupational Outlook Handbook Web site. Click on the “OOH Search/A–Z Index” link and enter “advertising, marketing, promotions, public relations, and sales managers.” Then write a one-page report about this field. Conclude your report with a list of things you could do now to prepare yourself to pursue the occupation.

Role Play

A COMMUNITY PROJECT

30. **Situation** A *sponsor* is a person or organization that provides money to help fund an event as a form of advertising. Plan a presentation to convince a local firm to sponsor a community activity in your neighborhood.

Activity Outline the points you would make to the company about the advertising value of its sponsorship.

Evaluation You will be evaluated on how well you meet the following performance indicators:

- Explain the purpose of the community activity, its audience, and potential attendance figures.
- Outline several points about how the sponsorship is valuable to the community and how it can build a good image of the company.
- Identify what the company would do as the sponsor.
- Prepare a written outline of the points you will make in your presentation.

Standardized Test Practice

Directions Choose the letter of the best answer. Write the letter for the answer on a separate piece of paper.

1 Which are dependent events?

- A flipping a coin, and then flipping it again
- B taking a marble out of a bag, then taking another marble out of the bag
- C spinning a spinner, then moving your piece that many spaces
- D tossing a number cube, then tossing another number cube



TEST-TAKING TIP Just before taking a test, try to avoid talking about it with other students. Test anxiety can be contagious.



READING Go to the *Introduction to Business* Online Learning Center through glencoe.com for a list of outside reading suggestions.

Real-World Business and Career Profile

Photo Credit: Yvette Cardozo/istock Stock



Kristy Royce

Vice President/Founder, Expeditiontrips.com

This Internet-based adventure travel company focuses on expeditions. They specialize in trips on small cruise ships to remote locations. The company was founded by Ashton Palmer and Kristy Royce. This interview is with Kristy Royce.

Q & A

Describe your job responsibilities.

Kristy: My main job responsibilities are marketing, managing our Web site, public relations, and coordinating all in-house documents. On a typical work day, I work with our site manager to update site text, coordinate an e-mail blast, update our search engine marketing, speak with an intern about site submissions, and then edit text for trip documents.

What skills are most important in your business?

Kristy: Our business is the travel business, so the most important quality is to truly love travel. From there, great communication skills: you must be able to express yourself to others and describe a travel experience both verbally and in writing. You also need to be organized, pay attention to details, and prioritize tasks.

What is your key to success?

Kristy: Our key to success was finding a unique niche that we could fill better than anybody else. I would also say treating our clients extremely well is key to our success. If there is a problem, we fix it, no questions asked.

What advice would you give students interested in starting a business?

Kristy: Get an education in the field that interests you. This can be university, trade school, or work, but it is important to have an understanding of the field before you start. Everything you do prior to starting your business will help you once you start. If you fail, get up and try again. Another very important thing is to do something that you truly love. Starting a business is very hard work, so it helps to believe in what you are doing and believe that it is an important service. In addition, you must fill a need for a service. Other people need to want whatever it is that you offer or your business will never get off the ground.



Critical Thinking *What are the pros and cons of running a Web-based business?*

Some Qualifications of an e-Travel Business

Academic Skills and Abilities

Geography; geology; meteorology; computer skills; foreign languages; world history; interpersonal skills; general business management skills; verbal and written communication skills; multitasking, organizing, and planning skills

Academic Skills Required to Complete Tasks at Expeditiontrips.com			
Tasks	Math	Science	English Language Arts
Hold meetings			◆
Assign duties			◆
Develop itineraries	◆	◆	◆
Plan routes to minimize distance traveled and optimize weather conditions	◆	◆	
Customer service			◆
Schedule employees	◆		◆
Order supplies and equipment	◆		◆
Analyze financials	◆		◆

Education and Training

A few colleges offer bachelor's or master's degrees in travel and tourism. A college education is sometimes desired to establish a background in fields such as computer science, geography, communication, foreign languages, and world history. Courses in accounting and business management are also important for those who expect to manage or start a travel agency.

Career Path

Personal travel experience or experience as an airline reservation agent is an asset. As the Internet has become an important tool for making travel arrangements, more travel agencies are using Web sites to provide services to clients. This trend has increased the importance of computer skills in the occupation.

Preparing for a Career Self-Assessment Checklist

Use this self-assessment checklist to help determine ways you can make your career path more satisfying.

- ✓ Have confidence in your own abilities and talents.
- ✓ Keep an open mind about careers that seem difficult or require a lot of education or training.
- ✓ Base career decisions on your interests, not on a high salary or others' expectations.
- ✓ Consider ways you can make your values a part of your career.
- ✓ Define clear goals.
- ✓ Stay informed of changes in the global business environment.
- ✓ Expect the best of yourself and others.
- ✓ Keep an open mind so that you may learn from others.
- ✓ Maintain a positive outlook so that you are able to see alternatives instead of obstacles.

Marketing in a Global Economy

Today's marketing executives base marketing strategies on global needs. Marketing researchers gather information on consumers in foreign countries, study that information, and report their findings. The research findings become the basis for marketing strategies.

Thematic Project Assignment

In this project you will prepare a market research report that recommends marketing strategies that could be implemented by an American company marketing its goods or services in another country. You will need to research factors that should be considered in the country, study that information, and then write a two-page report.

Step 1 Brainstorm Skills You Need to Complete This Activity

Your success in writing a marketing report will depend on your skills. Preview the activity. Then brainstorm a list of the skills you will need to use to complete the activity and describe how you will use them. Skills you might use include:

Academic Skills reading, writing, social studies, geography, and researching

Basic Skills speaking, listening, thinking, and interpersonal skills

Technology Skills word processing, keyboarding, telecommunications, and Internet skills



SKILLS PREVIEW Go to the *Introduction to Business* Online Learning Center through glencoe.com for a graphic organizer you can use to brainstorm the skills you will use to complete the project.

Step 2 Choose a Business and Career That Interest You

Think of a business that you find interesting. Then think of a career related to that business. As you conduct research on marketing in a global economy, consider how it affects the business and career in which you are interested.

Step 3 Build Background Knowledge

Preview information on marketing in a global economy.

Marketing Internationally

Conducting business internationally can be very different from doing business in the United States. There are language barriers, international trade laws, and political, economical, cultural, and technological factors that affect international business. Marketers working on the global stage must be willing to put the time and effort into

being savvy about the country in which they want to conduct business.

Businesses must study the characteristics of a country and find ways to target consumers with similar needs and wants. Then businesses must adapt their products to each country where they do business.

Step 4 Connect with Your Community

Conduct a local market survey by interviewing three business owners in your community to ask in which countries they market their goods or services. Ask how they market differently in this country and in other markets.

Step 5 Research Marketing in a Global Economy

Use library and Internet resources to research factors that should be considered when marketing another country. Use the checklist as a guide to your research. Keep records of your sources of information.

Step 6 Prepare a Report

Use word processing and other software to develop a two-page market research report that includes all of the information described in this project research checklist.

Marketing in a Global Economy

- ✓ Describe how a U.S. company can learn about the needs of the consumers in another country.
- ✓ Describe how the language barrier affects trade with this country.
- ✓ Describe how the political, economical, cultural, and technological factors affect doing business with this country.
- ✓ Explain how the climate affects the types of goods and services that could be marketed in this country.

Self Connections

- ✓ Describe the results of your research to a family member or other adult.
- ✓ Describe how marketing in a global economy affects the business and career in which you are interested.
- ✓ Explain what the investigation and its results mean to you.

Step 7 Evaluate Your Report

@ **RUBRIC** Go to the *Introduction to Business* Online Learning Center through glencoe.com for a rubric you can use to evaluate your final report.

